

Riverside County cities could keep impact fee discounts

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By DUG BEGLEY
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Half-price building fees in some Riverside County cities have spurred development and should be continued beyond a December expiration date, building industry officials said.

The Western Riverside Council of Governments, which advises cities on the Transportation Uniform Mitigation Fee -- paid by developers for each dwelling or square foot of commercial property they build -- will consider extending the discounted fees later this year. In the meantime they are assessing how reducing the fees from around \$8,800 to \$4,400 in many areas affected building.

The effects of the fee reduction are hard to pinpoint, said Ruthanne Taylor-Berger, the council's deputy executive director. Officials will spend the next few weeks discussing how many jobs were created by building new homes, even as the county recovers sluggishly from the economic **recession**.

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PERMIT PUSH: Homebuilding industry officials said many of the cities that slashed development fees saw increases in how many single-family building permits were issued. But not everyone enjoyed building increases.

| | Jan.-August 2009 | Jan.-August 2010 |
|---------------------------------------|------------------|------------------|
| AREAS THAT REDUCED FEES | | |
| Banning | 1 | 0 |
| Beaumont* | 263 | 301 |
| Calimesa | 1 | 0 |
| Corona | 31 | 31 |
| Menifee | 0 | 251 |
| Moreno Valley | 59 | 45 |
| Norco | 0 | 2 |
| Perris | 69 | 203 |
| Riverside | 44 | 37 |
| San Jacinto | 0 | 32 |
| Unincorporated Riverside County | 615 | 993 |
| AREAS THAT DID NOT REDUCE FEES | | |
| Canyon Lake | 1 | 0 |
| Hemet | 105 | 81 |
| Lake Elsinore | 47 | 175 |
| Murrieta | 18 | 23 |
| Temecula | 230 | 218 |
| Wildomar | 79 | 50 |

* Beaumont no longer participates in TUMF program

SOURCE: WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, HUD

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Anecdotally, building industry officials said the reduction has helped keep projects going.

"They have said specifically there were some projects they built when they did because of the fee reduction," said Mark Knorringa, CEO of the Building Industry Association of Southern California's Riverside County chapter.

Nine of the 15 cities that participate in the TUMF program and unincorporated Riverside County reduced fees in the western third of the county last year, through December

2010. Six others opted to keep fees at earlier amounts.

The effects of the reductions were mixed, based on the number of single-family homes permitted in the cities. Menifee, one of the county's fastest-growing cities, issued 251 permits for homes from January to August, compared to zero for the same months in 2009. Perris and the unincorporated area of the county also experienced increases.

Other cities did not increase the number of permits issued, such as Riverside and Moreno Valley, where permits dropped by 20 percent.

Reach Dug Begley at 951-368-9475 or dbegley@PE.com