



Memorandum

To: Carlos Rodriguez, BIA Southern California Chapter
From: Peter Piller
Date: March 17, 2025
Subject: High Level Review of the Rancho Cucamonga Development Impact Fee Study (Non-Transportation DIF)
CC: Nick Belshe

Carlos,

Per your request, we have prepared this memo summarizing our findings and results of our high-level review of the February 20, 2025, Development Impact Fee Nexus Study ("Revised DIF Study") prepared by NBS ("NBS") for the City of Rancho Cucamonga ("City"). The purpose of the review of the Revised DIF Study is to verify and confirm the assumptions and calculations used in the study, and to make comments as necessary. The primary tasks for our high-level review of the study include the following:

- Confirm mathematical accuracy of schedules in the Revised DIF Study.
- Identify initial issues and comments within the Revised DIF Study.
- Prepare initial bullet point findings and present to BIA and stakeholders.

The observations and results of the tasks performed, and findings are outlined below.

1. DPFG has reviewed the mathematical calculations in the Revised DIF Study along with the changes made by the City and NBS in response to the comments originally provided. While many of the comments were addressed, there are still some outstanding concerns. A few examples of the changes are:
 - Fees are now converted to a per square foot amount assuming an average single family home of 2,500 SF and an average multifamily home of 1,700 SF.
 - Total improved park acreage was reduced by approximately 22 acres. We have confirmed that the new park acreage estimates are reasonable.
 - Existing Impact Fee Fund Balances have been removed from the fee calculation.
 - Cost of Land Acquisition has been reduced from \$1,333,000 per acre to \$1,176,197 per acre.

The outstanding concerns are detailed on the following page:

2. General questions and comments:

- How will credits for each of the fee types be determined if a project provides a park, recreational facility, public safety facility, etc. if there are no facility lists?
- Is there any overlap between the Park Improvements cost of \$989,000 per acre and the Replacement Cost assumed in the Recreation Centers Fee? For example, the Heritage Park Equestrian Center and Lewis/Brulte Community/Sr. Center are included in both, and while land value is excluded in the Recreational Center Fee calculation, the replacement cost is not. This was a prior comment that didn't seem to be addressed in the Revised DIF Study.
- Additionally, is the \$989,000 per acre in Park Improvement cost realistic? Based on conversations with builders, this amount is higher than actual costs for a typical park.
- Should the approximately 68 acres of unimproved park land be taken into consideration to reduce the required acres of park land that needs to be acquired? This would result in approximately \$79.9 million in park land that does not need to be acquired.
- The study excludes approximately 26 unimproved acres of Central Park and states that this land is for non-public facilities. However, approximately 4 acres of this land is for a future parking lot, of which acreage for parking lots was included in all the other parks. Additionally, approximately 9 acres were removed for land that is being leased out by the City for a Vineyard. Since this lease isn't permanent, should this acreage be included?
- It is our understanding that Lewis Management Corp. will be donating 1.75 acres of land and \$11,000,000 to the City for community and recreation center facilities. Should this be accounted for in the study to reduce the amount of revenues required by new development?
- Will the City's EIFD be funding any of the fire facilities anticipated to be funded through the DIF program? Should there be a reduction/adjustment for anticipated EIFD funding?