COMPREHENSIVE DEVELOPMENT IMPACT FEE STUDY

Professional Services Agreement with Willdan Financial Services

City Council Meeting • July 22, 2026

Presented by Lincoln G. Bogard, MAcc, CPA, CFE — Finance Director

Why This Matters Now

Development impact fees fund the facilities new growth requires — and require periodic updates to stay legally sound.

Best practice

Comprehensive nexus study updates are recommended at least every 5 years to reflect current construction costs and growth projections.

Statutory alignment

Government Code § 66001(d) already requires 5-year findings on unexpended fee revenue — a natural update checkpoint.

AB 602 (2022)

Changed residential fee methodology requirements; fee programs last updated before 2022 may no longer comply.

Legal exposure

A fee schedule built on stale data is more vulnerable to challenge under the Mitigation Fee Act's “reasonable relationship” standard.

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DIF funds in the City's program

$4.07M

Developer fee revenue collected, FY 2024-25

4

Funds currently reflecting negative available balances

Source: FY 2024-25 Development Impact Fee Annual Report

Scope of the Study

Willdan will update the nexus study and fee schedule for every existing DIF fund, and evaluate one new fee.

FEE FUNDS COVERED

- Park Land
- Library Facilities
- Bus Shelter
- Park Improvement
- Street & Transportation
- Police Facilities
- General Government Facilities
- Fire Facilities
- Art in Public Places
- Water Connection
- Sanitary District Connection

+ Electric Infrastructure (potential new fee)

WORK PLAN — 8 TASKS

1. Identify Policy Issues
2. Existing Development & Future Growth
3. Determine Facility Standards
4. Facilities Needs & Costs
5. Funding & Financing Alternatives
6. Comparison Analysis (5 Riverside Co. cities)
7. Calculate Fees & Prepare Report
8. Meetings (up to 4, incl. Council)

Project Team & Schedule

An estimated 6–7 months from notice to proceed to adoption.

JE

James Edison, JD, MPP

Principal-in-Charge — Managing Principal

28 years' experience; led comprehensive DIF updates for Riverside County, Moreno Valley, and Indian Wells.

CV

Carlos Villarreal, MPP

Project Manager — Principal Consultant

20 years' experience; day-to-day project lead on Murrieta, Carpinteria, and Riverside County engagements.

PROJECTED TIMELINE

Jul	Aug	Sep	Oct	Nov	Dec	Jan

Notice to Proceed — July 2026

Draft Report & Public Review

Adoption — January 2027

Track record: 125+ impact fee studies completed in the past five years for 800+ public agencies, including recent work in Indian Wells and Rancho Mirage.

Procurement Approach

The $96,000 fee exceeds the City's $75,000 formal-bid threshold — here's why a new RFP isn't recommended.

CMC § 4.08.60(C)

Contracts over $75,000 require the formal bid/RFP/RFQ process.

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CMC § 4.08.90

Would normally require a Formal RFP/RFQ, evaluated on “best value.”

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CMC § 4.08.120(G)

“Best Interest of City” — Council may authorize an award without that process on a specific finding.

BASIS FOR THE BEST-INTEREST FINDING

- Willdan is already engaged by the City on a related, active Comprehensive User Fee Study — reducing onboarding time and duplicate data requests.
- Demonstrated regional experience: recent or current DIF work for Indian Wells, Rancho Mirage, and Riverside County.
- Not a claim of exclusivity — many qualified firms exist; this is a best-interest, efficiency-based finding, not a sole-source claim.

Cost & Funding Plan

A fixed fee of $96,000, proposed to be funded pro-rata across DIF funds by FY 2024-25 fee revenue share.

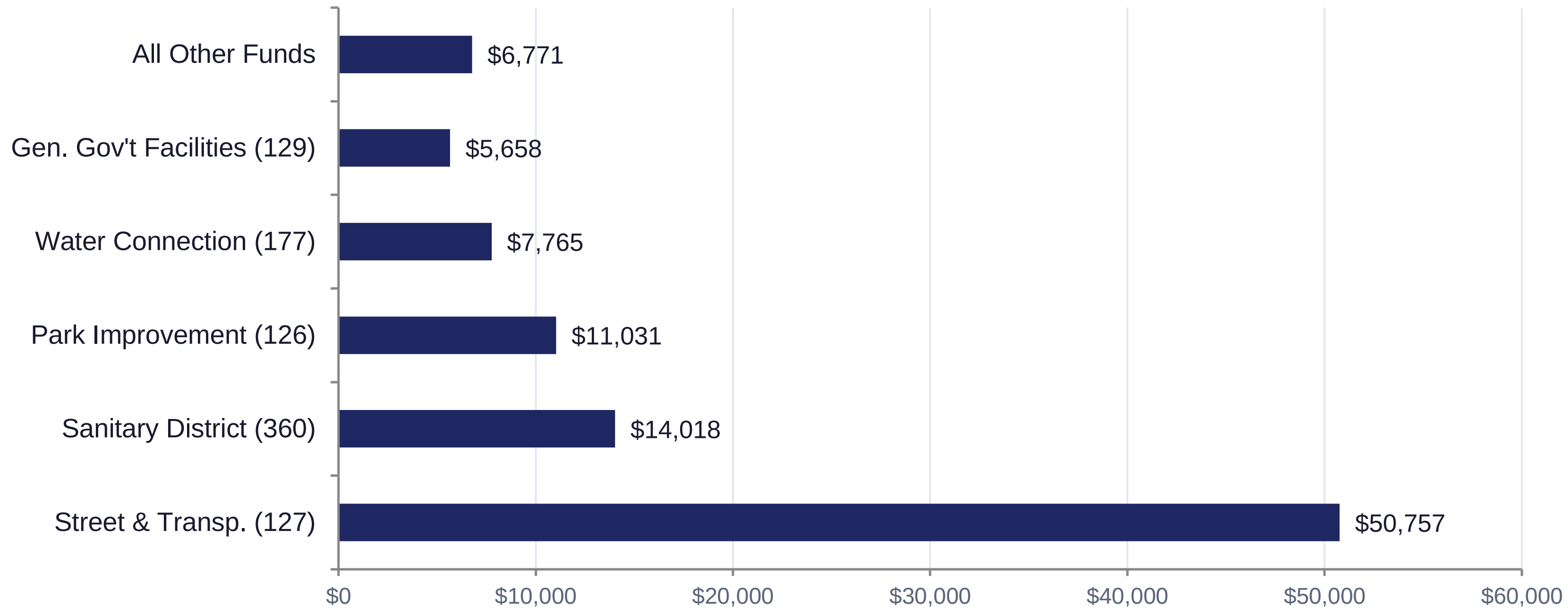
$96,000

Fixed fee, not-to-exceed

Term through Jan. 31, 2027

Remaining balance ($6,771) spread across Park Land, Library, Bus Shelter, Police, Fire, and Art in Public Places funds. Full detail in the staff report.

Proposed Pro-Rata Allocation by DIF Fund



Budget adjustment required: this expenditure was not in the FY 2025-26 adopted budget. Council approval of appropriations in each affected fund is needed alongside the Agreement (CMC § 4.08.40(D)).

Next Steps

What happens after Council approval.

1 — 2 — 3 — 4 — 5

Jul 2026

Council Approval

Agreement, best-interest finding, and budget adjustments approved.

Jul/Aug 2026

Notice to Proceed

Kickoff meeting; Willdan begins Task 1 (policy issues).

Aug–Nov 2026

Analysis & Drafting

Growth projections, facility standards, and fee calculations developed.

Dec 2026

Public Review

Draft report presented at stakeholder meetings and a Council session.

Jan 2027

Adoption

Final nexus study and updated fee schedule brought to Council.

Staff Recommendation

That the City Council take the following actions:

1. Approve a Professional Services Agreement with Willdan Financial Services, not to exceed $96,000, for a Comprehensive Development Impact Fee Study.

2. Adopt a finding under Coachella Municipal Code § 4.08.120(G) (“Best Interest of City”) that awarding this Agreement without a new competitive solicitation serves the City's best interest.

3. Approve budget adjustments appropriating $96,000 on a pro-rata basis across the City's development impact fee funds.

4. Authorize the City Manager to execute the Agreement in a form approved by the City Attorney.

Full analysis, allocation detail, and supporting exhibits are provided in the accompanying Staff Report.