



Administrative Report

H.9., File # 26-0676

Meeting Date: 6/9/2026

To: MAYOR AND CITY COUNCIL

From: MARC WIENER, COMMUNITY DEVELOPMENT DIRECTOR

TITLE

APPROVE AN AGREEMENT WITH REVENUE & COST SPECIALISTS, LLC TO PREPARE A COMPREHENSIVE DEVELOPMENT IMPACT FEE STUDY AND NEXUS REPORT FOR AN AMOUNT NOT TO EXCEED \$52,500

EXECUTIVE SUMMARY

The proposed Agreement would engage Revenue & Cost Specialists (RCS) to assess and provide recommendations on the City's development impact fees and provide a legal nexus between fees and community impacts. The results are expected to provide the City with the knowledge and tools needed to ensure that it can recover future costs for services and infrastructure associated with new housing and commercial development. RCS recently completed a comprehensive application fee study for the Community Development Department which was used to inform the Department's proposed FY 2026-27 service fee adjustments.

BACKGROUND

Several jurisdictions throughout California, including the neighboring cities of Manhattan Beach and Hermosa Beach, are making adjustments to their development impact fees in response to State housing mandates to address potential costs associated with supporting the production of new housing units. The scope of the original agreement with RCS only supported the evaluation of application fees and existing development impact fees. At the March 17, 2026 meeting, staff presented the results of the Application Fee Study to the City Council, with staff being directed to move forward with a Development Impact Fee Study, completed through a new Agreement with RCS. The second study would evaluate the potential for adding new development impacts fees to further close the gap between costs required, and fees collected, to support development of new housing and commercial properties.

The City currently collects the following Development Impact Fees:

1. Park In-Lieu
2. Park Land Acquisition, Open Space & Park Improvements
3. Public Art
4. Wastewater System

The Development Impact Fee Study will evaluate these existing fees and determine if there is a justifiable nexus to expand the list. The consultant will meet with City staff from the various Departments (Public Works, Police, Fire, Community Services) to identify all services and

infrastructure enhancements necessary to support projected development and General Plan build-out. The consultant will identify and analyze demand drivers specific to each infrastructure or service area based on project plans or City departmental service records. The consultant will prepare a proportional analysis identifying the burdens future development will place upon existing services and infrastructure.

Staff recommends the Council approve the proposed Agreement with RCS to complete the broader Development Impact Fee Study.

COORDINATION

The Community Development Department coordinated with the City Attorney's Office to prepare this Agreement.

FISCAL IMPACT

The Contract and Professional Services account in the FY 2025-26 Budget for the Community Development Department has a remaining balance of \$28,150 from the original Fee Study. The second Agreement will cost an additional \$24,350 which will be included in the FY 2026-27 Contract and Professional Services budget for the Community Development Department.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Revenue and Cost Specialists, LLC with Insurance