



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Nadine N. Nader

SUBJECT: SEE BELOW

DATE: August 15, 2007

Approved

Date

8/15/07

SUBJECT: PARKLAND DEDICATION AND PARK IMPACT ORDINANCES IN-LIEU FEES ADJUSTMENTS [Neighborhood Services and Education Committee referral 8/9/07 – Item 3]

RECOMMENDATION

Acceptance of the report on the Parkland In-Lieu Fees associated with the Parkland Dedication Ordinance (PDO) and the Park Impact Ordinance (PIO), and approval of the revised Parkland In-Lieu Fees Schedule to go into effect on February 1, 2008, To reflect the 2006 Residential Land Value Study.

BACKGROUND

On August 9, 2007 staff presented a report on the Parkland Dedication and Park Impact Ordinance In-lieu Fees Adjustments to the Neighborhood Services and Education Committee.

Councilmember Pyle motioned to approve staff's recommendation and requested that the item be cross-referenced for full Council consideration, Councilmember Nguyen seconded the motion.

Attached is the report that was presented to the NS&E Committee.

NADINE N. NADER
Agenda Services Manager



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Albert Balagso

SUBJECT: PARKLAND DEDICATION AND
PARK IMPACT ORDINANCES
IN-LIEU FEES ADJUSTMENTS

DATE: 07-23-07

Approved

Date

July 27, 2007

RECOMMENDATION

Acceptance of this report regarding the Parkland In-Lieu Fees associated with the Parkland Dedication Ordinance (PDO) and the Park Impact Ordinance (PIO) and recommend to the City Council to approve the revised Parkland In-Lieu Fees Schedule to go into effect on February 1, 2008, to reflect the 2006 Residential Land Value Study.

BACKGROUND

On January 9, 2007, the Mayor and City Council approved a Revised In-Lieu Fee Resolution (No. 73587) associated with the Parkland Dedication and Park Impact Ordinances of the City's Municipal Code. During the January deliberations, Council preferred to have a separate discussion regarding any fee adjustments to the PDO and PIO and not to include such changes in the annual budget process. The current in-lieu fees are based on the 2005 Residential Land Value Study prepared by Diaz, Diaz & Boyd, Inc., a real property valuation and consultation firm. The 2006 Residential Land Value Study has recently been completed, and indicates that four of the Multi-Listing Zones identified by the San Jose Board of Realtors have gone down in value, four zones have retained value from last year, and six zones have gone up in value as indicated on the attachments. The 2006 land values range from a low of \$35 per square foot in five zones to a high of \$85 in one zone. The parkland in-lieu fees for a multi-family plus-five unit would range from \$10,450 to \$19,400 per unit, and a single-family detached residential unit would range from \$15,850 to \$38,550 as compared to a range from \$8,950 to \$19,400 for multi-family plus-five unit and \$13,600 to \$31,750 for single-family detached unit under the current in-lieu fee structure.

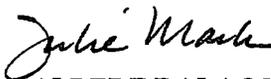
Under the PDO and PIO, housing developers are required to dedicate land, improve parkland, or pay a parkland fee in lieu of dedication for neighborhood and community parklands. For projects of 50 units or less, the City can only request the associated in-lieu fees from developers. The parkland fees are in lieu of a requirement for developers to dedicate land for park purposes at the rate of three undeveloped acres for every 1,000 new residents added to the City by new housing development.

The City of San José enacted the PDO in 1988 to help meet the demand for new neighborhoods and community parkland generated by the development of new residential subdivisions. The City's PDO is consistent with the State's Quimby Act (Government Code Section 66477). In 1992, the City Council adopted the PIO, which is similar to the PDO, but applies to new non-subdivided residential projects such as apartment buildings.

Proposed Changes

City staff has developed the attached chart, which indicates the Proposed Fees Set at 100% of 2006 Land Values. If approved, the proposed in-lieu fee adjustments would go into effect on February 1, 2008. Any developer who has not paid the parkland in-lieu fees or entered into a parkland or turnkey agreement on or before January 31, 2008 would be subject to the new fees.

Staff is requesting the support of the Neighborhood Services and Education Committee to advise the City Council to adjust the parkland in-lieu fees to reflect the 2006 Residential Land Value Study prepared by Diaz, Diaz & Boyd, Inc., with the implementation date on February 1, 2008. Staff will provide a separate memorandum to the City Council in September 2007 to seek this approval. This memorandum was approved by the Parks and Recreation Commission on June 6, 2007 and heard by the Parks and Recreation and Planning Commissions in a joint study session on June 27, 2007. In addition, staff has sent an email notification of this committee meeting to all stakeholders involved in the previous adjustments to these fees.


ALBERT BALAGSO
for Director of Parks, Recreation
and Neighborhood Services

Attachments: Review of Land Values for PDO/PIO
Proposed Fees Set at 100% of 2006 Land Values

2006

REVIEW OF LAND VALUES FOR PDO/PIO

MLS ZONE	AREA COVERED	COST PER SQUARE FOOT	TYPE OF CHANGE FROM 05 to 06									
		1997	1998*	1999*	2000*	2001	2002*	2003*	2004*	2005	2006	
2	SANTA TERESA	\$12.00	\$12.00	\$15.00	\$25.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	No Change
3	EVERGREEN	\$10.00	\$10.00	\$25.00	\$32.00	\$45.00	\$45.00	\$40.00	\$40.00	\$40.00	\$35.00	Down
4	ALUM ROCK	\$12.00	\$12.00	\$15.00	\$26.00	\$35.00	\$35.00	\$30.00	\$30.00	\$30.00	\$40.00	Up
5	BERRYESSA	\$18.00	\$15.00	\$20.00	\$30.00	\$40.00	\$40.00	\$40.00	\$45.00	\$40.00	\$35.00	Down
7	ALVISO	\$8.00	\$8.00	\$10.00	\$12.00	\$15.00	\$20.00	\$25.00	\$40.00	\$55.00	\$55.00	No Change
7	NORTH SAN JOSE	\$21.00	\$21.00	\$28.00	\$30.00	\$35.00	\$35.00	\$25.00	\$40.00	\$55.00	\$55.00	No Change
9	DOWNTOWN / CENTRAL	\$21.00	\$25.00	\$23.00	\$35.00	\$50.00	\$50.00	\$60.00	\$70.00	\$60.00	\$70.00	Up
10	WILLOW GLEN	\$21.00	\$21.00	\$30.00	\$35.00	\$50.00	\$50.00	\$50.00	\$50.00	\$70.00	\$85.00	Up
11	SOUTH SAN JOSE	\$12.00	\$10.00	\$14.00	\$25.00	\$35.00	\$35.00	\$35.00	\$35.00	\$45.00	\$35.00	Down
12	BLOSSOM VALLEY	\$15.00	\$16.00	\$18.00	\$28.00	\$40.00	\$40.00	\$40.00	\$35.00	\$35.00	\$35.00	No Change
13	ALMADEN VALLEY	\$10.00	\$20.00	\$22.00	\$30.00	\$45.00	\$45.00	\$40.00	\$40.00	\$45.00	\$35.00	Down
14	CAMBRIAN	\$18.00	\$16.00	\$20.00	\$30.00	\$45.00	\$45.00	\$40.00	\$35.00	\$40.00	\$45.00	Up
15/18	WEST SAN JOSE	\$21.00	\$21.00	\$23.00	\$38.00	\$50.00	\$50.00	\$50.00	\$65.00	\$65.00	\$85.00	Up

* FEES WERE NOT ADJUSTED TO REFLECT THE LAND COSTS IN 1998, 1999, 2000, 2002, 2003 & 2004

Price Per Square Foot Numbers from the Annual Residential Land Values Study prepared by Diaz, Diaz & Boyd, Inc. for raw land

PROPOSED FEES SET AT 100% OF 2006 LAND VALUES

MLS ZONE	AREA COVERED	100% OF COST PER SQUARE FOOT	100% OF COST PER SQUARE FOOT	CHANGE IN LAND VALUE BEING CHARGE BETWEEN	FEE PER UNIT SINGLE FAMILY DETACHED	FEE PER UNIT SINGLE FAMILY ATTACHED	FEE PER UNIT MULTI-FAMILY 2-4	FEE PER UNIT MULTI-FAMILY 5+	FEE PER UNIT SINGLE RESIDENTIAL OCCUPANCY (SRO)	
		2005	2006	05 & 06						
Number of Persons Per Unit – 2000 Census Data					3.50	3.06	3.23	2.29	1.00	
Number of Dwelling Units to create 1 Acre of Parkland					96	109	104	146	336	
					05	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
2	SANTA TERESA	\$35.00	\$35.00	\$0.00	06	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
					05	\$18,150	\$16,000	\$16,750	\$11,900	\$5,200
3	EVERGREEN	\$40.00	\$35.00	-\$5.00	06	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
					05	\$13,600	\$12,000	\$12,550	\$8,950	\$3,900
4	ALUM ROCK	\$30.00	\$40.00	\$10.00	06	\$18,150	\$16,000	\$16,750	\$11,900	\$5,200
					05	\$18,150	\$16,000	\$16,750	\$11,900	\$5,200
5	BERRYESSA	\$40.00	\$35.00	-\$5.00	06	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
					05	\$24,950	\$21,950	\$23,050	\$16,400	\$7,100
7	ALVISO	\$55.00	\$55.00	\$0.00	06	\$24,950	\$21,950	\$23,050	\$16,400	\$7,100
					05	\$24,950	\$21,900	\$23,050	\$16,400	\$7,100
7	NORTH SAN JOSE	\$55.00	\$55.00	\$0.00	06	\$24,950	\$21,900	\$23,050	\$16,400	\$7,100
					05	\$27,200	\$24,000	\$25,100	\$17,900	\$7,800
9	DOWNTOWN	\$60.00	\$70.00	\$10.00	06	\$31,750	\$27,950	\$29,300	\$20,850	\$9,050
					05	\$31,750	\$27,960	\$25,400	\$17,900	\$7,800
10	WILLOW GLEN	\$70.00	\$85.00	\$15.00	06	\$38,550	\$33,950	\$35,600	\$25,350	\$11,000
					05	\$20,400	\$17,950	\$18,850	\$13,400	\$5,800
11	SOUTH SAN JOSE	\$45.00	\$35.00	-\$10.00	06	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
					05	\$15,580	\$14,000	\$14,650	\$10,450	\$4,550
12	BLOSSOM VALLEY	\$35.00	\$35.00	\$0.00	05	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
					05	\$20,400	\$17,950	\$18,850	\$13,400	\$5,800
13	ALMADEN VALLEY	\$45.00	\$35.00	-\$10.00	06	\$15,850	\$14,000	\$14,650	\$10,450	\$4,550
					05	\$18,150	\$16,000	\$16,750	\$11,900	\$5,200
14	CAMBRIAN	\$40.00	\$45.00	\$5.00	06	\$20,400	\$17,950	\$18,850	\$13,400	\$5,880
					05	\$29,500	\$15,950	\$27,200	\$19,400	\$8,400
15 & 18	WEST SAN JOSE	\$65.00	\$85.00	\$20.00	06	\$38,550	\$33,950	\$35,600	\$25,350	\$11,000
					05				\$8,950	\$3,900
9-DC	Downtown Core – East Hwy 87 High Rise Projects 12+ Stories (50% of 9)			\$5.00	06	na	na	na	\$10,425	\$4,525

Price Per Square Foot Numbers from the Annual Residential Land Values Study prepared by Diaz, Diaz & Boyd, Inc. multiplied by 0.70 (2001) or multiplied by 1.00 (2005)
At 100% of Land Value -- Top Fee is in the Willow Glen Area at \$31,750 SFD and \$20,900 MF 5+