



BSN COMMITTEE DATE: 9-18-06

ITEM: b

Memorandum

TO: BUILDING STRONG
NEIGHBORHOODS COMMITTEE

FROM: Albert Balagso

SUBJECT: UPDATE ON PARKLAND
DEDICATION AND PARK IMPACT
ORDINANCE AMENDMENTS AND
IN-LIEU FEE ADJUSTMENTS

DATE: 09-05-06

Approved

Date

On June 20, 2006, the Mayor and City Council approved a report focused upon the reconciliation of the Park Trust Fund. As part of this action, staff was directed to return to Council in Fall 2006 with recommended changes to the Parkland Dedication and Park Impact (PDO/PIO) ordinances, as well as any recommended fee adjustments.

The purpose of this report is to provide an update on the workplan for these proposed changes as well as a brief summary of the recommendations that may be coming forward to the City Council. To ensure that the appropriate level of outreach is performed prior to further Council action, staff has scheduled the proposed ordinance changes for the October 24th City Council meeting for the proposed amendments.

Background

The City of San Jose 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. Under the PDO and PIO, housing developers are required to dedicate land, pay a parkland fee in lieu of dedication, or both, for neighborhood and community park or recreational purposes.

The last time the PDO/PIO fees were adjusted was in 2002 to 70% of the values in the 2001 residential land value survey. With the dramatic real estate boom over the past decade, property values have skyrocketed in the Bay Area and it is becoming increasingly difficult for staff to purchase land for park development with the fees that are coming in since they are based upon outdated land values. In addition, staff recognizes that trends in housing and park development (downtown high-rises, private community gardens, trails, etc.) change over time and wants to ensure that the ordinance language is updated to capture these changing trends. By adjusting the

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fees to today's real estate values, staff will have the opportunity to acquire and develop parkland quicker as opposed to waiting to accumulate sufficient funds. In addition, staff has begun the process to update the Greenprint by scheduling the first District-wide community meeting on Wednesday, September 27th in Council District 6. The bulk of the work to update the Greenprint will be completed in 2007.

Proposed Changes

City staff has developed a draft list of proposed fee adjustments and ordinances changes that have been presented to both internal and external stakeholders at a number of meetings to gain input and feedback prior to the development of the final report to Council. These include, but are not limited to, the following:

- Adjusting the fees to either 85% or 100% of 2005 land values. Currently, the fees are set at 70% of 2001 land values;
- Adding the words "recreational facilities" to the type of projects eligible for this program. Specifically, this will allow staff to spend dollars on trails, which are currently ineligible for this program in most cases;
- Providing more flexibility in the private recreational amenities for which developers can receive credit;
- Consideration of dual use of parks to help meet storm water requirements, as long as long term funding for the maintenance of these locations is guaranteed.

Schedule

In order to ensure that all stakeholders have an opportunity to understand staff's recommendations and provide input, the following outreach has been performed:

- **Wednesday, July 19, 2006:** Public Forum as part of the Parks and Recreation Commission meeting;
- **Wednesday, August 2, 2006:** Public Forum as part of the Parks and Recreation Commission meeting;
- **Wednesday, August 9, 2006:** Joint Study Session between the City's Planning and Parks and Recreation Commissions;
- **Thursday, August 10, 2006:** Presentation to the City's Housing Advisory Commission;
- **Wednesday, August 23, 2006:** Presentation to the City's Strong Neighborhoods Initiative Project Advisory Committee;
- **Monday, August 28, 2006:** meeting with representatives of Citizens for a Livable San Jose
- **Tuesday, August 29, 2006:** meeting with representatives of the Home Builder's Association and the Coalition for Jobs Now

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The following outreach efforts are still pending as of the writing of this report:

- **Wednesday, September 6, 2006:** Request for the Parks and Recreation Commission at its regular meeting to provide written comments on and/or to endorse the proposed changes to the PDO/PIO by staff.
- **Friday, September 8, 2006:** Meet with developers representatives at the Developer Roundtable hosted by the PBCE.
- **Wednesday, September 13, 2006:** Request the Planning Commission at its regular meeting to provide written comments on and/or to endorse the proposed changes to the PDO/PIO by staff
- **Thursday, September 14, 2006:** Request for the Housing Advisory Commission at its regular meeting to provide written comments on and/or to endorse the proposed changes to the PDO/PIO by staff;
- **Thursday, October 5, 2006:** Meet with developer representatives at the Developer's Industry Representative Meeting hosted by DPW.
- **Tuesday, October 24, 2006:** Request for approval of changes to the San Jose City Council

Albert Balagso
Acting Director of Parks, Recreation
and Neighborhood Services