



MEMORANDUM

Community Services Department

DATE: December 9, 2020

TO: Parks and Recreation Commission

FROM: Brady Ruebusch, Senior Management Analyst
John R. Marchant, Community Services Director

SUBJECT: Park Land Dedication Fund and Park-Related Projects Midyear Update for Fiscal Year 2020-21

RECOMMENDATION

Receive a report and presentation from Community Services Department staff as a midyear update on the Park Land Dedication Fund and Park Land Dedication In-Lieu Fees.

BACKGROUND

The Mountain View City Code requires residential developments to dedicate a certain amount of park land and/or pay an in-lieu fee based on the number of net new market-rate units (affordable units are exempt) in the proposed development. Chapter 41 sets forth the City's process for calculating, collecting, committing, and allocating in-lieu fees to parks and recreation projects. The Park Land Dedication Ordinance was adopted in 1971 as part of the City's Subdivision Ordinance pursuant to California Government Code Section 66477, also known as the Quimby Act.

Land Dedication versus In-Lieu Fee

Because the City is built out and adequate land for parks is difficult to acquire, park land dedication from new residential development is an important tool in achieving the City's parks and open space goals. In assessing park land needs, City staff adopted regulatory plans, such as the Mountain View 2030 General Plan, the 2014 Parks and Open Space Plan, and Precise Plans (e.g., North Bayshore, East Whisman) for establishing needed or planned park land by geographic area in the City. During the development process, the project developer may offer park land for new residential developments.

Alternatively, an in-lieu fee is required when: (a) park land is not dedicated as part of a residential development; (b) the proposed development is located where no park is planned or proposed in the General Plan, Precise Plan, or the Parks and Open Space Plan; (c) when dedication is impossible, impractical, or undesirable (as determined by the City's Public Works Director, Zoning Administrator, or City Council as appropriate); or (d) the proposed residential development contains 50 or fewer units or parcels. The intent of the in-lieu fees is to generate revenue to offset the impacts on existing parks and open space facilities when adequate park land cannot be provided as part of a new residential development. The in-lieu fee is received at the issuance of the first building permit because the park land dedication in-lieu fee is a condition of approval for the entitlement (planning) permit.

Process for Expending Park In-Lieu Fees

City Council Policy K-15, Prioritization of Fees Received in Lieu of Land Dedication, establishes the following prioritization for the use of park land dedication in-lieu fees:

1. Acquisition;
2. Development; and
3. Rehabilitation.

In committing fees, first consideration goes to parks, trails, and recreation projects that are located within the same parks and open space area as the development generating the fee. Next, prioritization goes to projects within one mile of the approved new residential development generating the fee. Last, consideration goes to park, open space, or recreation projects that provide a Citywide benefit, which can be located anywhere in the City.

Every December, the Parks and Recreation Commission (PRC) receives a midyear update on park land in-lieu fees and funded projects. Every spring, the PRC reviews staff's recommendation for committing park in-lieu fees to parks and recreation projects and forwards a recommendation to the City Council for consideration as part of the annual Capital Improvement Program (CIP). The City Council then approves the commitment of the fees and authorizes the transfer of funds from the Park Land Dedication Fund to the specific CIP project.

Park in-lieu fees must be committed within five years of the date the City receives them per the Quimby Act. The PRC and Council cannot commit anticipated project-specific fees because it may be perceived to influence the Council's decision regarding a particular

development proposal. Only Park Land Dedication funds that have been received can be committed to park and recreation-related projects.

However, through the CIP process, staff may identify unfunded projects that are anticipated to be funded by future Park Land Dedication In-Lieu fees. This allows Council and the public to be aware of upcoming capital projects.

Park Land Dedication Fees are also tracked by planning areas that are defined in the City's Parks and Open Space Plan. The City's goal is to achieve three acres of park land per 1,000 residents in each of these planning areas. Fees can be committed to open space acquisition by planning area to achieve this. Attachment 1 provides a map of the planning areas.

ANALYSIS

At the May 13, 2020 meeting, the PRC committed a total of \$1,635,000 to new projects. Of this total, the PRC committed \$600,000 to the Rengstorff Park Maintenance Building and Tennis Restroom Design project, \$600,000 to the Sylvan Park Trellis, and \$435,000 to the Sylvan Park Sand Volleyball Court.

Staff also provided an update that a large in-lieu fee was received in the San Antonio parks and open space area, which reimbursed three other park in-lieu fees. The three fees that were reimbursed had previously been committed and used for the acquisition of acreage for open space in association with land acquisition efforts by the Los Altos School District. This left approximately \$31.9 million uncommitted in the Park Land Dedication Fund for future projects. For future projects that will be funded by Park Land Dedication In-Lieu Fees, staff purposely does not recommend committing funds until those projects get closer in order to obtain better cost estimates or wait for sufficient fees to be received to cover the cost of the entire project instead of partially funding. Staff also tries to keep some funds uncommitted in case an emergency project arises in the middle of the fiscal year that needs to be addressed.

Since the May 13, 2020 meeting, the City has received a total of \$31.1 million in new Park Land Dedication fees from 12 residential developments as well as approximately \$384,300 in investment earnings. In total, approximately \$65,414,000 is available in uncommitted in-lieu fees in the Park Land Dedication Fund for acquisition, development, or renovation. Approximately \$14.95 million has already been committed to open space acquisition by different parks and open space areas. Attachment 2 shows a breakdown of fees by parks and open space planning area as currently in the Park Land Dedication Fund. Staff will return to the PRC in the spring with recommendations for committing these funds to various projects.

Future Park-Related Projects

A list of anticipated future parks and recreation facility projects is provided in Attachment 2. For projects such as Villa Street Park, Design and Construction, the developer dedicated park land to the City and paid an in-lieu fee because the size of the land that was dedicated did not satisfy the park land requirement as determined by Chapter 41 of the City Code. Many of the City's park development projects are associated with a development. Therefore, even though staff knows the projects are coming in the next five years, the associated fees to develop the site may not have been received yet or will be committed later this year as part of the CIP process. Staff plans to return to the PRC in the spring to commit funds to some of the projects in Attachment 2. The PRC will be requested to make a recommendation on committing fees for the other future projects in the coming years as fees are collected and become available.

As part of the presentation, staff will provide an update on completed projects, projects currently in design or construction, and these future projects.

NEXT STEPS

Staff will also return to the PRC in April 2021 to review updates to the Park Land Dedication Fund and Park Land In-Lieu Fees as well as any recommendations for committing the fees to Capital Improvement Projects.

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- Attachments:
1. Planning Area Assessment and Map from Parks and Open Space Plan
 2. Park Land Dedication Fund: Uncommitted Fees, Open Space Acquisition Commitments, and Future Projects