**DATE:** October 27, 2020

**TO:** Honorable Mayor and City Council

FROM: Brady Ruebusch, Senior Management Analyst

Lindsay Hagan, Deputy Zoning Administrator Angela LaMonica, Real Property Program

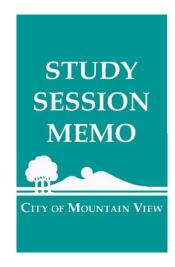
Administrator

Diana Fazely, Senior Deputy City Attorney John R. Marchant, Community Services

Director

VIA: Kimbra McCarthy, City Manager

TITLE: Park Land Dedication Ordinance Update



## **PURPOSE**

The purpose of this Study Session is to receive Council input on proposed amendments to Chapter 41 of the Mountain View City Code, "Park Land Dedication or Fees in Lieu Thereof."

#### **BACKGROUND**

Staff anticipates that new residential development applications will be received in the future, particularly for medium- and high-density housing products, due to Statewide housing needs, the City's introduction of residential land uses in Precise Plans, and the anticipated regional housing allocations for Mountain View. The increased number of housing units creates a need for public open space, which the City implements through park land requirements in Chapter 41 of the City Code. The City's current goal for open space is 3 acres per 1,000 residents. As recent higher-density residential developments have been proposed, staff has been asked by Council to review the continued effectiveness of the Park Land Dedication Ordinance at achieving public park land and whether expectations for open space continue to be met while also balancing the feasibility of residential development.

## **City Council Study Session**

On October 15, 2019, a Study Session was held to obtain direction on the Park Land Dedication Ordinance in response to concerns raised by the development community, while also creating greater opportunities for obtaining public open space (Attachment 1). Council endorsed a two-phased approach to amending Chapter 41:

- <u>Phase 1 Modifications</u>: Explore in the current two-year Council Goals cycle:
  - Section 41.9: Calculation of Requirement, to provide more certainty to developers regarding land valuation and in-lieu fees; and
  - Section 41.11: Credit, to adjust open space credits to encourage creative public space design and enhanced public access to open space that does not require ongoing costs for the City.
- <u>Phase 2 Modifications:</u> Explore after the 2020 U.S. Census data is released, in tandem with the Parks and Open Space Plan Update:
  - Section 41.3.e: Size and Service Area Thresholds for Parks, to evaluate any adjustments to the size and service area thresholds for new park land;
  - Section 41.5: Standard for Land Requirement of 3 acres per 1,000 residents; and
  - Section 41.6: Density Formula and Categories, to review and consider modifications to the formula and/or density categories to address current development trends; consider the introduction of nonresidential park land contributions.

## Parks and Recreation Commission Study Sessions

On February 12, 2020, a Parks and Recreation Commission (PRC) Study Session was held to obtain input on a set of proposed amendments as part of the Phase 1 Modifications (Attachment 2). The PRC supported staff's recommendations to provide additional certainty around land values and in-lieu fees through an annual appraisal and standardized review process. The PRC also provided input on the list of proposed recreational elements, including removal of community gardens as an element. In addition, the PRC requested staff to further explore ways to ensure the design of public open spaces meet the needs of the surrounding residents by incorporating more information as part of the credit application process and allow the greatest opportunity to provide public input during the development review process. Lastly, the PRC

requested that staff look into ways to keep the open space publicly accessible in perpetuity so the City's goal of 3 acres of open space per 1,000 residents is not negatively impacted.

Staff returned to the PRC for a Study Session on October 14, 2020 to receive input on additional modifications to the Park Land Ordinance, including input on private open space credit modifications and discussion of a privately owned/publicly accessible open space credit (Attachment 3). The PRC's recommendations are provided in each discussion topic in this report.

## **Developer Input and Public Comments**

City staff met with members of the residential development community to discuss concerns regarding the current park land requirements and gather input on proposed modifications. Additionally, written public comments were received for the PRC Study Sessions. A summary of input heard and written public comments are in Attachment 4.

#### DISCUSSION

## **Establishing Land Value and Fee Certainty**

Major concerns raised by the development community include the current uncertainty in park land requirements based on fluctuating land values due to market conditions and the City's process for fee estimation and collection, both of which can impact the ability to secure financing for new residential development. As a result, Council requested that staff evaluate alternatives for calculating the fair market value per acre of land and evaluate the City's process for fee estimation in order to stabilize the park land fee, which would provide greater certainty to a developer.

#### Current Practice

City Code Section 41.9 (Calculation of Requirement) provides the current methodology for calculating the park land requirement for market-rate housing developments, where an in-lieu fee is calculated based on the fair market value per acre of land in the proposed residential development.

In reviewing nearby cities' methodologies to determine fair market value per acre of land ("land value"), there are three primary considerations that can improve parkland fee certainty in Mountain View.

- 1. **Geographic Consideration.** Currently, the City sets land values on a development-by-development basis, which results in site-specific land values that vary across the City. The actual value of any given property is affected by many factors such as location, size, development costs, etc. Alternatively, to establish uniformity and consistency, the City may set a land value by Parks and Open Space Plan area or by setting a Citywide land value.
- 2. **Frequency of Setting Land Value.** Today, estimates for the land requirement and in-lieu fee are determined informally early in the development review process. If an in-lieu fee is to be calculated, the Real Property Program Administrator (RPPA) determines fair market value based on the project location and density proposal. Since residential development projects with greater than 50 residential units typically take 12 to 18 months to be entitled, market conditions can vary during that time impacting the land value and, thus, impacting the park land in-lieu fee. To aid in stabilizing market fluctuations, the City may consider setting a land value annually or biannually.
- 3. **Documenting Formal Requirements.** While the land requirement and in-lieu fee estimate are provided early on to the applicant, the City does not currently provide formal documentation to the developer indicating the land requirement or fee amount other than by e-mail. Under the current ordinance, the in-lieu fee payment is formally calculated prior to building permit issuance, which can result in a different fee amount than the initial estimate provided at the beginning of the development review process (up to two years prior). Staff explored ways to incorporate formal documentation of the project's park land requirements into the City's development review process and commit that requirement for the duration of entitlement approval. In addition, recent State legislation limits the imposition of City fees on certain development projects to only those fees in place at time of initial application. While the City has an established park land fee, it does not have an established land value variable to determine the fee.

Proposed Modifications to Calculate Land Value

To address fluctuations in land value by geography and extended review times, staff recommends use of an independent third party to perform an annual appraisal study Citywide. The appraisal study could be conducted every year in the spring and take effect on July 1 in conjunction with the start of the new fiscal year. The appraisal study

can establish a range of land values for each density listed in the Density Table of Chapter 41: low density, medium-low density, medium density, and medium-high density. The range of values allows for flexibility to utilize the independent estimate by Parks and Open Space Planning Area.

Determining the land value would continue to be the responsibility of the City's RPPA. In considering the appropriate value within the appraisal range for a given density category, the RPPA will continue to reference the cost per acre value of any recent land purchase price, if the project site was recently sold.

This approach can provide greater certainty to developers by having a set land value range for the density categories, while also providing the City with some flexibility within that range to determine the land value based on current conditions. In addition, one year is an industry standard for holding a valid land appraisal. Establishing annual fixed land value ranges as part of the City's budget cycle will align the City with recent State Laws as the land value variable would be accessible to all interested parties.

#### Proposed Modifications to Document Fee Certainty

To provide greater certainty in the project's required park land dedication or in-lieu fee obligations, City staff assessed how to effectively document a project's park land requirements early in the development review process, as well as the duration of honoring that estimate. To standardize the process, staff recommends the RPPA to determine the park land dedication requirement, land value, and in-lieu fee for each residential development within the first 30-day review following receipt of an application to the Planning Division. During the 30-day review, City departments already review application materials for completeness, accuracy, and compliance with adopted regulations.

Under this proposal, the determination would be honored through the planning application process, based on the project diligently moving through the development review process with a consistent density. Any major adjustments to the project density would result in staff reevaluating the park land requirements. Staff is also recommending to modify the Condition of Approval regarding park land requirements to incorporate project-specific in-lieu fee, land value, and/or land dedication. This would effectively "lock in" the park land requirements for the two-year project entitlement.

This deviates from other development fees calculated for residential projects, such as sewer or utility capacity fees, which are calculated prior to building permit issuance based on the adopted fee at time of payment and adjusted either annually by the Consumer Price Index or through an updated nexus study conducted by the City. The

park land fee is based on land value, which can fluctuate year-to-year based on unknown market conditions. By tying the specific park land requirements to the project entitlements, the City would be fixing the land value and park land fee for two years.

This would establish a fixed land value range, as opposed to independent assessments per project, and would result in project-specific park land Conditions of Approval that are fixed for the duration of the zoning entitlement. These actions align with recent State laws and create consistency within a park planning area. The PRC supported staff's recommendation.

Council Question No. 1: Does the Council support staff's recommendation for conducting an annual appraisal and adopting fixed land value ranges, effective on July 1?

## **Open Space Credits**

**Current Credits** 

The existing ordinance provides four types of parkland credits: (1) Private Open Space; (2) North Bayshore Precise Plan Area and Publicly Accessible Private Open Space; (3) Historic Resources; and (4) Affordable Housing. These credits provide alternatives for residential developers to either create an open space that is equivalent in quality and benefit as a Mountain View public park, thereby reducing demand on public park land, or receive credit for contributing resources to specific residential development types in the City, such as preserving historic resources or providing affordable housing. As part of Phase 1, staff is proposing modifications to the private and publicly accessible open space credits only.

## Private Open Space Credit

The Private Open Space credit is up to 50 percent of the value of the land and can apply to any development within the City limits that meet the minimum requirements. The open space is required to be at least one contiguous acre in size, be approved by City Council, and contain four of seven listed elements, none of which have established size or service requirements:

- 1. Turfed play field: The play field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
- 2. Children's play apparatus area;
- 3. Landscaped, parklike quiet area;

- 4. Family picnic area;
- 5. Game court area;
- 6. Swimming pool; and
- 7. Recreation center buildings and grounds.

## North Bayshore Precise Plan Area Publicly Accessible Private Open Space Credit

The North Bayshore credit is for up to 75 percent of the value of the land. The open space must be in the North Bayshore Precise Plan area, be one contiguous acre in size, accessible to the public consistent with other City park hours, and be approved by the City Council. In addition, it must contain at least three of five listed elements which do not have minimum size or service requirements.

- 1. Turf play field: The playing field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
- 2. Landscaped, parklike quiet area;
- 3. Family picnic area;
- 4. Game court area; and
- 5. Children's playground or play structure.

This credit also includes an Alternate Proposal, which allows developers of residential and mixed-use developments within the Precise Plan area to request a credit for providing publicly accessible private open space and elements other than those listed in Chapter 41. At the sole discretion of the City Council, the request may be granted if it is found the open space will further the goal of providing publicly accessible private open space in the Precise Plan.

Proposed New Privately Owned/Publicly Accessible (POPA) Credit

In evaluating the existing credits and the desire for creative solutions to obtain greater public open space, while responding to current development trends, staff has identified: (1) a new modified credit, referred to as Privately Owned Publicly Accessible (POPA) Open Space; and (2) options to consider for modifying the existing Private Open Space

credit. These credit modifications would add clarity to the process, reflect current City expectations regarding open space, and respond to current development trends, while considering impacts to City costs.

Staff recommends establishing a new Citywide POPA open space credit that replaces the North Bayshore Precise Plan credit in order to expand opportunities for open space Citywide. The intent of the credit is for private development to aid the City in achieving public open space that contributes to the City's goal of 3 acres per 1,000 residents with limited cost to the City. In exchange, residential developers are able to gain greater efficiencies in design and construction and improved timing for delivering open space at occupancy, all of which have financial benefits to the developer.

## POPA Open Space Credit Requirements

The minimum size requirement of the open space is recommended to be lowered to 0.4 contiguous acre from the current minimum of 1 acre, based on staff's assessment of public park land dedications approved in the last 5 years for new residential projects. In addition, clearer direction on design and open space elements are proposed to set expectations for developers and provide guidelines for staff and the City Council when reviewing a credit application. Table 1 summarizes staff's POPA credit recommendation.

**Table 1: POPA Credit** 

<b>Credit Component</b>	Proposed POPA Credit Requirement			
Size Minimum	• Minimum 0.4 acre of contiguous land. If located in Precise Plan with identified open space, must meet minimum size identified in Precise Plan to qualify for credit			
Maximum Credit	<ul><li>0.4 acre to 1 contiguous acre: 75%</li><li>&gt;1 contiguous acre as Alternate Proposal: 100%</li></ul>			
Applicability	<ul> <li>Citywide</li> <li>Yards, court areas, setbacks, decorative landscape areas, bike and pedestrian paths required with residential site design and other open areas required to be maintained by a Precise Plan, zoning and building ordinances and regulations shall not be included in the computation of open space for a POPA</li> </ul>			

Credit Component	Proposed POPA Credit Requirement			
Elements	<ul> <li>Must include elements from Elements Table (Table 2). Also, see Alternate Element option described below.</li> <li>Any number of elements can be provided that meet the service objectives and size requirements.</li> <li>The entire open space must be comprised of elements to prevent "dead" space or nonmaintained areas.</li> </ul>			
Other Design/Operational Details	<ul> <li>Must have prominent, highly visible entrance and/or frontage on a public street(s). Must have minimum 100' dimensions (length and width).</li> <li>Include signage consistent with City requirements.</li> <li>Abide by City park hours and accessibility requirements</li> <li>All open space areas must have adequate hydration stations available to meet the needs of the desired activities and uses of the park.</li> </ul>			
Approval Body	<ul> <li>Reviewed by Community Development, Public Works, and Community Services Departments, in conjunction with a development application.</li> <li>Requires City Council approval.</li> </ul>			

At the October Study Session, the PRC reviewed staff's recommendation for a minimum size of 0.4 acre. The PRC wanted to require a larger size for these open spaces while not causing the credit to become exclusive to the largest developments in the City. Therefore, the PRC recommended to increase the minimum size of the POPA Open Space to 0.5 acre.

## POPA Open Space Elements

Staff recommends removing the requirements for a minimum number of elements in the open space in order to allow for more flexibility and creativity in designing open spaces. Instead, staff recommends establishing service objectives or, in some cases, prescriptive sizes, for each element to establish clear expectations of function and purpose. With this modified framework, the entire open space must be comprised of a combination of elements listed in Table 2.

At both of the Study Sessions, the PRC raised concerns about the definition of the "Landscaped, Parklike Quiet Area" element and how it could be misused. Ultimately, the PRC and members of the public recommended to redefine "Landscaped, Parklike Quiet Area" to "Maintained Natural Habitat Space" with minimum service objectives

targeted at maintaining or enhancing canopy coverage, introducing native plant life, and adding seating. Staff has included PRC direction into the elements recommended in Table 2 as it allows for natural spaces and preservation of trees while providing clear direction on what qualifies for this element.

**Table 2: Open Space Credit Elements** 

Element	Minimum Requirements			
Open, Usable Field	Must be level, with proper irrigation and water amenities to support active recreation. Minimum total area must be 0.3 acre with a minimum of 60' for any side of the element.			
Dog Park	Have separate areas for large dogs and small dogs. Adequate amenities that will be maintained such as bag dispensers and dog-friendly hydration stations. Minimum total area must be 0.25 acre for the Dog Park with a minimum of 60' for any side of the element.			
Game Courts	Must contain at least one full court that meets the standards of professional association for the type of activity.			
Playgrounds	Must have at least two structures (climbable apparatus): one for tots (ages 2 to 5) and one for youth (ages 5 to 12).			
Picnic Area	Must be able to sit at least 15 individuals and have one barbecue for every two tables. Must be distinguishable from other elements.			
Exercise Area	Must be able to support 10 people using equipment at the same time and have Americans with Disabilities Act (ADA)-accessible equipment.			

Element	Minimum Requirements			
Park Trail	Must be a designated, multi-use, Class 1 Trail as listed in the <i>Caltrans Highway Design Manual – Bikeway Designations</i> for the entire length of the proposed trail. The trail must provide a clear and direct path, with appropriate signage, through the project site, connecting any of the following:			
	<ul> <li>Existing or planned public facilities (e.g., public buildings, transit stops and centers, schools, parks, etc.).</li> <li>Expand, or allow for future expansion of, the existing City park trail network (e.g., Stevens Creek, Permanente Creek, Whisman T.O.D., Hetch Hetchy, and Bay Trails). Provides more than a public trailhead or crossing.</li> <li>A new connection that expands an identified network in the City's Bicycle Transportation and Pedestrian Master Plans to a major public facility or major public street, or significantly reduces the time or length of travel by providing an alternative connection from an identified network in the adopted Plans.</li> </ul>			
Maintained Natural Habitat Space	This area should have 90% to 100% canopy coverage within five years of the completion of the open space. All foliage and plants must be California native species. Area should sit a minimum of 10 people. Area should be landscaped and maintained to be traversed by all demographics. Informational or educational signage about the native landscape and plants is encouraged.			

Staff believes this approach to the elements will prevent "cookie-cutter" open spaces because there is more flexibility in how the elements are designed and applied to the open spaces, while also setting minimum City expectations.

Additionally, staff is recommending the introduction of an Alternate Element that allows a nonlisted element to be proposed by an applicant, which can allow a greater range of elements to be proposed. To qualify, the alternate element must satisfy a comparable recreational activity and target population served as listed in Table 2. This option is intended to facilitate creativity and allow for unique situations where a traditional park element may not be the best option. Requests for an Alternate Element would be limited to one per Open Space credit.

## Alternate Proposal

Borrowing from the current North Bayshore credit, staff is recommending to retain an Alternate Proposal section to allow for consideration of unique, larger-scale POPA Open Spaces. A developer could apply for an open space credit under an Alternate Proposal if the open space being provided is greater than 1 acre in size, is a contiguous piece of land, is the same quality as a public park, and advances other City goals. Due to the size and flexibility available with this large of a space, staff is recommending an increased level of credit for any open space that is greater than 1 acre in size, with an additional 25 percent credit on top of the baseline credit of 75 percent for POPAs less than 1 acre in size, resulting in a total possible credit of 100 percent.

At the October Study Session, the PRC recommended to keep the same level of credit (75 percent) for all POPA open spaces, including the Alternate Proposal. The PRC believed the value of the credit should be the same because the benefit to the City is the same. They also had concerns about making POPA open spaces more desirable for developers than dedicating park land to the City and how that conflicts with the City's interest for open spaces larger than 1 acre to be dedicated and controlled by the City. However, the PRC did support the idea of providing an option to consider truly unique and innovative open spaces that may be beneficial to the City.

# POPA Open Space Terms and Maintenance

For open space provided by the POPA credit, staff recommends requiring the space to be maintained to a standard consistent with City parks and remain publicly accessible in perpetuity through a public access easement. The City will continue to retain the right to require land dedication if desired. In order for the open space to count towards the City's park land goals of 3 acres per 1,000 residents, it must remain publicly accessible in perpetuity. Additionally, staff recommends entering into an agreement with the property owner to identify maintenance responsibilities, process for any future modifications or upgrades, and citations for violation and/or penalties.

If a property with a POPA credit were to redevelop, staff recommends the subsequent developer be required to retain the same total area and function as the existing open space credit area, even if it is adjusted in shape or location on-site. The redesigned open space would need to meet the requirements of the Park Land Ordinance in place at the time of redevelopment and be approved by the City Council. The updated POPA open space would count towards the subsequent project's new park land requirements. Overall, the PRC was in support of staff's suggestions for the POPA open space maintenance and terms.

## POPA Credit Percentage

Staff recommends POPA open spaces have a percentage credit of up to 75 percent of the value of the land for 1 acre or less in size and up to 100 percent of the value of the land under the Alternate Proposal, which requires greater than 1 acre in size. Staff believes this level of credit is warranted due to the scale of benefits to the City that a POPA open space provides, which can increase as the size of open space increases due to the size and variety of elements that can be provided.

Table 3: POPA Open Space Credit Evaluation

Benefits to City	Benefits to Developers		
• Increases supply of publicly accessible open space in the City.	Greater opportunity to qualify for a credit, lowering the park land in-lieu fee or land dedication requirements.		
• Does not require City funding for design and construction of the open space and can be built for less cost because construction activity and material sourcing can occur in tandem with the residential development, resulting in less administrative overhead.	Construct the open space in conjunction with the residential development so it is available at occupancy of the project.		
Does not require City funding for ongoing maintenance.	Incorporate the open space design into the overall project design for continuity and coordination of land uses.		
<ul> <li>Provides open space that is designed based on nearby demographics and existing parks/open spaces with input from nearby residents</li> </ul>	One public input process for the design of the open space and development.		
• Counts toward the City's open space goal of 3 acres per 1,000 residents.	• Allows greater design and construction efficiencies by retaining land ownership and by allowing underground parking or utilities to be located below the open space (not allowed for dedicated public park land).		

## POPA Credit Application Requirements and Review Process

An important aspect of the proposed POPA credit is establishing a review process with clear expectations for requesting and qualifying for a park land credit. This creates a consistent baseline for reviewing applications and reduces the potential for poor or unfitting proposals.

In applying for a POPA credit, staff recommends requiring the applicant to provide: (1) a written description of the park credit request and how the proposed open space achieves the credit requirements; (2) provide dimensioned design plans that detail the proposed open space and elements; (3) a demographic analysis within one mile of the proposed open space, including the anticipated demographics of the new residential development; and (4) an analysis of elements at the five closest public parks or POPA open spaces within one mile of the project site. If three or more parks/open spaces in that analysis have the same element(s), the applicant must select a different element(s) unless they can adequately justify its need through the demographic analysis. Staff is suggesting a one-mile radius to align with the size and service areas in the Park Land Ordinance, which establishes a reasonable walking distance for open space to serve residents in the project area.

Additionally, staff will utilize the existing development review process for reviewing the residential project in tandem with the POPA open space credit application. Opportunities for input on the design of the open space will occur as part of the City's current development review process, including review by City staff, a neighborhood meeting, the Development Review Committee, and at required public hearings (Administrative Zoning, Environmental Planning Commission, and/or City Council).

Due to SB 330 legislation, the City is limited to no more than five public meetings on a residential development. Based on required public meetings per the City Code, most residential projects will reach the maximum number of meetings. This review approach is different from the City's public park design process, which is a City-led design and public review process following construction of a residential project with consultation from residential neighbors (including residents of the new development), the PRC, and City Council. The process allowed under the POPA will continue to allow for public input opportunities and provide context for reviewing the open space as it will include the proposed residential project design, demographic information, and nearby residential neighbors.

At the PRC Study Sessions, the PRC asked staff to explore ways to improve the design of the POPA open spaces since it will go through a different process than a City public park.

The PRC also expressed concern about the open space "getting lost" in the review of the overall development.

However, by introducing a POPA open space credit and establishing application requirements, minimum criteria, and a review process, staff believes it will create more opportunities for publicly accessible open space that contribute toward the Citywide park land goals. Establishing requirements for the open space will establish City expectations for quality open space while ensuring a variety of passive and active elements. The application requirements and process will also require due diligence in assessing the aspects of a proposed POPA open space in order to help City staff and the City Council review applications for open space credits so the best design and elements are chosen for the location of the space.

Council Question No. 2: Does Council support a Privately Owned/Publicly Accessible (POPA) Open Space Credit that is available Citywide with the following:

- a. Minimum Size—A minimum size of 0.4 acre (staff recommendation) OR = 0.5 acre (PRC's recommendation)?
- b. Revised Element—Replace "Landscaped Parklike Quiet Area" element with "Maintained Natural Habitat Area" element?
- c. Credit Percentage A tiered credit option of up to 75 percent of the value of the land for POPA spaces that are 1 acre or less in size, and up to 100 percent (75 percent plus additional 25 percent) of the value of the land for Alternate Proposal POPA open spaces over 1 acre in size <u>OR</u> a 75 percent flat credit for all POPA spaces irrespective of size or Alternate Proposal?

Private Open Space Credit

The objective of the Private Open Space credit is to consider additional private open space on a residential development, beyond the minimum common open space required per zoning, to count towards park land requirements. This credit benefits those residents within the development with greater amenities, but does not provide a benefit to the greater residential neighborhood. Additionally, it provides encouragement of quality open space in new developments and offers some financial relief to the developer by reducing the park land requirements, which has been identified by the development community as the largest development cost and primary factor in feasibility for new residential development in Mountain View.

In considering modifications to the private credit, staff has identified three options, each setting a different City preference for considering private open space as a park land

credit. The options take into account adjustments to the level of credit (percentage of land value), the size of open space (minimum or maximum), and desire to facilitate residential development. Staff is seeking City Council input on a preferred option.

## Option 1: Eliminate Private Open Space Credit

By eliminating the Private Open Space credit, the ordinance would only have the POPA open space credit. While eliminating the credit does not hinder the City's objective for publicly accessible open space, the Private Open Space credit does provide some financial relief to residential developers in paying the entire park land dedication in-lieu fee. Additionally, private open spaces do provide some relief from recreational demands on nearby parks as residents of the project have additional open space on-site. Overall, this option would reduce the available credits for open space and would establish a strong stance by the City in only considering publicly accessible open spaces.

## Option 2: Lower Percentage of Existing Private Open Space Credit

This option keeps the current Private Open Space credit, but lowers the credit from 50 percent to 25 percent of the value of the land. This approach would continue to maintain a large minimum contiguous one-acre size for open space, relieving recreational demand on City public open space. If selected, staff recommends further adjustments to the credit to utilize the same list of elements as the POPA credit and other minimum expectations regarding maintenance. Additionally, by lowering the credit percentage to 25 percent and offering a greater credit for POPA open space at 75 percent, it establishes a clear preference by the City for publicly accessible open space. However, based on the minimum one-acre size, only large residential project sites of five or more acres will be able to provide a private open space of this size, allowing few developments to qualify for this credit. Most of the residential development applications under review by the City are for project sites under five acres in size. Lastly, these private open spaces do not contribute to the City's goal of 3 acres of open space per 1,000 residents, as they are not publicly accessible.

# Option 3: Align Private Open Space Credit with the POPA Open Space Credit

This option reduces the size requirement of the Private Open Space credit from its current minimum of 1 acre to 0.4 acre and aligns the requirements of this credit to match the POPA Open Space credit, in terms of size, list of elements, and expectations. Additionally, the credit percentage would be 25 percent, which is a lower percentage than the POPA credit at 75 percent, indicating it is less desirable as private space by the City. By having the same requirements as the POPA credit, the open spaces would have the same design parameters encouraging a high-quality open space. In addition, this

approach would enable more residential developments to qualify for the credit due to the reduced minimum size, which may provide financial relief to a greater range of residential developments. However, this option would reduce park land dedication and/or in-lieu fees collected by the City for public parks and would likely result in more private open spaces Citywide.

## Private Open Space Credit Terms

If the City Council wishes to pursue Options 2 or 3, staff recommends the private credit apply the same elements, application requirements, approval body (City Council), and maintenance conditions as those introduced in the POPA credit. In addition, the term for the private open space would be for the life of the residential project, not in perpetuity, since these spaces do not count toward the City's park land goals as private space. Should the project site be redeveloped or the open space be developed on, then new park land requirements would be determined on the proposed redevelopment.

Lastly, staff recommends the Alternate Element and Alternate Proposal options to apply to the Private Open Space Credit. However, it should be noted that a developer will only be allowed to apply for one credit per residential development—either POPA credit, Private Open Space credit, or an Alternate Proposal credit.

Table 4 provides a summary comparison of the Private Open Space credit options. At the October PRC Study Session, the PRC unanimously supported Option 1 to remove the Private Open Space credit altogether, citing these spaces do not add to the public open space network in the City.

**Table 4: Comparison Summary of Private Credit Options** 

	Credit Options			
Criterion	Option 1	Option 2	Option 3	
	(No Credit)	(Lower Credit)	(Align with POPA)	
Min. Size of Open Space	N/A	1 contiguous acre	0.4 contiguous acre	
Max. Credit Available	0%	25%	25%	
Less Percentage than POPA				
Credit	N/A	Yes	Yes	
Min. Project Site Required	N/A	5+ acres	2.5+ acres	
to Accommodate	11/11	5 acres	2.5+ acres	
List of Elements	N/A	Same as POPA	Same as POPA	
Alternate Proposal Available		Yes; possible	Vasa massible total	
_	N/A	total credit of up	Yes; possible total	
	·	to 50%	credit of up to 50%	

Council Question No. 3: Does Council prefer Option 1, Option 2, or Option 3 for the Private Open Space Credit?

## **FISCAL IMPACT**

The proposed amendments to setting land values are intended to provide greater certainty to developers for their park land dedication in-lieu fee amounts but could cause a nominal loss on individual fees due to the land value being set for one year. The cost for the annual appraisal study is approximately \$6,000 and can be absorbed by the Biennial Real Estate Technical and Legal Services CIP.

Staff anticipates an increase in the amount of proposals for the POPA credit after these amendments. This could reduce the amount of park land dedication in-lieu fees received from future residential developments. However, it will also provide more publicly accessible open space, which is the primary purpose for the fees. Further, it will save on design and construction costs for publicly accessible spaces since this would be the responsibility of the developer.

Depending on which option is recommended for the Private Open Space credit, the impact to park land dedication in-lieu fees will vary. The greatest impact to in-lieu fees would come from aligning the Private Open Space credit with the POPA credit since the lowered minimum acreage of 0.4 contiguous acre would encourage more developments to pursue the credit. However, this would lower the fiscal barrier to residential development while providing open space of public park quality to a development's residents through the parameters in the ordinance. Keeping the Private Open Space credit at its current minimum acreage of one acre but lowering the percentage would have minimal impact to in-lieu fees since very few of these applications are currently received and the credit requirements would remain the same but with a lower available credit percentage. Eliminating the Private Open Space credit and only having one open space credit for POPA open space will not affect the fiscal impact of the POPA credit.

#### **COUNCIL QUESTIONS**

1. Does the Council support staff's recommendation for conducting an annual appraisal and adopting fixed land value ranges, effective on July 1?

- 2. Does Council support a Privately Owned/Publicly Accessible (POPA) Open Space credit that is available Citywide with the following:
  - a. Minimum Size A minimum size of 0.4 acre (staff recommendation) <u>OR</u> 0.5 acre (PRC's recommendation)?
  - b. Revised Element—Replace "Landscaped Parklike Quiet Area" element with "Maintained Natural Habitat Area" element?
  - c. Credit Percentage A tiered credit option of up to 75 percent of the value of the land for POPA spaces that are 1 acre or less in size, and up to 100 percent (75 percent plus additional 25 percent) of the value of the land for Alternate Proposal POPA open spaces over 1 acre in size <u>OR</u> a 75 percent flat credit for all POPA spaces irrespective of size or Alternate Proposal?
- 3. Does Council prefer Option 1, Option 2, or Option 3 for the Private Open Space credit?

#### **SUMMARY**

Based on Council direction at a Study Session on October 15, staff held two Study Sessions with the PRC and a series of meetings with residential developers to review two items: (1) ways to provide greater certainty regarding land values and subsequent park land dedication in-lieu fees; and (2) a way to modify the Open Space credit to make it more achievable for residential developers while ensuring that the City still receives public parklike open space that will not incur future maintenance costs. proposing to conduct an annual appraisal study to set land values by parks and open space planning area for each density level currently listed in Chapter 41 of the City Code. Using this study, the Real Property Program Administrator will provide a park land requirement, estimated land value, and/or in-lieu fee estimate as part of the application review process for a development. Assuming the project consistently moves forward with the same density, this park land requirement and/or in-lieu fee estimate will be included in the Conditions of Approval. Staff believes that modifying staff processes in the proposed ways provides more certainty to the development community while maintaining adequate geographic and timing considerations for each development's land values.

Staff is also proposing to modify the Open Space credit options by having a Privately Owned/Publicly Accessible (POPA) Open Space credit for up to 75 percent of the value of the land for open spaces that are at least 0.4 contiguous acre in size and meet minimum requirements described. The expanded and more detailed list of elements along with the

application requirements of a demographic and park element analyses will help ensure that these spaces are designed to best serve the surrounding community.

Staff seeks direction from the City Council on continuing to have a Private Open Space credit option as well as the levels of credit that the Council would prefer for Private Open Space credit, POPA credit, and the Alternate Proposal credit options.

The goal of the proposed modification is to provide greater certainty and clearer expectations for developers, staff, and the City Council in regard to land values and credits for park land requirements. The modifications should achieve more publicly accessible open space of parklike quality while providing developers with an option to lower their park land requirement and/or in-lieu fees and increase the feasibility of residential development.

#### **NEXT STEPS**

Staff anticipates returning to the City Council in December 2020 with draft text amendments to Chapter 41 for final consideration of adoption regarding Phase 1 modifications.

## **PUBLIC NOTICING**

Agenda posting, e-mail notification, and notification to developers who have provided input to the City.

BR-LH-ALM-DF-JRM/4/CAM 224-10-27-20SS 190509

Attachments: 1. City Council Staff Memorandum Dated October 15, 2019

- 2. Parks and Recreation Staff Memo Dated February 12, 2020
- 3. Parks and Recreation Staff Memo Dated October 14, 2020
- 4. Developer Input and Public Comments

**DATE:** October 15, 2019

**TO:** Honorable Mayor and City Council

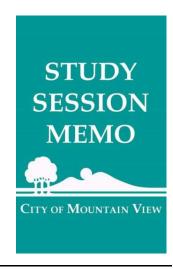
FROM: Brady Ruebusch, Senior Management Analyst

John R. Marchant, Community Services

Director

**VIA:** Daniel H. Rich, City Manager

TITLE: Park Land Dedication Ordinance Review



## **PURPOSE**

The purpose of this Study Session is to review Chapter 41 of the City Code ("Park Land Dedication or Fees In Lieu Thereof") and obtain City Council input on elements staff should further analyze.

## **BACKGROUND**

In the Fiscal Year 2019-2021 Council Goals, Council included an item to review and update the Park Land Dedication Ordinance.

Currently, 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 netnew, market-rate units (affordable units are exempt) in a proposed development. Chapter 41 sets forth the City's processes for calculating, collecting, committing, and allocating in-lieu fees to parks and recreation projects. The Park Land Dedication Ordinance was first adopted in 1971 as part of the City's Subdivision Ordinance pursuant to California Government Code Section 66477, known as the Quimby Act (see Attachment 1—Chapter 41 of the City Code).

Because the City is built out and adequate land for parks is difficult to acquire, park land dedication from new development is an important tool in achieving and maintaining the City's parks and open space goals. 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 fifty (50) or fewer units or parcels. The intent of the

in-lieu fee is 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 or subdivision.

#### **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.

Within each priority, first consideration goes to parks, trails, and recreation projects that are located within one mile of an approved new development/subdivision generating the fee. Next, consideration goes to park or open space projects that provide a Citywide asset, which can be located anywhere in the City.

Every December, the Parks and Recreation Commission (PRC) receive a midyear update on in-lieu fees that have been received and the status of current and future park-related 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 commitment of the fees and gives authorization to transfer the funds from the Park Land Dedication Fund to the respective CIP.

Park in-lieu fees must be committed within five years of the date the City receives them per State law. The City collects the park in-lieu fee prior to building permit issuance. The PRC and Council cannot commit fees expected to be received at a future date because it may influence the Council's decision regarding a 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 residents to be aware of upcoming capital projects and how they may factor into workload.

## **Previous Updates**

2015 Affordable Unit Exemption and Size/Service Area Update

On October 13, 2015, Council adopted amendments to Chapter 41 to exclude affordable units as defined in Chapter 36 (Zoning) from the Park Land Dedication and In-Lieu Fee calculations. Because affordable housing is an important community need, the affordable housing units included in new residential developments shall not be included in the total number of dwelling units used to calculate the park land dedication requirement. However, these units are still used to determine the density level of the development when using the density formula. Affordable units provided pursuant to density bonus law are not included in the exemption.

The affordable housing exclusion was added to Section 41.11—Credit, which also establishes that a developer can apply for a maximum 50 percent credit to their park land dedication requirement or in-lieu fee when a historic resource is either preserved or rehabilitated as part of a development proposal.

In addition, the City Council amended the size and accompanying service area for City parks, specifically altering Table 41.3 of the City Code described later in this report.

2016 Companion Unit Modifications

On June 14, 2016, Council created a separate density formula of 0.0016 for determining the park land dedication requirement for companion units. In order to encourage the construction of companion units to diversify the City's housing supply, Council authorized a lower acreage requirement per dwelling unit for companion units. Previously, companion units had the same density formula as low density projects (0.0081 acre per unit), which was believed to be too burdensome. Since this amendment, the City has seen an increase in the number of companion units built.

2019 North Bayshore Precise Plan Update

The most recent update to the Park Land Ordinance was on April 9, 2019, when the City Council adopted an ordinance amending Chapter 41 to provide developers of net-new, market-rate residential units in the North Bayshore Precise Plan Area an opportunity to apply for a credit up to 75 percent of the value of the land towards their park land dedication requirement for providing publicly accessible private open space. Previously, the only open space credit was for private open space—whether publicly accessible or not—for a credit up to 50 percent of the value of the land.

#### **DISCUSSION**

Providing a range of housing options to meet the needs of Mountain View remains a top priority for the City Council. Precise Plans for the North Bayshore and East Whisman Areas plan for up to a combined total of 15,000 new residential units. Due to the anticipated growth in the City's housing supply, the City will continue to experience an increase in the number and size of residential developments. These new Precise Plans and high-density residential developments have raised questions regarding the effectiveness of the Park Land Dedication Ordinance at achieving the City's parks and open space goals versus creating a potential burden that limits residential development.

The following sections review individual elements of Chapter 41 of the City Code and provide options for deeper analysis of each section. Staff requests Council's input on which sections of Chapter 41 should be analyzed for possible modifications to address concerns related to residential development and park land.

#### Citywide Parkland Ratio: Section 41.5 – Land Requirement

Section 41.5 of the City Code establishes the requirement that at least 3 acres of property for each one thousand (1,000) persons residing within the City be devoted to public park and recreational facilities. In accordance with the Open Space Section of the Environmental Management Chapter of the Mountain View 2030 General Plan and the City's Parks and Open Space Plan, it has been determined the City currently meets and is in excess of this requirement with 13.4 acres per 1,000 residents; however, this determination is made only when Shoreline at Mountain View is included in the total inventory of parks and open space. When Shoreline at Mountain View is excluded, the park-to-population ratio is 2.6 acres per 1,000 residents. In compliance with State law, park-to-population ratio is determined using the most recent census data and park acreage across the entire City. Attachment 2 provides a map of the Parks and Open Space Plan planning areas and their current ratio for park acres per 1,000 residents. Planning Areas currently range from 0.44 acre of park land per 1,000 residents in the Rengstorff area to 6.42 acres of park land per 1,000 residents in the Miramonte area (excluding North Bayshore, which has a ratio of 983.1 acres of park land per 1,000 residents).

In addition to setting the requirement for park and recreation facilities within the City, the land requirement ratio is used to calculate the acreage requirement in the Density Formula described in the next section. According to State law, the City cannot lower the ratio below 3 acres per 1,000 residents because we are currently achieving this goal with the inclusion of Shoreline at Mountain View. The City could increase the land

requirement ratio. However, any increase in this ratio, such as 5 acres per 1,000 residents, would directly result in an increase in the acreage requirement per dwelling unit, thereby requiring more park land and higher fees for new residential development.

With the release of the 2020 U.S. Census (Census) next year, the City will have updated population data to compare the City's current and projected park acreage. Staff anticipates starting the update of the Parks and Open Space Plan in Fiscal Year 2020-21, where this land requirement will be analyzed using the new population data from the Census.

## Calculating Land Dedication Requirement Per Unit: Section 41.6 – Density Formula

The density formula establishes the ratios and assumptions used to calculate the park land dedication requirement for a new residential development. Table 41.6 prescribes how the density formula is implemented.

Table 41.6				
DENSITY FORMULA				
DWELLING	DWELLING	DENSITY OF	ACREAGE	
DENSITY	UNITS PER	PERSONS PER	REQUIREMENT PER	
	ACRE	DWELLING UNIT	DWELLING UNIT WITH	
			SUBDIVISION	
Low	1 - 6	2.7	.0081	
Medium-Low	7 – 12	2.3	.0069	
Medium	13 - 25	2.0	.0060	
Medium-High and	26+	2.0	.0060	
High				
Mobile Homes	7 – 14	1.5	.0045	
Companion Unit	-	-	.0016	

When a residential development includes net-new, market-rate units, the above table dictates the process for determining the acreage requirement per dwelling unit, which is used to calculate the park land dedication requirement and/or in-lieu fee. If a residential development includes affordable units as part of the project, the cumulative total of units is used to calculate the density per Table 41.6, but those units are not subject to providing park land or payment of an in-lieu fee. The prescribed "persons per dwelling unit" for each density level is based on the City's General Plan and U.S. Census data.

In reviewing Table 41.6, there are narrow gradients in the Dwelling Units per Acre with 26+ dwelling units per acre being the highest density category. When the Park Land Dedication Ordinance was first adopted in 1971, these density categories reflected the types of residential developments occurring at that time. However, many of the recent residential developments proposed are at higher densities with 50 to 100 units per acre and include on-site amenities.

# Calculating Dedication and/or In-Lieu Fee Requirement: Section 41.9—Calculation of Requirement

Using the density formula described above, Section 41.9 of City Code provides the methodology for calculating the park land requirement for developments with net-new, market-rate units using the following formula:

Land Dedication Calculation

 $A \times B = L$ 

Where:

A = the park land dedication acreage required per dwelling unit calculated using the density formula described above.

B = the number of net-new, market-rate dwelling units in the proposed residential development.

L = the land required for dedication.

*In-Lieu Fee Calculation* 

If an in-lieu fee is to be paid instead of dedicating land, the following formula for calculating the fee is governed by State law (the Quimby Act) and is as follows:

 $A \times B \times C = F$ 

Where:

A and B = the same variables as described above.

C = the fair market value per acre of land in the proposed residential development.

F = the in-lieu fee required.

The fair market value per acre of land is calculated separately for each development by the City's Real Property Program Administrator.

## **Example Projects Calculations**

Example 1: 100-unit Residential Project

For example, a residential development proposes 100 net-new, market-rate units on a 5-acre project site. This equates to a density of 20 units per acre, which falls within the Medium dwelling density in Table 41.6. Medium dwelling density estimates an average of two persons per dwelling unit. Using an average of two persons per dwelling unit, the calculation for the park land acreage requirement for each dwelling unit is (2 persons x 3 acres)/1,000 residents, which equals .0060 acre/unit. Therefore, a developer must provide .0060 acre of park land for each net-new, market-rate unit at the density level expected for the development, or 0.60 acre of land (.0060 acre/unit x 100 new units) for the development. This is 12 percent of the five acres in this example.

To calculate the in-lieu fee in this example, the same density formula would be used multiplied by the number of net-new, market-rate units multiplied by the fair market value of the land. Assuming the fair market land value is \$8 million per acre, the calculation would be .0060 acre/unit x 100 new units x \$8 million land value for an inlieu fee of \$4.8 million, or \$48,000 per unit.

High-density residential developments and general real estate trends, particularly along major thoroughfares and in the North Bayshore Area, have caused a dramatic increase in per-acre land values with high-density residential land selling for more than \$12 million per acre. This has had a dramatic effect on park in-lieu fees. For comparison, the park in-lieu fee for the 100-unit example project would be:

Land Value Comparison of Example Project Calculation

Time Frame	Land Value	In-Lieu Fee Calculation	Total In-Lieu Fee/ Per-Unit Fee
Prior Years	\$8 million	.0060 acre x 100 units x	\$4.8 million/
	per acre	\$8 million	\$48,000 per unit
Current	\$12 million	.0060 acre x 100 units x	\$7.2 million/
	per acre	\$12 million	\$72,000 per unit

In this example, if the in-lieu fee was provided at the estimated land cost of \$12 million per acre, the city would receive a \$7.2 million in-lieu fee. Because the cost of land is estimated at \$12 million per acre for this area, the City would be able to purchase

0.6 acre to provide park land within one mile of the 100-unit development to provide parks and open space to the estimated 200 residents (two persons per unit x 100 units).

## Example 2: 500-unit Residential Project

For another example, a residential development proposes 500 net-new, market units on a 5-acre project site. Using the same assumptions of the previous example, this development has a density of 100 units per acre, which is comparable to larger housing developments currently being proposed and built in Mountain View. At 100 units per acre, this development falls within the Medium-High and High dwelling density in Table 41.6. High dwelling density estimates an average of two persons per dwelling unit, which equates to a total of 1,000 new residents for the development. High dwelling density has an acreage requirement per dwelling unit of .0060 acre/unit. Therefore, this higher density development would be required to provide 3 acres for the estimated 1,000 new residents, which is 60 percent of the 5-acre project site.

At a cost of \$12 million per acre, the total in-lieu fee, assuming that the development did not provide any park land, would be \$36 million (\$12 million x 3 acres). If the development was able to dedicate 0.5 acre for park land, the park land deficiency would be 2.5 acres or an in-lieu fee of \$30 million (\$12 million x 2.5 acres). Because the cost of land is estimated at \$12 million per acre, the City would be able to purchase 2.5 acres with the \$30 million in-lieu fee to provide a park within one mile of the development.

#### **Comparison of Calculation Adjustments**

Attachment 3 provides a preliminary comparison of three calculation adjustments for park land requirements using recent developments that were required to dedicate park land, provide an in-lieu fee, or a combination of both. All calculations assume a land requirement of 3 acres per 1,000 residents, but change the assumptions for the number of new residents by utilizing different methodologies for calculating the density. The Current Ordinance column shows the land and/or in-lieu fee that was actually provided based on the current density formula from Table 41.6 in Chapter 41. This provides a baseline for comparing the other calculations.

All of the developments in Attachment 3 fall within the medium-high and high density category, which assumes 2.0 persons per dwelling. The Lower Density Ratio column follows the same methodology as the Current Ordinance, but assumes 1.5 persons per dwelling unit for the developments—reflecting fewer residents per unit for studio, one, and two-bedroom unit mixes seen in recent developments. With an assumption of 1.5 persons per dwelling unit, the park land requirement and/or in-lieu fee is lowered. Staff could explore a different Density of Persons per Dwelling Unit for the existing

density levels in Table 41.6. Staff could also explore separating medium-high and high density developments in Table 41.6 or adding a very-high density level that would utilize a different Density of Persons per Dwelling Unit, such as 1.5 persons instead of 2.0 persons. By adding or splitting up the existing category to establish a separate very-high density category may better reflect the persons per unit mix seen in higher density developments that differs from lower density development.

The Residents/Bedroom column provides another methodology for calculating the density and number of net-new residents. Instead of utilizing a Density of Persons per Dwelling Unit, it assumes a Density of Persons per Bedroom multiplied by the number of bedrooms provided by each development. In Attachment 3, the Residents/Bedroom column assumes one person per bedroom. This assumption is then multiplied by the total bedrooms to determine the net-new residents. For instance, the 277 Fairchild Development (a 26-unit rowhome project) provided 90 net-new, market-rate bedrooms. Assuming one person per bedroom, 277 Fairchild has 90 new residents who need park land at a ratio of 3 acres per 1,000 residents. Applying that ratio to the 90 residents, 277 Fairchild needs to provide 0.27 acre of park land or an in-lieu fee of \$999,000. This methodology may allow a finer grain application of the park land requirements by utilizing bedroom counts, instead of per unit. It would place greater park land requirements on developments with higher bedroom counts per unit as opposed to an average person per unit applied in all developments under the current requirements.

If Council is interested in staff analyzing this methodology further, staff would need to explore the best practices for calculating density based on bedrooms, as none of the neighboring cities utilize a person per bedroom methodology. Attachment 4 provides a comparison of how other neighboring cities calculate their park land dedication and inlieu fee requirements.

After this preliminary review and based on recent trends of higher-density development and the general real estate market, City staff could explore modifications to the density formula and/or park land dedication/in-lieu fee calculations, including:

a. Review the Dwelling Density, Dwelling Units Per Acre, and/or Density of Persons per Dwelling Unit in the density formula to determine if these variables are realistic and consistent with best practices;

- b. Review adding a Dwelling Density for very high-density development that may average less than 2 persons per dwelling unit to reflect larger residential developments; or
- c. Review modifying the density calculation to be based on bedrooms instead of dwelling units.

Council Question No. 1: Does the City Council want staff to further explore modifications to the calculations for the Density Formula or Park Land Dedication and/or In-Lieu Fees?

Thresholds for Park Service Areas/Size: Section 41.3 – Park Type, Service Area, and Size

In 2015, the City Council amended the size and service area for City parks outlined in Chapter 41, which is reflected in Table 41.3 of the City Code as shown below.

Table 41.3 PARK AND SERVICE AREA AND SIZE				
PARK TYPE	SERVICE AREA		DESIRABLE AREA	
	Prior to 2015	Current	Prior to 2015	Current
Mini-Park	1/2 mile	1 mile	Up to 3 acres	Up to 1 acre
Neighborhood Park	1 mile	1 mile	3 to 15 acres	1 to 5 acres
Community Park and/or Recreational Facility	Entire City	Entire City	>15 acres	>5 acres
Stevens Creek Trail	Entire City	Entire City	N/A	N/A

According to State Law and Chapter 41, Park Land Dedication In-Lieu fees are to be used only for the purpose of providing park or recreational facilities to serve the subdivision or development from which fees are collected. Therefore, the park's "service area" establishes the radius of persons served by the park site and determines the basis by which park in-lieu fees are eligible to fund a project for the acquisition, development, or rehabilitation of a park or recreation site. If a park up to one acre is located within one mile of a new residential development, then the Park Land Dedication In-Lieu fee from that development can be used towards the acquisition, development, or rehabilitation of that park or recreation project because the future residents will be served by the project being located within one mile of it.

Given the limited availability of suitable land and the desire to develop new parks, Council modified the sizes and service areas in 2015 to provide greater flexibility in application of in-lieu fees. The justification is that smaller parks are serving broader areas due to increased population and limited park resources.

If Council believes that the application of the Park Land Dedication In-Lieu fees is too restrictive, staff could explore modifying the size and service area for each park type.

Council Question No. 2: Does City Council want staff to explore modifying the service area and size thresholds of the City's park types to be less restrictive?

## Considering Open Space Credits: Section 41.11 – Credit

Section 41.11 outlines guidelines for two types of credits: (1) Private Open Space (Citywide); and (2) North Bayshore Precise Plan Area Publicly Accessible Private Open Space. An applicant can only apply for one open space credit per project. The Private Open Space credit requires an applicant to provide one contiguous acre of land and contain four of the following seven elements:

- 1. Turfed play field: The play field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
- 2. Children's play apparatus area;
- 3. Landscaped, park-like quiet area;
- 4. Family picnic area;
- 5. Game court area;
- 6. Swimming pool; and
- 7. Recreation center buildings and grounds.

As long as the designated space meets the criteria, the applicant is eligible for a maximum credit of up to 50 percent of the value of the land, which must be approved by the City Council. The Private Open Space credit does not have any geographical restrictions, so any development in the City subject to park land requirements can apply for this credit. In the past five years, only one project has applied and been approved

for the 50 percent private open space credit (777 West Middlefield Road). There are a number of projects currently exploring this option with Planning staff.

#### North Bayshore Credit

The most recent update to the Park Land Ordinance in April 2019 provided applicants of new residential developments in the North Bayshore Precise Plan an option to apply for a credit towards their park land dedication requirement for providing publicly accessible private open space. The credit for the publicly accessible private open space can be up to a maximum of 75 percent of the value of the land, which must be approved by the City Council. The space needs to be a minimum of one acre of contiguous land and contain at least three of the following five elements:

- 1. Turf play field: The playing field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
- 2. Landscaped, park-like quiet area;
- 3. Family picnic area;
- 4. Game court area; and
- 5. Children's playground or play structure.

The shape and location of the open space must be conducive for public use, comply with the City's guidelines for restroom buildings, include signage regarding available public access, and be publicly accessible during City park hours (sunrise to one-half hour after sunset).

As part of the North Bayshore Precise Plan Publicly Accessible Private Open Space credit, Council included a section for Alternate Proposals. This allows developers of residential and mixed-use residential developments within the North Bayshore Precise Plan to submit a request for a credit for providing publicly accessible private open space and elements other than those listed in Chapter 41. At the sole discretion of the City Council, the request may be granted if it is found that the alternative will further the goal of providing publicly accessible private open space in the North Bayshore Precise Plan area.

If Council is interested in exploring the application of park land dedication credits, the following are modifications that staff could analyze:

- a. Requiring all private open space to be publicly accessible private open space;
- b. Expanding the maximum 75 percent credit for publicly accessible private open space to be eligible Citywide (not just the North Bayshore Precise Plan);
- c. Changing the 50 percent/75 percent of the value of the land thresholds;
- d. Changing the types of elements to be included in the open space that qualify for a credit;
- e. Changing the one contiguous acre requirement or the size and specifications of the different elements that must be included in the open space credits; or
- f. Allowing the Alternate Proposals section of Chapter 41 to expand to alternate proposals for the Private Open Space credit throughout the City instead of just in the North Bayshore Precise Plan area.

Council Question No. 3: Does City Council want staff to explore modifying the credit section of Chapter 41?

## **Timing of Chapter 41 Modifications**

As previously stated, an update to the Parks and Open Space Plan is anticipated to begin in Fiscal Year 2020-21 based on new population data from the upcoming 2020 U.S. Census. This update process will analyze the City's current and projected park acreage, as well as confirm whether set goals and policies identified in the Plan are being achieved. As part of the update, staff could include the review of modifications to Chapter 41 heard by Council tonight. It is important to note that the Plan Update is tied to the release of Census data. If Council is interested in staff beginning analysis prior to the Plan Update, it would be without the benefit of new population data.

Council Question No. 4: Does City Council want staff to begin analysis on potential modifications to Chapter 41 now or wait until the Parks and Open Space Plan Update in Fiscal Year 2020-21?

Council Question No. 5: Does City Council have any other comments or direction regarding the review of the Park Land Dedication Ordinance?

#### **RECOMMENDATION**

Staff recommends the City Council provide direction to City staff on whether further analysis should be conducted regarding the issues noted in this report.

#### NEXT STEPS

For the items indicated by Council, staff will further review what surrounding cities are doing, determine fiscal impacts, and ensure any recommended changes are compliant with State law. This item is tentatively scheduled to come back to Council in December of this year. However, depending on the answers to the questions and the amount of analysis required, more time is likely going to be needed.

## **PUBLIC NOTICING**

The Council's agenda is advertised on Channel 26, the agenda and this report appear on the City's Internet website and were posted in accordance with the Brown Act. A link to the report was also provide to the PRC.

BR-JRM/2/CAM 240-10-15-19SS 190508

Attachments: 1. Chapter 41 of City Code

- 2. Parks and Open Space Planning Area Map and Assessment
- 3. Park Land Dedication and In-Lieu Fee Calculation Comparison
- 4. Comparison of Neighboring Jurisdictions

#### CHAPTER 41 - PARK LAND DEDICATION OR FEES IN LIEU THEREOF

#### Sections:

SEC. 41.1. - Findings and purpose.

The city council hereby finds that development of residential subdivisions as well as single-family dwellings, duplex dwellings, multiple dwellings, apartments, mobile homes, townhouses, companion units and other dwelling units have a significant effect on the use and availability of park and recreation space and facilities, and that the limited open space and recreation amenities provided by these residential developments are insufficient to meet the needs of the residents for open space and recreational facilities. The intent of this chapter is to require that such developments contribute their fair share toward the purchase, development and/or improvement of park and recreational facilities. The provisions of this chapter are enacted pursuant to the Charter, the open space section of the environmental management chapter of the general plan and the park and open space plan of the city as well as Sections 66477 and 66479 of the Government Code of the State of California, as may be applicable.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.2. - Definitions.

As used in this chapter:

"Affordable housing" for purposes of this chapter shall mean housing which costs a very low-, low- or moderate-income household no more than approximately thirty (30) percent of its gross monthly income as defined in Section 36.40.05 of Chapter 36, Article XIV of the City Code.

"Community park" shall include, but is not limited to, shoreline at Mountain View Regional Recreation and Wildlife Area.

"Land dedication," "dedicate land," or "land to be dedicated" and other such references to land dedicated pursuant to this chapter shall mean, for purposes of this chapter, land dedicated to the city in fee simple ownership.

"Subdivider" shall mean a person, firm, corporation, partnership, or association who proposes to divide, divides, or causes to be divided real property into a subdivision.

"Subdivision" shall mean the same as defined in Section 66424 of the California Government Code.

"Subdivision map" shall mean any map filed pursuant to any proceedings for subdivision as defined in Chapter 28 and this chapter.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.3. - Requirements for single-lot development projects.

As a condition of approval to construct any new single-family dwelling, duplex dwelling, multiple dwelling, apartment building, mobile home, townhouse, companion unit and other dwelling unit other than a subdivision (hereinafter referred to as "residential development" in this chapter), the owner and/or developer shall dedicate land, pay a fee or both at the option of the city, for park or recreational purposes. The terms "single-family dwelling, duplex dwelling, apartment, mobile home, townhouse, companion unit and other dwelling unit" shall be as defined in Chapter 36 of this Code. Said land dedication or fee payment, or both if required, shall be a condition precedent to the issuance of any required building, electrical, plumbing or mechanical permit for new residential development, except as otherwise provided in Government Code Section 66007(a) and (b), and in the event of deferred fee payment, the owner and/or developer shall enter into a recordable agreement pursuant to Government Code Section 66007(c) and subject to the approval of the city.

- a. **Dedications of sites.** Where a park or recreational facility has been designated in the open space section of the environmental management chapter of the general plan, a precise plan or the park and open space plan of the city, and the park or facility is to be located in whole or in part within a proposed residential development, to serve immediate and future needs of residents of the residential development, the owner and/or developer may be required to dedicate land for park and recreational facilities sufficient in size to serve the residents of the residential development. The park land to be dedicated shall conform to locations and standards set forth in the general plan, a precise plan, if applicable, and the park and open space plan of the city. The slope, topography and geology of the site, as well as its surroundings, must be suitable for the intended park or recreation purpose. The amount of land to be provided shall be determined pursuant to the standards set forth in Section 41.5 through 41.9 of this chapter establishing the formula for land dedication or for payment of fees in lieu thereof. Any land offered for dedication to the city that creates new parcels or alters existing property lines shall comply with the subdivision regulations required in Chapter 28 of this code.
- b. If park land is dedicated in accordance with this section, the development standards for a project, as set forth in Chapter 36 of the City Code or an adopted precise plan, shall be calculated to include the dedicated park land.
- c. Fees in lieu of land dedication. If there is no public park or recreational facility designated or required in whole or in part within the proposed residential development, which meets the requirements set forth herein, the owner and/or developer shall be required to pay a fee in lieu of land dedication equal to the value of the land as determined by Section 41.5 through 41.9 of this chapter.

A fee in lieu of land dedication hereunder shall be required when:

- 1. An applicant is developing land on which no park is shown or proposed in the general plan, a precise plan or the park and open space plan; or
- 2. Dedication is impossible, impractical or undesirable as determined by the public works director, zoning administrator or city council as appropriate; or
- 3. The proposed residential development contains fifty (50) or fewer units.
- d. **Dedication and fees required.** In certain residential developments in excess of fifty (50) units, a combination of land dedication and fee payments may be required. These shall be residential developments in which:
  - Only a portion of the land to be developed is proposed in the general plan, a precise plan or park and open space plan as the location for a park or recreational facility, in which case that land, or a portion thereof within the residential development, shall be dedicated for park purposes, and a fee shall then be required in lieu of any additional land that would have been required to be dedicated under this chapter; or
  - 2. A major part of the park or recreation site falling within the residential development has already been required, and only a small portion of the land is needed from the applicant to complete the park or recreation site, in which case, the land needed shall be required for dedication, and a fee shall then be required in lieu of the additional land that would have been required to be dedicated under this chapter.
- e. **Use of and basis for in-lieu fees.** The fees collected pursuant to this chapter are to be used only for the purpose of providing park or recreational facilities to serve the residential development from which fees are collected in accordance with the service area requirements as shown in Table 41.3 of this chapter. Fees so collected shall be used to purchase land, buy equipment, construct improvements or rehabilitate a proposed or existing mini-park, neighborhood park, community park, recreational facility, Stevens Creek Trail, community gardening facility or combination thereof serving said residential development. The fee so required shall be based on the fair market value of the land that otherwise would have been required for dedication.

Table 41.3 PARK SERVICE AREA ANI	O SIZE	
PARK TYPE	SERVICE AREA	DESIRABLE SIZE
Mini-Park	1 mile	Up to 1 acre
Neighborhood Park	1 mile	1 to 5 acres
Community Park and/or Recreational Facility	Entire city	>5 acres
Stevens Creek Trail	Entire city	N/A

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.4. - Requirements for residential subdivisions.

As a condition of approval of any final subdivision map, the subdivider shall dedicate land, pay a fee in lieu thereof, or both, at the option of the city, for park or recreational purposes according to the following standards:

a. Dedication of sites. Where a park or recreational facility has been designated in the parks and recreation section of the open space section of the environmental management chapter of the general plan, a precise plan or the park and open space plan of the city, and the park or facility is to be located in whole or in part within the proposed subdivision, to serve the immediate and future needs of the residents of the subdivision, the subdivider shall be required to dedicate land for park and recreational facilities sufficient in size to serve the residents of the subdivision area. The park land to be so dedicated shall conform to locations and standards set forth in the general plan, a precise plan, if applicable, and the park and open space plan of the city. The slope, topography and geology of the site, as well as its surroundings, must be suitable for the intended park or recreation purpose. The amount of land to be provided shall be determined pursuant to the standards set forth in Sections 41.5 through 41.9 of this chapter establishing the formula for land dedication or for payment of fees in lieu thereof.

If park land is dedicated in accordance with this section, the development standards for a project, as set forth in Chapter 36 of the City Code or an adopted precise plan, shall be calculated to include the dedicated park land.

b. **Fees in lieu of land dedication.** If there is no park or recreational facility designated or required in whole or in part within a proposed subdivision which meets the requirements set forth herein, the subdivider shall be required to pay a fee in lieu of land dedication equal to the value of the land as determined by Sections 41.5 through 41.9 of this chapter.

A fee in lieu of land dedication hereunder shall be required when:

1. A subdivider is subdividing land on which no park is shown or proposed in the general plan, a precise plan or the park and open space plan; or

- 2. When dedication is impossible, impractical or undesirable as determined by the subdivision committee or city council as appropriate; or
- 3. When the proposed subdivision contains fifty (50) parcels of land or less.
- c. Dedication and fees required. In certain subdivisions in excess of fifty (50) parcels of land, a combination of land dedication and fee payment may be required. These shall be subdivisions in which:
  - Only a portion of the land to be subdivided is proposed in the general plan, a precise plan, or the park and open space plan as the location for a park or recreational facility, in which case that land, or a portion thereof within the subdivision, shall be dedicated for park purposes, and a fee shall then be required in lieu of any additional land that would have been required to be dedicated under this chapter; or
  - 2. A major part of the park or recreation site falling within the subdivision has already been acquired, and only a small portion of land is needed from the subdivider to complete the park or recreation site, in which case the land needed shall be required for dedication, and a fee shall then be required in lieu of the additional land that would have been required to be dedicated under this chapter.
- d. Use of and basis for in-lieu fees. The fees collected pursuant to this chapter are to be used only for the purpose of providing park or recreational facilities to serve the subdivision from which fees are collected in accordance with the service area requirements as shown in Table 41.3. Fees so collected shall be used to purchase land, buy equipment, construct improvements or rehabilitate a proposed or existing mini-park, community park, neighborhood park, recreational facility, Stevens Creek Trail, community gardening facility or combination thereof serving said subdivision. The fee so required shall be based on the fair market value of the land that otherwise would have been required for dedication.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.5. - Land requirement.

In accordance with the open space section of the environmental management chapter of the Mountain View general plan, it is hereby found and determined that the city currently provides park and recreational facilities to its residents at a ratio in excess of the three (3) acres per thousand standard set forth in state law. The public interest, convenience, health, welfare and safety require that three (3) acres of property for each one thousand (1,000) persons residing within the city be devoted to public park and recreational facilities.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.6. - Density formula.

In calculating dedication and in-lieu fee requirements under this chapter, the following table, derived from the density assumptions of the general plan, shall apply:

		Table 41.6 DENSITY FORMULA	
DWELLING DENSITY	DWELLING UNITS PER ACRE	DENSITY OF PERSONS PER DWELLING UNIT	ACREAGE REQUIREMENT PER DWELLING UNIT WITHIN

			SUBDIVISION
Low	1—6	2.7	.0081
Medium-Low	7—12	2.3	.0069
Medium	13—25	2.0	.0060
Medium-High and High	26+	2.0	.0060
Mobile Homes	7—14	1.5	.0045
Companion Unit	-	-	.0016

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15; Ord. No. 10.16, § 1, 6/14/16.)

SEC. 41.7. - Procedure.

The public works director, zoning administrator, subdivision committee or city council, as appropriate, shall, upon approving a residential development or subdivision map, determine the conditions necessary to comply with the requirements for park land dedication or fees in lieu thereof as set forth in this chapter, and said conditions shall be attached as conditions of approval. The establishment of said conditions for projects other than a subdivision map shall comply with Government Code Section 66001.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.8. - Calculation of fair market value.

At the time of submission of a completed application for a building permit or the filing of a final subdivision map for approval, whichever applies, the city shall, in those cases where a fee in lieu of dedication is required either in whole or in part, determine the fair market value of the land in the proposed residential development, and this determination shall be used in calculating the fee to be paid. If the developer objects to the fair market value, the city, at developer's expense, shall obtain an appraisal of the property by a qualified independent real estate appraiser, agreed to by the city and the developer, and the value established by said appraiser using standard recognized appraisal techniques to establish fair market value will be accepted as the fair market value of the land in the proposed development. Alternatively, the city and the developer may agree as to the fair market value.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.9. - Calculation of requirement.

For the purpose of the formula established by this section, the following definition shall apply:

"A" equals the park land dedication acreage required per dwelling unit within the proposed residential development for park and recreational facilities as set forth herein and in Section 41.6 of this chapter.

"B" equals the number of new dwelling units in the proposed residential development.

"C" equals the fair market value per acre of land in the proposed residential development.

"F" equals the in-lieu fee required.

"L" equals the land required for dedication.

The following formula shall be used in calculating the land required for the dedication under this chapter:

$$A \times B = L$$

The following formula shall be used in calculating the in-lieu fees required to be paid under this chapter:

$$A \times B \times C = F$$

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.10. - Commencement of development.

Any fees collected for these purposes shall be committed within five (5) years after payment of such fees or issuance of building permits on one-half of the units of the residential development, whichever occurs later. The requirements of this section as they relate to fees collected from developments other than subdivisions shall be consistent with Government Code Section 66001.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

SEC. 41.11. - Credit.

a. **Private open space.** Where private open space is provided in a proposed residential development, a maximum credit of fifty (50) percent of the value of the land devoted to private open space that is eligible for credit may be given against the requirement of land dedication or fees in lieu thereof required by this chapter, if the following standards are met and it is in the public interest to do so.

#### 1. Standards.

- (a) Yards, court areas, setbacks, decorative landscape areas required with residential site design and other open areas required to be maintained by a precise plan, zoning and building ordinances and regulations shall not be included in the computation of such private open space.
- (b) The private open space shall be devoted to active recreational uses, as defined below, and shall be wholly or partially owned and maintained by the future residents of the development. The private ownership and maintenance of the open space shall be restricted for said use by recorded written agreement, conveyance or restrictions subject to the review and approval of the city attorney.
- (c) The space shall be reasonably adapted for use for recreational purposes, taking into consideration such factors as size, shape, topography, geology, access and location, and the developer must propose and agree to design and construct the necessary recreational and park facilities and improvements associated with each element of the private open space set forth below; said facilities and improvements shall be constructed prior to the issuance of an occupancy certificate for the units that are receiving the credit.

- (d) Facilities proposed for the open space shall be in substantial compliance with the provisions of the open space section of the environmental chapter of the general plan.
- (e) The open space must contain at least four (4) of the following seven (7) elements:
  - (i) **Turfed play field.** The play field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
  - (ii) Children's play apparatus area;
  - (iii) Landscaped, park-like quiet area;
  - (iv) Family picnic area;
  - (v) Game court area;
  - (vi) Swimming pool;
  - (vii) Recreation center buildings and grounds.

The combined minimum acreage for a facility is one (1.0) acre and shall be a single, contiguous unit of land.

- (f) The shape and location of the open space shall provide the greatest utility possible to the greatest number of residents of the development for which credit is sought. If limited access recreation areas are proposed, their credit value can only be applied against the park fee obligation generated by those residents with access to the said recreation area.
- (g) Irregularly shaped pieces of property of less than optimum utility or burdened by topographic considerations that render them unsuitable for active recreational uses shall not be eligible for credit.
- b. North Bayshore Precise Plan Area and publicly accessible private open space. Where publicly accessible private open space is provided in a proposed residential or mixed-use residential development within the North Bayshore Precise Plan Area, a maximum credit of seventy-five (75) percent of the value of the land devoted to publicly accessible private open space that is eligible for credit may be given against the requirement of land dedication or fees in lieu thereof required by this chapter, if the following standards are met and it is in the public interest to do so.

#### Standards.

- (a) The publicly accessible private open space shall be devoted to active and passive recreational uses, as defined below, and shall be wholly or partially owned and maintained by the owner (in the case of a rental development) or homeowner association (in the case of an ownership development) of the development.
- (b) The right of the public to access and utilize the open space shall be recorded against the property either by an easement, covenant or restrictions subject to the review and approval of the city attorney, and such right shall run with the land in perpetuity.
- (c) Improvements associated with any of the elements of the publicly accessible private open space set forth above shall be constructed prior to the issuance of a certificate of occupancy for the units that are receiving the credit and shall be in substantial compliance with the provisions of the parks, open space and community facilities chapter of the general plan.
- (d) The publicly accessible open space must contain at least three (3) of the following five (5) elements:
  - (i) **Turfed play field.** The play field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
  - (ii) Landscaped, park-like quiet area;
  - (iii) Family picnic area;

- (iv) Game court area; and
- (v) Children's playground or play structure.
- (e) The size of the publicly accessible open space shall be a minimum of one (1) acre and shall be a single, contiguous unit of land.
- (f) The shape and location of the open space for which credit is sought shall provide the greatest utility and accessibility possible to the greatest number of residents of the development and the public.
- (g) Irregularly shaped pieces of property of less than optimum utility, accessibility or burdened by topographic considerations that render them unsuitable for active recreational uses shall not be eligible for credit.
- (h) The publicly accessible open space complies with the city's guidelines for restroom buildings in city parks.
- (i) The publicly accessible open space includes signage that is visible from the public right-of-way and is approved by the community services department.
- (j) The open space shall be publicly accessible during the city's park hours.
- (k) The local school strategy will be a factor considered when determining any credit.
- 2. **Alternate proposals.** As an alternative to the publicly accessible private open space credit standards listed in subsection b.1., developers of residential and mixed-use residential developments within the North Bayshore Precise Plan Area may submit a request for a credit for providing publicly accessible open space and elements other than those listed in subsection b.1. Such requests may be granted at the sole discretion of the city council, if the city council makes a finding that such alternative will further the goal of providing publicly accessible private open space in the North Bayshore Precise Plan Area and the request provides benefits equal to or greater than the criteria in subsection b.1.
- c. Historic resource. Where a historic resource is preserved or rehabilitated as part of a residential development, a credit may be given against the requirement of land dedication or fees in lieu due on the residential development, required by this chapter, up to a maximum of fifty (50) percent of the value of the land dedication or fees in lieu thereof required by this chapter. This section may also apply to the relocation of an historic resource provided it is preserved or rehabilitated in conjunction with the relocation. The developer, as part of the application for a credit, shall file an application for a historic preservation permit pursuant to Sec. 36.54.45 et seq. Credit may be awarded pursuant to subsection d. of this section when it is in the public interest to do so.
- d. **Affordable housing.** Because affordable housing is an important community need, the affordable housing units included in new development projects shall not be included in the total number of dwelling units used to calculate the park land dedication requirement set forth in Sec. 41.5 through 41.9. This exemption shall not include affordable housing units provided pursuant to density bonus law (under state law and as set forth in Chapter 36, Article IV, Division 11 of the City Code).

#### e. Process.

- To request a credit pursuant to this section, the developer shall submit a written request specifying the credit being sought, in conjunction with the development or building permit applications submitted.
- 2. The credit may be awarded when the public works director, community development director, community services director, subdivision committee or city council, as appropriate to the application, makes written findings that the applicable requirements are met. A credit for publicly accessible private open space may only be granted by the city council.
- 3. The timing for the credit determination depends on the type of permits and entitlements sought. Upon their request, the developer(s) will be advised as part of the application process as to when the determination will be made.

4. Only one (1) open space credit may be awarded for a project; either private open space or publicly accessible private open space.

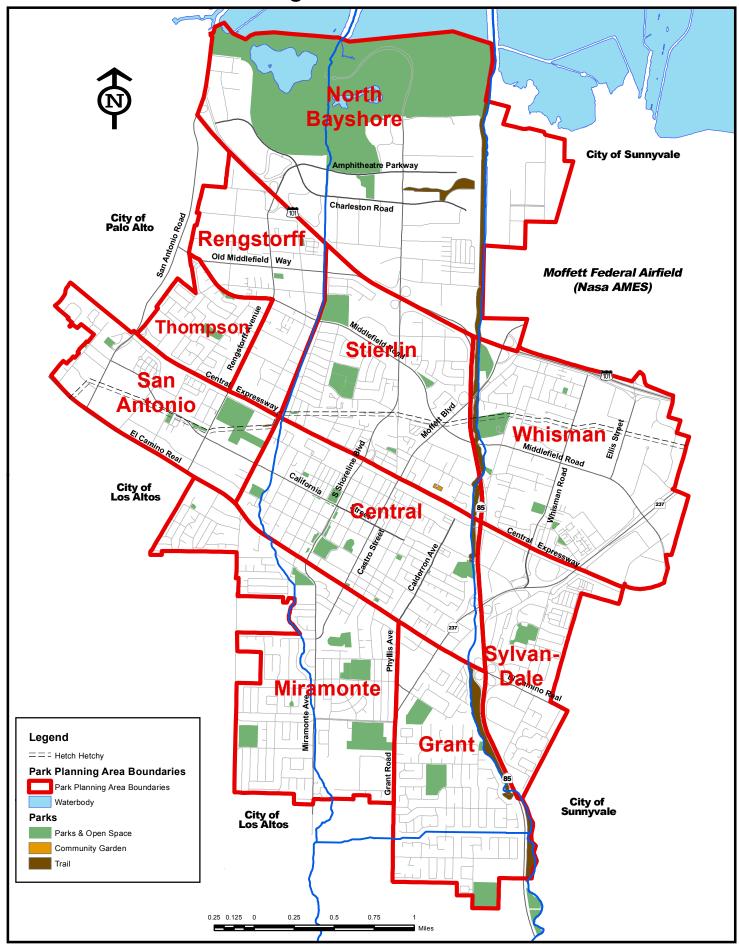
(Ord. No. 4.97, 3/25/97; Ord. No. 4.07, 6/12/07; Ord. No. 2.12, § 3, 2/14/12; Ord. No. 7.15, § 1, 10/13/15; Ord. No. 2.19, § 1, 4/9/19.)

SEC. 41.12. - Exclusions.

- a. The requirements established in Section 41.3 relating to single-lot development projects shall not apply to the subdivision of land as defined by the Subdivision Map Act of the State of California; nor shall they be construed to limit the city's power to require fees or land dedication for park or recreation purposes as a condition of approval of a tentative map or preliminary parcel map pursuant to the Subdivision Map Act of the State of California or Chapter 28 of this Code; nor shall they apply to the repair of damages caused by natural disasters such as earthquakes, floods or fires as determined by the city; nor shall they apply to the construction of any nonresidential buildings or structures; nor shall they apply to any unit for which the park and recreation fee has been paid based on the fee density formula established on July 28, 1971; nor shall they apply to an existing building that is altered or expanded where no additional residential units are created and where the use is not changed; nor shall they apply to the first single-family dwelling unit in a single-family residential district (R1) as defined in Chapter 36 of the Mountain View City Code; nor shall they apply to single room occupancy (SRO) living unit facilities as defined in Chapter 36 of the Mountain View City Code.
- b. The requirements established in Section 41.4 relating to subdivisions shall not apply to commercial or industrial subdivisions, nor do they apply to nonresidential condominium units, nor do they apply to projects or stock cooperatives which consist of the subdivision of air space in an existing apartment building which is more than five (5) years old when no new dwelling units are added, nor do they apply to parcel maps for a subdivision containing less than five (5) parcels and not used for residential purposes; nor do they apply to a maximum of two (2) dwelling units that exist on a property if, at the time the subdivision is approved, the existing units are to remain on the property, nor do they apply to any units for which the park and recreation fee had been paid based on the density formula established on July 28,1971.

(Ord. No. 4.97, 3/25/97; Ord. No. 7.15, § 1, 10/13/15)

# Planning Area Boundaries



## PARK/SCHOOL OPEN SPACE LOCATION, ACREAGE AND ACRES PER PERSON

Central	Acres per 1,000 persons	Open Space Acres owned by School District	Open Space Acres Owned by City	Total Open Space Acres	Type of Park	Existing Parks/ School Sites Future Parks/ School Sites	2010 Pop Estimate	Planning Area
Eagle   Neighborhood   S.17   S.17   D.00	<mark>2.06</mark>		0.00	4.18	School/Park		11,318	Central
Fairmont   School/Park   8.49   3.27   5.22   Mariposa   Mini   0.61   0.61   0.00   Mercy/Bush   Mini   0.65   0.65   0.00   0.00   Mini   0.40	(2.03)	0.00	0.42					
Landels   Mariposa   Mini   0.61   0.61   0.00   0.00		0.00	5.17	5.17	Neighborhood	Eagle		
Mariposa   Mini   0.61   0.61   0.00								
Mercy/Bush Pioneer   Neighborhood   Neighborhood					· ·			
Pioneer   Villa Street   Mini   Q.40   Q.4			0.61		i i			
Stevenson   Stev						Mercy/Bush		
Grant								
Grant					Mini 	Villa Street		
Huff   School/Park   6.50   0.00   16.86   16.86   0.00   16.86   16.86   0.00   16.86   16.86   16.86   0.00   16.86   16.86   16.86   0.00   16.86   16.86   16.86   0.00   16.86   16.86   16.86   16.86   0.00   16.86	6.34				School/Park	Cooper	5,424	Grant
High   Mini   0.48   0.48   0.00		6.50	0.00	6.50	School/Park			
Miramonte   9,657   Gemello   Bubb   School/Park   9.18   3.45   5.73   5.73   Cuesta   Community   32.56   32.56   0.00   0.00   Community   School/Park   9.54   2.89   6.65   0.00   0.00   Springer   School/Park   5.50   0.00   5.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0.50   0.00   0		16.86	0.00	<u>16.86</u>	School	Mountain View		
Bubb   Cuesta   Community   32.56   32.56   0.00		29.18	5.19	34.37		High		
Cuesta   Community   32.56   32.56   0.00   Graham   School/Park   9.54   2.89   6.65   6.65   McKelvey   Neighborhood   4.27   0.00   5.50   Varsity   Mini   0.48   0.48   0.00   17.88   17.88   0.00	6.42		0.48				9,657	Miramonte
Graham   School/Park   9.54   2.89   6.65   McKelvey   Neighborhood   4.27   4.27   0.00   5.50   0.00   5.50   0.00   5.50   0.00   5.50   0.00   5.50   0.00   5.50   0.00   5.50   0.00   5.50   0.00   0.00   5.50   0.00								
McKelvey   Springer   School/Park   5.50   0.00   5.50								
Springer   Varsity   Mini   0.48   0.48   0.00								
North   Steel   North   Steel   North   San Antonio   San Antonio   Antoni								
North   S17					· '			
North Bayshore (Regional)					Mini	Varsity		
Bayshore (Regional)								
Regional   Shoreline   Stevens Creek   Trail   Regional   Region	983.1						817	
Stevens Creek Trail								
Trail		0.00	753.00	753.00				(Regional)
Rengstorff   6,577		0.00	42.12	42.12	Regional			
Rengstorff						1 raii		
Heritage   Mini   1.22   1.22   0.00     Mini   0.88   0.88   0.00	0.44				Mini	Siorra Vieta	6 577	Rongetorff
San Antonio   13,951   Del Medio   Mini   0.38   0.38   0.00	(0.31)						0,377	Religion
San Antonio	(0.31)							
San Antonio         13,951         Del Medio Klein Mini 1.36         0.38 0.38 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.36 0.00 1.30 0.00 1.30 0.00 0.00 1.30 0.00 0.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 0.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 1.30 0.00 0.30 0.00 0.30 0.00 0.30 0.00 1.30 0.00 0.00 0.					111111	/ / yaraotte		
Klein   Mini   1.36   1.36   0.00   Rengstorff   Community   16.92   16.92   0.00   0.00   Eayette   Mini   0.80   0.80   0.00	1.95				Mini	Del Medio	13.951	San Antonio
Rengstorff   Community   16.92   16.92   0.00	(1.34)						,,,,,,	
Fayette   Mini   1,30   0,00   0,00   0,00   Mora-Ortega   Mini   0,80   0,80   0,00	( )							
Mini			0.00					
Mini		0.00	<mark>0.80</mark>	<mark>0.80</mark>	<mark>Mini</mark>	Mora-Ortega		
CA/Showers         Mini         2.00         2.00         0.00           27.16         21.86         4.00           Stierlin         9,083         Crittenden School/Gym 7.72         00.0         7.72           Jackson Mini 0.77         0.77         0.77         0.00           Rex Manor Mini 0.41         0.41         0.41         0.00           San Veron Stevenson/ Stevenson/ Theuerkauf         School/Park 8.54         1.20         7.34		<mark>0.00</mark>	<mark>0.40</mark>					
Stierlin         9,083         Crittenden Jackson Mini         School/Gym 0.77         7.72 0.00         7.72 0.00           Rex Manor Rex Manor San Veron Stevenson/ Theuerkauf         Mini 0.41 0.41 0.41 0.00         0.00 0.00								
Stierlin         9,083         Crittenden Jackson Mini 0.77         0.00         7.72           Jackson Mini 0.77         0.77         0.00           Rex Manor Mini 0.41         0.41         0.41           San Veron Mini Stevenson/ Theuerkauf         5chool/Park 8.54         1.20         7.34					<mark>Mini</mark>	CA/Showers		
Jackson     Mini     0.77     0.77     0.00       Rex Manor     Mini     0.41     0.41     0.00       San Veron     Mini     2.08     2.08     0.00       Stevenson/     School/Park     8.54     1.20     7.34								
Rex Manor   Mini   0.41   0.41   0.00     San Veron   Mini   2.08   2.08   0.00     Stevenson/   School/Park	2.31						9,083	Stierlin
San Veron         Mini         2.08         2.08         0.00           Stevenson/         School/Park         8.54         1.20         7.34	(2.15)					*		
Stevenson/ School/Park								
Theuerkauf 8.54 1.20 7.34		0.00	2.08	2.08				
		724	1 20	0 5/	ochool/ rark	1		
ı ı ı ı ı ı ı ı ı ı ı ı ı ı ı ı ı ı ı					   <mark>Mini</mark>			
21.00 5.94 15.06					Evilli.	ooo whateheld		
Sylvan/         6,396         Sylvan         Neighborhood         8.37         8.37         0.00	1.41				Neighborhood	Sylvan	6.396	Sylvan/
Dale   355 Evelyn   Mini   0.68   0.68   0.00	(1.31)						3,070	
9.05 9.05 0.00	` /							

### ATTACHMENT 2

## PARK/SCHOOL OPEN SPACE LOCATION, ACREAGE AND ACRES PER PERSON

Thompson	2,541	Monta Loma	School/Park	5.67	0.00	5.67	2.56
		Thaddeus	Mini	0.83	0.83	0.00	
				6.50	0.83	5.67	
Whisman	8,627	Whisman	School/Park	8.60	4.35	4.25	<mark>2.15</mark>
		Slater	School/Park	3.39	0.00	3.39	(1.79)
		Magnolia	Mini	0.92	0.92	0.00	
		Chetwood	Mini	0.86	0.86	0.00	
		Creekside	Mini	0.78	0.78	0.00	
		Devonshire	Mini	0.86	0.86	0.00	
		<b>Evandale</b>	Mini Mini	0.40	0.40	0.00	
		<mark>S Whisman</mark>	<mark>Mini</mark>	<mark>2.76</mark>	<mark>2.76</mark>	<mark>0.00</mark>	
		355 Middlefield	<mark>Mini</mark>	<u>0.40</u>	$\frac{0.40}{0.40}$	<u>0.00</u>	
				18.97	11.33	7.64	
TOTAL w/				1,008.57	<mark>917.56</mark>	<b>88.83</b>	<b>13.55</b>
North	74,391			(993.07)	(908.24)	(84.83)	(13.35)
Bayshore				(223.07)	(700.24)	(04.00)	(13.33)
TOTAL w/o				205.37	<b>114.36</b>	88.83	<mark>2.7</mark> 9
North	73,574			(189.87)	(105.04)	(84.83)	(2.58)
Bayshore				(107.07)	(105.04)	(04.03)	(2.50)

Variables	Development	Requirements and Fees	Current	Lower Density Ratio	Residents/	<u> </u>
			0.006	0.0045	1	7
Address	277 Fairchild	Park Land Requirement	0.144	0.108	0.27	8
Planning Area	Whisman	Total In-Lieu Fee	\$532,800	\$399,600	000'666\$	4 E
Existing Units	2					_
New Units	26					
Net-New Units	24	Actual Acres Dedicated	0	0	0	¥
Affordable Units	0	Actual Fee Paid	\$532,800	\$399,600	\$999,000	
Fee Units	24					
Density Level	Medium-High					
Land Value per Acre	\$3,700,000					
Number of Bedrooms	90					
Variables	Development	Requirements and Fees	Current Ordinance	Lower Density Ratio	Residents/ Bedroom	ņ
			900'0	0.0045	1	2 E
Address	2296 Mora Drive	Park Land Requirement	0.45	0.3375	0.657	3 E
Planning Area	San Antonio	Total In-Lieu Fee	\$1,867,500	\$1,400,625	\$2,726,550	P
Existing Units	0					
New Units	75					
Net-New Units	75	Actual Acres Dedicated	0.45		0.45	
Affordable Units	0	Actual Fee Paid	\$0	-\$622,500	\$859,050	
Fee Units	75					
Density Level	Medium					
Land Value per Acre	\$4,150,000					
Number of Bedrooms	219					
Variables	Development	Requirements and Fees	Current Ordinance	Lower Density Ratio	Residents/ Bedroom	n
			9000	0.0045	1	Stu
Address	400 San Antonio	Park Land Requirement	3.492	2.619	2.49	1
Planning Area	San Antonio	Total In-Lieu Fee	\$28,983,600	\$21,737,700	\$20,667,000	2 E
Existing Units	1					3 E
New Units	583					Δ
Net-New Units	582	Actual Acres Dedicated	0.5	0.5	0.5	
Affordable Units	0	Actual Fee Paid	\$24,900,000	\$23,450,267	\$16,517,000	O *
Fee Units	582		\$24,833,600			
Density Level	High	Acreage Needed	2.992			
Land Value per Acre	\$8,300,000	Cost for Need	\$24,833,600			
Number of Bedrooms	830					

Sedrooms	9		84	06
# Unit Type No. of Bedrooms	က	0	21	24
<b>Unit Mix</b>	2 Bed	3 Bed	4 Bed	Total

Two existing units are assumed to be 2 bedroom units.

Unit Type No. of Bedrooms	12	207	219
# Unit Type I	9	69	75
<b>Unit Mix</b>	2 Bed	3 Bed	Total

	48 BMR units				
of Bedrooms	54	320	336	120	830
# Unit Type No. of	54	320	168	40	582
			2 Bed		Total

<sup>\*</sup>One existing units are assumed to be 2 bedroom unit.

Variables	Downloam	Doguitomonto pud Food	Current	Lower Density	Residents/	
variables	Development	Requirements and rees	Ordinance	Ratio	Bedroom	
			900'0	0.0045	1	'n
Address	2268 W El Camino	Park Land Requirement	1.146	0.8595	0.753	Stu
Planning Area	Central	Total In-Lieu Fee	\$8,022,000	\$6,016,500	\$5,271,000	1 B
Existing Units	3					2 E
New Units	204					38
Net-New Units	201	Actual Acres Dedicated	0	0	0	Tot
Affordable Units	10	Actual Fee Paid	\$8,022,000	\$6,016,500	\$5,271,000	
Fee Units	191					*T
Density Level	High					
Land Value per Acre	\$7,000,000					
Number of Bedrooms	251					
Variables	Development	Requirements and Fees	Current	Lower Density	Residents/	
			Oldinalice	DOORE	TIOO III	
			0.000	0.0045	-	
Address	1255 Pear Ave	Park Land Requirement	3.81	2.8575	2.682	S
Planning Area	NBS	Total In-Lieu Fee	\$38,100,000	\$28,575,000	\$26,820,000	Stu
Existing Units	0	Private Open Space Credit	\$7,715,250.00	\$6,858,000.00	\$5,229,900.00	1
New Units	635					2 B
Net-New Units	635	Proposed Acres Dedicated	1.03 POPAS	1.03 POPAS	1.03 POPAS	36
Affordable Units	0	Proposed Fees to be Paid	\$30,384,750	\$21,717,000	\$21,590,100	Tot
Fee Units	635					
Density Level	High					
Land Value per Acre	\$10,000,000					
Number of Bedrooms	894					

s	7 6 BMR units	4	Q		∑-
# Unit Type No. of Bedrooms		124 124		0	201 251
<b>Unit Mix</b>	Studio	1 Bed	2 Bed	3 Bed	Total

Three existing units are assumed to be 2 bedroom units.

ooms	22	354	518		894
of Bedr					
Unit Type No. of Bedrooms	22	354	259	0	635
# Unit					
Unit Mix	Studio	1 Bed	2 Bed	3 Bed	Total

ڹۣ	I per d D confusion		Density Formulas			Total World Control Land	Credits	
City	Land Kequirement	Level	DU/Acre	DU/Acre Persons/DU		Ac/DU Land Value Calculation	Credits	Percent
		Low	1-6	2.7	0.0081			
		Med-Low	7-12	2.3	0.0069		Private Open Space	20%
Month of the Vision	2007 11 000 Dog Joseph	Med	13-25	2	900.0	To ale Dossolo describ		
Modifiant view	Med-High & High & High	Med- High & High	76+	2	900.0	each Development	Storing oldinoon A related	
		Mobile Homes	7-14	1.5	0.0045		r ublicty Accessible Filvale	75%
		Companion Unit	-	-	0.0016		Open Space in INDS	
			9-0	3.5	0.0105			
			2-10	2	900.0			
	200 /1 000 Bookdoote		10-20	2	0.006	مانيسطني بوالمسمدة	Duitroto Casa Casas	/o O E
Cuperinio	sac/ 1,000 nesidents		20+	1.8	0.0054	Annuany Citywide	rnvate Open Space	% OC
			10+	1.8	0.0054			
		Senior Housing		1	0.003			
	32 /1 000 Posidon	Single Family/Detached		2.7	0.0081	Annually - where	V/1V	V / 1V
LOS AILOS	oac/ 1,000 nesidents	Jac/ 1,000 Nestuents Multiple Family/Attached		1.7	0.51	existing park lands	14/75	N/A
	5.00 1/ 5.05	Single Family/Detached		2.44	0.0122	Each Dorrolommant	V/14	V / 1V
r aiu mitu	Jac/ 1,000 nesidelits	Jac/ 1,000 mestuents Multiple Family/Attached		1.68	0.0084	Each Development	IN/FA	N/W
		Single-Family Dwellings		2.9	0.0087	Annually - set average		
Santa Clara	3ac/1,000 Residents Duplex Dwellings &	Duplex Dwellings &				per acre land vaule by	Private Open Space	20%
		Multiple Dwellings				Zip Code		
		Low	7 or fewer		0.01375			
Crimanical	500/1 000 Posidonto	Low-Med	8-14		0.0125	American Citematical	V 1/2	V / V
Sum y vare	Jac/ 1,000 nesideills	Med	15-27		0.009	Allıludiliy Cıtywıde	14/ FA	W/M
		High	Over 27		0.009			

## CITY OF MOUNTAIN VIEW

#### **MEMORANDUM**

Community Services Department

**DATE:** February 12, 2020

**TO:** Parks and Recreation Commission

**FROM:** John R. Marchant, Community Services Director

Brady Ruebusch, Senior Management Analyst Lindsay Hagan, Deputy Zoning Administrator

Angela LaMonica, Real Property Program Administrator

**SUBJECT:** Park Land Ordinance Review of Modifications

#### **PURPOSE**

Provide input on proposed changes to Chapter 41 of the City Code ("Park Land Dedication or Fees In Lieu Thereof") to provide greater flexibility in obtaining public open space while adding clarity on the City's expectations and requirements.

#### BACKGROUND

Providing a range of housing options to meet the needs of Mountain View remains a top priority for the City Council. Precise Plans for the North Bayshore and East Whisman Areas currently plan for up to a combined total of 15,000 new residential units. Due to the anticipated growth in the City's housing supply, the City will continue to experience an increase in the number and size of residential developments. These new Precise Plans and other high-density residential developments have raised questions regarding the effectiveness of the Park Land Dedication Ordinance at achieving the City's parks and open space goals versus creating a potential burden that limits residential development. In Fiscal Years 2019-2021 Council Goals, the City Council included an item to review and update Chapter 41 of the City Code, also known as the Park Land Dedication Ordinance (Attachment 1).

Currently, the 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. Land dedication is a negotiated effort between City staff from the Community Development, Public Works, and Community Services Departments in tandem with the project developer and City Council. Ultimately, the land is dedicated to the City when the proposed development has site and development capacity (e.g., building height, density, acreage, etc.) to accommodate a park, is located in a planning area in need of park land, and the scale of the development generates enough demand for dedication to be required and feasible.

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 fifty (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. This is in-line with other fees collected by the City for new development.

#### **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 one mile of the approved new residential development generating the fee. Next, 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.

#### **Previous Chapter 41 Updates**

On October 13, 2015, Chapter 41 was amended to exclude affordable units as defined in Chapter 36 (Zoning) of the City Code from the Park Land Dedication and In-Lieu Fee calculations. Because affordable housing is an important community need and comes at a high cost, the affordable housing units in new residential developments are no longer included in the total number of dwelling units used to calculate the park land

dedication requirement. However, these units are still used to determine the density level of the development when using the density formula. Affordable units provided pursuant to State Density Bonus Law are not included in the exemption. In addition to affordable units, the City Council amended the size and service area thresholds for City parks to facilitate the use of park in-lieu fees and more adequately reflect the service areas of the City's parks.

On June 14, 2016, a density formula was established for determining the park land dedication requirement for companion units, also known as accessory dwelling units (ADUs), at 0.0016 per acre. To encourage construction of companion units, Council authorized a lower acreage requirement per dwelling unit for companion dwelling units. Previously, companion units had the same density formula as low-density residential projects (0.0081 per acre), which was considered too burdensome.

For the most recent update on April 9, 2019, Chapter 41 was amended to provide developers of net-new, market-rate residential units in the North Bayshore Precise Plan area an opportunity to request a credit up to 75 percent of the value of the land towards their park land dedication requirement in exchange for providing publicly accessible private open space. The North Bayshore Credit was added as a subcategory to the existing private open space credit.

#### **DISCUSSION**

On October 15, 2019, staff reviewed the Park Land Dedication Ordinance at a City Council Study Session to receive input on the types of amendments to study further. Council recommended a two-pronged approach to Chapter 41: (1) amendments to be considered after the 2020 U.S. Census is completed and data is available (in tandem with the Parks and Open Space Plan Update), and (2) amendments to explore this fiscal year. Staff is seeking PRC input on the elements of Chapter 41 that were recommended to be examined this fiscal year.

#### Amendments to Explore After the 2020 Census

The 2020 Census data is scheduled to be released in March 2021. With Council's support, City staff is waiting to analyze specific sections of Chapter 41 and update the 2014 Parks and Open Space Plan until the Census data is published with updated population data. Staff plans to request funds through next year's budget cycle to update the Parks and Open Space Plan in Fiscal Year 2021-22. As part of this update, City staff will reexamine the size and service area thresholds for parks, assess the density formula and categories, and determine how the City is meeting its standard of 3 acres per 1,000 residents. Attachment 2 provides the Parks and Open Space Planning

Area Map and Assessment or how each area is currently achieving the standard of 3 acres per 1,000 residents. Staff will explore conducting a nexus study for reviewing nonresidential development's impact on parks and open space.

#### Amendments to Chapter 41 for PRC Input

Council requested staff to explore this fiscal year: (1) Section 41.9—Calculation of Requirement, to provide more certainty to developers regarding costs of land and estimated in-lieu fees; and (2) Section 41.11—Credit, to adjust private credits to encourage creative public spaces and enhanced public access to open space.

Topic 1: Establishing Fee Certainty with Land Value

Section 41.9 (Calculation of Requirement) provides the current methodology for calculating the park land requirement for developments with net-new, market-rate units using the following formula:

#### $A \times B = L$

Where:

A = the park land dedication acreage required per dwelling unit calculated using the density formula described in Section 41.6.

B = the number of net-new, market-rate dwelling units in the proposed residential development.

L = the land required for dedication.

If an in-lieu fee is to be paid instead of dedicating land, the fee is calculated using the following formula:

#### $A \times B \times C = F$

Where:

A and B = the same variables as described above.

C = the fair market value per acre of land in the proposed residential development.

F = the in-lieu fee required.

Currently, the fair market value per acre of land (Variable C) is calculated separately for each development proposal by the City's Real Property Program Administrator. The development community has raised concerns to City staff and Councilmembers about the uncertainty in park land requirements based on fluctuating land values due to market conditions; and, in particular, how this impacts securing financing for new residential development. As a result, Council requested staff to look into alternatives for calculating the fair market value per acre of land to stabilize the park land fee estimates.

After reviewing how other nearby cities determine their fair market value per acre of land ("land value") and examining best practices (Attachment 3), there are two primary considerations for how to calculate land value in Mountain View.

- 1. **Geographic Consideration.** Currently, Mountain View sets land value on a development-by-development basis. Other options to consider include setting a land value by Parks and Open Space Plan area or setting a Citywide land value.
- 2. **Frequency of Setting.** Currently, Mountain View determines land value when the developer requests the estimate, which may occur any time prior to a development application or during application review. It should be noted many development projects that have greater than 50 units take 12 to 18 months to be entitled after submittal of a formal application, so market conditions can vary during that time impacting the land value. Other options to consider include setting a land value annually or biannually.

TABLE 1: EVALUATING A SET LAND VALUE

	GREET EARLY VALUE
ADVANTAGES	Drawbacks or Challenges
Creates a consistent, transparent, and	There could be land value
fixed process for calculating the land	appreciation that occurs in a
value;	geographic area over the one-year
	period which would not be captured
Sets expectations for an annual	in the park land fee estimate placed
evaluation of land value; and	on a project. This may result in a
	"loss" in land value the City would
<ul> <li>Provides the public and developers</li> </ul>	not capture in the fee collection as the
with land value information to	fee would be based on a fixed land
independently estimate park land	value; and
requirements during the planning	
phase of a development.	Absorb cost of annual appraisal
	(Estimated at \$5,000) in existing CIP.

When looking at the fluctuations in land value by geography and over time, staff recommends annually setting a land value by Parks and Open Space Plan area. An independent real estate land value study can be conducted by a third-party appraiser every year that provides a range of values for an acre of land relating to the various densities described in Table 41.6, namely:

- Low density
- Medium-low density
- Medium density
- Medium-high and high density

The land value study will not provide values for any specific property within the City as this is not an appraisal for a specific property or development. The values will reflect the most probable value of property within a specific density range. The actual value of any given property is affected by many factors such as location, size, development costs, etc. If the property was recently purchased, the cost per acre value will be based on that purchase price, not the range of value estimate, although the purchase price in theory should fall within the range of value. The Real Property Program Administrator (RPPA) will have the discretion to determine final value.

This approach can provide greater certainty to developers while also providing flexibility to adjust land values and park land dedication requirements according to location and time of year the application is submitted. In addition, one year is an industry standard for holding a valid land appraisal.

The fee for the land value study is estimated at \$5,000 and typically takes four weeks to complete. If this approach is selected, the cost will be absorbed by the Biennial Real Estate Technical and Legal Services CIP.

Additionally, staff recommends establishing the park land requirement for a residential development within the first 30 days after a formal development application is submitted to the City. The value would be provided by the Real Property Program Administrator and be honored for up to a maximum of two years based on the applicant diligently (and in a timely fashion) moving through the development review process with a stable project scope. Additionally, the City will request all park land requirements be met prior to issuance of the first building permit. This process follows current practice and provides consistency for all development projects Citywide.

Topic 2 (A): Establishing a Privately Owned Publicly Accessible (POPA) Open Space Credit

Currently, Section 41.11 (Credit) outlines guidelines for two types of credits: (1) Private Open Space (Citywide); and (2) North Bayshore Precise Plan Area Publicly Accessible Private Open Space. An applicant can apply for one open space credit per development project. The Private Open Space credit requires an applicant to provide one contiguous acre of land and contain four of the following seven elements:

- 1. Turfed play field: The play field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
- 2. Children's play apparatus area;
- 3. Landscaped, parklike quiet area;
- 4. Family picnic area;
- 5. Game court area;
- 6. Swimming pool; and
- 7. Recreation center buildings and grounds.

As long as the designated open space meets the criteria above, and other standards set forth in the City Code, the applicant is eligible for a maximum credit of up to 50 percent of the value of the land, which must be approved by the City Council. The Private Open Space credit does not have any geographical restrictions, so any development in the City subject to park land requirements can apply for this credit. In the past five years, one project has applied and was approved for this credit at 777 West Middlefield Road.

For new residential developments in the North Bayshore Precise Plan area, there is an option to apply for a credit toward their park land dedication requirement for providing publicly accessible private open space for up to a maximum of 75 percent of the value of the land, which must be approved by the City Council. The space needs to be a minimum of one acre of contiguous land and contain at least three of the following five elements:

- 1. Turf play field: The playing field shall be a single unit of land which is generally level and free of physical barriers which would inhibit group play activities;
- 2. Landscaped, parklike quiet area;
- 3. Family picnic area;
- 4. Game court area; and
- 5. Children's playground or play structure.

The shape and location of the open space must be conducive for public use, comply with the City's guidelines for restroom buildings, include signage regarding available public access, and be publicly accessible during City park hours (sunrise to one-half hour after sunset). One project has applied and been approved for this credit at 1255 Pear Avenue.

As part of the North Bayshore Precise Plan Publicly Accessible Private Open Space credit, Council included a section for Alternate Proposals. This allows developers of residential and mixed-use residential developments within the North Bayshore Precise Plan to submit a request for a credit for providing publicly accessible private open space and elements other than those listed in Chapter 41. At the sole discretion of the City Council, the request may be granted if it is found the alternative will further the goal of providing publicly accessible private open space in the North Bayshore Precise Plan area.

At the October 15, 2019 Study Session, Council provided direction to staff to explore amending the private open space credit of Chapter 41 to encourage publicly accessible open spaces that are privately owned for which the City would not be responsible for maintaining while providing quality open space for future residents of Mountain View. Councilmembers also noted an interest to encourage creative types of open spaces and recreational elements to expand the variety available to the community.

In evaluating the options to restructuring the private credit, staff reviewed plans of recently approved projects with dedicated park lands (e.g., 400 San Antonio Road, 2296 Mora Drive) and publicly accessible, privately owned open spaces, whether they fulfilled a park land requirement or not (e.g., 700 East Middlefield Road, 1255 Pear Avenue). Reviewing these projects helped staff gauge the types, sizes, and elements in the parks and open spaces frequently proposed with new residential development. In developing a POPA open space credit, staff identified evaluating factors to consider, which are summarized in Table 2.

TABLE 2: EVALUATING A NEW POPA CREDIT

ADVANTAGES	DRAWBACKS OR CHALLENGES
Sets City expectations for a park land credit by establishing minimum universal requirements, some of which maintain public elements	Concerns with overly defining or prescribing requirements that result in "cookie cutter" open spaces;
consistent with City parks (e.g., access, restrooms, etc.);	Having too much flexibility or lack of clarity may result in credit requests with undesirable open space layouts,
Establish requirements that are clear, straightforward, and accessible to	elements, scale, or public interface;
interested developers or members of the public;	Modifying the timing for public input on open space design and amenities to occur during the development review
Provides greater opportunities for developers by expanding the POPA credit Citywide;	process as part of the overall project design, not through a City-led CIP process postconstruction of the development; and
Create greater flexibility in recreational elements;	Loss of in-lieu fee collection as a result of approving POPA credits, resulting
Utilize alternate proposals as a method to actualize large-scale open spaces within large developments; and	in the private development of public space.
Potential for greater amount of public open spaces with less maintenance and operational costs for the City.	

With reviewing all of the information, staff recommends making the following amendments:

• Create a New Consolidated Credit Category. Instead of the private open space and North Bayshore credits, staff recommends having one Privately Owned, Publicly Accessible (POPA) Open Space Credit. The POPA Credit would be applicable Citywide and require that any private open space be publicly accessible to receive the credit. This achieves the goals of creating more space that resembles public parks and simplifies the application of the credit for staff and residential developers.

• Create Two Credit Thresholds. Staff recommends having two levels for the POPA Credit depending on the size of the open space being proposed. If the open space is one acre or less, it can qualify for a credit up to 50 percent of the value of the land or up to 75 percent if the open space is greater than one acre. For either credit, the open space must meet the minimum requirements in Table 3. Staff believes these parameters will provide POPA open space that is in line with expectations for other park and public facilities in the City and avoid getting POPA Credit applications that will not provide quality open space.

Since most of the park dedications that the City is receiving from new residential developments are less than one acre, the two levels for the POPA Credit will allow similar-sized open spaces, which aligns with development recently approved by the City. Additionally, these sized spaces will not create ongoing maintenance and operation costs to the City. By introducing more credit for POPA open space over one acre, it opens the door for developers interested in providing large, publicly accessible private open spaces.

TABLE 3: POPA CREDIT REQUIREMENTS

Size	Maximum Credit	Min. Requirements
One acre or	Up to 50% with a	A contiguous piece of land;
less	minimum of two	
	elements	<ul> <li>Prominent frontage on the</li> </ul>
		development property (e.g., a public
Greater than	Up to 75% with a	street);
one acre	minimum of three	
	elements	<ul> <li>Minimum dimension of 100' in</li> </ul>
		width and length;
		Comply with City guidelines for
		park restrooms, hours of operation,
		signage; and
		<ul> <li>Must be maintained and publicly</li> </ul>
		accessible in perpetuity.
		accessione in perpetuity.

• **Expanded List of Elements.** Staff also recommends providing a larger and more detailed list of elements for the open space to increase the diversity of amenities. Each element is accompanied by a minimum size threshold and descriptive

requirement so as to set clear expectations for the quality and scale of the open spaces and amenities. Table 4 identifies the recommended list.

TABLE 4: PROPOSED POPA CREDIT ELEMENTS

Element	Size	Requirements
Open, Usable Field	0.5 acre	Level with proper irrigation and water amenities to support active recreation.
Dog Park	0.35 acre	Have separate areas for large dogs and small dogs. Adequate amenities that will be maintained such as bag dispensers and dog-friendly hydration stations.
Community Garden	0.35 acre	Must be able to support 30 gardeners from the associated development or general public. Have adequate water access and guidelines for operation and programming.
Game Courts	0.25 acre	Must meet standards of associated activity's professional association. Must have hydration stations.
Playgrounds	0.2 acre	Must have at least two structures: one for tots (ages 2 to 5) and one for youth (ages 5 to 12) with hydration stations.
Picnic Area	0.2 acre	Must be able to sit at least 30 individuals and have 1 barbecue for every 2 tables.
Exercise Area	0.15 acre	Must be able to support 10 people using equipment at same time, have ADA-accessible equipment, and have hydration stations.
Landscaped, Parklike Quiet Area	0.15 acre	Must have seating, shade, and be distinguishable from other elements of the open space.

As part of the credit request, staff recommends requiring the developer to: (1) submit a written description of the park credit request and how the proposed open space achieves the requirements; (2) provide dimensioned plans that detail the proposed open space and amenities design; and (3) conduct an analysis of elements at the five closest public parks or POPA open spaces to their project site. If three or more parks/open spaces in that analysis have the same element(s), the applicant must select a different element(s) to provide in the open space. This will help ensure a variety of passive and active elements are provided throughout the

City and require the applicant to demonstrate due diligence in assessing the aspects of their proposed POPA open space.

• Other Credit Details. Staff recommends retaining that POPA open spaces must only apply to the open space credit for purposes of park land requirements and cannot satisfy other requirements of development or zoning standards, such as common area requirements, and required building setbacks. For a more specific example, walkways and pathways that lead through a residential development to the POPA open space would not count towards satisfying the open space credit as these may be mandated for accessibility per the Building Code, fire access requirements, and/or only enhance the private property access to the POPA open space without providing a greater benefit to the public.

Topic 2 (B): Alternate Proposals in the POPA Credit

Currently, the ordinance contains an "Alternate Proposal" subsection under the North Bayshore Precise Plan Publicly Accessible Private Open Space Credit section. Staff recommends retaining an "Alternate Proposal" section for the POPA Credit but modify its application to address two types of proposals:

- 1. **Alternate Element.** A developer can provide an alternate element for any one element listed. If an alternative element is proposed, the amenity must be comparable to the function or utility of a listed element or provide a unique amenity to the community that would not otherwise be met.
- 2. **Alternate Proposal.** A developer can request an alternate proposal for a POPA open space as long as the open space is greater than one acre in size, meets the minimum requirements of the POPA credit (in Table 3), and is located within a Master Plan area with a significant residential land use.

A Master Plan is a comprehensive guiding plan for future development of a particular property or collection of properties, which may have one or more property owners. The Plan allows for coordinated development, while providing flexibility for individual buildings or development phasing to occur over time. The Plan conceptually provides the location and parameters of land uses, public infrastructure, parks, and other key development requirements. These are different from the City's Precise Plans in that they are proposed by a property owner(s) and are not a City-initiated process. They often cover tens of acres of land, and the level of detail is often less than what is included in a Precise Plan.

By tying this credit option to Master Plans, it provides flexibility when encountering unique situations for future developments while discouraging small proposals that will not provide the quality of open space that the City desires. In addition, staff believes Master Plans may be great opportunities for innovative solutions to providing open space in Mountain View. Any alternate proposal would require City Council approval.

#### FISCAL IMPACT

The proposed amendments to setting land values are intended to provide greater certainty to developers for their park land dedication in-lieu fee amounts but could cause a nominal loss on individual fees due to the land value being set for one year. The cost for the annual appraisal study can be absorbed by the Biennial Real Estate Technical and Legal Services CIP.

Staff anticipates seeing an increase in the amount of proposals for the POPA Credit after these amendments. This could reduce the amount of park land dedication in-lieu fees received from future residential developments. However, it will also provide more publicly accessible open space, which is the primary purpose for the fees.

#### **SUMMARY**

Based on Council direction at a Study Session on October 15, 2019, three sections of Chapter 41 of the City Code ("Park Land Dedication or Fees In Lieu Thereof") are recommended to be updated in conjunction with the update of the Parks and Open Space Plan, which will occur after 2020 Census data is published in March 2021.

Staff recommends making changes to two sections of Chapter 41 this fiscal year. First, staff recommends codifying the methodology for calculating land value. The new methodology can provide greater certainty to developers during initial development feasibility, design, and financing of their projects. It will also reduce the amount of staff time needed to communicate with a developer about the process or appraised land values.

Second, staff recommends modifying the Credit Section of Chapter 41 to establish a Citywide publicly accessible private open space (POPA) credit. The goal of these changes is to encourage the creation of quality open space with a variety of recreational amenities, while not requiring ongoing maintenance and operational costs to the City.

#### NEXT STEPS

After receiving Parks and Recreation Commission input, staff will take the proposed amendments to Council in March or April for consideration of adoption.

In Fiscal Year 2021-22, staff will update the Parks and Open Space Plan using updated population data from the completed 2020 Census, which is supposed to be published in March 2021. In conjunction with updating the Parks and Open Space Plan, staff will explore conducting a nexus study to determine the impact of new commercial and office development on our City's parks, trails, and open space. After these documents have been updated, staff will review Chapter 41 of the City Code and recommend amendments based on the data and information collected from these other efforts. The PRC and City Council will be involved throughout these updates and reviews.

### <u>PUBLIC NOTICING</u> – Agenda posting.

JRM-BR-LH-ALM/2/CSD 240-02-12-20M

Attachments: 1. Copy of Chapter 41 of City Code

2. Parks and Open Space Planning Area Map and Assessment

3. Comparison of Neighboring Jurisdictions

## CITY OF MOUNTAIN VIEW

#### **MEMORANDUM**

Community Services Department

**DATE:** October 14, 2020

**TO:** Parks and Recreation Commission

**FROM:** John R. Marchant, Community Services Director

Brady Ruebusch, Senior Management Analyst Lindsay Hagan, Deputy Zoning Administrator

Angela LaMonica, Real Property Program Administrator

Diana Fazely, Senior Deputy City Attorney

**SUBJECT:** Park Land Dedication Ordinance Second Review of Modifications

#### **PURPOSE**

Provide input on proposed modifications to Chapter 41 of the Mountain View City Code ("Park Land Dedication or Fees in Lieu Thereof") since the Parks and Recreation Commission (PRC) February 12, 2020 meeting, including direction on a Private Open Space Credit.

#### **BACKGROUND**

In Fiscal Years 2019-21 Council Goals, the City Council included an item to review and update Chapter 41 of the City Code, also known as the Park Land Dedication Ordinance (Attachment 1). On October 15, 2019, staff presented the Park Land Dedication Ordinance at a City Council Study Session to receive direction on the types of amendments to study further. Council recommended a two-pronged approach to Chapter 41: (1) amendments to be considered after the 2020 U.S. Census is completed and data is available (in tandem with the Parks and Open Space Plan Update), and (2) amendments to explore in the current two-year Council Goals cycle this fiscal year. On February 12, 2020, the PRC reviewed proposed changes to the Park Land Dedication Ordinance recommended to be reviewed in the current two-year Council Goal cycle (Attachment 2). In the following months, staff met with members of the residential development community to gather input on the proposed changes. A summary of input staff heard from the development community includes:

• Uniform, set land values are important for evaluating the feasibility of a development project, including securing funding;

- "Lock in" the fee estimate for as long as project is under review and entitled; developer has limited control over how long the process takes. Changing the fee estimate at the end of entitlements can make a project suddenly infeasible;
- Support a clear review and approval process for park land credits;
- Desire flexibility in the list of elements for open space credit(s); list of elements is too restrictive. Some duplicity in elements may be appropriate;
- Incentivize Privately Owned/Publicly Accessible (POPA) credit at or near the same valuation (or more) as land dedication for it to be an attractive option as developer carries the cost of construction, ownership, and maintenance in perpetuity;
- Allow on-site common open space provided in a development project to count toward private open space credit;
- Allow bike or multi-use paths to count toward park land credits;
- Allow plazas or other similar open spaces to qualify for park land credit;
- Consider roof decks and podium outdoor spaces to count toward private open space credit; and
- Current park land requirements are approximately 10 percent of the estimated project costs and the largest cost item in a project's development costs. The park land fee is too high.

At the February 12, 2020 meeting, staff recommended having one open space credit option for POPA open spaces. After meeting with developers and reviewing different residential development scenarios, staff is seeking further input on the Private Open Space Credit, in addition to modifications to the POPA credit option. Therefore, staff has additional modifications to the original February 2020 recommendations for PRC review and subsequent consideration for City Council. PRC input will be shared at a City Council Study Session tentatively scheduled for October 27, 2020.

#### **DISCUSSION**

This section is divided into topics that were presented in February 2020 followed by staff's current recommendation for that topic. The proposed changes are meant to ensure the ordinance continues to meet City expectations for achieving public open space while

adapting to residential development trends. In response to growing development costs (e.g., land costs, construction costs, and new or expanded City impact fees), private developers are looking for stability and flexibility in park land requirements. Additionally, the City is looking to improve the goal of 3 acres per 1,000 residents by encouraging private development to create more open space while carrying the long-term costs (e.g., maintenance, liability, etc.).

#### **Topic 1: Establishing Fee Certainty with Land Value**

February 12, 2020 Recommendation

At the February 12 meeting, the PRC provided input on establishing fee certainty with land value. Staff recommended a third-party annual appraisal study to guide the final determination of land values in each parks and open space area by various densities listed in Chapter 41 of the City Code. This study will be conducted annually and would be expected to be adopted in tandem with the City's annual budget. Using this study, the Real Property Program Administrator proposed to provide the estimated land value for a project within the first 30 days of receipt of a formal development application as part of the City's standard review process. Under this proposal, the estimation would remain throughout the application process (as it is today), based on the applicant diligently moving through the development review process with a stable project scope. Additionally, following approval of a new development, the City would continue to request all park land requirements be met prior to issuing the building permit.

#### Modifications/Additional Direction

To provide more certainty, staff recommends updating the City's standard Condition of Approval to identify the project-specific park land requirements. Currently, the park land Condition of Approval does not include a dollar amount for land value, amount of land dedication, in-lieu fees, or any combination thereof. Instead, it highlights a general range of cost per unit and the steps to execute the park land dedication obligations. By introducing the project-specific requirements, it increases clarity for everyone by explicitly incorporating the project-specific fee estimate, land value, and land requirement into the project entitlements. The entitlements are valid for a two-year period during which an applicant must be issued a building permit and start construction. By including the project-specific park land requirements into the Condition of Approval, it effectively "locks in" the requirements for the duration that the entitlements are valid.

It is important to note that "locking in" the park land fee for the two-year duration of entitlement deviates from how other development impact fees are calculated in the City.

Other development fees applied to residential projects (such as Below-Market-Rate fees, sewer or utility capacity fees, and Citywide transportation fee) are all calculated and collected prior to building permit issuance based on the adopted fee schedule in place at time of fee payment. So, the estimate provided during the review of a project may be different than what is paid at building permit one or two years later. However, these other development fees either are adjusted incrementally each year by a nominal amount (Consumer Price Index) or through an updated nexus study, both of which are driven by known market conditions. The park land fee is based on land value, which can fluctuate dramatically year-to-year based on unknown market conditions. By tying the specific park land requirements to the project's entitlement, the City would effectively be stabilizing the park land project-specific fee (and land value) for two years.

# Topic 2(A): Establishing a Privately Owned/Publicly Accessible (POPA) Open Space Credit

February 12, 2020 Recommendation

The PRC reviewed consolidating the existing two open space credits (Private Open Space and North Bayshore Precise Plan Publicly Accessible/Privately Owned Open Space) into one credit for Privately Owned/Publicly Accessible (POPA) open space that would be available to developments anywhere in the City. The proposed POPA credit would have two credit thresholds: up to 50 percent, the value of the land for POPA open space that is one acre or less in size; and up to 75 percent, the value of the land for POPA open space that is greater than one acre. Table 1 outlines the proposed POPA credit that was presented to the PRC on February 12.

TABLE 1: FEBRUARY 12 PROPOSAL – POPA CREDIT REQUIREMENTS

Size	Maximum Credit	Minimum Requirements
One acre or	Up to 50% with a	A contiguous piece of land;
less	minimum of two	
	elements	Prominent frontage on the
		development property (e.g., a public
Greater than	Up to 75% with a	street);
one acre	minimum of three	
	elements	Minimum dimension of 100' in
		width and length;
		Comply with City guidelines for
		park restrooms, hours of operation,
		signage; and
		Must be maintained and publicly
		accessible in perpetuity.

In addition, the proposed credit would have an updated table of elements with specific size and service levels as shown in Attachment 1. Instead of requiring a minimum size for the open space, the requirement of at least two elements required the space to be at least 0.3 acre, based on the size requirements of the elements.

As part of the credit request, staff recommended requiring the developer to: (1) submit a written description of the park credit request and how the proposed open space achieves the requirements; (2) provide dimensioned plans that detail the proposed open space and amenities design; and (3) conduct an analysis of elements at the five closest public parks or POPA open spaces to their project site.

Lastly, any credit towards park land requirements and/or in-lieu fees would need City Council approval.

Modifications/Additional Direction

Staff recommends four modifications to the February 12 POPA credit proposal, including:

1. <u>Increase Minimum Size and Remove Number of Elements</u>: Staff recommends increasing the minimum size of a POPA open space to 0.4 acre rather than size

depending on the elements chosen. Stating a minimum size sets a clearer expectation for developers and is consistent with the size of multiple public park lands that the City has accepted for dedication in residential projects over the last five (5) years.

Staff also proposes to remove the requirements for a minimum number of elements in the open space in order to allow for more flexibility and creativity in elements proposed in the open space. Instead, staff proposes to establish service objectives or, in some cases, prescriptive objectives, for each element to establish clear expectations of function and purpose.

- 2. <u>Modify Tiered Framework</u>: Staff recommends modifying the tiered credit framework for the POPA section to include one universal credit category for open spaces under one acre or smaller in size and a separate category for spaces larger than one acre in size under an Alternate Proposal section, which is discussed later in this report. Staff proposes this approach as the majority of open space credits anticipated to be proposed will be under one acre in size. So, simplifying the requirements to highlight the common application provides the greatest clarity while also allowing separate consideration of larger open spaces.
- 3. Revise Elements and Element Framework: The list of elements has been updated to have minimum service objectives rather than minimum size requirements. This approach allows for greater flexibility in defining elements within an open space and does not presume the same elements are always of equal size, such as a play structure or game court. In addition, staff is recommending to redefine the element of "parklike quiet area," while also limiting the amount of space utilized for that element.

With this modified framework, the entire open space must be comprised of a combination of elements listed in Table 2, meeting the minimum requirements. No more than 25 percent of the open space can be used as "Landscaped, Parklike Quiet Area." Staff believes this allows for some natural spaces and tree preservation but provides clear direction on what qualifies for this element versus others.

**Table 2: New Proposal Elements** 

Element	Minimum Requirements
Open, Usable Field	Must be level, with proper irrigation and water amenities to support active recreation. Minimum total area must be 0.3 acre with a minimum of 60' for any side of the element.
Dog Park	Have separate areas for large dogs and small dogs. Adequate amenities that will be maintained such as bag dispensers and dog-friendly hydration stations. Minimum total area must be 0.25 acre for the Dog Park with a minimum of 60' for any side of the element.
Game Courts	Must contain at least one full court that meets the standards of professional association for the type of activity.
Playgrounds	Must have at least two structures (climbable apparatus): one for tots (ages 2 to 5) and one for youth (ages 5 to 12).
Picnic Area	Must be able to sit at least 15 individuals and have one barbecue for every two tables. Must be distinguishable from other elements.
Exercise Area	Must be able to support 10 people using equipment at the same time and have ADA-accessible equipment.

Element	Minimum Requirements
Park Trail	Must be a designated, multi-use, Class 1 Trail as listed in the <i>Caltrans Highway Design Manual – Bikeway Designations</i> for the entire length of the proposed trail. The trail must provide a clear and direct path, with appropriate signage, through the project site, connecting any of the following:
	• Existing or planned public facilities (e.g., public buildings, transit stops and centers, schools, parks, etc.).
	• Expand, or allow for future expansion of, the existing City park trail network (e.g., Stevens Creek, Permanente Creek, Whisman T.O.D., Hetch Hetchy, and Bay Trails). Provides more than new creek crossings or trail heads from private property.
	• A new connection that expands an identified network in the City's Bicycle and Pedestrian Master Plans to a major public facility or major public street or significantly reduces the time or length of travel by providing an alternative connection from an identified network in the City's Bicycle and Pedestrian Master Plans.
Landscaped, Parklike Quiet Area	Should have seating, shade, and be distinguishable from other elements of the open space. Any open space that does not meet the minimum requirements of other listed elements will be assumed to count towards Landscaped, Parklike Quiet Area.

Only the open, usable field and dog park elements have minimum size requirements as a determinant of their service levels. Staff believes this approach will help prevent "cookie-cutter" open spaces from occurring because there is more flexibility in how the elements are designed and applied to the open spaces while also ensuring they meet minimum expectations.

4. <u>Modify Credit Application Requirements</u>: Staff recommends modifying the analysis of the surrounding parks and open spaces for application of a park land credit in two ways: (a) add a maximum radius of one mile when analyzing the five closest public parks; and (b) add a demographic analysis.

With further review, staff realized that with no maximum distance in reviewing the five closest parks, projects could be assessing parks and open spaces that are not

within walking distance of the project site to reasonably serve the residents. Therefore, to align with the size and service areas currently listed in the Park Land Ordinance, a maximum radius of one mile of the five closest parks is recommended for the elements analysis.

Also, the additional demographic analysis will help determine the types of amenities that may be most beneficial to the nearby population, including the anticipated demographics of the new development. In addition, if a project area has few current residents and/or limited nearby parks or open spaces, this demographic analysis can aid in identifying potential populations to be served by the new open space and help guide the design. This demographic analysis, in combination with the assessment of nearby parks and open space, can provide a foundation for assessing specific park design needs during the public review process of the larger development project.

Question 1: Does the PRC support the proposed modifications to the POPA Open Space Credit from the February 12, 2020 meeting summarized in Table 3?

Table 3: Summary of Changes under New Proposal for POPA Credit

February 12, 2020 Proposal	New Proposal
One acre or less requires two elements	Minimum requirement of 0.4 acre with no minimum element requirement
<ul> <li>Minimum Requirements include:</li> <li>Contiguous piece of land</li> <li>Prominent frontage on the development property (e.g., a public street)</li> <li>Minimum dimension of 100' in width and length</li> <li>Comply with City guidelines for park restrooms, hours of operation, and signage</li> </ul>	No change
Greater than 1 acre can receive credit up to 75% the value of the land	Open space greater than one acre is addressed in Alternate Proposal Section and can receive up to an additional 25% credit for the open space

February 12, 2020 Proposal	New Proposal
Elements  • Have minimum sizes  • Included community gardens	<ul> <li>Elements</li> <li>Have minimum service levels</li> <li>Added park trails</li> <li>Removed community gardens</li> <li>Redefined parklike quiet place</li> </ul>
Alternate Element can be provided for any one element listed as long as amenity is comparable to the function or utility of a listed element or provide unique amenity to the community that would not otherwise be met.	No change
<ul> <li>Surrounding Area Analysis</li> <li>Elements at five closest parks</li> </ul>	<ul> <li>Surrounding Area Analysis</li> <li>Elements at five closest parks within one-mile radius of proposed open space</li> <li>Demographic analysis of one-mile radius to be included with elements analysis</li> </ul>
Other Credit Details  POPA open space must only apply to the open space credit for purposes of park land requirements and cannot satisfy other zoning requirements of development	No Change

## Topic 2(B): Alternate Proposals in the POPA Credit

February 12, 2020 Recommendation

The Alternate Proposal option was applicable to open spaces greater than one acre in size that met the minimum requirements of the POPA credit and were located within a Master Plan area with a significant residential land use.

#### Modification/Additional Direction

As previously stated, staff recommends removing the tiered POPA credit approach and instead address open spaces greater than one acre in the Alternative Proposal section. The Alternate Proposal section is proposed to be modified to remove the requirement

that a development be located within a Master Plan area as it limits possible qualifying locations in the City.

In addition, by providing greater than one acre of open space, staff recommends an additional 25 percent credit for a maximum possible park land credit of 75 percent of the value of the land for POPA open space when greater than one acre.

# **Topic 3: Private Open Space Credit**

February 12, 2020 Recommendation

In the proposal presented by staff in February, the Private Open Space credit was recommended to be removed from the Park Land Dedication Ordinance by consolidating it into one POPA Credit to be applied Citywide. At the time, staff believed the greatest barrier to use of the credit was the minimum size requirement of one contiguous acre. Therefore, staff proposed to reduce that threshold in exchange for the space to be publicly accessible so it could be counted towards the City's open space goal of 3 acres per 1,000 residents.

However, after conversations with developers and reviewing various development projects and scenarios, staff is seeking input from the PRC on the Private Open Space Credit.

Modifications/Additional Direction

Staff is seeking input on the PRC's preferred option from the three options discussed below for the Private Open Space Credit. Overall, the objective of the Private Open Space Credit is to establish an avenue to consider additional private open space on-site with new residential development (above and beyond minimum zoning requirements) to count toward the City's park land requirements as the space reduces the demand for public recreational facilities nearby.

The different options being proposed take into account different adjustments to the following factors:

- Need for an alternative open space credit from POPA;
- Level of credit (percentage of value of land);

- Size of open space (minimum or maximum); and
- Facilitating residential development.

For Options 2 and 3, the Private Open Space Credit is proposed to utilize the same list of elements as the POPA credit.

## Option 1: Eliminate Private Open Space Credit

This option was presented to the PRC in February. By eliminating the Private Open Space Credit, the ordinance would have only one open space credit, the POPA credit. The POPA credit, as proposed, would allow publicly accessible open space with a minimum of 0.4 acre and a credit of up to 50 percent of the value of the land. While eliminating the credit does not hinder the City's objective for publicly accessible open space, the Private Open Space credit does provide some financial relief to residential developers in paying the entire park land dedication in-lieu fee. Additionally, these spaces do provide some relief from recreational demands on nearby parks. Overall, this approach would reduce the available credit options to only publicly accessible open space, highlighting the City's interest in public spaces, while decreasing the credit options for developers.

# Option 2: Lower Percentage

This option keeps the current Private Open Space Credit, which requires one contiguous acre of open space, but lowers the credit percentage from 50 percent to 25 percent of the value of the land. This approach would maintain a large minimum size for open space, relieving more recreational demand for public open space. Additionally, by lowering the credit percentage to 25 percent and offering a greater credit percent on POPA credits (50 percent), it establishes a clear preference by the City for publicly accessible open space. Based on the minimum one-acre size, a challenge with this option is the credit's limited applicability—only housing developments on five-plus acres can typically consider one acre of open space beyond the minimum zoning requirements. Most of the residential development applications under review by the City are for project sites under five acres in size. Lastly, these private open spaces do not contribute to the City's goal of three acres of publicly accessible open space per 1,000 residents.

# Option 3: Align Private Open Space Credit with POPA Credit

This option reduces the size requirement of the Private Open Space Credit from its current minimum of 1 acre to 0.4 contiguous acre and aligns the requirements of the credit to match the POPA open space credit, in terms of size, elements, and expectations. Additionally, the credit percentage would be reduced to 25 percent, which is a lower

percentage than the POPA credit as it is less desirable as private space by the City. By having the same requirements as the POPA credit, the open spaces would have the same design parameters that result in spaces of similar quality to dedicated public park space. In addition, this approach would enable more residential developments to qualify for the credit due to the reduced minimum size threshold, which may provide some financial relief to a greater range of residential developments. However, this option would reduce land dedication and/or in-lieu fees collected by the City for public parks and would likely result in more private open spaces Citywide.

Question 2: Which is the PRC's preferred option for the Private Open Space Credit?

#### Update on Term and Maintenance for Proposed Open Space Credits

At the February 12 meeting, the PRC inquired how staff can guarantee publicly accessible open spaces remain accessible in perpetuity. In response, staff has outlined the proposed approach to terms and maintenance requirements of private and publicly accessible open spaces.

## Private Open Space

If the Private Open Space Credit is retained in the ordinance, staff recommends requiring the open space to be maintained to a standard consistent with our City parks and remain available to residents for the life of the residential project. Note: these spaces do not count toward the City's park land goals as they are not publicly accessible. Therefore, there is no need to retain the space in perpetuity. Should the project site be redeveloped or the open space be developed on, then new park land requirements would be determined on the proposed redevelopment.

## POPA Open Space

For open space that is provided through the POPA Credit, staff recommends requiring the space to be maintained to a standard consistent with our City parks and remain publicly accessible in perpetuity through public access easement or future land dedication. In order for the space to count toward the City's park land goals of 3 acres per 1,000 residents, it must remain publicly accessible in perpetuity. Additionally, staff is considering to require the owner to enter into a long-term maintenance agreement, such that any violations to maintain the open space can be reported to the City and may result in penalties.

If a property with a POPA redevelops, staff recommends the developer be required to retain the same total area and function as the existing open space credit area, even if it is

adjusted in shape or location on-site. The redesigned open space would need to meet the requirements of the Park Land Ordinance in place at time of redevelopment and be approved by the City Council. The updated POPA open space would count towards the redevelopment project's new Park Land requirements.

## Topic 4: Percentage/Value of Open Space Credits

February 12, 2020 Recommendation

At the February meeting, staff proposed offering the POPA credit at 50 percent of the value of the land for open space that is one acre or less and 75 percent of the value of the land for open space that is greater than one acre. At that meeting, there was no proposal for a Private Open Space Credit.

Modifications/Additional Direction

If the PRC and City Council recommend to include a Private Open Space Credit in the amendment, staff recommends the Private Open Space Credit be 25 percent of the value of the land. Should a developer provide private open space that meets the requirements for an alternate proposal, the space would be able to apply for the additional 25 percent credit for a possible total of 50 percent of the value of the land. Because this open space will only be available to residents and not count towards the open space goals of 3 acres per 1,000 residents for the City, staff believes the credit should be lower than credit for publicly accessible open space. This illustrates the priority for the City is to get publicly accessible land.

For the POPA credit, staff recommends increasing the percentage of credit from the proposal of 50 percent to up to 75 percent of the value of the land for open space that is one acre or less. This would subsequently allow for 100 percent of the value of the land under the Alternate Proposal section. Staff believes that a higher level of credit is warranted than 50 percent due to the benefits to the City that a POPA open space provides. When determining the level of credit that should be provided, staff weighed the benefits to the City, the benefits to the developer, and possible negatives about open space credits.

For the City, the POPA open space credit:

- Reduces impacts of new residents on the existing parks and open space in the City;
- Does not require City funding for design and construction of the open space;

- Does not require City funding for ongoing maintenance of the open space;
- Provides open space for the public that is designed based on analyses of nearby demographic and existing park elements; and
- Counts toward the open space goal of 3 acres per 1,000 residents in parks and open space planning areas.

Private open space achieves the first three benefits but does not provide open space for the public and, therefore, does not help the City achieve its open space goals. Thus, staff is recommending a lower credit for this reason.

In addition to the lowered dedication requirement and/or in-lieu fees, the open space credits provide the following benefits to developers:

- Construct the open space in conjunction with the residential development so it is available to use at occupancy of the project;
- Incorporating the open space design into the overall project design for continuity and coordination of land uses;
- One public input process for the design of the open space and development;
- Allows greater flexibility for construction of the development by being retained as
  private property, for which underground parking or utilities can be located below
  the open space (which the City prohibits underneath dedicated park land); and
- The open space can also typically be built at less cost than the City because construction activity and material sourcing is already occurring with the residential development, so there is little additional administrative overhead required.

Question 3: Does PRC support adjusting the percentage of the value of the land per credit: 25 percent for private open space, 75 percent for POPA open space, and adding 25 percent for Alternative Proposals?

#### FISCAL IMPACT

The fiscal impact of the annual appraisal study is approximately \$6,000 and will be funded from the Biennial Real Estate and Legal Service CIP. The impact of setting land values also remains the same as presented in February. The proposed amendments to setting land values are intended to provide greater certainty to developers for their park

land dedication in-lieu fee amounts but could cause a nominal loss on individual fees due to the land value being set for one year. Similarly, the fiscal impact of the proposal for the POPA credit is the same as February where it could reduce the amount of park land dedication in-lieu fees received from future residential developments, but will also provide publicly accessible open space.

Depending on which option is recommended for the Private Open Space Credit, the impact to park land dedication in-lieu fees will vary. The greatest impact to in-lieu fees would come from aligning the Private Open Space Credit with the POPA Credit since the lowered minimum acreage would encourage more developments to pursue the credit. However, this would lower the fiscal barrier to residential development while providing open space of public park quality to a development's residents through the parameters in the ordinance. Keeping the Private Open Space at its current minimum acreage of one acre but lowering the percentage would have minimal impact to in-lieu fees since very few of these applications are currently received and the credit requirements would remain the same but with a lower available credit percentage. Eliminating the Private Open Space Credit and only having one open space credit for POPA open space will not change the fiscal impact from what was presented in February.

#### **REQUEST FOR INPUT**

Question 1: Does the PRC support the proposed modifications to the POPA Open Space Credit from the February 12, 2020 meeting summarized in Table 3?

Question 2: Which is the PRC's preferred option for the Private Open Space Credit?

Question 3: Does the PRC support adjusting the percentage of the value of the land per credit: 25 percent for private open space, 75 percent for POPA open space, and adding 25 percent for Alternative Proposals?

#### **SUMMARY**

On February 12, 2020, staff presented the PRC with a proposal for amending the Park Land Dedication Ordinance to provide greater certainty to residential developers and amend the credit section to expand the opportunity for open space credits while continuing to improve the 3 acres of open space per 1,000 residents goal. In the months following the meeting, staff held meetings with residential developers to further review the proposal. From the review, staff modified the original proposal in the following ways.

- Include explicit language about land value, park land requirement, and in-lieu fees in the Conditions of Approval for each development, "locking in" the requirement for the two-year duration of entitlement;
- Recommend a minimum of 0.4 acre to qualify for a POPA credit instead of dependent on the elements chosen;
- Review all credits for open spaces larger than one acre in the Alternative Proposal Section;
- Open space elements have minimum service level requirements instead of size requirements;
- Instead of a minimum number of elements, the open space must be entirely comprised of elements at the minimum service levels, with no more than 25 percent of the space being parklike quiet area; and
- Alternate Proposals are no longer limited to developments located within a Master Plan.

In addition to the recommended changes listed above, staff is seeking direction on whether to continue to provide a Private Open Space Credit and how it should be modified. The three options for the Private Open Space Credit take four factors into consideration and adjust the factors to determine the effects on open space, residential development, and in-lieu fees. Staff is also seeking direction on the level of credit that should be provided for the different open space credit options.

JRM-BR-LH-ALM-DF/4/CSD 240-10-14-20M

Attachments: 1. Chapter 41 of Mountain View City Code (Park Land Dedication Ordinance)

2. Item 5.2 from February 12, 2020 PRC Meeting

## **Developer Input and Public Comments**

City staff met with members of the residential development community to discuss concerns regarding the current park land requirements and gather input on proposed modifications. A summary of input heard includes:

- Uniform, set land values are important for evaluating the feasibility of a development project, including securing funding;
- Interest to "lock in" the fee estimate for as long as project is under review and entitled; developer has limited control over how long the permitting process takes. Changing the fee estimate at the end of entitlements can make a project suddenly infeasible;
- Support a clear review and approval process for park land credits;
- Desire for flexibility in the list of elements for open space credit(s); list of elements is too restrictive. Some duplicity in elements may be appropriate;
- Incentivize Privately Owned Publicly Accessible (POPA) credit at or near the same valuation (or more) as land dedication for it to be an attractive option as developers carry the cost of construction, ownership, and maintenance in perpetuity;
- Allow on-site common open space provided in a development project to count toward private open space credit;
- Allow bike or multi-use paths and plazas or other similar open spaces to qualify for park land credit;
- Consider roof decks and podium outdoor spaces to count toward private open space credit; and
- Current park land requirements are approximately 5 to 10 percent of the estimated project costs and the largest cost item in a project's total development costs. The park land fee is too high.

Additionally, staff received written public comments for the Parks and Recreation Commission Study Sessions, which are enclosed.



February 12, 2020

Via email: prc@mountainview.gov

Parks and Recreation Commission City of Mountain View 500 Castro Street Mountain View, CA 94041

Re: Park Land Dedication Ordinance Review of Modifications

Dear Chair Herbach, Vice Chair Mitchner and Commissioners:

On behalf of SummerHill Housing Group, thank you for the opportunity to provide comments on the City's review of the Park Land Dedication Ordinance.

At the City Council Study Session on October 15, 2019, the Council acknowledged that Park In Lieu Fees have increased drastically over the past decade and that they have reached a point where they impede the City's goal of encouraging new housing for the community. To address this, the Council asked Staff to propose ways to create more certainty for developers regarding Park In Lieu Fees and to expand park credit for properly designed privately owned open space. Specifically, the Council directed Staff to do the following:

- Propose options to establish uniform land values for purposes of calculating Park In Lieu Fees
- Propose options to <u>"lock in" Park In Lieu Fees early</u> in the development process
- Propose options to grant park credit for privately owned, publicly accessible open space
- Propose options to <u>expand the park credit for private open space</u>

The Staff Memo offers options for establishing uniform land values, allowing developers to "lock in" park fees and granting park credit for privately owned, publicly accessible open space. However, the Staff Memo does not include any proposals to expand the park credit for private open space.

Before the Commission makes any recommendations to the City Council, we respectfully request that the Commission direct Staff to host outreach meetings with residential developers and other stakeholders. As a residential developer, SummerHill is able to provide practical insight about the challenges of the current Ordinance. We appreciate Staff's efforts to develop options for the Council to consider, but without the benefit of practical experience, the options will miss the mark.

Based on our extensive experience in Mountain View, we continue to recommend the following:

- Establish uniform land values to be used for <u>all</u> residential projects, not just for projects on sites that have not recently transferred ownership. After all, Park In Lieu Fees will be used by the City to purchase other land near the project site, not the site itself, so the fees should be based on the average land value near the site, not the site itself.
- Allow developers to "lock in" Park In Lieu Fees for longer than two years by paying the fees early. We support Staff's recommendation to set fees within 30 days after a development application is submitted and to "lock in" those fees for two years, but for many residential projects in Mountain View, it takes more than two years to get from the formal application to the first building permit.
- Allow credit for a broader range of privately owned, publicly accessible pathways and open space.
  We support Staff's effort to establish a credit for privately owned, publicly accessible open space,
  but the proposed criteria are too narrow. For example, the requirement that the open space be at
  least 100 feet wide and long ignores the fact that valuable recreation spaces come in a range of sizes
  and shapes. Similarly, the requirement that the open space include a restroom is unrealistic and
  ignores the fact that even many public parks lack a restroom.
- **Expand the credit for private open space**. We continue to encourage the City to expand the park credit for private open space. With appropriate amenities such as a pool and an outdoor grill with casual seating, private open space can provide valuable outdoor recreation space and reduce the demand for new public parks, even if the private open space is less than one acre. The outdoor amenity spaces that we provide in our communities often receive much more use than a public park.

As we have discussed with Staff and with Councilmembers in the past, clarity and predictability are essential to encourage development. The changes that we recommend will reduce uncertainty and provide fair credit for private open space and privately owned, publicly accessible open space, without jeopardizing the City's goal of continuing to provide outdoor recreation space for the community.

Again, we respectfully request that Staff host outreach meetings with residential developers and other stakeholders and then bring revised proposals back to the Commission for consideration before the Commission makes any recommendation to the Council.

We look forward to working with Staff on this issue.

Thank you.

Sincerely,

**Director of Entitlements and Planning** 

CC: Brady Ruebusch, Senior Management Analyst
Kevin Ebrahimi, Senior Vice President, Entitlements and Planning



October 12, 2020

Parks and Recreation Commission (PRC) City of Mountain View 500 Castro Street Mountain View, CA 94039

**RE:** Park Land Dedication Ordinance

**Dear Members:** 

Prometheus Real Estate Group understands the importance of providing open space and parks to our neighbors and the community at large. We support the City's efforts to review the park land dedication ordinance, and in this letter, we offer insights based on more than 50 years of creating housing units in Mountain View.

It's important for the City to consider the impact of providing open space relative to the costs of providing the housing that the area so desperately needs. Over the last 10 years park land dedication costs have increased more than any other budget line item for housing development in Mountain View. Prometheus' three most recent projects have included the dedication of more than 1.6 acres in total land area, in addition to, more than \$45M for in-lieu fees. Altogether recent park considerations amount to \$46,000 per unit for these 1,280 residences, or as much as 5-10% of a project's budget. These costs can significantly reduce the feasibility of housing production and this is an important conversation to meet Mountain View's housing goals.

#### PARK LAND VALUE

We applaud the Staff's idea to hire an appraiser to establish the value of park land on an annual basis and create more fee certainty. We have found that other Bay Area municipalities are much more explicit with the park land valuation, and this annual exercise can reduce the risk for housing development in Mountain View.

- ➤ Use a weighted average value of all land in the City, rather than the market value of a particular use or density to establish the in-lieu fee. It seems more prudent for the City to be focused on the cost of purchasing park land, than replacing the land of the development project. The City's opportunity is that any land can be converted to park land, and the amount of the fee should reflect the variety of land uses in the City.
- Adding a density adjustment to value of land is unnecessary. Essentially, there are two parts to the equation for calculating the in-lieu fee: (A) the number of units or households added and (B) value of park land. By nature, variable (A) quantifies the amount of land needed based on density of a new project. Adding a density adjustment to the cost of land (B) unnecessarily increases the amount of fee a developer pays.



- ➤ **Use a five-year average of land value.** Land prices throughout the Bay Area tend to fluctuate and spike indiscriminately. We encourage the City to use a rolling average to mitigate the inconsistency of land value at any moment.
- ➤ Honor park land values for the duration of entitlements. We agree that the appropriate time to set park land dedication value is at application to provide fee certainty for housing projects. Our experience in Mountain View is that entitlements can take much longer than two years to complete, and these extended timelines should be considered. We encourage the City to honor the park fee estimate through entitlement approvals, not just for a period of two years.

#### PRIVATE OPEN SPACE

We support the City's idea to incentivize more private and publicly accessible areas. Prometheus neighborhoods often include outdoor space as an amenity that offers our residents a more walkable and active environment, which aligns with the City's goals.

- ➤ Reduce the required minimum acreage for any open space credit. The utility of the park land ordinance should be considered in concert with the scarcity of land Mountain View. Reducing minimum acreage requirements for credits will lead to more dedicated public space.
- Add more flexibility or discretion to the open space credits. The Dean (480 San Antonio) has a heavily landscaped public paseo that includes fountains, pavers, and improves connectivity. This is the perfect area to qualify for private open space, however this peaceful path didn't meet the City's prescriptive elements for open space which includes providing a turf play field, game court, playground, swimming pool, etc. We have found that the City's prescription for open space doesn't always meet the desires of our residents.
- Allow private infrastructure beneath Privately Owned Publicly Accessible space. Adding a park to a site often results in significant adjustments to design that make projects less feasible and drives down housing production. It is reasonable to consider that park land could include foundation and infrastructure underground, and at the same time allow public use above ground.
- > **Setting the credits.** To meet the City's housing goals, we encourage the Council to consider the magnitude of park land costs for new housing. This review is an opportunity to find a middle ground with owners that reduces the costs of park land and provides more public spaces for Mountain View. It seems to make sense to update the tiered credit in order to meet the City's housing goals:
  - 125% credit for park land dedication we encourage the City recognize the additional
    costs that a developer carries in order to acquire, design and map a new parcel for the
    city. In this case the opportunity for the City is park land will be delivered to an area
    where density is being added that benefit could be recognized by an additional credit
    opportunity.



- 100% credit for Privately Owned Publicly Accessible open space as a next tier down, we applaud the City's effort to add a POPA ordinance that encourages developers to provide more public space. In this scenario the developer is not dedicating the parcel, but rather, they agree to carry it, maintain it and insure it. This essentially equates to the cost of land and therefore the credit would equal 100%.
- o 75% credit for Open Space this credit may get more use with less restrictions and more incentives, we encourage the City to consider a higher credit value.

#### **DEDICATED ADJACENCIES**

Prometheus has found that park land dedication can be a great way to add desirable open space to a neighborhood for the benefit of the public and we appreciate the City's emphasis on this feature as an aspect of design. Outside of increasing the credit, there are a few additional ways for the City to encourage more dedication by creating better efficiencies in the process.

- ➤ Complete the design and public input process for park land dedications in parallel with the with the development project. Developers already complete a public process for the larger project which seems to garner more community participation than standalone park projects. If park land dedication design is run in concert with the larger project approval process the city will get more community participation. Moreover, the City can add efficiencies by conducting the public process at the same time rather than as two separate events, run by two City departments.
- ➤ Prioritize resources to complete dedicated parks in a timeframe consistent with the occupancy of the adjacent projects. When future parks are left unkept the community, including the new residents, suffer. Owners can be discouraged by the timelines to complete the design and construction for parks on adjacent park parcels, which reduces the likelihood that a developer will offer park land dedication.

The changes mentioned here would lead to a greater prevalence of public space in Mountain View. Further, these suggestions can reduce the risks and costs of the park land ordinance and allow the City to meet its goals for new housing. This is a great opportunity to improve the City ordinance, and we are thankful to participate in this discussion.

Sincerely,

John Millham President Prometheus Real Estate Group

CC: Adam McMichael, Senior Development Manager, Prometheus Real Estate Group Michael Ducote, Development Director, Prometheus Real Estate Group

# Subject: Agenda Item 6.1 - Park Land Dedication Ordinance Second Review of Modification, Oct 14, 2020

Dear Parks and Recreation Commission and Urban Forestry Board,

We very much appreciate the Commission's and staff's efforts in this project, and welcome greater flexibility and creativity for open space in Mountain View. We have some overall comments and several specific suggestions on the New Proposal Elements.

We would like to see an emphasis in the Park Land Dedication Ordinance on the following:

- Parks should support our urban forest, requiring a minimum tree canopy coverage, and also include native landscape plants
- Parks should strive to serve everyone, and cater to more than just organized sports and playgrounds
- POPAs must be designed in such a way that they are welcoming to the public, and obviously open to everyone

#### Specific Feedback on Topic 2(A) Table 2 - New Proposal Elements

- We have concerns about the proposed definition of "Landscaped, Parklike Quiet Area".
   We feel such an element could be in danger of becoming miscellaneous bits and pieces at the edges of the park, instead of a purposeful element.
- 2. We suggest replacing "Landscaped, Parklike Quiet Area" with an element called "Natural Habitat Area". A Natural Habitat Area would include a substantial grove of large, climate-resilient trees, native landscape plants, educational signage, natural path(s), and benches. A Natural Habitat Area would have a minimum size requirement, but no maximum size limit, and therefore it could be the entire park, e.g. Heritage Park. We believe the value of this element is its substantial contiguous space, providing an open space area large enough for visitors to immerse themselves in nature.
- 3. We are glad to see that Park Trails are proposed as an element, since walking and running are such popular and accessible forms of exercise.
  - Suggestion: We think Park Trails should be a fully landscaped area with large trees for beauty and shade, and integrated with other connecting trails, rather than being just a paved area at the edge of a green field.
  - Suggestion: To encourage a network of connected greenways across our city,
     Park Trails should be exempted from the Surrounding Area Analysis.

Sincerely,

Mary Dateo, Mountain View resident Kammy Lo, Mountain View resident