

**Meeting Date: 8/20/2013**

**Report Type:** Public Hearing

**Report ID:** 2013-00568

**Title: Update to the Sacramento City Code relating to Parkland Dedication and the Park Development Impact Fee Programs (Passed for Publication 08/13/2013; Published 08/05/2013 & 08/12/2013)**

**Location:** Citywide

**Issue:** A review of City Code pertaining to parkland dedication and development identified a need to revise City Code Chapters 16.64 and 18.44 to provide consistency with Census data, other chapters of the City Code, and to clarify and reflect current policies and practices.

**Recommendation:** Conduct a public hearing and upon conclusion 1) pass an Ordinance amending various sections of Chapters 16.64 and 18.44 of the Sacramento City Code relating to park dedication and the park development impact fee programs; and 2) pass a Resolution approving adjustments to Park Development Impact Fees to correct Inflation Adjustment Rounding Errors.

**Contact:** Mary de Beauvieres, Principal Planner, (916) 808-8722, Department of Parks and Recreation

**Presenter:** Mary de Beauvieres, Principal Planner, (916) 808-8722, Department of Parks and Recreation

**Department:** Parks & Recreation Department

**Division:** Park Development Services

**Dept ID:** 19001121

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-PIF Analysis for 1st and 2nd Quarter of 2013
- 4-Average Land Values
- 5-Ordinance Redline
- 6-Ordinance Clean
- 7-Fee Resolution

---

**City Attorney Review**

Approved as to Form  
Sheryl Patterson  
8/2/2013 4:41:56 PM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
John Colville  
7/26/2013 10:54:08 AM

**Approvals/Acknowledgements**

Department Director or Designee: Jim Combs - 7/31/2013 4:13:57 PM

## Description/Analysis

**Issue:** The Parks and Recreation Department conducted a review of City Code Chapters 16.64 and 18.44 and identified minor revisions needed to adjust household occupancy figures consistent with Census data and the 2030 General Plan; to include a reference in the Code to the recently enacted revisions to Chapter 13.04 regarding installing water wells for landscaping; to clarify parkland dedication and development requirements; and to ensure that in-lieu fees are paid. In addition, the Park Development Impact Fees need to be amended to correct errors made for annual inflation adjustments.

City Code Chapter 16.64, Parks and Recreation Facilities, is known as the City's Quimby Ordinance because it was adopted to implement the Quimby subdivision map statute. The statute outlines when a developer shall dedicate land for parks or pay a fee in-lieu of dedication in conjunction with residential developments. The in-lieu fees may be used to acquire, develop or renovate public parkland. The in-lieu fees are based on land values within community plan areas.

City Code Chapter 18.44, Park Development Impact Fee (PIF), implements a nexus study and imposes fees for development of parkland for all types of development projects. The Quimby in-lieu fees and PIF fees may only be used for neighborhood and community parks which serve the subdivision. Additional background information and a summary of the ordinance provisions are provided in Attachment 2.

**Policy Considerations:** The *2030 General Plan* is the City's guiding policy document; all subsequent policy documents are required to be consistent with the General Plan. Some of the Code changes proposed at this time will provide for such consistency with the General Plan and/or with other chapters of City Code.

The Quimby and PIF programs are the primary sources of funding for park capital projects. They require periodic updates in response to private development market demands and City park development financing needs. However, at this time only minor adjustments are proposed. As part of the 2030 General Plan Update, the amount of parkland dedication required is being evaluated. The two park fee programs are based on a public policy premise that private development should pay for its impact on City recreational services by funding park land acquisition and capital improvements.

**Economic Impacts:** Not Applicable.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This report concerns administrative activities that do not constitute a “project” as defined by the CEQA [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2) (Title 14 Cal. Code Reg. § 15000 et seq.)].

**Commission/Committee Action:** On June 6, 2013, the Parks and Recreation Commission (PRC) unanimously supported all of the recommended City Code amendments and correcting the PIF adjustment rounding errors. On June 27, 2013, the Planning and Design Commission (PDC) also voted its unanimous support for the proposed code changes. On July 16, 2013 the Law and Legislation Committee reviewed the City Code amendments and voted to forward the changes to City Council for adoption.

The Law and Legislation Committee also requested that information be provided to the City Council to address the consequences if the Park Development Impact Fee for remodels of existing buildings was only applied to the additional square footage. Under the current code, changes to existing buildings even without any enlargement can trigger payment of the fee. The Committee requested information on the difference if the fee was not applied to remodels or the change of use of existing buildings and only applied to new construction or additions to both homes and businesses. That information is provided in Attachment 3.

The Law and Legislation Committee also requested that staff evaluate changing all of the City’s impact fees for remodels so they only apply to the added square footage; renovations or reuse of existing buildings would be exempt. Since this issue crosses into fee programs that are managed by other departments, these City Code changes will be addressed at a later date when a more in-depth analysis of all of the City fees, including the park related fees, can be provided. Because this issue could affect the fee exemption provision in the Park Development Impact Fee Ordinance, the proposed clarification to that Code to define when a remodel is considered new construction has been omitted.

**Rationale for Recommendation:** The City has not made significant modifications to the City’s parkland dedication or park development impact fee programs since 2004, beyond the annual automatic adjustment of PIF. The proposed changes will bring Chapters 16.64 and 18.44 into consistency with the Census data used to prepare the City’s General Plan and other chapters of City Code. Changes related to the timing of payment of the in-lieu fee when a final map is waived will provide clarification for City staff and developers.

**Financial Considerations:** The formula used to calculate a developer’s parkland dedication obligation is based on the City’s service level goal to provide 5 acres of

neighborhood and community parkland for every 1,000 persons. When adopted in 1981, the formula used the persons per household figures from the 1980 Census, which was the last census to capture population by housing type.

The City's General Plan, the State Department of Finance and current Sacramento Area Council of Government (SACOG) figures assume a citywide population of 2.6 persons per household (PPH) with no differentiation of population by housing type. Staff recently compiled citywide 2010 Census data for tracts containing primarily single-family residences and those containing primarily multi-family residential units to determine if the PPH had changed significantly since 1980. Over 6,500 housing units were reviewed, generating the 2010 figures as follows:

<b>Housing Type</b>	<b>PPH (1980)</b>	<b>PPH (2010)</b>
Single-Family	2.98	2.70
Duplex/Halfplex	2.23	2.34
Multi-Family	1.76	2.10

Updating the PPH to reflect the 2010 Census figures will cause the factors used in the Quimby formula to change, resulting in a 9% reduction in the area of dedicated parkland and/or in-lieu fee for single-family residential subdivisions, and a 16% increase in multi-family land dedication requirements and/or in-lieu fees.

City Code section 18.44.120 allows for an annual automatic adjustment to the Park Development Impact Fee in order to keep up with construction cost inflation. During the Fiscal Year 2011/2012 annual adjustment, rounding errors were made that have been carried forward each year. Corrections to residential fees amount to an increase of \$11 to \$18 per unit, depending on the unit type. The Park Development Impact Fee resolution to adjust the fees is provided as Attachment 7. No other fee changes are proposed.

## Background

### **City Code Chapter 16.64: Parks and Recreational Facilities**

The City's parkland dedication requirements, also known as the City's Quimby Ordinance is based on State enabling legislation from 1965. Adopted in 1981, it allows the City to require new residential subdivisions to dedicate park land at a ratio of five acres of neighborhood and community parkland for every 1,000 new residents. If the subdivision is less than 51 parcels and at the City's discretion, fees in lieu of dedication can be accepted. In-lieu fees can be used for land acquisition and park development, but cannot be used for maintenance or operations. Fees collected must be committed within five years of receipt for park projects to serve the residents of the subdivision. The in-lieu fee is calculated using two options: land value based on City Council approved average land values for the project's Community Plan Area; or land value based on a site specific property appraisal. The average land values (Attachment 3) have not been updated since 2004 and, in most cases may not reflect current property values. The code change allows for periodic rather than annual updates of land values.

The following is a discussion of the proposed City Code changes affecting City Code Chapter 16.64:

1. Update Persons per Household (PPH) assumptions (Section 16.64.030).

Based on the 2010 Census data the persons per household figures are revised as follows:

<b>Housing Type</b>	<b>PPH (1980)</b>	<b>PPH (2010)</b>
Single-Family	2.98	2.70
Duplex/Halfplex	2.23	2.34
Multi-Family	1.76	2.10

Updating these figures will cause the factors used in the Quimby formula to change as follows:

FS = .0135 relating to single-family dwelling units

FT = .0117 relating to two-family dwelling units

FM = .0105 relating to multiple-family dwelling units

Fmh = .0105 relating to mobilehome dwelling units

2. Park Improvements on Dedicated Land (Section 16.64.030). On June 25, 2013, City Council passed Ordinance 2013-0014 which included a provision to allow the City to require that irrigation water serving areas larger than five acres be obtained from a private well, recycled water supply or other water source, rather than being connected to the City water distribution system. In order to be consistent with Chapter 13.04, Section 16.64.030 should be modified to provide that a developer may be required to install an irrigation well if a park site to be dedicated to the City is larger than 5 acres in size.

3. Periodic update of average land values (Section 16.64.050). Average land values for each of the ten community plan areas were approved in 2004 (see Attachment 3). Annual updates of the figures are currently required by City Code, but due to fluctuating land values and the expense of a citywide appraisal, no update has occurred. The code change provides that the updates would occur periodically. Staff intends to update the land values based on surveys of the land price for new home sales as reported to the County Assessor to arrive at an average value per acre of finished residential lots within each community plan area. Once this information has been obtained, staff will use it to produce an updated table of average land values for subsequent Council approval in FY2013-14.

Individual project proponents will continue to have the option to have an individual appraisal prepared for their project. The appraisal cost and staff cost is borne by the applicant, and the code change allows for recoupment of City staff costs. This continued flexibility allows large development projects that can absorb the cost of an appraisal to develop more accurate park land values to set in-lieu fees.

4. In-lieu fees when there is no final map (Section 16.64.120). On rare occasions, an applicant will file a tentative subdivision map, but not a final map because it is not needed to set the parcel boundaries and can be waived, such as for condominium projects. Amending this section will provide that the fee in-lieu of dedication be paid at time of building permit issuance.

#### **City Code Chapter 18.44: Park Development Impact Fee (PIF)**

This Chapter pertains to the City's collection and use of Park Development Impact Fees (PIF). The program is based on a nexus study prepared pursuant to State enabling legislation from 1987, otherwise known as the Mitigation Fee Act. Revenues can only be used for park capital improvements and cannot be used for acquisition, maintenance or operations. Like Quimby in-lieu fees, the PIF must be committed within five years of receipt to benefit the development. These fees apply to both residential and non-residential projects.

The current PIF rates were established through a 2004 Nexus Study. Annual adjustments are permitted to keep the fees up with inflation. During the July 1, 2011 adjustment, rounding errors occurred that have been carried forth with each subsequent fee adjustment. The adjustment affects residential uses and industrial uses. A copy of the Park Development Impact Fee Resolution is included as Attachment 7.

## Park Development Impact Fee (PIF) Analysis for First and Second Quarter of 2013

The following table shows the number of Building Permits issued for the first half of 2013. All new buildings paid a PIF prior to issuance of the Permit. For remodels, only one commercial project paid a PIF. A change of use triggered the fee (\$2,260 based on an approximately 6,500 square foot area.)

Building Permit Type	Building Permits Issued		PIF Paid	
	January-March	April-June	January-March	April-June
<b>NEW CONSTRUCTION</b>				
Commercial Uses	16	3	16	3
Residential Uses	51	63	51	63
<b>REMODELS</b>				
Commercial Uses	172	193	0	1
Residential Uses	80	79	0	0

This information was compiled from Building Permit issuance reports from Accela (the City’s Building Permit software) for the time period noted. All new construction requires payment of PIF prior to Building Permit issuance. For remodels, all Building Permits with the potential to have paid PIF were reviewed in detail and only one was found to have paid PIF (as noted above).

Residential remodels sometimes add square footage. If PIF was modified to apply on a square footage basis for residential remodels (it is currently paid on a ‘per unit’ basis and the addition of square footage does not trigger payment), then some residential remodel permits would pay PIF, where they do not currently pay. This issue can be analyzed in greater detail when the City reviews its impact fees relative to remodels of existing buildings, as requested by the Law and Legislation Committee.

### Average Land Values by Community Plan Area

Community Plan Area	Average Land Value
Area 1 / Central City	\$250,000/acre
Area 2 / Land Park	\$250,000/acre
Area 3 / Pocket	\$375,000/acre
Area 4 / South Area	<b>West of Light Rail Line:</b> \$160,000/acre <b>North of Florin / East of Light Rail Line:</b> \$100,000/acre <b>South of Florin / East of Light Rail Line:</b> \$330,000/acre
Area 5 / Fruitridge Broadway	<b>North of Fruitridge Road</b> \$115,000/acre <b>South of Fruitridge Road</b> \$100,000/acre
Area 6 / East Sacramento	\$250,000/acre
Area 7 / Arden Arcade	\$115,000/acre
Area 8 / North Sacramento	\$105,000/acre
Area 9 / South Natomas	\$295,000/acre
Area 10 / North Natomas	\$687,500/acre

ORDINANCE NO. 2013 - \_\_\_\_\_

Adopted by the Sacramento City Council

**AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTERS 16.64 AND 18.44 OF THE SACRAMENTO CITY CODE RELATING TO PARKLAND DEDICATION AND DEVELOPMENT STANDARDS**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

SECTION 1. Section 16.64.030 of the Sacramento City Code is amended to read as follows:

16.64.030 Standards and formulas for dedication of land.

A. When ~~P~~parkland ~~D~~edication ~~R~~required. Where a recreational or park facility has been designated in the general plan or a specific plan, ~~and~~ or the subdivider proposes it 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 dedicate land for a local recreation or park facility sufficient in size and topography to serve the residents of the subdivision.

B. Calculation of Required Parkland Dedication.

1. The amount of land to be dedicated shall be determined according to the formula  $D \times F = A$  in which:

- a. D = the number of dwelling units;
- b. F = a "factor" herein described;
- c. A = the buildable acres to be dedicated.

2. A buildable acre is a typical acre of the subdivision, with a slope less than ten ~~(10)~~ percent, and ~~located in other than an area~~ on which building is not excluded because of flooding, public rights-of-way, easements, or other restrictions.

3. The factor set forth in subsection B.1.b varies based on the type of dwelling units in the subdivision. Each factor is a constant factors of .0149, .0112, and .0088 are constants based on census data which that, when multiplied by the number of dwelling units permitted in the subject area, will produce five acres per one thousand ~~(1,000)~~ population. The se factors ~~referred to in subsection (B)(1)(b)~~ are as follows:

FS = ~~.0149~~ .0135 relating to single-family dwelling units;

FT = ~~.0112~~ .0117 relating to two-family dwelling units;

FM = [.0088.0105](#) relating to multiple-family dwelling units; and

FmhMH = [.0088.0105](#) relating to mobilehome dwelling units.

C. Determination of the Nnumber of Ddwelling Uunits on Mmultifamily Pparcels or pParcels Ccreated by a Mmaster Pparcel Mmap. Unless the subdivider enters into an agreement with the city for a lower density, the number of dwelling units on multifamily parcels or parcels created by a master parcel map that will be further subdivided shall be determined as follows:

1. When a rezoning application accompanies the tentative map, the number of dwelling units shall be calculated according to the highest density of the zoning designation applied for;
2. When a rezoning application does not accompany the tentative map, the number of dwelling units shall be calculated according to the highest density of the existing zoning designation or existing specific plan density designation, whichever allows the highest density.

~~Provided, however, that if~~ all or a portion of the parkland dedication requirement is satisfied by payment of fees under Ssection 16.64.040 and, upon completion of build-out of the multifamily parcel or the recording of the final map for the last resubdivision of a parcel created by a master parcel map, the actual number of dwelling units built or number of single-family lots created is less than the number of dwelling units determined under subsections ~~(C)(1)~~ or ~~(C)(2)~~ of this section, then the subdivider may, within five years after payment of the fee, apply for a refund, without interest, of the difference between the fee actually paid and a fee calculated on the basis of the actual density.

D. Determination of the Nnumber of Ddwelling Uunits—Hhalfplex Uunits. Where halfplex lots are included in a predominantly single-family subdivision, and the development of the halfplex units will not cause the density of the subdivision to exceed the maximum density allowed in the R-1 zone, the halfplex units shall be considered two-family dwelling units.

E. Required improvements on Ddedicated Lland. The subdivider shall: (1) provide full street improvements, including but not limited to, curbs, gutters, street paving, traffic control devices, street lights, and sidewalks, to land which is dedicated pursuant to this chapter; (2) provide for chain link fencing meeting city standards along the property line of that portion of the subdivision contiguous to the dedicated land; (3) provide improved surface drainage through the site; (4) provide water taps to the site, or if the site is larger than five acres a water well may be required under section 13.04.845; and ~~(45)~~ provide other improvements ~~which~~that the city council determines to be essential to the acceptance of the land for recreational purposes.

SECTION 2. Section 16.64.040 of the Sacramento City Code is amended to read as follows:

16.64.040 Formula for fees in lieu of land dedication.

A. The subdivider shall, in lieu of dedication of land, pay a fee equal to the value of the land prescribed for dedication in section 16.64.030 if (1) there is no park or recreational facility designated in the city's recreation and park plan, community plan, or specific plan to be located in the area proposed for development; (2) a park site is not designated on a subdivision map to be located in whole or in part within the proposed subdivision to serve the needs of the residents of the subdivision, and/or (3) where the city council requires the payment of in lieu fees, the subdivider shall, in lieu of dedication of land, pay a fee equal to the value of the land prescribed for dedication in Section 16.64.030 of this chapter. and in an The amount of the fee shall be determined in accordance with the provisions of Section 16.64.050 of this chapter, such The fee shall to be used for recreational and park facilities which will to serve the residents of the area being subdivided.

B. If the proposed subdivision contains ~~fifty (50)~~ parcels or less, the subdivider shall pay a fee equal to the land value of the portion of the local park required to serve the needs of the residents of the proposed subdivision as prescribed in ~~Section 16.64.030 of this chapter, and in an~~ The amount shall be determined in accordance with the provisions of ~~Section 16.64.050 of this chapter.~~

SECTION 3. Section 16.64.050 of the Sacramento City Code is amended to read as follows:

16.64.050 Calculation of in lieu fees.

A. When a fee is to be paid in lieu of land dedication, the amount of such fee shall be based upon the fair market value ~~as described below~~, plus ~~twenty (20)~~ percent for off-site improvements such as utility line extensions, curb, gutter and pavement and street lights.

~~A. The amount to be paid shall be a sum equal to the fair market value of the amount of land within the property to be subdivided that would otherwise be required to be dedicated pursuant to this chapter, established as provided in subsection B of this section; to which shall be added twenty (20) percent for off-site improvements.~~

B. For purposes of calculating the in-lieu fee under this section, the fair market value shall be determined in the following manner:

1. Appraisal. The subdivider shall request that an appraisal be prepared pursuant to the procedures set forth below, and shall pay the in-lieu fee based upon the fair market value established in that appraisal.

a. Upon request of the subdivider, the city shall cause an appraisal to be made by a person on the city's list of approved appraisers, who will be qualified as a certified general real estate appraiser by the California office of real estate appraisers,

and shall meet the standards specified in the uniform standards of professional appraisal practice. The costs of the appraisal and the city's review of the appraisal shall be made at must be paid by the subdivider's expense, payable to the city in advance, ~~by a person on the city's list of approved appraisers, who will be qualified as a certified general real estate appraiser by the California office of real estate appraisers, and shall meet the standards specified in the uniform standards of professional appraisal practice.~~

The appraiser shall appraise the property at its unencumbered (free and clear) value, as if at the approved tentative map stage of development and as if any assessments or other encumbrances to which the property is subject had been paid off in full prior to the date of appraisal. Factors to be considered during the evaluation shall include the following:

i. Conditions of the tentative subdivision map, including all required street and utility improvements facilitating use of the property;

ii. The general plan;

iii. Zoning and density;

iv. Property location;

v. Off-site improvements facilitating use of the property;

vi. Site characteristics of the property; and

vii. Existing public improvements.

b. The appraisal shall value the property as of a date no earlier than ninety ~~(90)~~ days prior to the recording of the final map, or the payment of the fee, whichever occurs later. The appraisal shall clearly state the fair market value of the property.

2. Alternative: cCommunity Planning Area Valuation. The city council may, by resolution, approve a fixed market value per acre of land within each community planning area or other boundaries as determined to be appropriate by the city council. The values so established shall be updated at a minimum of annually/periodically, and once established may be used, at the option of the subdivider, in place of the appraisal process provided in subsection B~~(.1)~~ of this section to determine the market value per acre of the property to be subdivided for purposes of calculating the in-lieu fee.

SECTION 4. Section 16.64.120 of the Sacramento City Code is amended to read as follows:

16.64.120 Procedure.

A. At the time of the hearing on the tentative subdivision map, the zoning administrator, planning and design commission, shall recommend to or the city council, after reviewing the report and recommendation from the planning director or designee, shall determine that the amount of land to be dedicated or the amount of fees to be

paid, or both, by the subdivider for park or recreational purposes as a condition of approval of the subdivision map. The recommendation by the planning director or designee shall include the following where applicable:

1. The amount of land to be dedicated;
2. That a fee be charged in lieu of dedication;
3. That both dedication and a fee be required;
4. That a credit be given for private recreation facilities, unique natural and special features, or for any other reason provided in Section 16.64.100 of this chapter;
5. The location of the park land to be dedicated; and
6. The approximate time when development of the park or recreation facility shall commence.

~~B. At the time of its hearing on the tentative subdivision map, the planning and design commission or city council shall determine the amount of land required to be dedicated under this chapter and Section 16.64.030 of this chapter, whether or not a fee is to be charged in lieu of any or all of the required dedication, whether a credit is to be given for private recreation facilities, unique natural and special features, or for any other reason provided in Section 16.64.100 of this chapter, and the location of the park land to be dedicated, if any. In making its determination, the city council shall be guided by the standards contained in this chapter where applicable.~~

~~B.~~ At the time of the filing of a final subdivision or parcel map ~~including the same amount of land as included in the applicable tentative map~~, the subdivider shall dedicate the land and/or pay the fees, as previously determined by the zoning administrator, planning and design commission or the city council. If a final subdivision or parcel map is not filed because it has been waived, the subdivider shall pay the fees set forth in the applicable tentative map or as prescribed in section 16.64.040. The amount shall be determined in accordance with the provisions of section 16.64.050, and payment shall be made at the time of issuance of building permits for the dwelling units. In order to receive credits as provided for in section 16.64.100, Open space covenants for private park or recreational facilities shall be submitted to the city council prior to approval of the final subdivision map or parcel map and shall be recorded contemporaneously with the final subdivision map.

SECTION 5. Section 18.44.160 of the Sacramento City Code is amended to read as follows:

18.44.160 Use of fees.

A. Revenue collected from the fees established by this chapter and deposited in the special fund established under Section 18.44.150 of this chapter shall be used for the purpose of:

1. Expending by appropriation by the city council for the payment of the actual costs of constructing park facilities described in the nexus study for which the fees may be expended;

2. Reimbursing the city for the development's share of those park facilities already constructed by the city, or to reimburse the city for costs advanced, including, without limitation, administrative costs incurred with respect to a specific park facility, as set forth in ~~s~~Section 18.44.110 ~~of this chapter~~;

3. Providing for reimbursements as described in ~~s~~Section 18.44.110 ~~of this chapter~~;

4. Providing refunds as described in ~~s~~Sections 18.44.140, 18.44.170 and 18.44.180 ~~of this chapter~~;

5. Funding the city's administration of the fee program implemented by ~~the provisions of~~ this chapter; and

6. ~~Using the same as may be~~ permitted under ~~s~~Section 66006 of the Government Code.

B. Revenue shall be expended on park facilities ~~within the planning area in which the development project paying the fee is located; provided, however, that the revenue may be expended in an adjacent planning area~~ to serve the development project as follows:

1. If the park facility is a neighborhood park, within two miles of the development project, ~~or~~

2. If the park facility is a community park, within five miles of the development project.

C. Unless used or refunded as otherwise permitted under this section, moneys, including any accrued interest, not assigned in any fiscal period shall be retained in the fund until the next fiscal period.

Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:  
Noes:  
Abstain:  
Absent:

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Passed for Publication:  
Published:  
Effective:

**ORDINANCE NO. 2013 - \_\_\_\_\_**

Adopted by the Sacramento City Council

**AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTERS 16.64 AND 18.44 OF THE SACRAMENTO CITY CODE RELATING TO PARKLAND DEDICATION AND DEVELOPMENT STANDARDS**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

SECTION 1. Section 16.64.030 of the Sacramento City Code is amended to read as follows:

16.64.030 Standards and formulas for dedication of land.

A. When parkland dedication required. Where a recreational or park facility has been designated in the general plan or a specific plan, or the subdivider proposes it 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 dedicate land for a local recreation or park facility sufficient in size and topography to serve the residents of the subdivision.

B. Calculation of Required Parkland Dedication.

1. The amount of land to be dedicated shall be determined according to the formula  $D \times F = A$  in which:

- a.  $D$  = the number of dwelling units;
- b.  $F$  = a "factor" herein described;
- c.  $A$  = the buildable acres to be dedicated.

2. A buildable acre is a typical acre of the subdivision, with a slope less than ten percent, and on which building is not excluded because of flooding, public rights-of-way, easements, or other restrictions.

3. The factor set forth in subsection B.1.b varies based on the type of dwelling units in the subdivision. Each factor is a constant based on census data that, when multiplied by the number of dwelling units permitted in the subject area, will produce five acres per 1,000 population. These factors are as follows:

FS = .0135 relating to single-family dwelling units;

FT = .0117 relating to two-family dwelling units;

FM = .0105 relating to multiple-family dwelling units; and

FMH = .0105 relating to mobilehome dwelling units.

C. Determination of the number of dwelling units on multifamily parcels or parcels created by a master parcel map. Unless the subdivider enters into an agreement with the city for a lower density, the number of dwelling units on multifamily parcels or parcels created by a master parcel map that will be further subdivided shall be determined as follows:

1. When a rezoning application accompanies the tentative map, the number of dwelling units shall be calculated according to the highest density of the zoning designation applied for;

2. When a rezoning application does not accompany the tentative map, the number of dwelling units shall be calculated according to the highest density of the existing zoning designation or existing specific plan density designation, whichever allows the highest density.

If all or a portion of the parkland dedication requirement is satisfied by payment of fees under section 16.64.040 and, upon completion of build-out of the multifamily parcel or the recording of the final map for the last resubdivision of a parcel created by a master parcel map, the actual number of dwelling units built or number of single-family lots created is less than the number of dwelling units determined under subsections C.1 or C.2 of this section, then the subdivider may, within five years after payment of the fee, apply for a refund, without interest, of the difference between the fee actually paid and a fee calculated on the basis of the actual density.

D. Determination of the number of dwelling units—halfplex units. Where halfplex lots are included in a predominantly single-family subdivision, and the development of the halfplex units will not cause the density of the subdivision to exceed the maximum density allowed in the R-1 zone, the halfplex units shall be considered two-family dwelling units.

E. Required improvements on dedicated land. The subdivider shall: (1) provide full street improvements, including but not limited to, curbs, gutters, street paving, traffic control devices, street lights, and sidewalks, to land which is dedicated pursuant to this chapter; (2) provide for chain link fencing meeting city standards along the property line of that portion of the subdivision contiguous to the dedicated land; (3) provide improved surface drainage through the site; (4) provide water taps to the site, or if the site is larger than five acres a water well may be required under section 13.04.845; and (5) provide other improvements that the city council determines to be essential to the acceptance of the land for recreational purposes.

SECTION 2. Section 16.64.040 of the Sacramento City Code is amended to read as follows:

16.64.040 Formula for fees in lieu of land dedication.

A. The subdivider shall, in lieu of dedication of land, pay a fee equal to the value of the land prescribed for dedication in section 16.64.030 if (1) there is no park or recreational facility designated in the city's recreation and park plan, community plan, or specific plan to be located in the area proposed for development; (2) a park site is not designated on a subdivision map to be located in whole or in part within the proposed subdivision to serve the needs of the residents of the subdivision, or (3) where the city council requires the payment of in lieu fees. The amount of the fee shall be determined in accordance with the provisions of section 16.64.050. The fee shall be used for recreational and park facilities to serve the residents of the area being subdivided.

B. If the proposed subdivision contains 50 parcels or less, the subdivider shall pay a fee equal to the land value of the portion of the local park required to serve the needs of the residents of the proposed subdivision as prescribed in section 16.64.030. The amount shall be determined in accordance with the provisions of section 16.64.050.

SECTION 3. Section 16.64.050 of the Sacramento City Code is amended to read as follows:

16.64.050 Calculation of in lieu fees.

A. When a fee is to be paid in lieu of land dedication, the amount of such fee shall be based upon the fair market value, plus 20 percent for off-site improvements such as utility line extensions, curb, gutter and pavement and street lights.

B. For purposes of calculating the in-lieu fee under this section, the fair market value shall be determined in the following manner:

1. Appraisal. The subdivider shall request that an appraisal be prepared pursuant to the procedures set forth below, and shall pay the in-lieu fee based upon the fair market value established in that appraisal.

a. Upon request of the subdivider, the city shall cause an appraisal to be made by a person on the city's list of approved appraisers, who will be qualified as a certified general real estate appraiser by the California office of real estate appraisers, and shall meet the standards specified in the uniform

standards of professional appraisal practice. The costs of the appraisal and the city's review of the appraisal must be paid by the subdivider to the city in advance. The appraiser shall appraise the property at its unencumbered (free and clear) value, as if at the approved tentative map stage of development and as if any assessments or other encumbrances to which the property is subject had been paid off in full prior to the date of appraisal. Factors to be considered during the evaluation shall include the following:

- i. Conditions of the tentative subdivision map, including all required street and utility improvements facilitating use of the property;
- ii. The general plan;
- iii. Zoning and density;
- iv. Property location;
- v. Off-site improvements facilitating use of the property;
- vi. Site characteristics of the property; and
- vii. Existing public improvements.

b. The appraisal shall value the property as of a date no earlier than 90 days prior to the recording of the final map, or the payment of the fee, whichever occurs later. The appraisal shall clearly state the fair market value of the property.

2. Alternative: community planning area valuation. The city council may, by resolution, approve a fixed market value per acre of land within each community planning area or other boundaries as determined to be appropriate by the city council. The values so established shall be updated periodically, and once established may be used, at the option of the subdivider, in place of the appraisal process provided in subsection B.1 of this section to determine the market value per acre of the property to be subdivided for purposes of calculating the in-lieu fee.

SECTION 4. Section 16.64.120 of the Sacramento City Code is amended to read as follows:

16.64.120 Procedure.

A. At the time of the hearing on the tentative subdivision map, the zoning administrator, planning and design commission, or the city council, after reviewing the report and recommendation from the planning director or designee, shall determine the amount of land to be dedicated or the amount of fees to be paid, or both, by the subdivider for park or recreational

purposes as a condition of approval of the subdivision map. The recommendation by the planning director or designee shall include the following where applicable:

1. The amount of land to be dedicated;
2. That a fee be charged in lieu of dedication;
3. That both dedication and a fee be required;
4. That a credit be given for private recreation facilities, unique natural and special features, or for any other reason provided in section 16.64.100;
5. The location of the park land to be dedicated; and
6. The approximate time when development of the park or recreation facility shall commence.

B. At the time of the filing of a final subdivision or parcel map, the subdivider shall dedicate the land and pay the fees, as previously determined by the zoning administrator, planning and design commission or the city council. If a final subdivision or parcel map is not filed because it has been waived, the subdivider shall pay the fees set forth in the applicable tentative map or as prescribed in section 16.64.040. The amount shall be determined in accordance with the provisions of section 16.64.050, and payment shall be made at the time of issuance of building permits for the dwelling units. In order to receive credits as provided for in section 16.64.100, open space covenants for private park or recreational facilities shall be submitted to the city council prior to approval of the final subdivision map or parcel map and shall be recorded contemporaneously with the final subdivision map.

SECTION 5. Section 18.44.160 of the Sacramento City Code is amended to read as follows:

18.44.160 Use of fees.

A. Revenue collected from the fees established by this chapter and deposited in the special fund established under section 18.44.150 shall be used for the purpose of:

1. Expending by appropriation by the city council for the payment of the actual costs of constructing park facilities described in the nexus study for which the fees may be expended;

2. Reimbursing the city for the development's share of those park facilities already constructed by the city, or to reimburse the city for costs advanced, including, without limitation, administrative costs incurred with respect to a specific park facility, as set forth in section 18.44.110;

3. Providing for reimbursements as described in section 18.44.110;

4. Providing refunds as described in sections 18.44.140, 18.44.170 and 18.44.180;

5. Funding the city's administration of the fee program implemented by this chapter; and

6. Uses permitted under section 66006 of the Government Code.

B. Revenue shall be expended on park facilities to serve the development project as follows:

1. If the park facility is a neighborhood park, within two miles of the development project.

2. If the park facility is a community park, within five miles of the development project.

C. Unless used or refunded as otherwise permitted under this section, moneys, including any accrued interest, not assigned in any fiscal period shall be retained in the fund until the next fiscal period.

Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Passed for Publication:

Published:

Effective:

## **RESOLUTION NO. 2013-**

Adopted by the Sacramento City Council

### **APPROVING ADJUSTMENTS TO PARK DEVELOPMENT IMPACT FEES TO CORRECT INFLATION ADJUSTMENT ROUNDING ERRORS**

#### **BACKGROUND**

- A. On August 17, 1999, the City Council adopted the City's first Park Development Impact Fee Nexus Study, by Resolution No. 99-474. Resolution 99-475 established a fee for new construction of residential units on a 'per unit' basis, and for new nonresidential development on a 'square footage' basis. The Nexus Study established the initial fee needed to pay for basic landscaping improvements to parks, and provided for credits, reimbursements and other matters relative to new development within the City.
- B. The Park Development Impact Fee was modified in 2002 (per Resolution No. 2002-230) and in 2004 (per Resolution 2004-693) to cover the additional costs for recreational amenities in parks. Also in 2004, the adoption of Resolution 2004-820 rolled back the Park Development Impact Fee (to pre-Resolution 2004-693 levels) for qualified infill projects, defined as certain types and sizes of development in specific areas of the City (per Resolution No. 2004-820). In addition to these changes, the Park Development Impact Fee is adjusted for inflation on an annual basis per City Code.
- C. Administrative rounding errors made during the 2011 annual inflation adjustments by rounding down not up caused revenue losses of between \$11 and \$18 per residential unit. The Park Development Impact Fee should be adjusted to correct this mathematical error.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. Rounding errors that were compounded since FY11/12 are corrected; the Park Development Impact Fees shall be as follows:

<b>Land Use</b>	<b>Standard Fee</b>		<b>Infill Fee*</b>	
	<b>Existing</b>	<b>Proposed</b>	<b>Existing</b>	<b>Proposed</b>
<i>Residential (per unit)</i>				
Single-Family	\$5,516	\$5,534	\$2,565	\$2,571
Duplex / Halfplex	\$4,155	\$4,168	\$1,934	\$1,940
Multi-Family	\$3,250	\$3,261	\$1,515	\$1,518
<i>Non-Residential (per sq.ft.)</i>				
Commercial Retail	\$0.39	\$0.39	\$0.19	\$0.18
Commercial Services	\$0.39	\$0.39	\$0.19	\$0.18
Commercial Other	\$0.39	\$0.39	\$0.19	\$0.18
Office	\$0.53	\$0.53	\$0.26	\$0.25
Industrial	\$0.16	\$0.17	\$0.16	\$0.17

*\* Projects which qualify pursuant to Resolution 2004-820*

Section 2. The effective date of this Resolution shall be 60 days after enactment.