

RESOLUTION NO. 17-8427

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
ESTABLISHING THE PARKLAND IN LIEU FEE SCHEDULE FOR
NEW RESIDENTIAL DEVELOPMENT IN ACCORDANCE WITH
TITLE 17 (“DEVELOPMENT”) CHAPTER 35 (“PARK AND
RECREATIONAL LAND”) OF THE CODE OF THE CITY OF SANTA
CLARA**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, The City of Santa Clara is the Government entity responsible for providing public parks, recreation and open space facilities within the City of Santa Clara; and,

WHEREAS, the 2010-2035 General Plan includes a goal that new parks, open space and recreation be provided with new development so that existing facilities are not overburdened; and,

WHEREAS, on July 15, 2014, the City Council adopted Ordinance No. 1928, which added Chapter 17.35 to the City Code that requires new residential development to provide adequate community and neighborhood park land for active recreational uses, and/or under certain conditions to pay a fee in lieu of parkland dedication; and,

WHEREAS, on February 24, 2015, the City Council adopted Ordinance No. 1937, which made minor amendments to Chapter 17.35 related to credits for private open space and the applicability of the Chapter to duplexes; and,

WHEREAS, on April 4, 2017, the City Council, pursuant to Chapter 17.35, reviewed the annual professional appraisal report used to determine the fair market value of property in the City based on a survey of land values and sales records with a valuation date of December 31, 2016, and the valuation report was made available to the public for review and comment as posted on the City website on March 6, 2017, and no comments were received by March 24, 2017, and Council now wishes to use the applicable values for calculating the fees due in lieu of parkland dedication and to adopt the updated fee schedule; and,

WHEREAS, on April 18, 2017, the City Council held a noticed public hearing to consider the

City's Proposed Municipal Fee Schedule including Fees due in lieu of parkland dedication at which time all interested persons were given an opportunity to comment; and,

WHEREAS, the fees established by this resolution are derived from, are based upon, and do not exceed the costs of providing capital park and recreation land and facilities necessitated by the new residential development for which fees are levied.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. Findings and Purpose. That the City Council hereby finds and declares that

A. New residential subdivisions and new non-subdivided residential projects generate impacts and demands for public services, facilities, and neighborhood and community parkland, and 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.

B. It is the City's intent and desire (General Plan: 5.9.1-G3, -G4; 5.9.1-P14, -P18, -P20) to require that such developments contribute their fair share of land, facilities, or amenities or contribute public costs toward the purchase, development and/or improvement of park and recreational facilities.

C. The imposition of impact fees is one of the customary methods of ensuring that development bears a proportionate share of the cost of capital facilities necessary to accommodate such development in order to promote and protect the public health, safety and welfare.

D. The provisions of this Resolution are enacted pursuant to the Charter, the City of Santa Clara General Plan and sections 66000-66025, 66477, and 66479 of the California Government Code (the "Mitigation Fee Act" and the "Quimby Act"), as may be applicable.

E. The report entitled "Public Facilities Impact Fee Study" ("Nexus Study") dated June 25, 2014, prepared by Willdan Financial Services, Inc. and reviewed by Council in

June 2014, set forth a reasonable methodology and analysis for the determination of the impact of development on the need for and costs for additional capital parks and recreation facilities improvements in the City.

F. Pursuant to Government Code Section 66016, the City made data available regarding the costs, or estimated costs, to provide services and proposed parkland dedication standards for the public facility impact fees by posting the draft appraisal report and addenda prepared by the Schmidt-Prescott Group dated March 1, 2017 ("Appraisal Report") on the City's website on March 6, 2017, which is at least fourteen (14) days before the Council public hearing on April 18, 2017.

G. After careful consideration, including review of documentary evidence and additional information submitted in the administrative review process, the City Council finds the imposition of impact fees to finance major public park and recreational land acquisition, development and rehabilitation, as revised by using the land values set forth in the Appraisal Report, is in the public interest and general welfare of the City and its residents, is equitable, and does not impose an undue burden on new development.

2. Calculation of Fees.

A. The Nexus Study calculates the parks fees that would fund the fair share cost to new development for additional capital parks and recreational facilities and improvements. The Nexus Study is based on the General Plan planning horizon of 2010-2035 and estimates the future residential population needs for parkland and recreational facilities. The Nexus Study determines a fair share of future planned public facilities using the "system plan" method to assure that new development doesn't pay for existing service deficiencies. The Nexus Study uses the "existing inventory" method to calculate the maximum parks fee. This method assumes no existing service deficiencies and sets the fee that will fund the expansion of park facilities at the same standard that currently serves existing residents. The Nexus Study provides a reasonable methodology to determine the impacts and costs

of new residential development. The City may adopt development impact fees up to the legally justified amounts in the Nexus Study (100% cost recovery).

B. Pursuant to Santa Clara City Code Chapter 17.35, the maximum amount of the fees due in lieu of required parkland dedication shall be determined by the fair market value of the amount of land that would otherwise be required to be dedicated and using the average per acre land value for property in the City of Santa Clara for each of the three existing ZIP Codes in the City (95050, 95051, 95054), for each of the Dwelling Unit Categories (Single Family, Multi-family) on an annual basis in a Council resolution.

C. An independent real estate appraisal firm, The Schmidt-Prescott Group, was retained to provide a "Fair Market Value" opinion (valuation date of December 31, 2016) conforming to Uniform Standards of Professional Appraisal Practice and using the City's supplemental instructions for an average acre of land (hypothetical, rectangular, useable site) for property in each of the three existing City of Santa Clara Zip Codes 95050, 95051, 95054. The data set included all property types: Single Family (low and very low density), High Density Residential, Medium Density Residential, Commercial/Retail, Industrial, Lots and Land. Excluded were transactions considered not "arms-length", having encumbered or clouded title, environmentally impaired sites, or more than three (3) years old. An inflation factor was computed and applied to comparable sales over one year old based on reasonable and rational considerations such as sales and rental trends or other appropriate methods. The weighted average of each property type was based on the percentage of land area in the sales transactions.

D. Based on the findings of the Appraisal Report, the average per acre land value for each ZIP Code area as of December 31, 2016, is: \$3.315 million per acre (\$76.10/sf) in 95050; \$3.583 million per acre (\$82.25/sf) in 95051; and, \$3.669 million per acre (\$84.23/sf) in 95054. If a developer objects to this determination of fair market value, the developer may elect to have the value established by appraisal, in conformance with City Code Section 17.35.040(b)(2).

E. Parkland Dedication Standard. In calculation of parkland dedication or fees due in lieu thereof, new residential developments subject to the Mitigation Fee Act will use the existing parkland ratio of 2.53 acres per thousand residents; and, new residential subdivisions subject to the Quimby Act will use the City parkland standard of 3.0 acres of property for each one thousand residents for public park and recreational facilities.

F. Dwelling Unit Categories and Density. In calculation of parkland dedication or fees due in lieu thereof, the types of dwelling units and average density factors (2010 Census) are: (1) Multiple Family Dwelling equals 2.24 persons per household; and, (2) Single-Family Dwelling equals 2.90 persons per household.

G. In conformance with City Code Section 17.35.050, in subdivisions of over fifty (50) parcels of land, in condominium developments of more than fifty (50) dwelling units, and in residential developments not involving a subdivision, a combination of land dedication and fee payment may be required. Developments of fifty (50) or less parcels or units will be required to pay an in-lieu fee.

H. In conformance with City Code Section 17.35.070, developers will submit a written request with the project application for any eligible credits to be requested against the amount of parkland dedication or the amount of the in-lieu fee. The developer will work with the Director of Parks & Recreation on the proposed credits and project's park, recreation and open space conditions. The Approving Authority must make findings that the private open space meets the Code's standards and/or affordable housing needs.

3. Schedule of Fees.

A. Pursuant to Ordinances Nos. 1928 and 1937, fees subject to the Quimby Act and the Mitigation Fee Act are provided in Table A, Table B, and Table C, attached hereto and incorporated herein by this reference.

B. Fee Policy. On October 14, 2014, Council adopted Resolution No. 14-8174 that set fees due in lieu of parkland dedication at 100% cost recovery for Fiscal Year (FY) 2014-15 based on land valuation from calendar year 2013. In FY2015-16, fees remained unchanged due to the recent

adoption of the ordinance and fees. On June 7, 2016 Council reviewed and adopted supplemental valuation instructions for use in the calculation of the fees. On August 23, 2016 Council adopted Resolution No. 16-8358 that set fees due in lieu of parkland dedication at 100% of cost recovery based upon land valuation date of December 31, 2015 for FY2016-2017. For FY2017-18, fees prepared for Council review are set at 100% cost recovery and are based upon the valuation date of December 31, 2016.

C. Implementation Schedule. For development projects subject to the Quimby Act, the proposed fees will become effective immediately and will be imposed on development projects with applications deemed complete on or after July 1, 2017. For development projects subject to the Mitigation Fee Act, the proposed fees will become effective 60 days after the effective date of this resolution, and will be imposed on development projects with applications deemed complete on or after July 10, 2017. For development project applications deemed complete prior to this date, the existing fees will apply as adopted in FY2016-17 (Resolution No. 16-8358).

4. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City of Santa Clara, California, hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

5. Effective date. This resolution shall become effective immediately.


I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 9th DAY OF MAY, 2017, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Caserta, Davis, Kolstad, Mahan, O'Neill, and Watanabe and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST: 
for ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Attachment A. Table A — Parkland Dedication In Lieu Fee Schedule - FY2017-18 95050
2. Attachment B. Table B — Parkland Dedication In Lieu Fee Schedule - FY2017-18 95051
3. Attachment C. Table C — Parkland Dedication In Lieu Fee Schedule - FY2017-18 95054

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Attachment A.

Table A Parkland Dedication In Lieu Fee Schedule - FY2017-18 95050			
Applicable Fee Type	<i>Calculation</i>	Quimby	MFA
\$/Acre (valuation 12-31-2016)	<i>A</i>	\$3,315,000	\$3,315,000
Park Acres/1000 Pop. LOS Standard	<i>B</i>	3	2.53
Total Cost per 1,000	<i>C = A x B</i>	\$9,945,000	\$8,386,950
Cost per capita	<i>D = C/1000</i>	\$9,945	\$8,387
Density Single Family (2010 Census)	<i>D x 2.9</i>	\$28,841	\$24,322
Improvements (2014 Nexus Study)	<i>\$807 x 2.90</i>	\$2,340	\$2,340
Admin Charge	<i>0.02</i>	\$624	\$533
Total Single Family (SF) Dwelling Fee		\$31,804	\$27,195
Density Multi Family (2010 Census)	<i>D x 2.24</i>	\$22,277	\$18,787
Improvements (2014 Nexus Study)	<i>\$807 x 2.24</i>	\$1,808	\$1,808
Admin Charge	<i>0.02</i>	\$482	\$412
Total Multi Family (MF) Dwelling Fee		\$24,567	\$21,007

Attachment B.

Table B Parkland Dedication In Lieu Fee Schedule - FY2017-18 95051			
Applicable Fee Type	<i>Calculation</i>	Quimby	MFA
\$/Acre (valuation 12-31-2016)	<i>A</i>	\$3,583,000	\$3,583,000
Park Acres/1000 Pop. LOS Standard	<i>B</i>	3	2.53
Total Cost per 1,000	<i>C = A x B</i>	\$10,749,000	\$9,064,990
Cost per capita	<i>D = C/1000</i>	\$10,749	\$9,065
Density Single Family (2010 Census)	<i>D x 2.9</i>	\$31,172	\$26,288
Improvements (2014 Nexus Study)	<i>\$807 x 2.90</i>	\$2,340	\$2,340
Admin Charge	<i>0.02</i>	\$670	\$573
Total Single Family (SF) Dwelling Fee		\$34,182	\$29,201
Density Multi Family (2010 Census)	<i>D x 2.24</i>	\$24,078	\$20,306
Improvements (2014 Nexus Study)	<i>\$807 x 2.24</i>	\$1,808	\$1,808
Admin Charge	<i>0.02</i>	\$518	\$442
Total Multi Family (MF) Dwelling Fee		\$26,403	\$22,556

Attachment C.

Table C Parkland Dedication In Lieu Fee Schedule - FY2017-18 95054				
Applicable Fee Type	Calculation	Quimby	MFA	
\$/Acre (valuation 12-31-2016)	<i>A</i>	\$3,669,000	\$3,669,000	
Park Acres/1000 Pop. LOS Standard	<i>B</i>	3	2.53	
Total Cost per 1,000	<i>C = A x B</i>	\$11,007,000	\$9,282,570	
Cost per capita	<i>D = C/1000</i>	\$11,007	\$9,283	
Density Single Family (2010 Census)	<i>D x 2.9</i>	\$31,920	\$26,919	
Improvements (2014 Nexus Study)	<i>\$807 x 2.90</i>	\$2,340	\$2,340	
Admin Charge	<i>0.02</i>	\$685	\$585	
Total Single Family (SF) Dwelling Fee		\$34,946	\$29,845	
Density Multi Family (2010 Census)	<i>D x 2.24</i>	\$24,656	\$20,793	
Improvements (2014 Nexus Study)	<i>\$807 x 2.24</i>	\$1,808	\$1,808	
Admin Charge	<i>0.02</i>	\$529	\$452	
Total Multi Family (MF) Dwelling Fee		\$26,993	\$23,053	