



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Angel Rios, Jr.

SUBJECT: SEE BELOW

DATE: December 15, 2017

Approved

D. D. SyL

Date

12/15/17

SUBJECT: 2017/2018 ANNUAL ADJUSTMENT TO PARK IMPACT FEES AND PROPOSAL TO ESTABLISH A NEW FEE RATE FOR HIGHRISE UNITS

REASON FOR SUPPLEMENTAL

This memorandum provides an update regarding feedback from the Parks and Recreation Commission at their December 6, 2017 hearing and provides corrections to Attachment B in the memo and the posted resolution.

ANALYSIS

This item was originally heard by the Parks and Recreation Commission (PRC) at their November 1, 2017 meeting, the PRC did not make a recommendation due to insufficient clarity on several concerns. Staff returned to the Commission on December 6, 2017 for further discussion on staff's recommendations.

At the December 6, 2017 PRC hearing, the Commission voted to support staff's recommendation of annual parkland fee adjustments citywide. The Commission did not however, support staff's recommendation to establish a permanent High-rise unit rate in the Parkland Schedule of Fees for new high-rise units in the Downtown Core Area, that are not participating the current Downtown High-rise Incentive Program. The Commission conveyed that this proposal would more appropriately be addressed through public outreach and additional analysis planned with the upcoming Parkland Dedication and Impact Ordinances Program Evaluation or 'Nexus' Study for short. This Study is currently scheduled to continue in late spring 2018, following completion of the Greenprint.

Attachment B to the original memorandum for this item, incorrectly maintains a high-rise unit rate in other MLS districts outside of the Downtown Core Area. The staff recommendation is to limit the proposed new high rise rate to the Downtown Core Area only, until such time that appropriate analysis and data can be collected to support such a rate in other parts of the City. A

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revised Attachment B is provided as part of this supplemental memorandum that replaces the Attachment B in the original memorandum to correct this error.

Additionally, staff has become aware of three necessary changes to the posted draft resolution. First, language was included to align the Downtown Core Area boundaries in the Resolution with those already approved at the December 13, 2016 Council hearing as well as the General Plan and Downtown Strategy, as they may be amended. The posted language however, did not set the boundaries initially to align with those defined in Attachment D to the original memorandum, as of the effective date of the resolution. Second, language was added to clarify eligibility requirements for the current Downtown High-rise Incentive Program and the newly proposed downtown high-rise unit rate in 2017/2018 Parkland Schedule of Fees, such that projects would need to both be 12 stories or more in height and be located in the Downtown Core Area to qualify. Finally, the effective date of the proposed resolution was adjusted from January 1, 2018 to March 1, 2018 to comply with state law, which requires a minimum of 60 days passage after Council approval before fees can be put into effect. These issues will be addressed in the final resolution should Council approve staff recommendations.

/s/

ANGEL RIOS, JR.

Director of Parks, Recreation and
Neighborhood Services Department

For questions, please contact Matt Cano, Assistant Director, at (408) 793-5553.

Attachments:

A) Revised Attachment B – 2017/2018 Parkland Schedule of Fees.

EXHIBIT A 2017/2018 Parkland In-Lieu Fees

MLS ZONE	AREA COVERED	100% OF COST/ SQUARE FOOT	PROPOSED FEE PER UNIT*						
			SINGLE FAMILY DETACHED	SINGLE FAMILY ATTACHED	MULTI- FAMILY 2-4 UNITS	MULTI- FAMILY 5+	DOWNTOWN CORE AREA HIGHRISE (non-incentive) 12+ Stories	SINGLE RESIDENCY OCCUPANCY UNIT (SRO)	SECONDARY RESIDENTIAL UNIT (Granny Unit) Maximum of 800 sq feet
<i>Number of Persons Per Unit - 2010 Census Data; ACS; Survey</i>			3.31	3.31	2.96	2.34	1.51	1.00	50% of SRO
<i>Number of Dwelling Units to create 1 acre of Raw Parkland</i>			100.7	100.7	112.6	142.5	220.8	333.3	n/a
1 & 2	SANTA TERESA	\$ 34.00	\$ 14,700	\$ 14,700	\$ 13,200	\$ 10,400	\$ -	\$ 4,400	\$ 2,200
3	EVERGREEN	\$ 43.00	\$ 18,600	\$ 18,600	\$ 16,600	\$ 13,100	\$ -	\$ 5,600	\$ 2,800
4	ALUM ROCK	\$ 30.00	\$ 13,000	\$ 13,000	\$ 11,600	\$ 9,200	\$ -	\$ 3,900	\$ 1,950
5 & 6	BERRYESSA	\$ 45.00	\$ 19,500	\$ 19,500	\$ 17,400	\$ 13,800	\$ -	\$ 5,900	\$ 2,950
7A	ALVISO (North of 237)	\$ 26.00	\$ 11,200	\$ 11,200	\$ 10,100	\$ 8,000	\$ -	\$ 3,400	\$ 1,700
7B	NORTH SAN JOSE (So. of 237)	\$ 136.00	\$ 58,800	\$ 58,800	\$ 52,600	\$ 41,600	\$ -	\$ 17,800	\$ 8,900
8	SANTA CLARA	\$ 37.00	\$ 16,000	\$ 16,000	\$ 14,300	\$ 11,300	\$ -	\$ 4,800	\$ 2,400
9	DOWNTOWN	\$ 74.00	\$ 32,000	\$ 32,000	\$ 28,600	\$ 22,600	\$ 14,600	\$ 9,700	\$ 4,850
10	WILLOW GLEN	\$ 68.00	\$ 29,400	\$ 29,400	\$ 26,300	\$ 20,800	\$ -	\$ 8,900	\$ 4,450
11	SOUTH SAN JOSE	\$ 30.00	\$ 13,000	\$ 13,000	\$ 11,600	\$ 9,200	\$ -	\$ 3,900	\$ 1,950
12	BLOSSOM VALLEY	\$ 34.00	\$ 14,700	\$ 14,700	\$ 13,200	\$ 10,400	\$ -	\$ 4,400	\$ 2,200
13	ALMADEN VALLEY	\$ 40.00	\$ 17,300	\$ 17,300	\$ 15,500	\$ 12,200	\$ -	\$ 5,200	\$ 2,600
14 & 16	CAMBRIAN	\$ 35.00	\$ 15,100	\$ 15,100	\$ 13,500	\$ 10,700	\$ -	\$ 4,600	\$ 2,300
15	CAMPBELL	\$ 65.00	\$ 27,300	\$ 27,300	\$ 24,400	\$ 19,300	\$ -	\$ 8,200	\$ 4,100
17 & 18	CUPERTINO	\$ 63.00	\$ 27,300	\$ 27,300	\$ 24,400	\$ 19,300	\$ -	\$ 8,200	\$ 4,100
9 - DC	Downtown Core Area Incentive HighRise 12+ Stories**					\$ 11,300			

* Fees for Low Income Units shall be at the rate of 50% of the applicable parkland fees for each residential unit type per Section 1 of Resolution No. 75540

** Fees for eligible Downtown Area Highrises shall be set at 50% of the Multifamily 5+ rate within the Downtown MLS district, as set forth in Resolutions 78039 and 78079, as may be amended.