



DATE: March 15, 2021

AGENDA ITEM # 3

TO: Financial Commission
FROM: Jon Maginot, Staff Liaison
SUBJECT: Review of Park in Lieu Funds

RECOMMENDATION:

The Financial Commission to review the City's municipal code regarding the Park in Lieu funding guidelines and discuss with Finance Services staff. Engineering Services Department can provide further insight on Park in Lieu funds during April 2021's Financial Commission meeting.

BACKGROUND

Financial Commission indicated on their FY20-21 Work Plan a goal to understand and clarify the existing Park in Lieu Funding policies and guidelines. The Financial Commission's intention is to use the knowledge of the Park in Lieu Funding Policy to better serve the City when providing recommendations for Park in Lieu fund usage.

DISCUSSION

Currently the Engineering Services Department is developing the fee schedule for Park in Lieu fees. Once this is completed, staff will update the Commission.

Los Altos Municipal Code Chapter 13.24 outlines the collection and use of Park in Lieu funds. Chapter 13.24 is attached.

Chapter 13.24 - PARK LAND DEDICATIONS

Sections:

13.24.010 - Park land dedications in subdivisions or fees in lieu thereof.

- A. Purpose. The provisions of this section are enacted pursuant to the authority granted by Section 66477 of the Government Code of the state. As used in this section, "subdivision map" shall include a subdivision map or a parcel map.
- B. Requirements. As a condition of approval of a final subdivision or parcel map, the subdivider shall dedicate land, pay a fee in lieu thereof, or a combination of both at the option of the city, for park or recreational purposes according to the following standards:
 1. Dedication of sites. Where the need for a park or recreational facility has been identified in the general plan of the city, and the park or facility is to be located, in whole or in part, within a 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 amount of land to be provided shall be determined pursuant to the standards set forth in subsection C of this section establishing the formula for land dedication or for payment in-lieu thereof. Only the payment of fees may be required in subdivisions containing fifty (50) parcels or less.
 2. 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, the subdivider shall be required to pay a cash payment in-lieu of the land equal to the value of the land as determined by the provisions of subsection C of this section. A fee in-lieu of such land dedication shall be required when:
 - a. No need for a park or recreational facility has been identified in the general plan; or
 - b. When dedication is impossible, impractical, or undesirable; or
 - c. When the proposed subdivision contains fifty (50) parcels of land or less and no park or recreational facility is designated in the subdivision.
 3. 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:
 - a. Only a portion of the land to be subdivided is proposed in the general 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 pursuant to the provisions of this section; or
 - b. 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 pursuant to the provisions of this section.
 4. Use of and basis for in-lieu fees. The money collected pursuant to the provisions of this section shall be used only for the purpose of providing park or recreational facilities

reasonably related to serving the subdivision from which fees are collected. Fees so collected shall be used to purchase land or, if the council deems that there is sufficient land available for the subdivision, for improving such land for park and recreational purposes, buying equipment, or constructing improvements in neighborhood and district park and recreational facilities. The fee so required shall be based on the fair market value of the lands available for park purchase as determined by the provisions of subsection G of this section.

- C. Land requirement. It is hereby found and determined that the public interest, convenience, health, welfare, and safety require that three acres of property for each one thousand (1,000) persons residing within the city shall be devoted to public park and recreational facilities.
- D. Acreage formula per dwelling unit. In calculating the dedication and in-lieu fee payment requirements pursuant to the provisions of this section, the following calculation shall apply:

Single Family/Detached:

3 acres/1,000 residents = .003 acres per resident
.003 × 2.7 residents per household = .0081
.0081 × one acre of land, or value thereof

Multiple Family/Attached:

3 acres/1,000 residents = .003 acres per resident
.003 × 1.7 residents per household = .0051
.0051 × one acre of land, or value thereof

- E. Procedure. The planning commission shall, upon approving a tentative map, recommend the conditions necessary to comply with the requirements for park land dedication or fees in lieu thereof as set forth in this section, and such conditions shall be attached as conditions of approval of the map.
- F. Calculation of fair market value. Each fiscal year the director of public works shall make a determination of the fair market value of the lands available for park purchase or existing park lands. In those cases where a fee in lieu of dedication is required, either in whole or in part, the fair market value determination shall be used in calculating the fee to be paid. If the subdivider objects to the fair market value determination, he or she may, at his or her own expense, obtain an appraisal of the properties available for park purchase by a qualified real estate appraiser. The appraiser shall be approved by the city, and the appraisal of fair market value may be accepted by the council if the appraisal is found to be reasonable.

(Ord. 07-312 § 3; prior code § 10-3.49)

(Ord. No. [2014-401](#), §§ 1—5, 5-13-2014)