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March 19, 2008

Council of the City of Los Angeles
Arts, Parks, Health and Aging Committee
200 N. Spring St.
Los Angeles, CA 90012

(Council File 07-3619)
(Council File 05-1562)
(Council File 07-3387-S2)

Honorable Members of the Arts, Parks, Health and Aging Committee:

Several recent motions have highlighted the need for changes in our Quimby fee and dedication regulations. On November 7, 2007, Councilwoman Janice Hahn introduced a motion, seconded by Councilmember Bill Rosendahl, requesting the development of a proposed park impact fee for new market rate apartments and condominium conversions. Another motion on the same day, introduced by Councilwoman Hahn and seconded by Councilmember Ed Reyes, requested that Quimby fee credits be adjusted to reflect current costs of construction, and that the permitted ratio between low and high intensity credits be amended to encourage additional recreational amenities. A third motion, introduced on November 28, 2007 by Councilmember Greig Smith and seconded by Councilmembers Eric Garcetti and Janice Hahn, called for greater flexibility in where Quimby fees are spent.

Last month, an audit released by the City Controller's office found that the City's Quimby codes and procedures are outdated, and recommended that key ordinance terms and procedures be revised. A key issue addressed in the audit was the current lack of flexibility in where Quimby funds can be spent.

In response to all three motions and the Controller's audit, the Department of City Planning, in conjunction with the Department of Recreation and Parks and the Office of the City Attorney, has begun an analysis of how our current park fee and dedication programs can be improved. Since the Quimby regulations were written in 1972, our City has undergone dramatic growth and change. The issues now surfacing point to an increasing need for a comprehensive review and re-evaluation of the City's park dedication and fee programs, to include Quimby, and the lesser-known Zone Change Park Fee, described in the attached report.

We recommend that the Department of City Planning, in conjunction with the Department of Recreation and Parks, undertake a work program to propose a comprehensive,

MAR 19 2008

1 ARTS, PARKS, HEALTH & AGING

citywide park impact fee and dedication program. Issues and opportunities to be addressed during the proposed study include the following:

1. **Apartments and Condominium Conversions.** In order to address the City's serious deficiencies in the amount and location of parkland, it may be time to consider a shared responsibility among all residential developments, whose residents all need and benefit from access to parks.
2. **Fee Credits.** The Quimby regulations allow the awarding of credits to offset fees for developments that provide certain recreational amenities. The credits that are awarded have not changed in value since 1981, and no longer offer a real incentive to developers. Also, the list of on-site recreational amenities that qualify for fee credits is outdated, and could be expanded to incentivize a greater range of amenities such as green roofs, community gardens, and pocket parks.
3. **Geographic Restrictions.** Currently, fees can only be spent, and land can only be dedicated, within a service radius of one to two miles from the development that paid the fee. Increasing the flexibility with which funds can be allocated, while ensuring that funds are spent in a way that directly benefits the development that provided them, would be considered during the study.
4. **Fee Deferrals.** Because of a lack of clarity in the current regulations, entire projects have been receiving a deferral of fees for setting aside as few as 20% of their units for low/moderate income, senior, or handicapped residents. The study would consider clarifying the regulations to create a better incentive, by allowing deferrals only for the affordable/senior/handicapped units, and requiring a fee for all market rate units.
5. **Land Dedication Policy.** Opportunities for new parks are being lost as large developers opt out of dedicating land. The proposed work program would consider whether the City should require large developments to dedicate land, rather than allowing them to pay an in-lieu fee.

The attached report further discusses these issues, and provides a brief background on the origins of the Quimby and Zone Change dedication and fee programs. The Department of City Planning looks forward to working closely with the Department of Recreation and Parks, as well as with other City departments and community stakeholders to develop specific code amendments that will better meet the park and recreational needs of our growing city. If you have any questions, please call Alan Bell of my staff at (213)978-1322.

Sincerely,



MICHAEL J. LOGRANDE
Chief Zoning Administrator

PROPOSED WORK PROGRAM TO MODERNIZE PARK FEES & DEDICATIONS

BACKGROUND

The City's Quimby program has a thirty-seven year history. John P. Quimby, a former State legislator, recognized that recreation and park facilities and programs reduce crime, enhance property values, and improve the quality of life in our neighborhoods and communities. Mr. Quimby initiated State legislation which permitted cities and counties to require the dedication of land, or the payment of a fee in lieu of dedication, as a condition of local residential tract map approval (subdivisions). The City of Los Angeles implemented the Subdivision (Quimby) Fees Trust in 1971 (Ordinance 141,422). The City Planning Department calculates fees for affected subdivisions and zone changes, and the Department of Recreation and Parks collects the fees and allocates funds to build and/or rehabilitate parks and recreational facilities.

The Zone Change Park Fee was originated by the late City Councilmember Howard Finn, with Ordinance 159,691, approved in 1985. Whereas the State Quimby Act only applies to for-sale projects, the Zone Change Park Fee applies to the finalization of Zone Changes for multi-unit residential projects, including rental projects. The fee schedule, collection and administration of the Zone Change Park Fee program is exactly the same as it is for Quimby.

ISSUES AND OPPORTUNITIES

The City's park dedication and fee regulations have remained largely unchanged for the past several decades. As residential development has boomed, and available land has become scarcer, the City has experienced a shortage of parks and recreational facilities. The Citywide Community Needs Assessment currently being conducted by the Department of Recreation and Parks is finding that in nearly every community, residents are very vocal about their need for more and better parks and recreational facilities. The need is particularly great in communities that have experienced rapid growth and/or densification, such as Downtown, as well as in communities with youth and senior populations.

There are several aspects of the existing regulations that present opportunities for potential update. This report highlights a few of the most potentially significant issues and opportunities.

1. Apartments and Condominium Conversions

Currently, dedication and in-lieu fees for park development only apply to subdivisions, and to multi-unit residential development (including rental projects) in conjunction with a zone change. The City's regulations do not account for the impact of all market-rate

apartments and condominium conversions on the City's strained parks and recreation infrastructure. People who live in apartments and condo conversions need access to parks, just as much as people who live in newly constructed condominium developments do. The thousands of new market-rate apartments and condo conversions being permitted each year represent a sizable opportunity to build more and better parks to benefit the residents of these developments, as well as their surrounding neighborhoods.

Los Angeles, the most park-poor city in the nation, is at the low end of the curve among California cities when it comes to park impact fees. Perhaps this is no coincidence. San Diego, San Jose, and Santa Monica are among the urbanized California cities that require park fees of all residential development, including apartments.

Although the State Quimby Act only authorizes dedication and fees for subdivisions, the City can adopt its own comprehensive park impact fee ordinance to include apartments and condominium conversions. Such an ordinance would need to conform to the requirements of the State Mitigation Fee Act of 1987, and would need to include a nexus study to justify the proposed fees.

2. Fee Credits

When a developer provides park and recreational facilities within a subdivision, the Department of Recreation and Parks awards a Quimby fee credit that offsets the requirement of land dedication and/or fees. The amount of the credit is determined by applying a dollar amount per square foot to the amount of area that the recreational facilities will occupy.

The current credit amounts have not changed since this section was written in 1981. "High intensity" recreational areas (such as swimming pools and tennis courts) receive a credit of \$5.00 per square foot, and "low intensity" recreational areas (such as athletic fields and landscaped open areas) receive a credit of \$2.50 per square foot. These figures need to be updated to reflect current construction costs.

Also, the list of recreational amenities that qualify for fee credits could be expanded, to incentivize a greater range of desired amenities. The list of amenities that currently qualify for credits is limited to the following:

- High intensity uses: Swimming pools and spas; tennis, paddle tennis, shuffle board, volleyball and half or full basketball courts; and child's play areas with playground equipment.
- Low intensity uses: Putting greens; landscaped open areas; and athletic fields such as baseball and soccer fields, equestrian areas and picnic grounds.

In addition to the above list, community centers, walking or biking paths, indoor exercise facilities, community gardens, dog parks, skate areas, splash pads, and outdoor exercise equipment could be credited and thus incentivized.

Rooftop gardens or green roofs might also be good candidates for fee credits. The benefits of green roofs in terms of cooling, carbon reduction, and stormwater mitigation have led cities such as New York and Portland, in addition to cities in Europe and Canada, to adopt policies encouraging green roofs. The potential benefits of green roofs as usable open space would be further examined under the proposed work program.

3. Geographic Restrictions

Currently, fees can only be spent, and land can only be dedicated, within a service radius of one to two miles from the development that paid the fee. This geographic restriction on fund expenditure could be adjusted to allow for greater flexibility in the location of park development and rehabilitation.

According to the City's Public Recreation Plan, a park's service radius is the geographic area whose population the park serves. A neighborhood park (intended to serve the immediate neighborhood) has a service radius of one-half mile to one mile from the park. A community park (which is larger, and intended to serve several surrounding neighborhoods) has a service radius of two miles. The code currently requires that Quimby land dedications and fees must be used in a manner that complies with the Public Recreation Plan. This means that fees paid by the developer must be spent within one or two miles of the development, depending on whether the target of the funds is a neighborhood or a community park. Likewise, if the developer elects to dedicate land instead of paying the fee, the land to be dedicated must be within one or two miles of the development.

This requirement has proven to be limiting, and the work program would consider whether to remove or modify it. In dense areas such as Downtown, the selection of available land or existing park facilities within one or two miles of a residential subdivision may be limited or nonexistent. This has created a situation in which adequate amounts of funding are amassed through fees, but the City encounters difficulty in finding locations where those fees can be spent to develop and improve parks. It may be possible that parks could be purchased and improved a bit farther from the development than is currently allowed, and the residents of the development could still benefit. The Department of Recreation and Parks is addressing this issue in its Citywide Needs Assessment.

4. Fee Deferrals

The Quimby regulations allow for a deferral of fees for developments that provide affordable housing, or housing for persons over the age of 62, or for persons who are handicapped. This provision exists both to shield low-cost housing from the burden of

fees, and to incentivize developers to provide low-cost housing. However, because of a lack of clarity in the wording of the regulations, entire projects have been receiving a deferral of all fees for setting aside as few as 20% of their units for low/moderate income, senior, or handicapped residents. This has created the wrong kind of incentive, whereby developers can get the full deferral by providing only 20% low-cost units, with no incentive to provide more than that. The study would look at applying fee deferrals only to affordable/senior/handicapped units, and requiring fees for all market-rate units, even when within the same project as the affordable units. In this way, the incentive would be greater for developers to provide as many affordable/senior/handicapped units as possible.

5. Land Dedication Policy

Currently, the Quimby regulations allow developers two options: the dedication of land, or the payment of fees in lieu of dedication. Most smaller developments lack the financial and physical capacity to dedicate land, and find that paying the fee is the best, or the only feasible option. However, certain large developments do have the financial and physical capacity to dedicate the kind of land parcels that are sorely needed for new parks. The City is experiencing that in some areas, it is much more difficult to acquire land than it is to collect fees. Meanwhile, opportunities for new parks are being lost as developers opt-out of dedication. Perhaps for certain large developments, the City could require land dedication, provided that a suitable parcel of land exists on the development site or elsewhere, that the developer could dedicate.

PROPOSED WORK PROGRAM

The Department of City Planning recommends undertaking a focused work program to study these and other potential updates in the Quimby and Zone Change Code, and to make a recommendation as to a proposed comprehensive park impact fee. The work program would include a series of Stakeholder Group meetings, a survey of park fee and dedication programs in other cities, and an integration of the Department of Recreation and Parks' Citywide Needs Assessment. The work program would culminate in a set of specific recommendations endorsed jointly by the Department of City Planning and the Department of Recreation and Parks.

1. Stakeholder Groups

The location and configuration of parks and recreational facilities is a complex matter that affects a wide range of interests across a community. In order to draw from this vital range of perspectives, the work program would incorporate a series of presentations with Stakeholder Groups. The composition of these groups would include interested Council Districts, community and business leaders, development professionals, park planning

professionals, and members of the Department of Recreation and Parks' Needs Assessment Advisory Council. The purpose of the Stakeholder Group meetings would be to review potential updates to the City's park fee and dedication regulations, and to provide input and comments on Code Amendment proposals as they are drafted.

2. Milestones

The following milestones represent estimated dates of completion for the major stages of the proposed work program.

Month 0	Work program approved by City Council
Month 1	Draft preliminary recommendations for Code updates
Month 2	Begin integrating results of RAP Citywide Needs Assessment
Month 2	Begin holding meetings with Stakeholder Groups to discuss preliminary recommendations for Code updates
Month 4	Complete draft ordinance
Month 5	Publish CEQA clearance
Month 6	Present proposed ordinance to CPC
Month 7	Present proposed ordinance to PLUM
Month 8	Review by City Attorney
Month 9	Present proposed ordinance to City Council