

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: June 18, 2015

TO: Honorable Members of the Rules, Elections and Intergovernmental Relations Committee

FROM: Sharon M. Tso *KEK*  
Chief Legislative Analyst

Council File No: 15-0002-S58  
Assignment No: 15-06-0438

SUBJECT: Resolution (Krekorian – O’Farrell – LaBonge) relative to the allocation of Quimby fund interest income.

CLA RECOMMENDATION: Adopt the attached Resolution (Krekorian – O’Farrell – LaBonge) to include in the City’s 2015-2016 State Legislative Program, SUPPORT of AB 1191 (Nazarian), which would allow cities to allocate interest generated from Quimby funds.

## SUMMARY

The State Quimby Act, which was adopted in 1965, allows local jurisdictions to require that land be dedicated for park or recreation use or a fee paid in lieu of dedicated land (or a combination of both) as a condition before approval of a tentative map or parcel map. Both the dedicated land and/or fees are only to be used for new development or rehabilitation of existing park and recreation facilities and shall bear a reasonable relationship to the use of the park and recreation facilities by the future residents of the subdivision.

In its current form, the State Quimby Act does not address the administration of interest income generated from the in-lieu fees. AB 1191 (Nazarian) would allow local jurisdictions, such as the City, to allocate Quimby fee interest income for additional park acquisitions, capital improvement projects, or other eligible uses. According to the Department of Recreation and Parks (RAP), the City Attorney has opined that because the allocation of interest income is not specified in the State Quimby Act, the City cannot allocate the funds at its discretion. AB 1191 would allow the City to adopt policies regarding interest income expenditures. The bill would ensure that Quimby fee interest income would continue to be used for the development of parks.

In addition, AB 1191 would allow that fees may be used for development of new or rehabilitation of existing park or recreation facilities in a neighborhood other than the neighborhood in which the fees were generated if specific conditions were met, including, but not limited to: (1) expenditure would be in a park-poor neighborhood with less than three acres of park area per 1,000 residents; (2) neighborhood in which the fees were generated has a park area larger than three acres per 1,000 residents; (3) findings are made by the legislative body with required public hearings held; and (4) fees are used within a specific radius that complies with policies that have been adopted by the legislative body.

Ultimately, AB 1191 would provide the City the opportunity create a policy to spend additional existing Quimby fee interest income that is unallocated and future Quimby fee interest income on the creation and rehabilitation of park land and other recreation facilities.

Background

On February 4, 2015, Council adopted a Resolution, at the request of the Department of Recreation and Parks, to include in the City's 2015-2016 State Legislative Program sponsorship and/or support of legislation or administrative action that would amend the State Quimby Act to address the administration and use of interest income generated from in-lieu fees and allow local jurisdictions to adopt policies regarding interest income expenditures.

STATUS OF LEGISLATION

6/11/15	First committee hearing set; hearing canceled at request of author.
6/04/15	Referred to Committee on Government and Finance
5/22/15	Approved in the Assembly and ordered to the Senate
5/14/15	Approved as amended by Committee on Local Government
3/23/15	Referred to Committee on Local Government
2/27/15	Introduced

DEPARTMENTS NOTIFIED

Department of Recreation and Parks



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Andrea M. Galvin  
Analyst

Attachment: Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the State Quimby Act (California Government Code §66477) was first established by the California State Legislature in 1965; and

WHEREAS, the State Quimby Act allows local governments, such as the City of Los Angeles, to establish ordinances requiring residential subdivision developers to pay impact fees; and

WHEREAS, Quimby funds are an important tool local governments use to fund the development of recreational facilities and urban greenspace; and

WHEREAS, current law prevents municipalities from allocating the interest generated from collected Quimby fees, leaving funds in limbo and projects unfunded; and

WHEREAS, AB 1191 (Nazarian) will allow the City and other municipalities to allocate this interest income; and

WHEREAS, AB 1191 (Nazarian) will ensure that Los Angeles and other municipalities are empowered to fund important recreation and greenspace projects;


NOW, THEREFORE BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-2016 State Legislative Program SUPPORT for AB 1191 (Nazarian) to allow cities to allocate interest generated from Quimby funds.

PRESENTED BY:



PAUL KREKORIAN  
Councilmember, 2<sup>nd</sup> District

SECONDED BY:



ORIGINAL

MAY 29 2015

