

PROPOSED ORDINANCE

A proposed ordinance amending Sections 12.21, 12.33, 17.03, 17.07, 17.12, 17.58, and 19.17 of the Los Angeles Municipal Code and a resolution amending the Public Recreation Plan of the Service Systems Element of the Los Angeles City General Plan to modernize the City's Park Fee (currently the Quimby and Finn fees) to mitigate park and open space impacts for residents of new residential projects.

THE PEOPLE OF THE CITY OF LOS ANGELES DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Subparagraph (2) of Paragraph (a) of Subdivision 2 of Subsection G of Section 12.21 of the Los Angeles Municipal Code is amended to read as follows:

(2) Common open space areas shall incorporate recreational amenities such as swimming pools, spas, picnic tables, benches, children's play areas, ball courts, barbecue areas and sitting areas. ~~Amenities that meet the Department of Recreation and Parks specifications pursuant to Section 17.12 F. of this Code may be credited against fees required under Section 12.33 of this Code.~~

Sec. 2. Subparagraph (2) of Paragraph (c) of Subdivision 29 of Subsection A of Section 12.22 of the Los Angeles Municipal Code is amended to read as follows:

(2) The open space required pursuant to Section 12.21 G. of this chapter for all dwelling units shall be reduced by one-half, provided that a fee equivalent to the amount of the relevant ~~Quimby~~ park and recreation impact fee shall be paid for all dwelling units, with the exception of units qualifying under Section 12.33 B.3(d). ~~in a project regardless of whether a park and recreation fee is otherwise required.~~ This ~~The~~ in-lieu fee shall be placed in a trust fund with the Department of Recreation and Parks for the purpose of acquisition, development and maintenance of open space and/or streetscape amenities within the Greater Downtown Housing Incentive Area, and within the Community Plan Area in which the project is located. The in-lieu fee is independent of any required park and recreation impact fee.

Sec. 3. Section 12.33 of the Los Angeles Municipal Code is deleted and replaced with the following:

SEC. 12.33. PARK FEES AND LAND DEDICATION.

A. **Purpose.** New residential dwelling units increase demand on existing park and recreational facilities and creates a need for additional facilities. The purpose of this section is to enable the acquisition of land and fees which are to be used for the purpose of developing new or rehabilitating existing recreational facilities in order to create a healthy and sustainable city.

B. **Subject Properties.** All new residential dwelling units and joint living and work quarters shall be required to dedicate land, pay a fee, or provide a combination of land dedication and fee for the purpose of acquiring, expanding, and improving park and recreational facilities for new residents. For the purposes of this section, dwelling units, second dwelling units in a single family zone, and joint living and work quarters shall be known as dwelling units or residential dwelling units.

1. **Residential Subdivision Projects that contain 50 or more Dwelling Units.** A subdivision containing 50 or more dwelling units shall be required to participate in an early consultation pursuant to Subsection C and may be required to dedicate land, make park improvements, pay a Park Fee, or provide a combination of land dedication and Park Fee.
2. **All other Residential Projects.** For residential subdivision projects containing fewer than 50 dwelling units or for non-subdivision residential projects and are seeking a building permit for a project application that contains any number of net new dwelling units, the project shall pay a Park Fee pursuant to Subsection D. Applicants may choose to dedicate land or new park and recreational facilities, and/or improve existing park and recreational facilities in lieu of payment of a Park Fee.
3. **Exemptions.** The following types of development shall not be required to pay a Park Fee:
 - (a) Alterations, renovations, or expansion of an existing residential building or structure where no additional dwelling units are created.
 - (b) Replacement of existing dwelling units on the same lot resulting in no net increase of residential dwelling units.
 - (c) The replacement of a destroyed or partially destroyed or damaged building or structure where no additional dwelling units are created.
 - (d) Affordable housing pursuant to Subsection E.
 - (e) Second Dwelling Units in Single Family Zones.
 - (f) Non-residential development.

C. **Residential Subdivision Projects that contain 50 or more Dwelling Units.**

1. **Early Consultation.** Applicants shall meet with the Department of Recreation and Parks and Department of City Planning staff at the earliest reasonable point in advance of submitting a tract map application for a project of 50 units or more. This early consultation shall be used to discuss whether land dedication may be required for the project. The City will provide written verification of the consultation to the project applicant within 10 business days of the meeting. Written verification of this

consultation shall be required before the Department of City Planning accepts an application for a tentative tract map.

2. **Formula for Park Land Dedication.**

- (a) The Department of Recreation and Parks shall calculate the amount of land to be dedicated by determining the number of non-exempt (per Subsection B.3) net new dwelling units in the proposed project and multiply that number by the average number of people per occupied dwelling unit and multiplying that by the park service factor:

$$\text{LD} = (\text{DU} * \text{P} * \text{F})$$

LD: Land to be dedicated in acres.

DU: Total number of new market-rate dwelling units.

P: Average number of people per occupied dwelling unit as determined by the most recent version of the U.S. Census for the City of Los Angeles.

F: Park service factor, as indicated by the Department of Recreation and Parks rate and fee schedule.

- (b) Any land dedication for park and recreation purposes shall not be deducted from a site's gross lot area for the purposes of calculating project density, lot area, buildable area, or floor area ratio.
- (c) If after recording the final map there is an increase in the number of dwelling units to be built or a change in the number and/or type of dwelling units designated which increases the number of persons served by the subdivision, the project applicant shall be required to dedicate additional land and/or pay additional fees.

3. **Park Land Dedication Radius.** Any land dedication for park and recreation purposes shall be located within a radius from the project site, as specified below:

(a) Neighborhood: within a 2 mile distance

(b) Community: within a 5 mile distance

(c) Regional: within a 10 mile distance

4. **Review of Land Dedication.**

(a) Upon receiving the project application for the tentative tract map, the Department of City Planning shall transmit the project application with land dedication to the Department of Recreation and Parks.

(b) After receipt of the project application, the General Manager of the Department of Recreation and Parks shall determine whether the land dedication proposal complies with the Department of Recreation and Park's existing park and recreation standards and requirements.

(c) If the General Manager of the Department of Recreation and Parks determines the land dedication proposal meets the standards and requirements, the General Manager of the Department of Recreation and Parks shall prepare a report to the Board of Recreation and Parks Commissioners regarding the proposed dedication. The Board of Recreation and Parks Commissioners may accept or decline the land dedication.

5. **Payment of Park Fee.** If the project will not be dedicating land for park and recreational purposes, the project applicant shall pay a Park Fee pursuant to Subsection D of this Section.

D. **Park Fees for Non-Subdivision Residential Projects, Residential Subdivisions with less than 50 units, or Residential Subdivisions with 50 or more units that are not Dedicating Land.**

1. **Fees and Fee Schedule.** The Park Fee amount depends on the type of project. Subdivision projects are subject to a Quimby In-Lieu Fee and all other residential projects are subject to a Park Impact Fee. Collectively, these two fees are referred to as Park Fees. The Department of Recreation and Parks shall collect these fees pursuant to Section 19.16 and the Department of Recreation and Parks rate and fee schedule.

2. **Fee Calculation.** The Department of Recreation and Parks shall calculate the amount of the Park Fee due for each residential development project by determining the number of new non-exempt (pursuant to Section B.3) dwelling units in the proposed project and multiplying the number of units by the Park Fee amount per dwelling unit according to the following formula:

$$\text{Project Park Fee} = (\text{DU} * \text{PRF})$$

DU: Total number of new, non-exempt (per Subsection B.3) dwelling units.

PRF: Park Fee per unit.

3. **Fee Expenditure Radius.** Recreational sites and facilities shall be located within a radius from the project site, as specified below:
 - (a) Neighborhood: within a 2 mile distance.
 - (b) Community: within a 5 mile distance.
 - (c) Regional: within a 10 mile distance.
4. **Phase-in Period.** The Park Fee shall be phased-in over a period of two years.
5. **Indexing.** The fee imposed by this section shall be adjusted on July 1st of each year by a percentage equal to a weighted average of the annual percentage change in:
(1) the Construction Cost Index for Los Angeles, as published by Engineering News Record, or its successor publication, for the twelve-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year; and (2) the annual percentage change in the Median Home Sales Price for the City of Los Angeles, as published by Dataquick News, or its successor publication, for the twelve month period between June in the year in which the adjustment is made and the month of June in the immediately preceding year.
6. **Fee Payment Timing.**
 - (a) **Residential Subdivision Projects.** The Quimby In-Lieu Fee for residential subdivisions shall be calculated and collected prior to final subdivision map approval.
 - (b) **Residential Non-Subdivision Projects.** For other residential development projects, the Park Impact Fee shall be calculated and collected prior to the issuance of the Certificate of Occupancy.

7. **Park Fee as Additional Requirement.** The Park Fee enacted by this section is a fee enacted on residential development projects reflecting its proportionate share of the cost of providing park land and improvements necessary to meet the needs created by such development. As such, the Park Fees is additional and supplemental to, and not in substitution of, on-site open space requirements imposed by the City pursuant to zoning, subdivision, and other City requirements.

E. Affordable Housing Exemption.

1. Notwithstanding any other provision contained in this section, new residential dwelling units which are rented or sold to persons or households of very-low, low, or moderate income shall receive an affordable housing exemption.
 - (a) An affordable housing unit shall receive an exemption from the requirement for dedication of land for park and recreational purposes if the affordable housing unit is affordable to a household at or below 120% of AMI.
 - (b) In projects with a mix of market-rate and affordable housing units, only the affordable housing units shall receive this exemption.
2. For any affordable housing unit qualifying for an exemption, a covenant acceptable to the Los Angeles Housing and Community Investment Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria will be observed for at least 55 years from the issuance of the Certificate of Occupancy or a longer period of time if required by the construction or mortgage financing assistance program, mortgage assistance program, or rental subsidy program.
3. The Los Angeles Housing and Community Investment Department shall evaluate the project application to ensure it meets the above requirements and shall advise the Department of Recreation and Parks and Department of City Planning about whether the project meets those requirements.
4. Should any qualifying affordable housing unit no longer operate as a qualifying affordable housing unit before the 55 year period has expired, then the parks fee for each said unit shall be paid to the City at the then current rate.

F. Credits

1. Public Land Dedication or Improvement to Dedicated Land.

- (a) **Public Land Dedication.** In lieu of paying the Park Fee, land may be dedicated to the City of Los Angeles for public park and recreational purposes. This may be with or without recreational facility improvements. The amount of land to be dedicated shall be determined pursuant one of the following formulas, and credit shall be granted, square foot for square foot, for any land dedicated to the City:

Subdivision Projects:

$$\text{LD} = (\text{DU} * \text{P} * \text{F}_1)$$

LD: Land to be dedicated in acres.

DU: Total number of net new, non-exempt (per section B.3) dwelling units.

P: Average number of people per occupied dwelling unit as determined by the most recent version of the U.S. Census for the City of Los Angeles.

F₁: Park service factor for subdivision projects, as indicated by the Department of Recreation and Parks rate and fee schedule.

Non-Subdivision Projects:

$$\text{LD} = (\text{DU} * \text{P} * \text{F}_2)$$

LD: Land to be dedicated in acres.

DU: Total number of net new, non-exempt (per section B.3) dwelling units.

P: Average number of people per occupied dwelling unit as determined by the most recent version of the U.S. Census for the City of Los Angeles.

F₂: Park service factor for non-subdivision projects, as indicated by the Department of Recreation and Parks rate and fee schedule.

- (b) **Improvement to Dedicated Land.** In lieu of paying the Park Fee or dedicating land, the City may permit improvements to be made to an existing City park or recreational facility, upon land being dedicated as a City park or recreational facility, or a combination thereof.
- (c) The amount of credits shall not exceed 100 percent of the calculated requirement for the Park Fee or land dedication.
- (d) Credit shall be granted, dollar for dollar, for any Park Fee required to be paid for the property pursuant to this section. The cost and subsequent credit should bare a reasonable relationship to an independent assessment of the construction cost for the facility, such as the estimates provided by RSMMeans Building Construction Cost Data or similar. Credits may be awarded for onsite or offsite land dedication and/or park improvements.

- (e) The General Manager of the Department of Recreation and Parks shall determine whether the proposal complies with existing park and recreational standards and requirements as established in this section and other relevant documents. If the General Manager of the Department of Recreation and Parks determines the proposal meets the standards and requirements, the General Manager of the Department of Recreation and Parks shall prepare a report to the Board of Recreation and Parks Commissioners regarding the proposed dedication or improvement. The Board of Recreation and Parks Commissioners may accept or decline the land dedication, new park and recreational facility, or improvement to existing park and facilities.
- (f) If the dedication and/or improvement is accepted by the Board of Recreation and Parks Commissioners in lieu of the Park Fee or land dedication, or any portion thereof, the City shall reduce or waive the fee, or land dedication, or any portion thereof upon dedication of the property and/or guarantee of the improvement. The guarantee of the improvement is to be to the satisfaction of the Department of Recreation and Parks and is to be by a deposit with the Department of Recreation and Parks of an irrevocable deposit instrument issued by a bank, savings and loan association or other depository whose deposits are insured by an instrumentality of the federal government. The deposit must be fully insured by such instrumentality. The deposit instrument must be in a form that permits collection by the City of Los Angeles at maturity without further consent of any other party.

2. Privately Owned Park and Recreational Facilities. Where facilities for park and recreational purposes are provided in a proposed residential development and such facilities are to be privately owned and maintained by the future owners of the development, the areas occupied by such facilities shall be partially credited against the requirement of dedication of land for park and recreational purposes of the payment of a Park Fee thereof, provided that the following standards are met to the satisfaction of the Department of Recreation and Parks: (1) that each facility is available for use by all the residents of the residential development and (2) that the area and the facilities satisfy the recreation and park needs of the residential development so as to reduce the need for public recreation and park facilities to serve the project residents.

- (a) The amount of credits for non-publicly accessible park and recreational facilities shall not exceed 35 percent of the calculated requirement for the park and recreation impact fee or land dedication. Credits may be awarded for on-site or off-site private facilities.
- (b) The amount of credits for publicly-accessible, privately-maintained park and recreational facilities shall not exceed 100 percent of the calculated requirement for the park and recreation impact fee or land dedication. Credits may be awarded for on-site or off-site private facilities.

- (c) Private park and recreational facilities shall include a variety of active and passive amenities, as determined by the Department of Recreation and Parks.
- (d) Credit shall be granted, dollar for dollar, for any recreational and park impact fees required to be paid for the property pursuant to this section, as determined by the Department of Recreation and Parks. The cost and subsequent credit should bare a reasonable relationship to an independent assessment of the construction cost for the facility, such as the estimates provided by RSMeans Building Construction Cost Data or similar.
- (e) Credits shall not be given for the following:
- (1) Yards, court areas, setbacks, and other open space areas required to be maintained by the City's Municipal Code, specific plan or any other planning document.
 - (2) Common open space and/or private open space required by the City's Municipal Code, specific plan, or any other planning document, such as those included in Section 12.21.
- (f) The granting of credits shall also be subject to the following:
- (1) The private ownership and maintenance of the facilities shall be adequately provided for by written agreements; and
 - (2) The use of the private facilities, whether publicly or non-publicly accessible, is restricted for park and recreational purposes by recorded covenants acceptable to the Department of Recreation and Parks which run with the land and which cannot be defeated or eliminated without the consent of the City Council; and
 - (3) The proposed facilities are reasonably adaptable for use for park and recreational purposes, taking into consideration such factors as size, shape, topography, geology, access and location of the private open space land; and
 - (4) The proposed non-public facilities are available for use by all the residents of the proposed residential development; and
 - (5) Any proposed publicly-accessible, privately-maintained park and recreational facilities are accessible for use by the general public with no discrimination between residents and non-residents, are open at hours comparable to those of City parks and facilities, and have appropriate signage indicating that the space is public; and

(6) The facilities are in substantial accordance with, and meet the policies and standards for the development of park and recreational facilities.

3. **Dwelling Unit Construction Tax Credit.** A credit shall be allowed whenever a dwelling unit construction tax previously has been paid pursuant to Section 21.10.3 of the Municipal Code for dwelling units constructed on land for which a fee is required to be paid in accordance with the provisions of this section. Said credit shall be equal to the amount of the tax previously paid but shall not exceed the amount of any fee required to be paid under the provisions of this section.
4. **Credit Request Timing.** The project applicant shall submit any requests for credit, and the City may only approve such requests, prior to the approval of the Final Map or prior to the date of final inspection, or the date of the Certificate of Occupancy, whichever is earliest and applicable, and prior to the dedication of any land or payment of any park fee.

G. **Park Fee Account and Accounting.**

1. **Park Fee Account.** The City of Los Angeles establishes a separate park and recreation fee trust fund account (hereinafter "account") to which the Park Fee (both the Quimby in-lieu fee and the park impact fee) collected by the City shall be posted. The funds of the account shall not be commingled with any other funds or revenues of the City. Any interest accrued by the account shall be used solely for the purposes of park and recreational facility acquisition, expansion, and improvement.
2. **Park Fee Accounting.** Within 180 days after the last day of each fiscal year, the Department of Recreation and Parks shall report to the Board of Commissioners of Recreation and Parks on the amount of the fee, income (including interest income), expenditures, status of the trust fund account, and intrafund transfers. The Department of Recreation and Parks shall also report on each of the park and recreational facilities on which fees were committed in the last fiscal year and the approximate date by which the construction of the park and recreational facilities will commence.
3. **Return of Uncommitted Fees.**
 - (a) Park Fees collected pursuant to this section shall be committed by the City within five years of receipt of payment for a residential development project to serve or benefit residents of the project for which the fees were collected.
 - (b) If the fees are not committed as specified in this subsection, these fees shall be distributed to the then property owner of the lots or units of the residential projects for which the fees were charged.

(c) If the administrative costs of refunding uncommitted fees pursuant to this subsection exceeds the amount to be refunded, the City, after a public hearing, notice of which has been published pursuant to California Code Section 6061 and posted in three prominent places within the area of the development project, may determine that the uncommitted fees shall be committed for some other purpose for which fees are collected and which serve or benefit the project for which the park impact fee was originally charged.

4. **Refunds.** In the event that an applicant requests a refund due to reasons not set forth in Subdivision 3 of Subsection G, the applicant shall submit a claim for refund with the City. The fee payer may be entitled to a refund, without interest, of the fees paid pursuant to this section; provided, however, that the portion of any fee revenue received by the City as reimbursement of its costs in administering the provisions of this section shall not be refunded. The fee payer shall submit an application for a refund to the City within one year of payment. Failure to timely submit the required application for refund shall constitute an absolute waiver of any right to the refund.

H. **Use of Park Fees or Lands Dedicated Pursuant to this Section**

1. The dedicated lands or Park Fees collected pursuant to this section shall be used for the acquisition, improvement, and expansion of public parks and recreational facilities. The fees shall be committed and expended in accordance with the provisions and procedures established in this section. The Park Fee may be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the City to finance such park and recreational facility improvements; and any administrative costs incurred by the City in accordance with this section.
2. Interest accrued on fees collected pursuant to this section may be applied outside the project development for which the original fees were collected, provided that the City holds a public hearing prior to committing the interest, and uses the interest to develop new or rehabilitate existing neighborhood or community parks or recreational facilities within the city. All such public parks and recreational facilities shall comply with the principles and standards set forth in the General Plan.
3. All such public parks and recreational facilities shall comply with the principles and standards set forth in the General Plan.
4. The park or recreational facilities acquired, improved, or expanded shall be publicly-accessible and serve or benefit the project that dedicated the land or paid the fees.
5. Park Fees shall be used within the 2-mile radius specified for Neighborhood Parks unless the Board of Recreation and Parks Commissioners finds that there is no park gap, or existing park need, including capital improvements such as rehabilitation of

existing structures, ADA compliance, upgrades, etc., within a radius of 2 miles, in which case the funds may be used within the 5-mile radius for Community Parks. If the Board of Recreation and Parks Commissioners finds that there is no park gap, or existing park need, including capital improvements, within the 5-mile radius for Community Parks, then the funds may be used within the 10-mile radius for Regional Parks.

I. **When effective.**

1. This ordinance shall take effect on the 60th day following its adoption.
2. Any Park Fee (Quimby in-lieu for subdivisions or Park Impact Fee for non-subdivisions) paid prior to the effective date of this ordinance shall not be recalculated pursuant to the provisions of this ordinance.
3. Any non-subdivision project that would otherwise not be subject to a park fee and has paid its plan check fees for a building permit prior to the effective date of this ordinance shall not be subject to the Park Impact Fee.

Sec. 4. The first paragraph of Subsection A of Section 17.03 of the Los Angeles Municipal Code is amended to read as follows:

A. **Authority and Duties.** (Amended by Ord. No. 163,797, Eff. 8/8/88.) The Advisory Agency is charged with the duty of making investigations and reports on the design and improvement of proposed subdivisions, of requiring the dedication of land, the payment of fees in lieu thereof, or a combination of both, for the acquisition and development of park and recreation sites and facilities, and is hereby authorized to approve, conditionally approve, or disapprove Tentative Maps of proposed subdivisions, private streets and such maps as are provided for herein, to prescribe the design, kinds, nature and extent of improvements required to be installed in connection therewith and to report directly to the subdivider the action taken on the Tentative Map. ~~The Advisory Agency is also charged with the duty of determining the recreational and park fee for zone changes pursuant to Section 12.33 of this Code.~~

Sec. 5. Subsection N of Section 17.07 of the Los Angeles Municipal Code is deleted.

Sec. 6. Section 17.12 of the Los Angeles Municipal Code is deleted and replaced with the following:

SEC. 17.12. PARK AND RECREATION SITE ACQUISITION AND DEVELOPMENT PROVISIONS.

No final subdivision map shall be approved nor shall it be recorded unless land within the subdivision has been dedicated to the City of Los Angeles for park or recreational purposes or the park and recreation impact fee has been paid pursuant to Section 12.33 of the Los Angeles Municipal Code.

Sec. 7. Section 17.58 of the Los Angeles Municipal Code is deleted and replaced with the following:

SEC. 17.58. PARK AND RECREATION SITE ACQUISITION AND DEVELOPMENT.

No final subdivision map shall be approved nor shall it be recorded unless land within the subdivision has been dedicated to the City of Los Angeles for park or recreational purposes or the park and recreation impact fee has been paid pursuant to Section 12.33 of the Los Angeles Municipal Code.

Sec. 8. Note (2) of Subsection A of Section 19.01 of the Los Angeles Municipal Code is deleted.

Sec. 9. Section 19.17 of the Los Angeles Municipal Code is added to read as follows:

SEC. 19.17 PARK FEE

The following fees shall be paid to the Department of Recreation and Parks. Current figures are located in the Department of Recreation and Parks Rate and Fee Schedule.

Subdivision (Quimby in-lieu) fee:

At effective date of ordinance: \$7,500, adjusted for inflation pursuant to Section 12.33 D.5.

First annual RAP rate and fee schedule update since effective date of ordinance: The prior year's fee amount plus \$2,500, adjusted for inflation pursuant to Section 12.33 D.5.

Each subsequent annual RAP rate and fee schedule update: The fee of the former year, adjusted for inflation pursuant to Section 12.33 D.5.

Non-subdivision (park mitigation) fee:

At effective date of ordinance: \$2,500, adjusted for inflation pursuant to Section 12.33 D.5.

First annual RAP rate and fee schedule update since effective date of ordinance: The prior year's fee amount plus \$2,500, adjusted for inflation pursuant to Section 12.33 D.5.

Each subsequent annual RAP rate and fee schedule update: The fee of the former year, adjusted for inflation pursuant to Section 12.33 D.5.

Sec. 10. The City Clerk shall certify ...