



May 16, 2016

Councilmember Jose Huizar
Chair, Planning and Land Use Management (PLUM) Committee
200 North Spring Street, Room 465
Los Angeles, CA 90012

RE: Support Parks Dedication and Fee Ordinance, aka Quimby (Council File 16-0529)

Dear Chair Huizar and Members of the PLUM Committee:

The Parks for All coalition—led by the six undersigned organizations and endorsed by 44 additional organizations (and counting)—was founded to advocate for the expansion of quality park and recreation space for all Angelenos, particularly to address the park inequities experienced by low-income communities of color. As leaders of this broad coalition, we thank the City for its leadership in comprehensively reforming the severely outdated and restrictive Quimby park fee policy. After a decade of motions and audits, starts and stops, we are thrilled that the new Parks Dedication and Fee Ordinance and related General Plan Amendment are moving forward to the PLUM Committee. This important policy overhaul—more than 40 years in the making—will go a long way toward achieving the park and open space objectives of the General Plan Framework Element, the General Plan Health and Wellness Element, and the Mayor’s Sustainable City pLAn. **We urge the members of the PLUM committee to act expeditiously and approve the Parks Dedication and Fee Ordinance, with an amendment, as discussed below.**

Overall, the proposed ordinance brings the City’s park fee policy into the 21st century and includes: an expansion of the fee expenditure radii to ensure spending flexibility and effectiveness; a modernization of the fee structure to reflect actual park impact and park development costs; an exemption for affordable housing units to promote affordable housing development; and a robust developer credit system to incentivize on-site park and recreation facilities.

The Parks for All coalition’s top two priorities are the radii and the fees, both of which are discussed below.

First, as Councilmembers know all too well, one of the biggest problems of the existing Quimby policy is the radii that restrict the spending of funds to an extremely limited geographic area. As the Planning Department’s March 11, 2016 staff report states, “The highly restrictive service radius mandate has resulted in the City’s limited ability to use the Quimby/Finn funds it has accumulated. This is especially the case in densely populated areas like downtown Los Angeles, where significant Quimby money has been collected but high land costs and scarce available land for new parks have proven severely limiting.”

In the version of the ordinance approved by the City Planning Commission (CPC) on March 24, 2016, the spending radii have been expanded to two miles, five miles, and 10 miles for neighborhood, community, and regional parks, respectively. We applaud these expanded radii, which will provide the Department of Recreation and Parks (RAP) and Council offices the much-needed flexibility to spend the funds effectively, especially for the acquisition and construction of new parks.

However, the CPC inserted new language in Sec. 12.33(H)(5) to restrict the funds to be used within the two-mile radius unless there are no park needs within two miles, including capital improvement needs, in which case the funds can be used within the five-mile radius. In effect, this language would once again geographically restrict spending, funnel nearly all funds into the two-mile radius, and eliminate the much-desired flexibility that RAP and Council need to get dollars out the door and into park projects. **For these reasons, we urge the PLUM Committee to strike Sec. 12.33(H)(5) to restore flexible spending.**

The Parks for All coalition's second priority are the fees. LA's Quimby fee structure has not been substantially altered since 1981, and fees have not kept pace with skyrocketing land values and construction costs. The proposed ordinance modifies the fee structure, increases the fee for large subdivision developments, and creates a new Park Impact Fee (mitigation fee) for small subdivisions and rental developments, thus broadening the pool of developments that contribute fees. The proposed ordinance would phase in the fees over two years to \$10,000 per unit for large subdivisions (Quimby fee) and \$5,000 per year for small subdivisions and rentals (Park Impact Fee).

The Parks for All coalition supports these \$10,000 and \$5,000 fees, with the two-year phase-in, as absolute minimums. We want to emphasize that the City's fee study determined that a fee of \$18,364 per unit is what is necessary to preserve the City's current park service level (4.2 park acres per 1,000 residents) in the face of dramatic projected population growth. Not accounting for annual inflation, the \$10,000 and \$5,000 compromise fees are expected to generate about \$2.2 billion over the next 20 years, which covers a mere one-third of the total \$6.5 billion in park development needs. While these compromise fees will only cover a fraction of the total park development costs necessary to support the projected nearly half million new Angelenos, they are a vast improvement over the existing fee structure and a significant step toward fully funding our City's overburdened park infrastructure.

In addition, when comparing LA's park fees with those of other California cities, the proposed \$10,000 and \$5,000 fees are squarely in the middle of the pack and *lower* than the fees in the neighboring cities of Hermosa Beach, Glendale, and Pasadena, and in the other major cities of San Diego, San Francisco, and San Jose. Furthermore, contrary to the claims of some, it is unlikely that these fees—which, according to the City's fee study, amount to only one to two percent of total development costs—will have much, if any, effect on housing prices. A 2015 California Legislative Analyst's Office report titled "California's High Housing Costs: Causes and Consequences" demonstrates that, in California coastal metros, development costs "explain only a small portion of growth in housing costs." Instead, the supply-demand imbalance is cited as the primary driver of housing cost growth, with supply being constrained by community resistance to density, the CEQA review process, financial incentives for nonresidential development, and limited available land.

For these reasons, the \$10,000 and \$5,000 fee levels are more than reasonable and are a critical starting point to building the world-class park system that our city needs and deserves, especially in our many park-poor neighborhoods. We urge the PLUM Committee to hold firm on these fee levels and the two-year phase-in.

With this ordinance, PLUM Committee members have the unique opportunity to make a far-reaching decision about what kind of park and recreation system Angelenos will have for generations to come. **We, the leaders of the Parks for All coalition, call on you to seize this opportunity and approve the Parks Dedication and Fee Ordinance—with the aforementioned amendment—when it comes before the committee.**

Sincerely,



Alina Bokde
Executive Director
**Los Angeles Neighborhood
Land Trust**



Veronica Flores
Chief Executive Officer
Community Health Councils



Damon Nagami
Director, Southern California
Ecosystems Project
Natural Resources Defense Council



Manal J. Aboelata, MPH
Managing Director
Prevention Institute



Yvette Lopez
Deputy Director
Pacoima Beautiful



Sandra McNeill
Executive Director
T.R.U.S.T. South LA

cc:

Councilmember Marqueece Harris-Dawson (CD8), PLUM Committee
Councilmember Mitchell Englander (CD12), PLUM Committee
Councilmember Gilbert Cedillo (CD1), PLUM Committee
Councilmember Felipe Fuentes (CD7), PLUM Committee
Councilmember Mitch O'Farrell (CD13), Chair, Arts, Parks, and River Committee
Councilmember Curren Price (CD9), Arts, Parks, and River Committee
Councilmember Paul Koretz (CD5), Arts, Parks, and River Committee
Councilmember Bob Blumenfield (CD3), Arts, Parks, and River Committee
Councilmember David Ryu (CD4), Arts, Parks, and River Committee
Mayor Eric Garcetti



Parks for All

Parks for All Leading Organizations:

1. Los Angeles Neighborhood Land Trust
2. Natural Resources Defense Council (NRDC)
3. Community Health Councils
4. Prevention Institute
5. Pacoima Beautiful
6. T.R.U.S.T. South LA

Parks for All Endorsing Organizations, as of April 18, 2016:

1. Advancement Project
2. Anahuak Youth Soccer Association
3. Asian Pacific Planning and Policy Council
4. Brotherhood Crusade
5. CDTech
6. Chatten-Brown & Carstens LLP
7. Coalition for Clean Air
8. Community Coalition
9. Council of Mexican Federations (COFEM)
10. Crenshaw Walks
11. DakeLuna Consultants
12. East LA Community Corporation (ELACC)
13. El Nido Family Centers
14. Environment California
15. Esperanza Community Housing Corporation
16. Food & Water Watch
17. From Lot to Spot
18. Investing in Place
19. LA Collaborative for Environmental Health and Justice
20. LA Conservation Corps
21. LA County Bicycle Coalition
22. LA-Más
23. Leadership for Urban Renewal Network (LURN)
24. Magnolia Community Initiative
25. Manuel Pastor, Professor of Sociology and American Studies & Ethnicity, USC*
26. Mujeres de la Tierra
27. Proyecto Pastoral at Dolores Mission
28. River LA
29. Sierra Club
30. Social Justice Learning Institute
31. St. John's Well Child and Family Center
32. Strategic Actions for a Just Economy (SAJE)
33. Strategic Concepts in Organizing and Policy Education (SCOPE)
34. The GR818ERS
35. The Nature Conservancy
36. The Trust for Public Land
37. The Wilderness Society
38. Tia Chucha's
39. Urban Semillas
40. Valley Care Community Consortium
41. Watts/Century Latino Organization
42. Women Organizing Resources Knowledge and Services (WORKS)
43. Youth Policy Institute
44. Youth Speak Collective



LOS ANGELES AREA
CHAMBER OF COMMERCE

May 16, 2016

The Honorable Jose Huizar, Chair
Planning and Land Use Management Committee

The Honorable Mitch O'Farrell, Chair
Arts, Parks, & River Committee

Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Re: Council File 16-0529: Draft Park and Recreation Facility Fee and Land Dedication Ordinance, Public Recreation Plan and Department of Recreation and Parks Guidelines

Dear Councilmembers Huizar and O'Farrell,

On behalf of the Los Angeles Area Chamber of Commerce, which represents more than 1,650 organizations and 650,000 employees in the region, I am writing to express our thoughts and concerns about the Parks Dedication and Fee Program (aka Quimby) Update. We recognize the important role that parks and recreation facilities play in making Los Angeles a desirable destination to live in, and support the City's effort to simplify the process to utilize park fees generated by new residential development, but have concerns about parts of the update. We are recommending a few updates:

Amend the Grandfather Clause and Extend Phase-In

The Draft Ordinance requires every new residential unit to pay a park fee. Currently, only residential projects which require a tract map or zone change pay a fee. The existing fee ranges from \$2,369 to \$7,596 per dwelling unit, depending on the zone in which the unit is constructed. The Draft Ordinance proposes raising the fee - to \$10,000 for subdivisions and \$5,000 for rentals, with a two-year phase in. This translates to a 400 unit condominium project paying million in park fees. This is a large cost increase developers must pay to the City for already entitled projects that was not taken into account when the budgets for these developments were planned. The City Planning Commission partially recognized the issue faced by projects already entitled by adding a grandfather clause for projects that have already paid plan check fees for a building permit. This was a good first step, however, as currently proposed all other residential projects will be subject to the new park fee structure 60 days following adoption of the ordinance.

We recommend that the grandfather clause be amended to include any non-subdivision project that would otherwise not be subject to a park fee, which has submitted an application to the City Planning Department and paid all associated application fees prior to the effective date of the ordinance. Developers purchase land and create pro formas based on current fee structures. To change the requirements on them late in the entitlement process would add an undue burden on developers that could stall projects or raise the cost of housing at a time when we are lacking in an affordable supply at all price levels. For this reason, we also believe the impact of the new park fee structure should be mitigated for subdivision projects by extending the phase-in period from two years to five years.

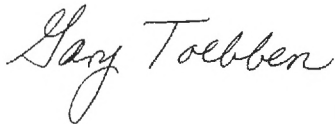
Linkage Fee Provisions

We also believe you should consider adding language to this ordinance that would allow for the fee to be restructured if the City adopts a Linkage Fee on new development to support affordable and homeless housing. There should be a mechanism built into new fee ordinances, including this one that allows for comprehensive development fee review. The staff report from City Planning acknowledged the Linkage Fee as a consideration but there is no language within the Park Fee Update ordinance that provides for comprehensive review.

New residential development already pays significant fees including school fees, art fees, public works fees, DWP fees, and sewer facilities charges. Both DWP and the County of Los Angeles are also considering fee increases to help fund various projects. While new developments create jobs, generates local taxes and increases property taxes, each fee -small or large- when added to the myriad other fees represent a significant cost to the developer. The cost is then passed on to the homebuyer or to the renter through increased costs or lack of supply, keeping the cost of housing high and adding to the growing unaffordability of the housing market.

We are united in the need to improve park opportunities across the entire City and in all neighborhoods. We are concerned that the issues outlaid in this letter, however, will serve to further aggravate the housing crisis. We hope to work with the city on crafting a more effective fee program that doesn't discourage development, as well as establishing updated procedures that will support capital expenditures for new parks and improvements at existing sites. By crafting a park fee process that is equitable will Los Angeles be able to provide both the park space and housing that our residents deserve.

Sincerely,



Gary Toebben
President & CEO

CC: Members of the PLUM Committee
Members of the Arts, Parks & River Committee
The Honorable Eric Garcetti, Mayor
Vince Bertoni, Department of City Planning
Mike Schull, Department of Recs and Parks
Kevin Keller, Office of Mayor Eric Garcetti

Ashley Atkinson, Office of Mayor Eric Garcetti
Tom Rothmann, Department of City Planning
Darryl Ford, Department of Recreation and Parks
Kinikia Gardner, Department of City Planning
Deborah Kahen, Department of City Planning