

**APPROVED**  
NOV 15 2017

**BOARD REPORT** BOARD OF RECREATION AND PARK COMMISSIONERS NO. 17-242

DATE November 15, 2017 C.D. ALL

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: **PARK FEE ORDINANCE – CHANGES TO THE PARK FEES SECTION OF THE SCHEDULE OF RATES AND FEES**

AP Diaz	_____	V. Israel	_____
<i>for</i> R. Barajas	<u><i>CSB</i></u>	S. Piña-Cortez	_____
H. Fujita	_____	N. Williams	_____

  
\_\_\_\_\_  
General Manager

Approved   X   Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_  
with corrections

RECOMMENDATIONS

1. Authorize staff to amend the Park Fees section of the Schedule of Rates and Fees, as outlined in the body of this report, and detailed on the attached schedule (Attachment 1), which is to be effective ~~XXXXXX~~ January 11, 2018;
2. Find that the amendment of the Park Fees section of the Schedule of Rates and Fees is not subject to the requirements of California Environmental Quality Act (CEQA) as a project; and,
3. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

On September 7, 2016, The City Council approved the new Park Dedication and Fee Update Ordinance (Park Fee Ordinance), Ordinance No. 184,505, and approved a Resolution relative to a General Plan Amendment to amend the Public Recreation Plan of the Service Systems Element of the City of Los Angeles General Plan.

The Park Fee Ordinance requires all new residential dwelling units to dedicate land, or pay a fee in-lieu, or provide a combination of land dedication and fee payment, for the purpose of acquiring, expanding, and improving park and recreational facilities for new residents. Certain affordable housing units and secondary dwelling units may be exempt from any requirement to pay a fee.

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On December 14, 2016, the Board of Recreation and Park Commissioners (Board) approved the establishment of a new Park Fees Section of the Schedule of Rates and Fees, which included the initial adjustment of the parks fees and the establishment of an administrative fee, and authorized the establishment of various special fund accounts for the deposit of collected fees (Report No. 16-248).

### PARK FEE PHASE IN

Per Section 12.33.E.4 of the Park Fee Ordinance, the park fees shall be phased in as described in Section 19.17 of the Park Fee Ordinance. Per Section 19.17 of the Park Fee Ordinance, the fee schedule shall be established as a part of the RAP's Schedule of Rates and Fees.

The phase in schedule from Section 19.17 of the Park Fee Ordinance is below:

#### Subdivision (Quimby in-lieu) fee:

At effective date of ordinance: Seven Thousand, Five Hundred Dollars (\$7,500.00), adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

First annual RAP rate and fee schedule update after effective date of ordinance: The prior year's fee amount plus Two Thousand, Five Hundred Dollars (\$2,500.00), adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

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

#### Non-subdivision (park mitigation) fee:

At effective date of ordinance Two Thousand, Five Hundred Dollars (\$2,500.00), adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

First annual RAP rate and fee schedule update after effective date of ordinance: The prior year's fee amount plus Two Thousand, Five Hundred Dollars (\$2,500.00), adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

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

It should be noted that during the phase in period the Board will need to adjust the RAP's Schedule of Rates and Fees four occasions:

1. Before the Effective Date of Ordinance (i.e. January 11, 2017)
  - o Note: Completed on December 14, 2016 (Report No. 16-248)
2. Before the 1st Annual Fee Adjustment (i.e. prior to July 1, 2017)
  - o Note: Completed on May 17, 2017 (Report No. 17-120)

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- 3. Before the 1st anniversary of Effective Date of Ordinance (i.e. January 11, 2018)
- 4. Before the 2nd Annual Fee Adjustment (i.e. prior to July 1, 2018)

PARK FEE ANNUAL ADJUSTMENT PROCEDURE

Per Section 12.33.E.5 of the Park Fee Ordinance, the park fees are to be adjusted using a combination of annual changes in a construction cost index and a land value index:

"Any 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 12-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 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year."

RECOMMENDED PARK FEE ADJUSTMENT

The calculation of the Park Fee adjustment is detailed below. The calculation of the Park Fee adjustment is based on the data provided in Engineering News Record's Construction Cost Index for Los Angeles and in CoreLogic's (Dataquick) Median Home Sales Price for the City of Los Angeles. Note that all percentages have been rounded, up or down, to the nearest One tenth (1/10<sup>th</sup>) of a percent.

(1) Construction Cost Index for Los Angeles

March 2016	11157.78
March 2017	11555.03
Percent Change	3.6%

(2) CoreLogic (Dataquick) Median Home Sales Price for the City of Los Angeles (all homes)

March 2016	\$659,000
March 2017	\$680,000
Percent Change	3.2%

The Park Fee Ordinance proscribes that a "weighted average" of the two (2) indexes be used to calculate the annual adjustment. The Park and Recreation Site and Facility Fee Study (Fee Study) that was prepared by the City, and that provided the technical analysis and nexus findings to support the development of the Park Fee Ordinance, determined that eighty-two percent (82%) the park and recreational fee is attributed to land acquisition costs to serve future developments. Therefore, for the annual adjustment of the park fees, the two indexes are being weighted according to the percentage breakdown identified in the Fee Study.

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(3) Adjustment Factor Derivation

	<u>Value</u>	<u>Weight</u>	<u>Weighted Value</u>
Construction Cost Index	3.6%	18%	0.6%
Median Home Sales Price	3.2%	82%	<u>2.6%</u>
Weighted Average			3.2%

Based on the analysis detailed above, the park fee adjustment factor would be three point two percent (3.2%). In order to calculate the new Park Fee, the park fee adjustment factor of three point two percent (3.2%) will need to be applied to the Phase-In Fee of Two Thousand, Five Hundred Dollars (\$2,500.00), then added to current fees identified in the Park Fees section of the Schedule of Rates and Fees:

(4) Current Park Fees

	<u>Subdivision Projects</u>	<u>Non-subdivision Projects</u>
Phase-In Fee	\$2,500.00	\$2,500.00
Adjustment Percentage	3.2%	3.2%
Adjusted Phase-In Fee	\$2,580.00	\$2,580.00
Current Fee	\$8,382.42	\$2,794.14
Adjusted Phase-In Fee	<u>\$2,580.00</u>	<u>\$2,580.00</u>
New Fee	\$10,962.42	\$5,374.14

Upon approval of this report by the Board, the "New Fee" show above would be established in the Park Fees section of the Schedule of Rates and Fees as the fee schedule to be effective from January 11, 2018 to June 30, 2018.

PARK SERVICE FACTOR

As a part of the Fee Study that was prepared to support the development of the Park Fee Ordinance, a technical analysis was undertaken to determine the maximum supportable park fee the City could legally adopt. The Fee Study calculated the maximum supportable park fee at Eighteen Thousand, Three Hundred Sixty-Four Dollars (\$18,364.00) per dwelling unit.

As detailed in the Fee Study, the maximum supportable park fee was the amount necessary to charge new dwelling units in order to maintain the existing park level of service for City-owned facilities. At the time of the Fee Study the existing park level of service for City-owned facilities was calculated at 4.2 acres per one thousand (1,000) residents (0.0042 acres of park land per resident). This existing level of park service for City-owned facilities is identified in the Fee Study as the Park Service Standard (Park Service Factor).

The Park Fee Ordinance includes a formula for RAP staff to use in order to calculate the amount of park land dedication a project would need to make in order to satisfy its requirements under the ordinance. The Park Service Factor is one of the components used to calculate amount of land to be dedicated.

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As the City ultimately adopted parks fees that were below the maximum supportable park fee that was identified in the Fee Study it is necessary for staff to adjust the Park Service Factor by an equivalent percentage so that the land dedication requirements are appropriately calculated. The methodology used to adjust the Park Service Factor is detailed below:

(5) Park Service Factor

	<u>Subdivision Projects</u> <u>Projects</u>	<u>Non-subdivision</u>
Maximum Fee (Fee Study)	\$18,364.00	\$18,364.00
New Fee	\$10,962.42	\$5,374.14
Adjustment Percentage	(40.3%)	(70.7%)
Park Service Factor (Fee Study)	0.0042	0.0042
Adjustment Percentage	(40.3%)	(70.7%)
New Park Service Factor	0.00251	0.00123

It should be noted that the Park Service Factor will only need to be adjusted during the phase in period described in Section 19.17 of the Park Fee Ordinance. Once the City's approved Park Fee Schedule has been fully phased in the Park Service Factor will not need to be adjusted again until/unless the City undertakes an update to the Fee Study.

ADMINISTRATIVE FEES

The Board has previously adopted an administrative service fee in the amount of three percent (3%) for the Park Fee program and authorized the establishment of a Park Fee Program Administration Account No. 89720H under Fund No. 302 and Dept. No. 89 for the deposit of the administrative service fees (Report No. 16-248). The administrative fee was established to help ensure that sufficient staffing and resources will be available to effectively manage the Park Fee program. As discussed in Report No. 16-248, the establishment of an administrative fee is allowable under Park Fee Ordinance. Pursuant to Section 12.33.J.1 of the Park Fee Ordinance, the collected Park Fees can be used for "any administrative costs incurred by the City in accordance with this section".

Following the approval of Report No. 16-248, the Department established a specific work order number which it is using to track administrative expenses related to the Park Fee Program. As of October 31, 2017 the Park Fee Program Administration Account revenue and expenses are as follows:

(6) Park Fee Program Administration Account Revenue and Expenses

Administrative Fee Revenue	\$493,268.65
Administrative Fee Interest	\$779.23
Administrative Expenses	<u>(\$194,829.24)</u>
Total Balance	\$299,218.64

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On May 17, 2017, the Board approved an amendment to Personnel Resolution No. 10461 (Attachment 5). As discussed in that report, RAP staff identified the need to establish six (6) positions whose salaries could be fully paid for by the Park Fee Program Administration account. These six (6) position have not been filled at this time. However, it is anticipated that these positions will be filled in the near future and there will be a corresponding increase in administrative costs for the Park Fee program.

Based on the current rate of expenditures from the Park Fee Program Administration account, and the fact that additional staff is expected to be added to the program, RAP is recommending that the administrative service fee for the Park Fee program be increased from three percent (3%) to five percent (5%).

### ENVIRONMENTAL IMPACT STATEMENT

RAP staff has determined that this action is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c) as it is an activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment and consequently is not a project under CEQA Guidelines Section 15378. Therefore, no CEQA documentation is required.

### FISCAL IMPACT STATEMENT

The amendment of the Park Fees section of the Schedule of Rates and Fees will have no fiscal impact on the RAP's General Fund.

This Report was prepared by Darryl Ford, Senior Management Analyst I, Planning, Maintenance and Construction Branch.

### LIST OF ATTACHMENTS

1. Proposed Amendment to the Schedule of Rates and Fees
2. Park Dedication and Fee Update Ordinance (Park Fee Ordinance), Ordinance No. 184,505
3. Board Report No 16-248
4. Board Report No. 17-120
5. Board Report No. 17-133

PARK FEES  
 (~~Revised 5/17~~)  
**(Revised 11/17)**

PARK FEES

Pursuant to Los Angeles Municipal Code Section 12.33, all new, non-exempt, residential dwelling units shall be required to dedicate land, pay a fee or provide a combination of land dedication and fee payment for the purpose of acquiring, expanding and improving park and recreational facilities for new residents. The fee amount depends on the type of residential development project (Subdivision or Non-Subdivision).

The Department of Recreation and Parks (RAP) shall collect these fees pursuant to Los Angeles Municipal Code Section 19.17 and the RAP's schedule of rates and fees. The park fee shall be phased in as described in Los Angeles Municipal Code Section 19.17.

Residential Subdivision projects are subject to the Quimby in-lieu fee and shall pay:

~~\$8,382.42~~ **\$10,962.42** (per each new non-exempt dwelling unit)

Non-subdivision Residential projects are subject to the Park Mitigation fee and shall pay:

~~\$2,794.14~~ **\$5,374.14** (per each new non-exempt dwelling unit)

The park fee schedule above shall be effective from ~~July 1, 2017 to January 10, 2018~~ **January 11, 2018 to June 30, 2018**.

PARK FEE ANNUAL ADJUSTMENT

Pursuant to Los Angeles Municipal Code Section 12.33.E.5, any fee imposed by Los Angeles Municipal Code Section 12.33 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 12-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 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year.

The park fee adjustment factor that shall be effective on July 1, 2017 is 3.2%.

PARK SERVICE FACTOR

Pursuant to Los Angeles Municipal Code Section 12.33 D, Residential Subdivision projects with more than 50 residential dwelling units may be required by the City to dedicate land to the City for park and recreation purposes. The amount of land to be dedicated is calculated pursuant to the formula detailed in Los Angeles Municipal Code Section 12.33 D.2.

Park Service Factor for Residential Subdivision projects:

$$F = 0.00192 \text{ (1.92 acres of park land per 1,000 residents)}$$

$$F = 0.00251 \text{ (2.51 acres of park land per 1,000 residents)}$$

Pursuant to Los Angeles Municipal Code Section 12.33 H.1, Residential Subdivision projects with less than 50 residential dwelling units may offer to dedicate land to the City for park and recreation purposes in lieu of paying Park Fees. The amount of land to be dedicated is calculated pursuant to the formula detailed in Los Angeles Municipal Code Section 12.33 H.1 (a).

Park Service Factor for Residential Subdivision projects:

$$F = 0.00192 \text{ (1.92 acres of park land per 1,000 residents)}$$

$$F = 0.00251 \text{ (2.51 acres of park land per 1,000 residents)}$$

Pursuant to Los Angeles Municipal Code Section 12.33 H.1, Non-subdivision Residential projects may offer to dedicate land to the City for park and recreation purposes in lieu of paying Park Fees. The amount of land to be dedicated is calculated pursuant to the formula detailed in Los Angeles Municipal Code Section 12.33 H.1 (a).

Park Service Factor for ~~Non-Residential Subdivision~~ **Non-subdivision Residential** projects:

$$F = 0.00064 \text{ (0.64 acres of park land per 1,000 residents)}$$

$$F = 0.00123 \text{ (1.23 acres of park land per 1,000 residents)}$$

PAYMENT OF PARK FEES

All Park Fees shall be paid to the City of Los Angeles, Department of Recreation and Parks. Checks should be made payable to the City of Los Angeles, Department of Recreation and Parks.

Park Fee payments may be made at, or be mailed to, the following address:

Attention: Park Fees Program  
 City of Los Angeles Department of Recreation and Parks  
 221 North Figueroa Street, Suite 400 (Fourth Floor)  
 Los Angeles, California 90012

Park Fees that are not paid by ~~January 10, 2018~~ **June 30, 2018** shall be subject to recalculation.

PARK FEE PROGRAM ADMINISTRATION

Pursuant to Los Angeles Municipal Code Section 12.33.J.1, the collected park fees can be used for any administrative costs incurred by the City in accordance with that section.

~~3%~~ **5%** of all Quimby in-lieu Fees and Park Mitigation Fees to be deposited into the Park Fee Administration Account.

~~97%~~ **95%** of all Quimby in-lieu fees to be deposited into the Quimby In-Lieu Fee Account.

~~97%~~ **95%** of all Park Mitigation fees to be deposited into the Park Mitigation Fee Account.

ORDINANCE NO. 184505

An ordinance amending Los Angeles Municipal Code (LAMC) Sections 12.21, 12.33, 17.03, 17.12 and 17.58; deleting Sections 17.07 and 19.01 from the LAMC; and adding Section 19.17 to the LAMC in order to update the City's park fees to mitigate the park- and open space-related impacts of new residential development 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.

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 by Section 12.21.G. of this chapter shall be reduced by one-half, provided that a fee equivalent to the amount of the relevant park fee, pursuant to Section 19.17, shall be paid for all dwelling units, with the following exception: units qualifying under Section 12.33.C.3(d) shall be allowed to reduce the open space requirement by one-half without payment of such fee. 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 create the need for additional facilities. The purpose of this Section is to enable the acquisition of land and the collection of fees to be used for the purpose of developing new or rehabilitating existing recreational facilities in order to create a healthy and sustainable city.

**B. Types of Fees.** The type and amount of park and recreation impact fee associated with a project depends on the type of project being developed. Subdivision

projects consisting of more than 50 residential units are subject to a Quimby in-lieu fee. All other residential projects are subject to a park mitigation fee. Collectively, these fees are referred to in this Code as park fees.

**C. 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 payment 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 referred to as "dwelling units" or "residential dwelling units."

1. **Residential Subdivision Projects That Contain More Than 50 Dwelling Units.** A subdivision containing more than 50 dwelling units shall be required to participate in an early consultation with the Department of Recreation and Parks and Department of City Planning pursuant to Subsection D and may be required to dedicate land, make park improvements, pay a park fee or provide a combination of land dedication and park fee payment.

2. **All Other Residential Projects.** For residential subdivision projects containing 50 or fewer dwelling units or for non-subdivision residential projects that 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 E. 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 G of this Section.

(e) Second dwelling units in single-family zones.

(f) Non-residential development.

**D. Residential Subdivision Projects That Contain More Than 50 Dwelling Units.**

1. **Early Consultation.** Applicants shall meet with the Department of Recreation and Parks and Department of City Planning staff in advance of submitting a tract map application for a project of more than 50 units. The purpose of this early consultation is to discuss whether the City requires land dedication for the project and/or to discuss credits available to the applicant, if any. The Department of Recreation and Parks shall provide written verification of the consultation to the project applicant within ten (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 Section 12.33.C.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:

$$LD = (DU \times P) \times F$$

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, as determined by the Department of Recreation and Parks and the City Planning Department.

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

(a) Neighborhood Park: within a 2-mile distance

- (b) Community Park: within a 5-mile distance
- (c) Regional Park: 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 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 Department of Recreation and Parks determines that the land dedication proposal meets the standards and requirements of the department, 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 E of this section.

**E. Park Fees for Non-Subdivision Residential Projects, Residential Subdivisions With 50 Units or Fewer, or Residential Subdivisions With More Than 50 Units That Are Not Dedicating Land.**

1. **Fees and Fee Schedule.** The park fee amount depends on the type of project. The Department of Recreation and Parks shall collect these fees pursuant to Section 19.17 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 12.33.C.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:

Project Park Fee = DU x PRF

DU: Total number of new, non-exempt (per Section 12.33.C.3) dwelling units.

PRF: Park Fee per unit.

3. **Fee Expenditure Radius.** Recreational sites and facilities shall be located within a certain radius from the project site, as specified below:

- (a) Neighborhood park: within a 2-mile distance.
- (b) Community park: within a 5-mile distance.
- (c) Regional park: within a 10-mile distance.

4. **Phase-in Period.** The park fee shall be phased in as described in Section 19.17 of this Code.

5. **Indexing.** Any 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 12-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 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year.

6. **Fee Payment Timing.**

- (a) **Residential Subdivision Projects.** The park 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 fee shall be calculated and collected prior to the issuance of the Certificate of Occupancy.

**F. Park Fee as Additional Requirement.** The park fee enacted by this Section is a fee imposed on residential development projects reflecting each project's proportionate share of the cost of providing park land and improvements necessary to meet the needs created by each respective development. As such, the park fee is additional and supplemental to, and not in substitution of, on-site open space requirements required by the City's Municipal Code, specific plan(s), or any other planning document, such as those included in Section 12.21.

**G. 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 from the park fee and land dedication requirement.

(a) An affordable housing unit shall receive an exemption from the requirement for dedication of land for park and recreational purposes and/or payment of the park fee 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 the Department of City Planning about whether the project meets those requirements.

4. Should any qualifying affordable housing unit cease to 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.

#### **H. 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, at the City's option. This may be with or without recreational facility improvements. The amount of land to be dedicated shall be determined pursuant to one of the following formulas, and credit shall be granted, square foot for square foot, for any land dedicated to the City:

Subdivision Projects:

$$LD = (DU \times P) \times F_1$$

LD: Land to be dedicated in acres.

DU: Total number of net new, non-exempt (per Section 12.33.C.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.
- F<sub>1</sub>: Park service factor for subdivision projects, as indicated by the Department of Recreation and Parks rate and fee schedule.

Non-Subdivision Projects:

$$LD = (DU \times P) \times F_2$$

- LD: Land to be dedicated in acres.
- DU: Total number of net new, non-exempt (per Section 12.33.C.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.
- F<sub>2</sub>: 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 land being dedicated as a City park or recreational facility.

(c) The total amount of credits shall not exceed 100 percent of the calculated requirement for the park fee or land dedication.

(d) Credit shall be granted for the property dedicated pursuant to this Section, dollar for dollar, in satisfaction of any park fee required to be paid. The cost and subsequent credit should bear 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 measure. Credits may be awarded for on-site or off-site land dedication and/or park improvements.

(e) The Department of Recreation and Parks shall determine whether the proposal complies with the department's park and recreational standards and requirements. If the department determines the proposal meets the department's 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 shall be to the satisfaction of the Department of Recreation and Parks and shall 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 will 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 bear 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(s), 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 Department of Recreation and Parks 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.

#### I. **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 any park 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. The City shall maintain accounts and prepare reports in accordance with California Government Code Section 66001 or successor section.

#### 3. **Refund of Fees Under the Government Code.**

(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 section, Quimby fees shall be refunded in accordance with California Government Code Section 66477 or successor section. All other park fees shall be refunded in accordance with California Government Code Section 66001 or successor section.

4. **Other Refunds.** In the event that an applicant requests a refund for reasons not set forth in Government Code Sections 66001 or 66477, or their

successor sections, if any, the applicant shall submit a claim for a refund with the Department of Recreation and Parks. Upon the department's determination, the fee payer may receive a refund, without interest, of the fees paid pursuant to this section; however, 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.

**J. 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 Quimby in-lieu fees collected pursuant to this section may be applied outside the project development for which the original fees were collected, provided that the Department of Recreation and Parks 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.

**K. Effective Date.**

1. This ordinance shall take effect on the 120<sup>th</sup> day following its adoption.

2. Any park fee paid prior to the effective date of this ordinance shall not be recalculated pursuant to the provisions of this ordinance.

3. Any project that would otherwise be subject to a park fee pursuant to this section but has acquired vested rights under Section 12.26.A.3 of this Code prior to the effective date of this ordinance, and/or has an approved vesting

tentative map pursuant to Section 17.15, the application for which has been deemed complete prior to the effective date of this ordinance, shall not be subject to a park fee.

**L. Severability.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

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.** 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.

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 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 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 hereby deleted in its entirety.

Sec. 9. A new 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.E.5 of this Code.

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

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

Non-subdivision (park mitigation) fee:

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

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

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

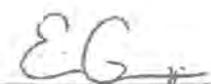
Sec. 10. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles at its meeting of SEP - 7 2016.

HOLLY L. WOLCOTT, City Clerk

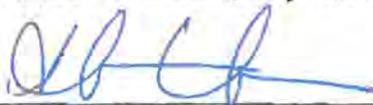
By  Deputy

Approved SEP 13 2016

  
Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By   
ADRIENNE S. KHORASANEE  
Deputy City Attorney

Date 9-7-16

Pursuant to Charter Section 559, I disapprove this ordinance on behalf of the City Planning Commission . . . . .

September 7, 2016

See attached report.

 For VB  
Vincent P. Bertoni, AICP  
Director of Planning

File No. CF 16-0529

**APPROVED**  
12-14-2016

**BOARD OF RECREATION  
AND PARK COMMISSIONERS**

**BOARD REPORT**

NO. 16-248

DATE December 14, 2016

C.D. ALL

**BOARD OF RECREATION AND PARK COMMISSIONERS**

**SUBJECT: PARK FEE ORDINANCE – ESTABLISHMENT OF VARIOUS SPECIAL FUND ACCOUNTS – CHANGES TO SCHEDULE OF RATES AND FEES TO ADD NEW SECTION FOR PARKS FEES**

<i>for</i> AP Diaz _____	V. Israel _____
R. Barajas <i>CSB</i> _____	K. Regan _____
H. Fujita _____	N. Williams _____

*M. Shu*  
\_\_\_\_\_  
General Manager

Approved   /   Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_  
As Amended

**RECOMMENDATIONS**

1. Approve the establishment of a new Park Fees section of the Schedule of Rates and Fees, as outlined in the Summary of this Report, and detailed on the attached schedule (Exhibit A), which is to be effective January 11, 2017;
2. Authorize Department of Recreation and Parks (RAP) staff to amend the Schedule of Rates and Fees to incorporate these changes;
3. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to establish new Special Funds Account in Department 89, Fund 302, with Quimby In-Lieu Fee as the Account Name;
4. Authorize RAP's Chief Accounting Employee to establish new Special Funds Account in Department 89, Fund 302, with Park Mitigation Fee as the Account Name;
5. Authorize RAP's Chief Accounting Employee to establish, as needed, sub-accounts within the Quimby In-Lieu Fee and Park Mitigation Fee Accounts for the deposit of any Park Fees collected pursuant to Ordinance 184,505;
6. Authorize RAP's Chief Accounting Employee to establish new Special Funds Account in Department 89, Fund 302, with Park Fee Program Administration as the Account Name;
7. Find that the establishment of a new Park Fees section of the Schedule of Rates and Fees and the creation of various Special Funds Accounts, is not subject to the requirements of California Environmental Quality Act (CEQA) as a project; and,

## BOARD REPORT

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8. Authorize RAP's Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

### SUMMARY

On September 7, 2016, The Los Angeles City Council approved the new Park Dedication and Fee Update Ordinance (Park Fee Ordinance), Ordinance No. 184,505 (Attachment 2), and approved a Resolution relative to a General Plan Amendment to amend the Public Recreation Plan of the Service Systems Element of the City of Los Angeles General Plan.

The Park Fee Ordinance requires all new residential dwelling units to dedicate land, pay a in-lieu fee, or provide a combination of land dedication and fee payment for the purpose of acquiring, expanding, and improving park and recreational facilities for new residents. Certain affordable housing units and secondary dwelling units would be exempt from any requirement to pay a fee.

The Resolution to amend the Public Recreation Plan modernizes the definitions for neighborhood, community, and regional recreational sites and facilities; updates the guidelines and definitions for park sites; and, adds guidelines not previously specified for regional recreational sites and facilities. The updated guidelines also include modified recommended service area distances, as well as new recommended service levels for each of the three defined types of recreational sites and facilities.

Both the Park Fee Ordinance and the General Plan Amendment to amend the Public Recreation Plan of the Service Systems Element of the City of Los Angeles General Plan will take effect on January 11, 2017.

### PARK FEE ORDINANCE KEY PROVISIONS

Summarized below are some of the key provisions of the Park Fee Ordinance.

- Requires all new, non-exempt, residential dwelling units be subject to the Park Fee Ordinance. Replacement dwelling units, certain affordable housing units, and secondary dwelling units would be exempt from the requirement to pay a Park Fee. Vested projects that were subject to Quimby and Zone Change fees prior to the effective date of the Park Fee Ordinance would be required to pay those previously owed Quimby and Zone Change fees and would be exempt from the requirement to pay a Park Fee.
- Creates a new two-tiered fee structure, with one-tier for Residential Subdivision projects and a second-tier for Non-subdivision Residential projects. Park Fees for Residential Subdivision projects would start at Eight Thousand One Hundred Twenty Two Dollars and Fifty Cents (\$8,122.50) per dwelling unit. Park Fees for Non-subdivision Residential projects would start at Two Thousand Seven Hundred and Seven Dollars and Fifty Cents (\$2,707.50) per dwelling unit. The Park Fees will be phased in over two years and will be subject to an annual adjustment on July 1<sup>st</sup> of each year

## BOARD REPORT

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- Requires all residential subdivision projects that contain more than fifty (50) dwelling units to meet with staff from RAP and the Department of City Planning (Planning) in advance of submitting a tract map application. The purpose of this early consultation is to discuss whether the City of Los Angeles may require land dedication from the project and if any credits or exemptions are potentially available to the project.
- Allows for an expanded definition of the types of private recreational amenities potentially eligible for a credit against the required park fees. Permits credits to be awarded for on-site or off-site private recreational facilities. Establishes that any credit granted should bear a reasonable relationship to an independent assessment of the construction cost for the recreational facility, such as the estimates provided in the RSMean Building Construction Cost Data Report.
- Establishes new park service radii for neighborhood parks (two mile radius), community parks (five mile radius), and regional parks (ten mile radius), and requires that any dedication of land or expenditure of Park Fees be made in accordance with those service radii.
- Requires that the dedicated lands or Park Fees collected be used for the acquisition, improvement, and/or expansion of public parks and recreational facilities; to pay for the finance costs on bonds or other obligations issued by, or on behalf of, the City to finance such park improvements; and/or to pay for administrative costs incurred by the City in accordance with the implementation of the Park Fee Program.

### AMENDMENT TO THE PUBLIC RECREATION PLAN

Summarized below are some of the key provisions of the General Plan Amendment to amend the Public Recreation Plan.

- Revises the definitions of neighborhood and community recreational sites and facilities, and added definitions for regional recreational sites and facilities.
- Eliminates the service radii for neighborhood and community recreational sites and facilities, as those service radii has been moved to the Park Fee Ordinance.
- Revises the recommended City-wide park acreage service levels for neighborhood, community, and regional parks. Clarifies that the City's long-term acreage goals for public parkland are two acres per 1,000 persons for neighborhood parks; two acres per 1,000 persons for community parks; and, six acres per 1,000 persons for regional parks.
- Eliminates the short-term and intermediate-term City-wide park acreage service levels standards.

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### PARK FEE PROGRAM ADMINISTRATIVE AND PROCEDURAL CHANGES

Summarized below are some of the necessary administrative and procedural changes that will need to be made to how the Park Fee program is organized and managed. While a number of these changes are one-time changes, it is anticipated that some of these changes will, in the long term, result in the need for additional RAP staffing and resources in order for the Park Fee program to continue to be managed effectively.

- RAP will be responsible for calculating the required park fees owed by each residential development project and sending the letters to the developers. This responsibility will also include calculating the required park fees for vested projects that were subject to Quimby Fees or Zone Change Fees prior to the effective date of the Park Fee Ordinance.
- RAP will be required to attend the early consultation predevelopment meetings for residential subdivision projects that contain more than fifty (50) dwelling units to review land dedication options.
- RAP will need to regularly participate in the scheduled Subdivision Committee (Advisory Agency) meetings in order to make recommendations on subdivision projects. Department recommendations on subdivision projects with over 50 dwelling units will require approval of the Board of Recreation and Park Commissioners (Board) before the RAP can submit recommendations to the Subdivision Committee for those subdivision projects.

Note: Pursuant to Los Angeles Municipal Code Section 17.04 (Subdivision Committee), the Department is to submit a report to the Advisory Agency for each application for subdivision map approval and that report "shall contain recommendations, approved by the Board of Recreation and Park Commissioners, specifying the land to be dedicated, the payment of fees in lieu thereof, or a combination of both...". The Board has authorized the Department to recommend to the Subdivision Committee that the payment of a fee be required for those subdivisions with less than fifty (50) lots (Report No. 591-75). Report No. 591-75 did not, however, authorize the Department to make recommendations to the Subdivision Committee for applications for subdivisions with more than fifty (50) lots.

- RAP will need to modify its existing new systems and methods for tracking the collection and allocation of Park Fees. The Park Fees collected from each residential development project will need to be deposited into a sub-account specifically established for that project (i.e. one account per residential development project) and any interest income generated by those funds will also be deposited into that same account.
- RAP will need to modify its existing geographic information system (GIS) to utilize the new park service radii.

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- RAP will be required to prepare an annual report to the Board, within 180 days following the end of the fiscal year, which details Park Fee income (including interest income), expenditures, and the status of the two Park Fee trust funds. As a part of that annual report, RAP shall also report on each park project for which fees were committed in the prior Fiscal Year and on the approximate date by which the construction of those park projects will commence. Additionally, commencing with the annual report due at the end of Fiscal Year 2020-2021, and every five Fiscal Years thereafter, RAP is required to make specific findings regarding any Park Fees that remain unexpended and on any Park Fee funded park projects that remain incomplete.

### PARK FEE PHASE IN

Per Section 12.33.E.4 of the Park Fee Ordinance, the park fees shall be phased in as described in Section 19.17 of the Park Fee Ordinance. Per Section 19.17 of the Park Fee Ordinance, the fee schedule shall be established as a part of RAP's Schedule of Rates and Fees. The phase in schedule from Section 19.17 of the Park Fee Ordinance is below:

#### Subdivision (Quimby in-lieu) fee:

At effective date of ordinance: Seven Thousand, Five Hundred Dollars (\$7,500.00), adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

First annual RAP rate and fee schedule update after effective date of ordinance: The prior year's fee amount plus Two Thousand, Five Hundred Dollars (\$2,500.00), adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

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

#### Non-subdivision (park mitigation) fee:

At effective date of ordinance: Two Thousand, Five Hundred Dollars \$2,500, adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

First annual RAP rate and fee schedule update after effective date of ordinance: The prior year's fee amount plus Two Thousand, Five Hundred Dollars \$2,500, adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

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

Based on the phase-in schedule in Section 19.17 of the Park Fee Ordinance, and the requirement that the fee schedule be established as a part of RAP's Schedule of Rates and Fees, the Board will need to adopt the Park Fee and incorporate that Park Fee into the Schedule of Rates and Fees before Park Fees can be charged to developers.

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It should be noted that during the two year phase in period the Board will need to approve adjustments to the Park Fee on at least four occasions:

1. Before the Effective Date of Ordinance (i.e. January 11, 2017)
2. Before the 1st Annual Fee Adjustment (i.e. prior to July 1, 2017)
3. Before the 1st anniversary of Effective Date of Ordinance (i.e. January 11, 2018)
4. Before the 2nd Annual Fee Adjustment (i.e. prior to July 1, 2018)

### PARK FEE ANNUAL ADJUSTMENT PROCEDURE

Per Section 12.33.E.5 of the Park Fee Ordinance, the park fees are to be adjusted using a combination of annual changes in a construction cost index and a land value index:

"Any 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 12-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 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year."

### RECOMMENDED INITIAL PARK FEE ADJUSTMENT

Based on the data provided in Engineering News Record's Construction Cost Index for Los Angeles and in CoreLogic's (Dataquick) Median Home Sales Price for the City of Los Angeles, the calculation of the Park Fee adjustment is detailed below. Note that all percentages have been rounded, up or down, to the nearest 1/10<sup>th</sup> of a percent.

(1) Construction Cost Index for Los Angeles

March 2015	\$10995.27
March 2016	\$11157.78
Percent Change	1.5%

(2) CoreLogic (Dataquick) Median Home Sales Price for the City of Los Angeles (all homes)

March 2015	\$600,000.00
March 2016	\$659,000.00
Percent Change	9.8%

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The Park Fee Ordinance proscribes that a "weighted average" of the two indexes be used to calculate the annual adjustment. However the Park Fee Ordinance does not specify how the two indexes should be weighted. The Park and Recreation Site and Facility Fee Study that was prepared by the City, and that provided the technical analysis and nexus findings to support the development of the Park Fee Ordinance, determined that eighty two percent (82%) the park and recreational fee is attributed to land acquisition costs to serve future developments. Therefore, for the annual adjustment of the park fees, RAP recommends that the two indexes be weighted accordingly:

(3) Adjustment Factor Derivation

	<u>Value</u>	<u>Weight</u>	<u>Weighted Value</u>
Construction Cost Index	1.5%	18%	0.3%
Median Home Sales Price	9.8%	82%	8.0%
Weighted Average			8.3%

Based on the analysis detailed above, the initial annual park fee adjustment factor would be 8.3% ~~5.7%~~. In order to calculate the initial Park Fee, the initial annual park fee adjustment factor of 8.3% ~~5.7%~~ will need to be applied to the base fees identified in Section 19.17 of the Park Fee Ordinance:

(4) Initial Park Fee

	<u>Base Fee</u>	<u>Adjustment %</u>	<u>New Fee</u>
Subdivision Projects	\$7,500.00	8.3%	\$8,122.50
Non-subdivision Projects	<del>\$2,000.00</del> \$2,500.00	8.3%	\$2,707.50

Upon approval of this Report by the Board, the park fee schedule show above, and detailed in the proposed Park Fees section of the Schedule of Rates and Fees, would be established as the fee schedule to be effective from January 11, 2017 to June 30, 2017.

ADMINISTRATIVE FEES

RAP staff recommends that the Board approve the adoption of an administrative fee for the Park Fee program. An administrative fee would help ensure that sufficient staffing and resources will be available to effectively manage the program. As discussed in detail in this report, RAP will need to make a number of organizational, administrative, and procedural changes in order to manage Park Fee program in conformance with the requirements of the Park Fee Ordinance.

RAP staff has evaluated two potential administrative fee structures:

(1) a service fee structure and

(2) a flat administrative fee structure.

In a service fee structure, fees would be paid to RAP for services to project applicants to facilitate the development approval process, such as processing development and park fee

## BOARD REPORT

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applications, reviewing and checking plans, consultation meetings and site visits, and performing inspections of proposed park dedications and recreational improvements. A service free structure for the Park Fee Program would likely require multiple interactions and transactions with project applicants (e.g. for project applications, park fee calculations, review of potential land dedications, review of potential recreational credits, etc.) and necessitate the establishment of associated service fees. Some of these service fees would be applicable to all project applicants and others would potentially only be charged to large or complex projects.

In a flat administrative fee structure, RAP would allocate a fixed percentage of each Park Fee payment directly to an administrative account. No additional fees would be required to be paid to RAP by project applicants for services related to the processing their projects, regardless of the size or complexity of said projects.

RAP evaluated the service fee structure and the flat administrative fee structure, both in terms of monetary costs to developers and administrative complexity for RAP, and determined that the flat administrative fee structure would be the best approach for the management of the Park Fee Program. A service fee structure would result in the establishment of a number of separate service fees and, with that, increased administrative burdens for tracking and reporting. Additionally, a service fee structure may disproportionately impact project applicants proposing smaller projects, as service fees may be relatively high in comparison to the Park Fees that may untimely be paid by those smaller projects.

RAP staff recommends that the Board adopt an administrative service fee in the amount of three percent (3%) for the Park Fee program, and authorize the establishment of a Park Fee Program Administration account for the deposit of those fees. The establishment of an administrative fee is allowable under Park Fee Ordinance. Pursuant to Section 12.33.J.1 of the Park Fee Ordinance, the collected Park Fees can be used for "any administrative costs incurred by the City in accordance with this section". If a flat administrative fee is approved and adopted by the Board, RAP would establish a specific work order number to track staff expenses changed to the Park Fee Program, and those expenses would be reportable in the annual Park Fee Program report RAP is required to prepare for the Board.

RAP has researched a number of other administrative fees charged by other City Departments and similar City mitigation fee programs and found that the proposed administrative fee of three percent (3%) for the Park Fee program is reasonable and comparable to those changes by other programs. For example, the Proposition K program has a three percent (3%) administrative fee; the Warner Center Transportation Improvement Trust Fund has a "up to ten percent (10%)" administrative fee; and the Central City West Transportation Mitigation Fund has a "up to five percent (5%)".

### ENVIRONMENTAL IMPACT STATEMENT:

Staff has determined that this action is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c) as it is an activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment and consequently is not a project under CEQA Guidelines Section 15378. Therefore, no CEQA documentation is required.

BOARD REPORT

PG. 9 NO. 16-248

FISCAL IMPACT STATEMENT

The establishment of a new Park Fees section of the Schedule of Rates and Fees, and associated Special Fund Accounts, will have no fiscal impact on RAP's General Fund.

This Report was prepared by Darryl Ford, Senior Management Analyst I, Planning, Construction and Maintenance Branch, Department of Recreation and Parks.

LIST OF ATTACHMENTS

- 1) Proposed Amendment to the Schedule of Rates and Fees
- 2) Park Dedication and Fee Update Ordinance (Park Fee Ordinance), Ordinance No. 184,505
- 3) Board Report No. 591-75

PARK FEES  
(Established 12/16)

PARK FEES

Pursuant to Los Angeles Municipal Code Section 12.33, all new, non-exempt, residential dwelling units shall be required to dedicate land, pay a fee or provide a combination of land dedication and fee payment for the purpose of acquiring, expanding and improving park and recreational facilities for new residents. The fee amount depends on the type of residential development project (Subdivision or Non-Subdivision).

The Department of Recreation and Parks (RAP) shall collect these fees pursuant to Los Angeles Municipal Code Section 19.17 and RAP's schedule of rates and fees. The park fee shall be phased in as described in Los Angeles Municipal Code Section 19.17.

Residential Subdivision projects are subject to the Quimby in-lieu fee and shall pay:

Eight Thousand, One Hundred Twenty-Two Dollars and Fifty Cents (\$8,122.50)  
(per each new non-exempt dwelling unit)

Non-subdivision Residential projects are subject to the Park Mitigation fee and shall pay:

Two Thousand, Seven Hundred and Seven Dollars and Fifty Cents (\$2,707.50)  
(per each new non-exempt dwelling unit)

The park fee schedule above shall be effective from January 11, 2017 to June 30, 2017.

PARK FEE ANNUAL ADJUSTMENT

Pursuant to Los Angeles Municipal Code Section 12.33.E.5, any fee imposed by Los Angeles Municipal Code Section 12.33 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 12-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 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year.

The park fee adjustment factor that shall be effective on January 11, 2017 is 8.3%.

PAYMENT OF PARK FEES

All Park Fees shall be paid to the City of Los Angeles, Department of Recreation and Parks. Checks should be made payable to the City of Los Angeles, Department of Recreation and Parks.

Park Fee payments may be made at, or be mailed to, the following address:

Attention: Park Fees Program  
City of Los Angeles Department of Recreation and Parks  
221 North Figueroa Street, Suite 400 (Fourth Floor)  
Los Angeles, California 90012

Park Fees that are not paid by June 30, 2017 shall be subject to recalculation.

PARK FEE PROGRAM ADMINISTRATION

Pursuant to Los Angeles Municipal Code Section 12.33.J.1, the collected park fees can be used for any administrative costs incurred by the City in accordance with that section.

3% of all Quimby in-lieu Fees and Park Mitigation Fees to be deposited into the Park Fee Administration Account.

97% of all Quimby in-lieu fees to be deposited into the Quimby In-Lieu Fee Account.

97% of all Park Mitigation fees to be deposited into the Park Mitigation Fee Account.

ORDINANCE NO. 18537

An ordinance amending Los Angeles Municipal Code (LAMC) Sections 12.21, 12.33, 17.03, 17.12 and 17.58; deleting Sections 17.07 and 19.01 from the LAMC; and adding Section 19.17 to the LAMC in order to update the City's park fees to mitigate the park- and open space-related impacts of new residential development 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.

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 by Section 12.21.G. of this chapter shall be reduced by one-half, provided that a fee equivalent to the amount of the relevant park fee, pursuant to Section 19.17, shall be paid for all dwelling units, with the following exception: units qualifying under Section 12.33.C.3(d) shall be allowed to reduce the open space requirement by one-half without payment of such fee. 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 create the need for additional facilities. The purpose of this Section is to enable the acquisition of land and the collection of fees to be used for the purpose of developing new or rehabilitating existing recreational facilities in order to create a healthy and sustainable city.

**B. Types of Fees.** The type and amount of park and recreation impact fee associated with a project depends on the type of project being developed. Subdivision

projects consisting of more than 50 residential units are subject to a Quimby in-lieu fee. All other residential projects are subject to a park mitigation fee. Collectively, these fees are referred to in this Code as park fees.

**C. 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 payment 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 referred to as "dwelling units" or "residential dwelling units."

1. **Residential Subdivision Projects That Contain More Than 50 Dwelling Units.** A subdivision containing more than 50 dwelling units shall be required to participate in an early consultation with the Department of Recreation and Parks and Department of City Planning pursuant to Subsection D and may be required to dedicate land, make park improvements, pay a park fee or provide a combination of land dedication and park fee payment.

2. **All Other Residential Projects.** For residential subdivision projects containing 50 or fewer dwelling units or for non-subdivision residential projects that 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 E. 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 G of this Section
- (e) Second dwelling units in single-family zones.
- (f) Non-residential development.

**D. Residential Subdivision Projects That Contain More Than 50 Dwelling Units.**

1. **Early Consultation.** Applicants shall meet with the Department of Recreation and Parks and Department of City Planning staff in advance of submitting a tract map application for a project of more than 50 units. The purpose of this early consultation is to discuss whether the City requires land dedication for the project and/or to discuss credits available to the applicant, if any. The Department of Recreation and Parks shall provide written verification of the consultation to the project applicant within ten (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 Section 12.33.C.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

$$LD = (DU \times P) \times F$$

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, as determined by the Department of Recreation and Parks and the City Planning Department.

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

(a) Neighborhood Park: within a 2-mile distance

(b) Community Park: within a 5-mile distance

(c) Regional Park: 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 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 Department of Recreation and Parks determines that the land dedication proposal meets the standards and requirements of the department, 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 E of this section.

**E. Park Fees for Non-Subdivision Residential Projects, Residential Subdivisions With 50 Units or Fewer, or Residential Subdivisions With More Than 50 Units That Are Not Dedicating Land.**

1. **Fees and Fee Schedule.** The park fee amount depends on the type of project. The Department of Recreation and Parks shall collect these fees pursuant to Section 19.17 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 12.33.C.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:

Project Park Fee = DU x PRF

DU: Total number of new, non-exempt (per Section 12.33.C.3) dwelling units.

PRF: Park Fee per unit.

3. **Fee Expenditure Radius.** Recreational sites and facilities shall be located within a certain radius from the project site, as specified below:

- (a) Neighborhood park: within a 2-mile distance.
- (b) Community park: within a 5-mile distance.
- (c) Regional park: within a 10-mile distance.

4. **Phase-in Period.** The park fee shall be phased in as described in Section 19.17 of this Code.

5. **Indexing.** Any 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 12-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 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year.

6. **Fee Payment Timing.**

- (a) **Residential Subdivision Projects.** The park 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 fee shall be calculated and collected prior to the issuance of the Certificate of Occupancy.

F. **Park Fee as Additional Requirement.** The park fee enacted by this Section is a fee imposed on residential development projects reflecting each project's proportionate share of the cost of providing park land and improvements necessary to meet the needs created by each respective development. As such, the park fee is additional and supplemental to, and not in substitution of, on-site open space requirements required by the City's Municipal Code, specific plan(s), or any other planning document, such as those included in Section 12.21.

G. **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 from the park fee and land dedication requirement.

(a) An affordable housing unit shall receive an exemption from the requirement for dedication of land for park and recreational purposes and/or payment of the park fee 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 the Department of City Planning about whether the project meets those requirements.

4. Should any qualifying affordable housing unit cease to 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.

#### H. 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, at the City's option. This may be with or without recreational facility improvements. The amount of land to be dedicated shall be determined pursuant to one of the following formulas, and credit shall be granted, square foot for square foot, for any land dedicated to the City:

Subdivision Projects:

$$LD = (DU \times P) \times F_1$$

LD: Land to be dedicated in acres.

DU: Total number of net new, non-exempt (per Section 12.33.C.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.
- F<sub>1</sub>: Park service factor for subdivision projects, as indicated by the Department of Recreation and Parks rate and fee schedule.

Non-Subdivision Projects:

$$LD = (DU \times P) \times F_2$$

- LD: Land to be dedicated in acres.
- DU: Total number of net new, non-exempt (per Section 12.33.C.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.
- F<sub>2</sub>: 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 land being dedicated as a City park or recreational facility.

(c) The total amount of credits shall not exceed 100 percent of the calculated requirement for the park fee or land dedication.

(d) Credit shall be granted for the property dedicated pursuant to this Section, dollar for dollar, in satisfaction of any park fee required to be paid. The cost and subsequent credit should bear 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 measure. Credits may be awarded for on-site or off-site land dedication and/or park improvements.

(e) The Department of Recreation and Parks shall determine whether the proposal complies with the department's park and recreational standards and requirements. If the department determines the proposal meets the department's 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 shall be to the satisfaction of the Department of Recreation and Parks and shall 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 will 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 bear 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(s), 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 Department of Recreation and Parks 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.

**I. 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 any park 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. The City shall maintain accounts and prepare reports in accordance with California Government Code Section 66001 or successor section.

3. **Refund of Fees Under the Government Code.**

(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 section, Quimby fees shall be refunded in accordance with California Government Code Section 66477 or successor section. All other park fees shall be refunded in accordance with California Government Code Section 66001 or successor section.

4. **Other Refunds.** In the event that an applicant requests a refund for reasons not set forth in Government Code Sections 66001 or 66477, or their

successor sections, if any, the applicant shall submit a claim for a refund with the Department of Recreation and Parks. Upon the department's determination, the fee payer may receive a refund, without interest, of the fees paid pursuant to this section; however, 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.

**J. 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 Quimby in-lieu fees collected pursuant to this section may be applied outside the project development for which the original fees were collected, provided that the Department of Recreation and Parks 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.

**K. Effective Date.**

1. This ordinance shall take effect on the 120<sup>th</sup> day following its adoption.

2. Any park fee paid prior to the effective date of this ordinance shall not be recalculated pursuant to the provisions of this ordinance.

3. Any project that would otherwise be subject to a park fee pursuant to this section but has acquired vested rights under Section 12.26.A.3 of this Code prior to the effective date of this ordinance, and/or has an approved vesting

tentative map pursuant to Section 17.15, the application for which has been deemed complete prior to the effective date of this ordinance, shall not be subject to a park fee.

**L. Severability.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

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.** 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.

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 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. 17.56. 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 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 hereby deleted in its entirety.

Sec. 9. A new 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.E.5 of this Code.

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

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

Non-subdivision (park mitigation) fee:

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

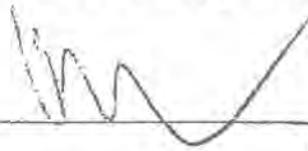
First annual RAP rate and fee schedule update after effective date of ordinance: The prior year's fee amount plus \$2,500, adjusted for inflation pursuant to Section 12.33.E.5 of this Code.

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

Sec. 10. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles at its meeting of SEP - 7 2016

HOLLY L. WOLCOTT, City Clerk

By  Deputy

Approved SEP 13 2016

  
Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By   
ADRIENNE S. KHORASANEE  
Deputy City Attorney

Date 9 7 - 16

Pursuant to Charter Section 559, I disapprove this ordinance on behalf of the City Planning Commission . . . . .

September 7, 2016

See attached report.

 *For VB*  
Vincent P. Bertoni, AICP  
Director of Planning

File No. CF 16-0529

DEPARTMENT OF RECREATION AND PARKS  
MAY 1, 1975

NO. 591-75

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: Approval of Tentative Tract Maps  
Subdivisions Containing 50 Lots or Less

**APPROVED**  
MAY 1 1975

*[Signature]*  
General Manager

Disapproved \_\_\_\_\_ Further Report \_\_\_\_\_

Ordinance #141,422) required that the General Manager of the Department of Recreation and Parks shall submit a report to the Advisory Agency on each application for subdivision. This report is to contain recommendations by the Board as to whether land is to be dedicated, a fee is to be paid, or a combination of both. These recommendations are subject to limitations specified in the Ordinance.

One of the limitations imposed by the Ordinance is that in subdivisions containing 50 lots or less, only the payment of fees is required. In this instance, the limitation does not leave the Board the option of accepting land or a fee but makes the decision an administrative one. Because of this factor, staff is recommending that the Board authorize the General Manager or his designated representative to recommend that the payment of a fee be required for subdivisions containing 50 lots or less; and that such recommendations be transmitted to the Advisory Agency by the Board as the need arises. This procedure would not only relieve the Board of a purely administrative burden but would also help in the processing of tentative tract maps.

The Board will submit periodic reports to the Board concerning the number of subdivisions in which the payment of a fee has been required. As in the case of subdivisions containing more than 50 lots, such reports will be presented for Board approval.

The Board is authorized to authorize the General Manager, or his duly authorized representative, to recommend that the payment of a fee be required for subdivisions containing 50 lots or less; and, to advise the Advisory Agency (Mr. Roy Bundick, acting for the Director of Planning) be so informed.

CITY OF LOS ANGELES  
CALIFORNIA



TOM BRADLEY  
MAYOR

ATTACHMENT 3

DEPARTMENT OF  
RECREATION AND PARKS  
200 NO. MAIN ST.  
CITY HALL EAST  
13TH FLOOR  
LOS ANGELES, CALIF. 90012  
485-5571

WM. FREDERICKSON, JR.  
GENERAL MANAGER

COMMISSIONERS

STEPHEN REINHARDT  
PRESIDENT

E. GREGORY HOOKSTRATTEN  
VICE-PRESIDENT

EVELYN VELARDE BENSON  
BRAD PYE, JR.  
JILL SWIFT

PATRICIA A. WILSON  
SECRETARY

Mr. Roy Bundick  
Acting Director  
City Planning Department  
Room 561-C, City Hall

Dear Mr. Bundick:

Approval of Tentative Tract Maps  
City Ordinance No. 141,422

At its meeting held on May 1, 1975, the Board of Recreation and Park Commissioners adopted Report No. 591. This report authorizes the General Manager of the Department of Recreation and Parks or his duly authorized representative to recommend that the payment of a fee be required for those subdivisions of fifty lots or less,

Pursuant to the Board's action, the attached report, the attached report contains a list of tracts of fifty lots or less in which case the payment of a fee has been recommended.

Very truly yours,

JOEL BREITBART, Superintendent  
Planning and Development

ALONZO A. CARMICHAEL  
Planning Officer

JB:AAC/cjl  
attachment