



BUILDING INDUSTRY ASSOCIATION  
OF SUPERIOR CALIFORNIA



SACRAMENTO BOARD OF REALTORS

31

JOINT POSITION PAPER

CITY OF SACRAMENTO PARK LAND DEDICATION ORDINANCE

BACKGROUND

Under Government Code Section 66477, the legislative body of a city or county may by ordinance, require the dedication of land, payment of fees in lieu thereof, or a combination of both, for park and recreational purposes as a condition to the approval of a final subdivision map or parcel map, provided certain standards are applied.

Previously, the City of Sacramento has not utilized this option. Instead, it has relied upon the Park Development Tax-- in addition to other city, state and federal funds-- to acquire, develop, operate and maintain parks within the city.

In 1978, after the passage of Prop. 13, but prior to its implementation, the City increased the Park Development Tax and amended its useage up to 50 per cent for maintenance and operation of city parks. (Previously, the Park Development Tax had been utilized for acquisition and development.)

Now, due to apparent fiscal restraints imposed by Prop. 13 and a seeming host of other financial constraints, the City is proposing to invoke its authority under Section 66477 in relation to park land dedications. (Refer Article XIII to Chapter 40 of the Sacramento City Code, proposed.)

Said proposal is consistent with similar ordinances adopted by the County of Sacramento.

DISCUSSION

As a result of the recently revised County of Sacramento ordinance, park fees have been dramatically increased. This has resulted in larger 'up front' costs to projects and a resultant increase in the price of housing.

Said increases have been relative to the various projects, but in each case, had an impact on the affordability of units. This factor is tantamount in any discussion of the proposal, assuring that said deliberations are not conducted in a vacuum in relation to economic conditions under which all parties must operate.

In previous testimony before the Budget & Finance Committee, it was noted that even with adoption of this proposal, the city may face a 30 percent "shortfall" in revenues for park services.

Hence there are two juxtaposed dilemmas:

\*Keeping the cost of housing down, and as a result, affordable.

\*Assuring adequate park services for the city.

As has been noted numerous times, both the BIASC and SBOR support parks and park services. To that commitment, there has never been question. The proximity of parks and related services to a project only serves to enhance same.

Therefore, the Building Industry Association of Superior California and the Sacramento Board of Realtors recommends the following for amendment/change in the proposed Park Dedication Ordinance for the City of Sacramento:

- 1.) Amount of fee in lieu of land dedication amendment.
  - 2.) Procedure for payment of fees amendment.
  - 3.) Change in general standard for park extraction.
  - 4.) Change in population density formula base.
- All recommendations are attached under above noted designations.

Respectfully submitted,



Paul A. Stewart  
Director of Legislative Services, BIASC



Tom Bannon  
Director of Government & Community Relations, SBOR

## 1.) AMOUNT OF FEE IN LIEU OF LAND DEDICATION

Under the proposal, the calculation of in lieu fees is predicated upon the fair market value (per acre) of the property to be subdivided as established by a current appraisal approved by the City.

The following is recommended for amendment into the ordinance:

Where a fee is required to be paid in lieu of land dedication, the amount of such fee shall be based upon the average estimated fair market value in the service zone (community plan) in which the facility is located.

### DISCUSSION

Said recommendation would alleviate potential inconsistencies in the in lieu determination based on:

A.) Parks and related services are not exclusively utilized by the "new" residents of the facility, although these same "new" residents will be providing the funding for same.

B.) An average estimated fair market value of the community area more accurately reflects land costs for each sector.

C.) The procedure will allow, as reflected in increased fair market values, burgeoning community planning area to assist in the area of current need in acquisition and development. Yet will allow established community planning areas to assist with improvement and expansion of facilities which may already be in service.

## 2.) PROCEDURE FOR PAYMENT OF FEES

Under the proposal, at the time of the filing of the final subdivision or parcel map, the subdivider shall dedicate the land and/or pay the fees as previously determined by the City Council.

The following is recommended for amendment into the ordinance:

For any subdivision consisting of 25 or more lots, at the time of the filing of the final subdivision or parcel map, the fees shall be paid in their entirety prior to the issuance of any building permit to be located upon any lot within the subdivision.

For any subdivision consisting of 24 or less lots, the fees shall be paid on a lot by lot basis, prior to the issuance of any building permit to be located upon any one of the lots within the subdivision.

### DISCUSSION

Said recommendation would assist in the payment of fees by:

A.) Alleviating the increased "front end" costs on smaller projects.

B.) Allow for the payment of fees on an "as needed" basis, i.e. as the units in a smaller project are constructed, they may or may not be built by the holder of the map. Hence, the funding would occur as the park facility need is actually generated.

C.) By decreasing "front end" construction costs, the resultant product price is lowered.

## Park Land Dedication Ordinance

FINANCIAL IMPACT: (5) (4) (3.5) ACRES PER 1000 (people)

Example of previously filed subdivision map:

Parkway Oaks Unit #4 located in the Pocket area, consisting of 89 R-1 units.

## I. Proposed 5 acres per 1000 (pph=2.98)

A. Estimated Yield

DF=A

A=(89) (.0149)= 1.326 acres

B. In Lieu Fees Only

AV=M

M= (1.326) (\$34,787 per acre)= \$46,128

C. Cost Per Unit of In Lieu Fees

M/D= \$46,128/89= \$518

= \$518 Cost Per Unit

## II. 4 acres per 1000 (pph=2.98)

A. Estimated Yield

DF=A

A=(89) (.0119) = 1.059 acres

B. In Lieu Fees Only

AV=M

M=(1.059) (\$34,787)= \$36,839

C. Cost Per Unit of In Lieu Fees

M/D= \$36,839/89= \$413

=\$413 Cost Per Unit

## III. 3.5 acres per 1000 (pph=2.98)

A. Estimated Yield

DF=A

A=(89) (.0104) = .9256 acres

C. Cost Per Unit of In Lieu Fee

M/D=\$32,198/89=\$361

= \$361 Cost Per Unit

B. In Lieu Fees Only

AV=M

M=(.9256) (\$34,787)= \$32,198

## Park Land Dedication Ordinance :

## Parkway Oaks Unit #4

	<u>5acres/1000</u>	<u>4acres/1000</u>	<u>3.5acres/1000</u>
ESTIMATED YIELD	1.326 acres	1.059 acres	.9256 acres
IN LIEU FEES	\$46,128	\$36,839	\$32,198
COST PER UNIT OF IN LIEU FEES	\$518	\$413	\$361

#### 4.) CHANGE IN POPULATION DENSITY FORMULA BASE

Under the proposal, the factors for single family, duplex and multi-family and mobile homes are .0149, .0112 and .0088, respectively. These factors extrapolate to average dwelling density elements of 2.98 persons per household (pph) for single family, 2.24 pph for duplex and 1.76 pph for multi-family and mobile home projects.

Based upon the 1980 estimate of 2.47 pph as contained on P.11 of the City of Sacramento Housing Element, and the 2.55 pph as contained in the SRAPC Socio-Economic Projections, 1980-2000, a change is recommended in the population density formula base factors to accurately reflect the decreasing pph in the City of Sacramento.

---

## *Tapping free enterprise*

# Ingenuity helps parks cope with Prop. 13

There's an old saying that when life hands you a lemon, make lemonade. Some Sacramento area park district officials hard hit by Proposition 13 revenue cuts are proving their ability to cope, to make lemonade, as it were.

Fair Oaks Recreation and Park District is among the leaders of those districts showing ingenuity, according to a roundup by reporter Michael McBride. By contracting for recreation services with a private firm, it has tripled the number of recreation programs and the number of participants, while reducing costs to taxpayers by 57 percent in one year.

The firm, founded by two former Fair Oaks district employees who lost their jobs following enactment of Proposition 13, charges fees for participation in recreation programs. Fees for many of the youth programs are kept deliberately low by subsidizing them with profits from tours to foreign countries sponsored by the firm.

**THIS DEVICE HELPS** ease one of the troubling effects of a fee system imposed by local parks to ease the impact of Proposition 13 revenue cuts. Low income youngsters may be shut out from the chance to participate in constructive athletic and other recreational programs.

Another step to solve this problem

was taken by the Southgate Recreation and Park District. Residents formed a nonprofit corporation encompassing 15 separate hobby, game and athletic clubs. Fund-raising events net donations for the individual programs and for the district, enabling restoration of several free youth programs.

Southgate was also the beneficiary of the generosity of Sacramento attorney David Weiner who contributed a 20-acre parcel of land that resulted in a \$14,000 donation for the district. And district resident Billy Mills, who won the 10,000 meter run in the 1964 Olympic Games, is an active volunteer with the district. Proceeds of a Billy Mills Run on April 4 will go to the corporation for a scholarship program for youths who can't afford regular fees.

**THEN THERE IS** the Cordova Recreation and Park District which leases land to a private firm operating the Cordova Shooting Center, and receives a percentage of the center's fees and pro shop sales.

We are impressed with the ingenuity shown by these and other local park districts. They are proving that parks can continue to offer wholesome programs—and more—with less tax revenues, particularly when they tap the unique incentives offered by the free enterprise system.