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APPROVED
BY THE CITY COUNCIL

MAR 1 1994

OFFICE OF THE
CITY CLERK

DEPARTMENT OF
PUBLIC WORKS

ENGINEERING DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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CONSTRUCTION SECTION
640 BERKUT DRIVE
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SACRAMENTO, CA
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January 28, 1994

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: AN ORDINANCE AMENDING SACRAMENTO CITY CODE, SECTION 40.16.1605, RELATING TO CALCULATION OF IN-LIEU FEES FOR PARKLAND DEDICATION

LOCATION/COUNCIL DISTRICT: City-wide.

RECOMMENDATION:

This report recommends that the City Council amend Sacramento City Code, Section 40.16.1605, relating to the calculation of In-Lieu Fees for Parkland Dedication purposes that:

1. Eliminates the existing appraiser qualifications and substitute a requirement that appraisers be State Certified General Real Estate Appraisers, and
2. Permits in-lieu fees based on an appraisal obtained by the City in the event that a subdivider's appraisal is determined to be inaccurate.

CONTACT PERSON:

Bruce Alel, Acting Real Property Supervisor,
264-5055

FOR COUNCIL MEETING OF:

March 1, 1994

City Council
Calculation of In-Lieu Fees for Parkland Dedication Procedure
January 28, 1994

SUMMARY

City Code Section 40.16.1605 presently requires that appraisals be conducted by appraisers holding either an MAI, SREA, SRPA or ASA designation. Since enactment of this code section, the State of California Office of Real Estate Appraisers has developed an approval process for licensing real estate appraisers. Under this approval process the State has licensed approximately 5,000 State Certified General Real Estate Appraisers.

The above-referenced State approval process meets the competency requirement sought under City Code. In addition, a pool of State Certified General Real Estate Appraisers of adequate size exists from which to draw qualified appraisers.

Present City Code Section 40.16.1605 does not expressly permit in-lieu fees based on an appraisal obtained by the City when a subdivider's appraisal is determined to be inaccurate. Staff recommends such authority should be added.

COMMITTEE/COMMISSION ACTION:

The attached report addressing the proposed ordinance amendment was heard by the City Council's Law and Legislation Committee on February 15, 1994. The Committee unanimously recommended forwarding the report to the full City Council for approval.

BACKGROUND

The current City Code Section requires that appraisals "shall be made at the subdivider's expense, by an active MAI, SREA, or SRPA member in good standing of the Appraisal Institute or an active ASA (urban real property) member in good standing of the American Society of Appraisals, and shall meet the standards observed by a competent member of the professional organization."

Since this code provision was enacted, a new agency of the State of California, the Office of Real Estate Appraisers, has developed a pool of approximately 5,000 State Certified General Real Estate Appraisers.

City Council
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To become a State Certified General Real Estate Appraiser, a candidate must accumulate at least 2,000 hours of appraisal experience, 1,000 hours of which must be in non-residential appraising. In addition, a candidate must have successfully completed 165 hours of Office and Real Estate Appraisers approved courses. Finally, a candidate must pass an Office of Real Estate Appraisers sponsored competency test. State Certified General Real Estate Appraisers are approved to appraise all real estate transactions without regard to transaction value or complexity.

MAI, SREA, SRPA, and ASA are each professional designations granted by professional appraisal organizations. Each is recognized in the industry as requiring a high degree of competency. However, the requirements of a State Certified General Real Estate Appraiser are also high. As such, staff believes they are adequate to ensure that appraisers meet the standards specified in the Uniform Standards of Professional Appraisal Practice which must be adhered to as a requirement of certification by the State. In addition, this amendment will bring the City Code into conformity with State legislation covering qualifications for real estate appraisers.

Staff also requests authority within City Code Section 40.16.1605 to permit in-lieu fees based on a second appraisal obtained by the City where an appraisal submitted by a subdivider is found to be inaccurate. This authority is needed to prevent an impasse when an appraiser refuses to correct inaccuracies found in an appraisal which has been submitted.

FINANCIAL CONSIDERATIONS

There will be no additional cost resulting from this change.

POLICY CONSIDERATIONS

The impact of this policy change will be to bring the City's criteria for selecting appraisers into line with the State's criteria for certifying appraisers and to permit the City to base the in-lieu fee determination upon its own appraisal in cases where the subdivider's appraisal is found to be inaccurate.

City Council
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January 28, 1994

MBE/WBE

Not applicable as no goods or services are being purchased.

Respectfully submitted:



WALT UEDA
Special Services Division Manager

RECOMMENDATION APPROVED:



DAVID R. MARTINEZ
Deputy City Manager

APPROVED:



MICHAEL KASHIWAGI
Deputy Director of Public Works

GR:nl
RE2-34.C
01.2894

ORDINANCE NO. 94-010

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
MAR 1 1994
OFFICE OF THE
CITY CLERK

**AN ORDINANCE AMENDING SACRAMENTO CITY CODE
SECTION 40.16.1605, RELATING TO CALCULATION
OF IN-LIEU FEES FOR PARKLAND DEDICATION**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 40.16.1605 of the Sacramento City Code is hereby amended to read as follows:

§ 40.16.1605 Calculation of In-Lieu Fees; Appraisal.

When a fee is to be paid in lieu of land dedication, the amount of such fee shall be based upon the fair market value as described below, plus 20% for off-site improvements such as utility line extensions, curb, gutter and pavement and street lights.

- (a) The amount to be paid shall be a sum calculated pursuant to the following formula:

$$A \times V = M$$

where

A = the amount of land required for dedication as determined in Section 40.16.1603;

V = fair market value (per acre) of the property to be subdivided, as established by an appraisal;

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____

M = the number of dollars to be paid in lieu of dedication of land, to which shall be added 20% for off-site improvements.

(b) For purposes of calculating the in-lieu fee under this section, the subdivider shall cause an appraisal of the property to be subdivided to be made. The appraisal shall be made at the subdivider's expense by a person qualified as a Certified General Real Estate Appraiser by the California Office of Real Estate Appraisers, and shall meet the standards specified in the Uniform Standards of Professional Appraisal Practice. The appraiser shall appraise the gross tentative map area at its unencumbered (free and clear) value, as if at the approved tentative map stage of development and as if any assessments or other encumbrances to which the property is subject had been paid off in full prior to the date of appraisal. Factors to be considered during the evaluation shall include the following:

1. Conditions of the tentative subdivision map;
2. The General Plan;
3. Zoning and density;
4. Property location;
5. Off-site improvements facilitating use of the property;
6. Site characteristics of the property;
7. Existing public improvements (e.g., existing streets, canals) which have the effect of reducing usable gross tentative map area.

The appraisal shall value the property as of a date no earlier than 90 days prior to the recording of the final map, or the payment of the fee, whichever occurs later. The appraisal shall clearly state the fair market value (V) of the property in dollars per gross acre. Three (3) copies of the appraisal shall be delivered to the Public Works Development Services Section for distribution.

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____

In the event the City's real property supervisor determines the appraisal is inaccurate, the City may cause a second appraisal to be made at its expense by an appraiser with the above-described qualifications, and the second appraisal shall be used for purposes of calculating the in-lieu fee.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK



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January 28, 1994

PASSED FOR
PUBLICATION
& CONTINUED
TO 3-1-94.

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: AN ORDINANCE AMENDING SACRAMENTO CITY CODE, SECTION 40.16.1605, RELATING TO CALCULATION OF IN-LIEU FEES FOR PARKLAND DEDICATION

LOCATION/COUNCIL DISTRICT: City-wide.

RECOMMENDATION:

This report recommends that the item be passed for publication of title and continued to March 1, 1994.

CONTACT PERSON:

Bruce Alei, Acting Real Property Supervisor,
264-5055

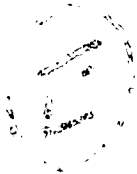
FOR COUNCIL MEETING OF: February 22, 1994

SUMMARY:

This item is presented at this time for approval of publication of title pursuant to City Charter, Section 32.

COMMITTEE/COMMISSION ACTION:

The attached report addressing the proposed ordinance amendment was heard by the City Council's Law and Legislation Committee on February 15, 1994. The Committee unanimously recommended forwarding the report to the full City Council for approval.

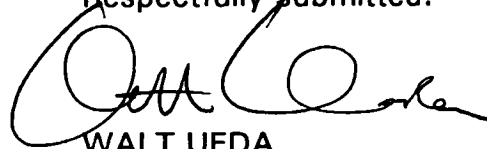


City Council
Calculation of In-lieu Fees for Parkland Dedication Procedure
January 28, 1994

BACKGROUND

Prior to publication of an item in a local paper to meet legal advertising requirements, the City Council must first pass the item for publication. The City Clerk then transmits the title of the item to the paper for publication and for advertising the meeting date.

Respectfully submitted:



WALT UEDA
Special Services Division Manager

RECOMMENDATION APPROVED:



DAVID R. MARTINEZ
Deputy City Manager

APPROVED:



MICHAEL KASHIWAGI
Deputy Director of Public Works

GR:nl
RE2-33.P.
01.2894

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SACRAMENTO CITY CODE SECTION 40.16.1605, RELATING TO CALCULATION OF IN-LIEU FEES FOR PARKLAND DEDICATION

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DATE ADOPTED: _____

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DATE ADOPTED: _____

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DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK