




## City Council Meeting

**Adopt a Resolution Updating the Average Per-Acre Land Values and Park Development Costs Per Capita Used for Setting the Parkland In-Lieu Fee Schedule for New Residential Development for FY 2026/27**

April 21, 2026


1



## Background

- City Code Chapter 17.35 “Park and Recreational Land” requires new residential developments to provide developed park and recreational land and/or pay a fee in-lieu of developed parkland dedication (“In-Lieu Fees”) pursuant to the Quimby Act (“Quimby”) and/or the Mitigation Fee Act (“MFA”).
- City Code Section 17.35.040 requires Council to review and establish the fair market value of land. This is based on an average per acre land value determined through an appraisal review of land values & sale records in each of the three existing Zip Codes. By resolution, Council shall review and set the amount of fees to be paid in lieu of park dedication annually.
- Park in-lieu fees are reviewed annually and brought forward as part of the Municipal Fee Schedule update.

2




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## Mitigation Fee Act

- **Applies to:** Non-subdivision residential development (i.e., rental apartment projects)
- **Park Standard:** Set at existing service levels, currently 2.6 acres per 1000 residents (2018)
- **Use of fees:** Park acquisition and development across the city
  - Can fund improvements to existing parks
  - More flexible geographically than Quimby
  - Cannot be used for routine maintenance
- **Nexus:** Based on overall growth impacts to the community-wide park system
- **Parkland Dedication:** Construction costs are the developer's responsibility (no reimbursement)

3

3




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## Quimby Act

- **Applies to:** Residential subdivisions (i.e., for sale condominium projects)
- **Park Standard:** set at 3 acres per 1000 residents (between 3 & 5 acres per 1000)
- **Use of Fees:** Park acquisition and development, or rehabilitation of existing parks & recreational facilities
  - Can be used for improvements to existing parks to improve/expand park capacity or add new amenities
  - Cannot be used for routine maintenance
- **Nexus:** Directly tied to the subdivision's impact or use of park amenities
- **Parkland Dedication:** If a developer builds and dedicates a park, the City must reimburse eligible construction costs

4

4



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## In-Lieu Fee Calculation Components

- Average cost of land acquisition for parks in the City's three residential Zip Codes, as determined by an annual land valuation appraisal.
- Average per capita cost to develop parkland into a usable facility, based on the 2019 Parks and Recreation Facility Condition Assessment and adjusted using the Department of General Services California Construction Cost Index (CCCI).
- Administrative cost of the program, including review of residential development plans for compliance with the park ordinance and tracking of in-lieu fees (currently set at 2% of total fees collected)

The methodology used to calculate in-lieu fees is detailed in the *Park & Recreation Facilities Development Impact Fee Update Study (Nexus Study)*, dated August 27, 2019. The City is in the process of updating the Nexus Study and plans to review/update it every five years to reflect evolving resident service needs and housing market conditions.

5

5




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## Land Valuation Appraisal

- Prepared by licensed appraisal firm The Dore Group
- Determines Fair Market Value for each of the City's three Zip Codes
- Valuation date: December 31, 2025:
  - Based on City Code Section 17.35.040 - formula for calculation of fee in lieu of land dedication
  - Conforms to Uniform Standards of Professional Appraisal Practice (USPAP)
  - Adheres to the City's Supplemental Instructions

6

6



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## City Council Authority

Per City Code Section 17.35.040(b)(1):

- Council reviews and sets the fair market land values at least annually, by resolution.
- Based on those values, Council sets park in-lieu fees by resolution.

7

7




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## Park Improvement Cost

- The cost to construct the park improvements (landscape, furnishings, buildings, etc.) based on an average cost per capita for the City's existing park system improvements.
- The park improvement value developed in 2017 was not indexed to keep up with construction costs.
- In 2023, Council approved the use of the California Construction Cost Index (CCCI) to adjust improvement values, with annual updates tied to the Index and capped at 10%.

8

8



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## Land Valuations

Zip Code Trend Analysis: 95051 trends above 95050, while 95054 trends below 95050

Average Land Value per Acre for the City's Three Zip Codes						
Area	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	% Change
95050	\$5.715M	\$5.500M	\$5.455M	\$5.180M	\$5.359M	+3.50%
95051	\$6.00M	\$5.840M	\$5.650M	\$5.340M	\$5.573M	+4.40%
95054	\$5.495M	\$5.240M	\$5.255M	\$5.000M	\$5.037M	+0.01%

9

9




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## Park Improvement Costs

Park Improvement Value (Cost per Capita) Construction Cost Escalation				
California Cost Construction Index (CCCI)				
Year	2024	FY 2025/26 Park Improvement Value	2025	FY 2026/27 Park Improvement Value
CCCI	2.30%	\$4,273	3.90%	\$4,440
Park Improvement Value	\$4,177		\$4,273	

10

10



## In-Lieu Fee Calculations Example for 95050


PARKLAND COST PER CAPITA	Calculation	MFA	Quimby
Parkland Investment (per acre by Zip Code)	A	\$5,359,000	\$5,359,000
Level of Service (park acres per 1,000 residents)	B	2.6	3
Total Cost per 1,000 Capita	C = A x B	\$13,933,400	\$16,077,000
Cost per Capita	D = C/1,000	\$13,933	\$16,077

TOTAL COST PER DWELLING UNIT	Single Family	Multi-Family
Land Value Cost per Capita x Density (Census)	D x 2.84	D x 1.92
Improvement Value (IV) Cost per Capita x Density	IV x 2.84	IV x 1.92
Admin Charge – 2% of Land & Improvement Values	2%	2%

11

11




## In-Lieu Fee Calculations Total Cost per Dwelling Unit – Example for 95050

	Calculation	MFA	Quimby
Parkland Investment (per acre by Zip Code)	A	\$5,359,000	\$5,359,000
Level of Service (park acres per 1,000 resident)	B	2.6	3
Total Cost per 1,000 Capita	C = A x B	\$13,933,400	\$16,077,000
Cost per Capita	D = C/1,000	\$13,933	\$16,077
Land Value Cost per Capita x SF Density (Census)	D x 2.84	\$39,570	\$45,659
Improvement Value Cost per Capita x SF Density (Census)	\$4,440 x 2.84	\$12,610	\$12,610
Admin Charge – 2% of Land & Improvement Values	0.02	<u>\$1,044</u>	<u>\$1,165</u>
<b>Total Single Family (SF) Dwelling Fee</b>		<b>\$53,224</b>	<b>\$59,434</b>
Land Value Cost per Capita x MF Density (Census)	D x 1.92	\$26,751	\$30,868
Improvement Value Cost per Capita x MF Density (Census)	\$4,440 x 1.92	\$8,525	\$8,525
Admin Charge – 2% of Land & Improvement Values	0.02	<u>\$706</u>	<u>\$788</u>
<b>Total Multi Family (MF) Dwelling Fee</b>		<b>\$35,982</b>	<b>\$40,181</b>

12

12



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## Proposed Fees for FY 2026/27

Single Family and Multi-Family Dwelling Unit Fee by Zip Code


Quimby		FY2025/26	FY2026/27	Change
<b>95050</b>	Single Family	\$57,394	\$59,434	+\$2,040
	Multi Family	\$38,802	\$40,181	+\$1,379
<b>95051</b>	Single Family	\$58,785	\$61,294	+\$2,509
	Multi Family	\$39,741	\$41,438	+\$1,697
<b>95054</b>	Single Family	\$55,830	\$56,635	+\$805
	Multi Family	\$37,744	\$38,289	+\$545

Mitigation Fee Act (MFA)		FY2025/26	FY2026/27	Change
<b>95050</b>	Single Family	\$51,392	\$53,224	+\$1,832
	Multi Family	\$34,744	\$35,982	+\$1,238
<b>95051</b>	Single Family	\$52,597	\$54,837	+\$2,240
	Multi Family	\$35,558	\$37,073	+\$1,515
<b>95054</b>	Single Family	\$50,036	\$50,799	+\$763
	Multi Family	\$33,827	\$34,342	+\$515

13

13



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## Recommendation

- Adopt a resolution, in accordance with City Code Chapter 17.35, establishing average per-acre land values and park development costs used for calculating parkland in-lieu fees for residential development for FY 2026/27 and updating the Municipal Fee Schedule.

14


14



***Backup Slides Follow***

15

15



## Council Fee Policy – Direction & Effects

- Council Ordinance 1937 - Removed park dedication prerequisite for credit
- Council Resolution No. 19-8749 (August 2019)
  - Parkland Cost Recovery: maintained 2017 land valuation, rather than updates in 2018 & 2019
  - Parkland Improvement Cost Recovery: increased the 2014 value per capita of \$807 to the 2018 value of \$3,471
- Council Resolution No. 19-8769 (October 2019) - Net increase of \$2,664 phased in over a 4-year period
- Policy effects on fees collected 2018-2021 - Net loss of \$4,582,800 (based on actual project fees)

Year	2018	2019	2020	2021	2022
<b>Cost Recovery Amount</b>	<b>\$3,471</b>	<b>\$3,471</b>	<b>\$3,471</b>	<b>\$3,471</b>	<b>\$3,471</b>
<b>Per Capita Amount Applied</b>	<b>\$807</b>	<b>\$1,473</b>	<b>\$2,139</b>	<b>\$2,805</b>	<b>\$3,471</b>
<b>Difference</b>	<b>\$2,664</b>	<b>\$1,998</b>	<b>\$1,332</b>	<b>\$666</b>	<b>\$0</b>

16

16



# Sample Fee Calculation for Zip Code 95050

Zip Code Trend Analysis: 95051 trends above 95050, while 95054 trends below 95050

Applicable Fee Type	Calculation	MFA	Quincy
<b>Cost Components</b>			
\$/Acre (valuation date 12-31-2025)	A	\$5,359,000	\$5,359,000
Park Acres/1000 Pop. LOS Standard	B	2.6	3
Total Cost per 1,000	$C = A \times B$	\$13,933,400	\$16,077,000
Cost per Capita	$D = C/1000$	\$13,933	\$16,077
<b>Land Value per Capita</b>			
Density Single Family (Census)	$D \times 2.84$	\$39,570	\$45,659
Improvement Value (2025: \$4,273 - 3.9%)	$\$4,440 \times 2.84$	\$12,610	\$12,610
<b>Improvement Value per Capita</b>			
Admin Charge	0.02	\$1,044	\$1,165
<b>Admin Charge 2% of Land &amp; Improvement</b>			
<b>Total Single Family (SF) Dwelling Fee</b>		<b>\$53,224</b>	<b>\$59,434</b>
Density Multi Family (Census)	$D \times 1.92$	\$26,751	\$30,868
Improvement value (2025: \$4,273 - 3.9%)	$\$4,440 \times 1.92$	\$8,525	\$8,525
Admin Charge	0.02	\$706	\$788
<b>Total Multi Family (MF) Dwelling Fee</b>		<b>\$35,982</b>	<b>\$40,181</b>