

City of Santa Clara  
Fees Due In-Lieu of Parkland Dedication  
Public Comment and Communication  
March 2018 through February 2019

## Gina Saporito

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**From:** Clysta <clysta@igc.org>  
**Sent:** Tuesday, February 26, 2019 4:41 PM  
**To:** Gina Saporito  
**Subject:** Residential Impact Fee Comments

Thank you for the opportunity to provide community input regarding new residential impact fees.

I support the proposed new fee schedule. Over the years reports and fee tables have been calculated and presented for community review. I have attended and commented.

Our city has experienced increased land values since this ordinance became part of the municipal code. The ordinance generously allows developers to get credit for up to 50% of these fees by providing **private** onsite amenities for the new property residents.

These fees are important to me regarding our city's ability to provide **public** parks for a growing denser population. I suggest that the City Council be advised to consider lowering the 50% credit for private amenities over the next year. I worry about a lack of safe outdoors public open space for young mothers, seniors and those with special needs.

The current proposed fees also move Santa Clara closer to residential impact fees already charged for many years in neighboring cities.

I urge the City to recommend this new fee schedule be adopted by the City Council in early April, 2019 in order to become effective no later than the beginning of the 2019-2020 fiscal year.

My appreciation to the Parks and Recreation leadership and staff for answering my interminable questions around this technical topic.

Clysta Seney  
Santa Clara Resident

## Gina Saporito

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**From:** diane@dianesdreamdestinations.biz  
**Sent:** Tuesday, February 26, 2019 4:38 PM  
**To:** Gina Saporito  
**Subject:** Administrative Draft of the Park and Recreation Facilities Development Impact Fee

I just heard of this, so don't have time to read the act. But, I find myself agreeing with Mark Acton that developers should pay impact fees that can be used for public parks, along with fees for public roads & sewers. It isn't right for them to take the money and run, leaving Santa Clara to pay for all the impacts of the new residents.

Also, all fees should be determined based on the number of new residences created, if they aren't already. I.e. your fees are a lot lower for a few residences than for a large complex. And maybe they should get a discount if the residences are seriously for low-income residents.

Also, as Mark said, builders will have to pay fees everywhere. And California is needing more affordable housing everywhere. So, scaring away developers should be our last concern.

Sincerely,

Diane Harrison  
3283 Benton St.  
Santa Clara, CA 95051  
408-554-5854 or 408-246-8149  
[diane@dianesdreamdestinations.biz](mailto:diane@dianesdreamdestinations.biz) <<mailto:diane@dianesdreamdestinations>>

## Gina Saporito

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**From:** Jan Hintermeister <jan.hintermeister@sbcglobal.net>  
**Sent:** Tuesday, February 26, 2019 2:33 PM  
**To:** Gina Saporito  
**Subject:** comments on Parks Impact Fees

26 February 2019

To: Gina Saporito, James Teixeira

I have followed the Park Impact Fee issue since its inception. I served on the Task Force that reviewed the methodology behind the 2016 Parkland Impact Fees. That Task Force included council members, community members as well as members of the development community, and in early 2016, thoroughly reviewed all aspects of the Park Impact Fee ordinance.

In the years since there has been an annual review of each year's proposed fees. I think our appraiser, Frank E. Schmidt of The Schmidt-Prescott Group, Inc. has done an excellent job of estimating Santa Clara land values. The Willdan Financial Group has also done a great job incorporating land and parks development costs into a new fee schedule. Our own Parks Department guides this entire process and should be commended.

The last several years has given me confidence that we have a good team in place to support the Parks Impact Fee ordinance and I endorse their conclusions. Every year though it seems like there are new questioned raised regarding the fees.

I heartily endorse the proposed fees. Santa Clara owes its residents, both new and old, high quality parks and recreation facilities and we should continue to push for 100% cost recovery. These fees are substantial, but remember that for many years, there were no fees, and as a result, we are left underserved in terms of parkland. I recognize that these fees are not meant to make up for past wrongs, however our historic parks deficit should motivate us to press for 100% cost recovery.

The fact that the proposed increase in parks fees did not take place in 2018, means that in essence, we as a City have lost money that could have been used to expand our park inventory. Also, in a time of rising land and development costs, we are in a sense always behind in our fees. Fees that are collected are not immediately spent, but instead are typically spent later when land and development costs have increased and our fees buy less.

Our fees have not hindered housing development in Santa Clara. One only needs to drive our streets and see that major housing developments are going up all over the City. This construction tells us that developers are still extremely interested in Santa Clara, even with the parks impact fees.

Please move ahead with the new fee schedule as recommended by the Parks Department.

Jan Hintermeister

2342 Castro Place

## Gina Saporito

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**From:** Mark Apton <mapton@gmail.com>  
**Sent:** Monday, February 25, 2019 9:28 PM  
**To:** Gina Saporito  
**Subject:** Park In Lieu Fees Public Comment;

Dear Ms. Saporito;

I think we took way too long to impose park impact fees on developers. The park impact fees were imposed in Santa Clara in 2014, We were the last city in the Bay Area to impose these fees. We need to impose higher fees to make up for the lost time. Massive numbers of units were added to the city and no fees were collected before 2014. Even with the fees, since 2014 very few if any new parks have been added to the city. Builders are flocking to the city. The idea that builders will go elsewhere to avoid fees is a blatant fallacy. We gave away the use of the Mary Gomez swim park to the private swim club. They tried to give away the International Swim Center to a private entity too. Apparently we are not collecting enough in Park impact fees from the developers. Both business and housing units cause more use of our parks we need to get the developers to pay their fair share.

Thank you,

Mark Apton  
1946 Monterey Ct.  
Santa Clara, Ca 95051

## Gina Saporito

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**From:** Dennis Martin <[dmartin@biabayarea.org](mailto:dmartin@biabayarea.org)>  
**Sent:** Thursday, February 07, 2019 2:02 PM  
**To:** Gina Saporito  
**Subject:** Re: Santa Clara Park Fee - Quimby Fee Question

Thanks for your reply Gina. From your reply I assume the city means to ignore the issues we raised in July. That doesn't seem fair. The 2019 Wildan report is not titled as a nexus study but as an "Update". Doesn't that mean it's an update to the 2014 nexus study?

Will the comments and questions BIA made at the January community meeting be addressed as well?

Thanks,  
Dennis Martin

On Feb 7, 2019, at 1:15 PM, Gina Saporito <[GSaporito@santaclaraca.gov](mailto:GSaporito@santaclaraca.gov)> wrote:

Hi Dennis,

As Art shared with you, the City will be posting questions and answers next week. The document included in your email below references the 2014 Nexus Study, not the 2019 Nexus Study. If you have questions related to the updated 2019 Nexus Study (posted on the City's website), let me know. Thanks!

Best,  
Gina

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**From:** Dennis Martin [<mailto:dmartin@biabayarea.org>]  
**Sent:** Wednesday, February 06, 2019 3:12 PM  
**To:** Gina Saporito  
**Subject:** RE: Santa Clara Park Fee - Quimby Fee Question

Hi Gina,  
Art sent me your message as we were recently discussing this exact topic. I hope that the Q & A include a comprehensive response to the BIA peer review report submitted last year. We have never received a response to the issues raised in this review. I've attached the report in case it has somehow been misplaced.  
Thank you,

Dennis Martin  
BIA Government Affairs  
408-294-5687

Hi Art,

We will be posting questions and answers next week ☺

Best,

Gina

**Gina Saporito**

1500 Warburton Avenue | Santa Clara, CA 95050  
D: 408.615.2249 | Parks & Recreation  
[www.SantaClaraCA.gov](http://www.SantaClaraCA.gov) | **Parks Make Life Better!**

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**From:** Art May [<mailto:amay@keystonedg.com>]  
**Sent:** Tuesday, February 05, 2019 4:16 PM  
**To:** Gina Saporito  
**Cc:** James Teixeira  
**Subject:** Santa Clara Park Fee - Quimby Fee Question

Gina,

I am following up on my question to you following last month's park fee community/stakeholder meeting. My question revolves around the inclusion of park improvement costs for the Quimby Fee. Per the City's new Nexus Study, the Quimby fee is based on the dedication of parkland and not the improvements on the parkland (see attached highlighted lines on page 17). If that is true, why are the improvement costs included in the Quimby fee calculation (see attached highlighted lines on page 19)?

Additionally, when is the City going to address our questions raised at the community and stakeholder meetings last June? We would appreciate a response so we can provide timely comments. I am also happy to meet with you if that would be helpful. Thanks,

**Art May**

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# Review of Park and Recreation Development Impact Fee Update

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City of Santa Clara  
June 2018

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Prepared by:

The logo consists of the letters 'DFA' in a white, serif font, centered within a dark gray rectangular box.

Development & Financial Advisory

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## Background

Development & Financial Advisory (“DFA”) was retained by the Building Industry Association of the Bay Area (“BIA”) to conduct an evaluation of the City of Santa Clara (“City”) Park and Recreation Facilities Development Impact Fees (“Park Fees”).

With more than 60 years of combined experience, the DFA team of advisors has successfully advised clients throughout California with preparation and advisory of nexus-based studies and analyses. Experience includes the preparation of public infrastructure financing plans, park and recreation facility nexus analysis and funding programs, large and small-scale development impact fee credit and reimbursement agreements as well as providing litigation support and expert witness testimony on nexus related matters.

## Contents of the Report

- 1) Scope of Work
- 2) Information and Source Documents
- 3) Evaluation and Findings of Report
- 4) Conclusions and Recommendations

### 1. Scope of Work

The scope of work comprised of the review and evaluation of the City Park and Recreation Facilities Fees and relevant supporting documents. Included in the review and evaluation was an assessment of consistency among the nexus assumptions, the Park and Recreation Land ordinance, City general plan and City parkland inventory, and the Facility Condition Assessment Report prepared by Kitchell CEM. In addition, DFA evaluated specific methodologies and assumptions utilized in the City nexus analysis, and the Kitchell Report.

### 2. Information and Source Documents

Based on accessible public information, including City agenda documents, City website and other online research, the following documents and information were collected and reviewed.

- i) City Park and Recreation Facilities Development Impact Fee Study, June 25, 2014 (“2014 Nexus Study”)
- ii) Facility Condition Assessment Report, Dated February 21, 2018. (“Kitchell Report”)
- iii) City Council Resolution Establishing the Parkland In-Lieu Fee for 2018-19 (“Park Fee Update Resolution”)

### 3. Evaluation and Findings of Report

**2018 Fee Update for FY18-19:** The City Council updated the park impact fee for FY18-19 with the Park Fee Update Resolution. This update uses the 2014 Nexus Study to justify the park fees and updates it with

values taken from the Kitchell Report. This approach of incorporating cost estimates from the facility condition assessment report into the previous nexus report is erroneous and potentially invalidates the City's proposed adoption of 2018-19 park fees due to the misguided use of information extracted from the Kitchell Report. This approach contradicts the nexus methodology adopted by City Council when the 2014 Nexus Study was approved. As described below, the reasons for this are as follows:

- 1) **Existing Inventory Methodology vs Total Replacement Cost:** The 2014 Nexus Study identifies the 'Existing Inventory Methodology' as the methodology used to determine the level of funding required from new development. The 2014 Nexus Study outlines which current City facilities comprise the existing inventory and defines how they are valued. From the 2014 Nexus Study:

“To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development”

To this end, the 2014 Nexus Study identifies an inventory of existing parks and their corresponding park facility values based on the then-current City of Santa Clara Public Entity Property Insurance Program (PEPIP). The Kitchell Report however is a Facility Condition Assessment, with a defined purpose as follows:

- Inventory all Parks and Recreation Assets in the City's Enterprise Asset Management System/Geographic Information System for use in a work order system;
- Assess asset conditions;
- Identify current deficiencies of the assets inventoried;
- Determine the costs of repair and/or replacement of the current deficiencies;
- Forecast anticipated future necessary renewals and costs for site systems over a 20-year life cycle;
- Assist the City in preventive maintenance planning; and
- Use in the Department's Capital Improvement Project (CIP) budget planning.

The Kitchell Report defines Total Replacement Cost as follows, “the total cost to remove and replace the existing park or building in-kind”. It goes on, “the total replacement cost encompasses all aspects of a facility including those assets that are not expected to reach the end of their useful life within the next 20 years.”

The City's proposed application of replacing the adopted methodology with total replacement costs of all City buildings and parks, is not valid and contradicts both the existing methodology adopted in the 2014 Nexus Study as well as commonly acceptable applications of nexus law. By using the replacement cost estimates from the Kitchell Report, the City (i) ignores existing facility standards and thereby charges new development an excessive level of service compared to existing service levels and (ii) overburdens new development with a cost basis driven by asset replacement costs rather than existing inventory values – as defined by adopted methodology in the 2014 Nexus Study.

- 2) **Additional Issues with using Kitchell Report Values:** Beyond the inability of the 2014 Nexus Study to demonstrate a nexus between the Total Replacement Cost and new development, there are a number of additional issues which serve to show the degree to which the facility values in the Kitchell Report are inapplicable to the 2014 Nexus Study.

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- a. **Inconsistent values between Kitchell Report and Fee Update Resolution.** In Section 2. G. of the Park Fee Update Resolution, the City Council replaced the value of the Improvements and Special Use Facilities of \$78,100,633 with a value of \$403,043,173. This drives the Improvements and Special Use Facilities Cost per Acre from \$319,000 to \$1,611,105 per acre. This change is because the City replaced the analysis in Appendix A.1. of the Nexus study with the Kitchell Report. *Note while the Resolution uses a value of \$403,043,173; the draft of the report provided to DFA shows a total value of \$408,683,013.* DFA cannot determine which facilities were removed from this total, but the Park Fee Update Resolution clearly indicates the Kitchell Report dated February 21, 2018. Please see Figure 1 for a listing of the park values in the Kitchell Report.
  - b. **Additional Facilities included in Kitchell Report:** Of the \$408,683,013 of Total Replacement costs identified in the Kitchell Report only of \$233,918,522 represents park facilities identified in the 2014 Nexus Study as existing inventory. This means the Park Fee Update Resolution further violates the 2014 Nexus Study by including items as existing inventory which were specifically excluded previously. Please see Figure 2 for this comparison. Examples of this include:
    - i. The “Agnews Historic Park Clocktower, Mansion & Auditorium” valued at \$62,988,240
    - ii. The “Mission City Center for the Performing Arts” valued at \$40,462,347
  - c. **Revenue from Sold Facilities:** Of the initial \$78.1mm of existing facilities in the 2014 Nexus Study, only about \$64mm are included in the Kitchell Report (these facilities were valued at \$233.9mm, per above). This means that:
    - i. The City needs to account for offsetting revenue from sale of the Santa Clara Golf and Tennis Club and,
    - ii. This means the City is valuing, on average the same park facility inventory at 939% more than in 2014.
  - d. **Revenue from Sold Vehicles:** The City did not update the vehicle / fleet costs between 2014 and 2018 but needs to account for offsetting revenue from sold vehicles.
  - e. **No Value Given to Existing Capacity / Population Changes:** From 2014 to 2017, the City did not expand its park inventory, therefore, some current capacity must have been in the park system. If not, in 2018, the current City population should be used, and the park acreage per resident should be adjusted. The 2014 Nexus Study used the 2010 Census estimate of 116,468 residents, the 2016 estimate is 125,948. If large adjustments are made to other parts of the study, then updates to the population per acre of parkland should be made as well. Additionally, the City should investigate the person per household density factors assumed for single family (2.90) and multifamily (2.24).

- f. **Several Parks in the 2014 Nexus Study not Owned by City:** At least three of park sites do not appear to be owned by the City and if confirmed, should be removed from the existing park inventory:
- i. Elmer Johnson Field (5.1 Acres), Townsend Field (5.00 acres), and Washington Park Baseball Field (8.2 acres), are all owned by SCUSD. The City paid to build or repair these facilities and maintains them but SCUSD owns the land.
  - ii. Mission College Sports Complex (19.40 acres) may be owned by Mission College and not the City.

#### 4. Conclusions and Recommendations

The City has presented the 2018 update as simple modification to the existing park values used in the 2014 Nexus Study, but those values are derived using (i) an entirely different methodology (as described in section 1 above), (ii) include several facilities which are not parks and are not identified in the 2014 Nexus Study as City park facilities, and (iii) are the “Total Replacement Cost” of current City facilities, some of which are in poor or critical condition. For these reasons, the fee should be paid under protest as this is not a valid way to update the City’s park fee Nexus Study, and the City should rescind this fee increase so as not to violate the AB1600 Nexus Requirements.

Additionally, if the City is going to update their Park Nexus Study, the City needs to

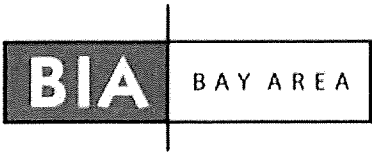
- Use current PEPPIV values for City Park Facilities
- Identify which park facilities are actually owned by the City, as nearly 40 acres of the 295 identified appear to be owned by other agencies
- Update the City population from 116,468 to 125,948
- Update the person per household density factors assumed for single family (2.90) and multifamily (2.24)
- Identify any revenue from the sale assets such as vehicles and or the Santa Clara Golf and Tennis Club.

**Figure 1: Updated Park Costs Adopted by City Council:**

Park Name	In 2014 Nexus Study?	Cost in 2018 Update
Agnew Park	Yes	\$ 2,599,954.00
Agnews Historic Cemetary	Yes	\$ 1,952,839.00
Agnews Historic Park Clocktower, Mansion & Auditorium	No	\$ 62,988,240.00
Bowers Park	Yes	\$ 7,985,990.00
Bracher Park	Yes	\$ 1,544,543.00
Central Park - East	Yes	\$ 23,795,447.00
Central Park - West	Yes	\$ 6,211,578.00
City Plaza Park	Yes	\$ 614,380.00
Community Recreation Center	Yes	\$ 31,465,160.00
Civic Center Park	No	\$ 937,765.00
Earl R. Carmichael Park (Gymnastics Center)	Yes	\$ 8,206,192.00
Elmer Johnson Field	No	\$ 516,621.00
Everett Alvarez Jr. Park	Yes	\$ 1,659,520.00
Fairway Glen Park	No	\$ 1,613,055.00
Former Kaiser Hospital Site	Yes	\$ -
Fremont Park	No	\$ 518,591.00
Fuller Street Park	Yes	\$ 1,330,530.00
Geof Goodfellow Sesquicentennial Park	No	\$ 160,482.00
Henry Schmidt Park	Yes	\$ 5,936,200.00
Homeridge Park	Yes	\$ 1,458,076.00
International Swim Center	Yes	\$ 29,858,132.00
Jenny Strand Park	Yes	\$ 1,837,509.00
Larry J Marsalli Park	Yes	\$ 2,844,153.00
Lick Mill Park	Yes	\$ 8,727,244.00
Live Oak Park	Yes	\$ 1,914,760.00
Machado Park	Yes	\$ 2,743,204.00
Mary Gomez Park	Yes	\$ 8,720,015.00
Maywood Park	Yes	\$ 4,354,105.00
Memorial Cross Park	No	\$ 98,675.00
Mission City Center for the Performing Arts (Zero Acreage)	No	\$ 40,462,347.00
Mission City Memorial Park	Yes	\$ 14,681,258.00
Mission College Sports Complex	No	\$ 10,388,599.00
Montague Park	Yes	\$ 9,427,856.00
Montague Swim Center	Yes	\$ 5,652,344.00
Parkway Park	Yes	\$ 1,600,547.00
Raymond G Gamma Dog Park (Reed street)	No	\$ 377,960.00
Rotary Park	No	\$ 220,887.00
San Tomas Aquino Creek Trail	No	\$ 4,301,154.00
Santa Clara Senior Center	Yes	\$ 33,055,038.00
Santa Clara Youth Soccer Park	Yes	\$ 12,951,111.00
Skate Park	Yes	\$ 1,387,241.00
Steve Carli Park	Yes	\$ 2,683,243.00
Teen Center	Yes	\$ 9,561,295.00
Thamien Park	Yes	\$ 2,304,980.00
Thomas Barrett Park (BAREC)	No	\$ 1,129,456.00
Townsend Field	No	\$ 643,926.00
Ulistac Natural Area	No	\$ 306,362.00
Walter E. Schmidt Youth Activity Center	Yes	\$ 20,968,986.00
War Memorial Playground	Yes	\$ 1,203,302.00
Warburton Park and Pool	Yes	\$ 6,496,017.00
Washington Park Baseball Field	No	\$ 3,583,539.00
Westwood Oaks Park	Yes	\$ 2,702,605.00
<b>Total Park Costs</b>		<b>\$408,683,013</b>

**Figure 2: Analysis of Parks Identified as Current Inventory in the 2014 Nexus Study**

Park Name	Cost in 2014 Nexus Study	Total Replacement Cost in 2018 Update	Current Kitch 2018 Value	Percentage Increase
Agnew Park	\$ 257,890	\$ 2,599,954	\$ 2,093,736	812%
Agnews Historic Cemetary	\$ 129,818	\$ 1,952,839	\$ 1,952,483	1504%
Bowers Park	\$ 367,949	\$ 7,985,990	\$ 7,124,702	1936%
Bracher Park	\$ 273,101	\$ 1,544,543	\$ 1,502,958	550%
Central Park - East	\$ 1,644,630	\$ 23,795,447	\$ 20,566,642	1251%
Central Park - West	\$ 1,644,630	\$ 6,211,578	\$ 4,719,883	287%
City Plaza Park	\$ 162,062	\$ 614,380	\$ 575,729	355%
Community Recreation Center	\$ 15,070,384	\$ 31,465,160	\$ 30,438,220	202%
Earl R. Carmichael Park (Gymnastics Center)	\$ 432,007	\$ 8,206,192	\$ 7,566,681	1752%
Everett Alvarez Jr. Park	\$ 176,368	\$ 1,659,520	\$ 1,643,813	932%
Fuller Street Park	\$ 74,409	\$ 1,330,530	\$ 1,315,913	1768%
Henry Schmidt Park	\$ 459,381	\$ 5,936,200	\$ 5,324,613	1159%
Homeridge Park	\$ 183,197	\$ 1,458,076	\$ 898,303	490%
International Swim Center	\$ 9,258,413	\$ 29,858,132	\$ 5,431,861	59%
Jenny Strand Park	\$ 120,970	\$ 1,837,509	\$ 1,639,908	1356%
Larry J Marsalli Park	\$ 144,980	\$ 2,844,153	\$ 2,477,244	1709%
Lick Mill Park	\$ 889,577	\$ 8,727,244	\$ 8,065,259	907%
Live Oak Park	\$ 237,321	\$ 1,914,760	\$ 1,881,766	793%
Machado Park	\$ 322,144	\$ 2,743,204	\$ 2,105,481	654%
Mary Gomez Park	\$ 2,040,040	\$ 8,720,015	\$ 7,248,084	355%
Maywood Park	\$ 324,043	\$ 4,354,105	\$ 3,484,324	1075%
Mission City Memorial Park	\$ 1,525,971	\$ 14,681,258	\$ 12,734,630	835%
Montague Park	\$ 928,178	\$ 9,427,856	\$ 8,753,326	943%
Montague Swim Center	\$ 928,178	\$ 5,652,344	\$ 2,639,385	284%
Parkway Park	\$ 436,265	\$ 1,600,547	\$ 1,559,943	358%
Santa Clara Senior Center	\$ 14,894,873	\$ 33,055,038	\$ 32,311,359	217%
Santa Clara Youth Soccer Park	\$ 687,057	\$ 12,951,111	\$ 12,785,279	1861%
Skate Park	\$ 141,179	\$ 1,387,241	\$ 1,372,758	972%
Steve Carli Park	\$ 65,023	\$ 2,683,243	\$ 2,529,067	3889%
Teen Center	\$ 3,558,506	\$ 9,561,295	\$ 9,369,841	263%
Thamien Park	\$ 198,312	\$ 2,304,980	\$ 2,292,951	1156%
Walter E. Schmidt Youth Activity Center	\$ 5,572,728	\$ 20,968,986	\$ 20,516,512	368%
War Memorial Playground	\$ 172,474	\$ 1,203,302	\$ 1,200,296	696%
Warburton Park and Pool	\$ 1,061,964	\$ 6,496,017	\$ 5,836,638	550%
Westwood Oaks Park	\$ 340,680	\$ 2,702,605	\$ 1,958,934	575%
	\$ 64,724,700	\$ 280,435,354	\$ 233,918,522	939%



BUILDING INDUSTRY ASSOCIATION

February 6, 2019

Manuel Pineda  
Assistant City Manager  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

Transmitted by email

**Re: City of Santa Clara Housing Occupancy Analysis**

Dear Mr. Pineda,

On behalf of BIA Bay Area, I thank you for scheduling additional meetings and comment period to discuss and receive feedback regarding the January 4, 2019 Draft City of Santa Clara Park and Recreation Facilities Development Impact Fee Update Study (the Draft Update).

BIA Bay Area agrees with the principle stated in the Draft Update that development should pay its own way, however, it is also true that development should not be compelled to pay what it does not owe. It is BIA's interpretation that the Draft Update, if adopted, would result in overcharging residential development for park and recreation impacts.

According to the Legislative Analyst Office, the Bay Area Council, and many other authorities, impact fees are a significant obstacle to the production of housing. The National Association of Home Builders has determined that every \$1,000 increase in the cost of a new home prices over 9,000 California households out of the housing market. In Santa Clara increased park and recreation impact fees as a consequence of adoption of the Draft Update would add over \$12,000 to the cost of each new home, pricing tens of thousands of households out of the market.

Proposed parks in lieu fee increases of the magnitude proposed in the Draft Update severely impact feasibility and affordability of housing projects. The City would best serve its residents and businesses by adopting fees increases that are rationally and reasonably related to true impact of development. Unreasonable fee increases raise serious questions regarding the validity of the methodology employed in the Draft Update.

An important argument raised by development stakeholders at the January 22, 2019 Community Meeting regarding the Draft Update is that the fee increases unreasonably rely on a people per household (PPH) occupancy factor that is wholly out of line with the size, type and mix of units in residential developments that are currently being proposed and built in the City of Santa Clara and in the Silicon Valley region. In the Draft Update, PPH, a key factor in the formula driving the park fee increase, is inflated by reliance on a gross average of PPH occupancy in historically larger multi bedroom units.

The Draft Update has failed to analyze “real world” conditions and therefore does not take into account that new residential development, especially multifamily development, generates fewer persons per household than assumed in the Draft Update, therefore incurring less impact and less need for new parks and facilities.

BIA has commissioned the *City of Santa Clara Housing Occupancy Analysis* (the Analysis) that concludes high density, i.e. multifamily development will produce more studio and one bedroom units and will house, on average, fewer people per unit than multi bedroom units.

BIA encourages the City to utilize the Analysis in conjunction with a review of the Draft Update methodology as it pertains to occupancy and population impacts on park and recreation facilities. To summarize key points in the Analysis:

- US Census Bureau American Community Survey data demonstrates that nonfamily households generate few persons per household than family households;
- US Census Bureau American Community Survey data also demonstrates that 33% of households in the City of Santa Clara and the Silicon Valley region are nonfamily households and that non-family households in the City have on average 1.46 people per household;
- It is reasonable to assume that many non-family households and 1person or 2-person households are residents in multifamily housing developments;
- Real world data from over 9,000 newer Silicon Valley residential units indicates that the size and mix of units in new developments in the Silicon Valley region have a significant effect on the PPH number of residents generated by those developments, resulting in a lower average PPH factor;
- Each residential development should be evaluated based on the respective unit mix and an estimated PPH factor should be developed based on unit type;
- The City’s should establish a park fee calculation based on a sliding scale of the PPH factor to more accurately reflect actual impacts of new residential development of different household types and unit size and the need for new parkland and park facilities.

BIA strongly encourages the City to adjust and revise the Draft Update using real world values as outlined in the Analysis for PPH and recalculate the park and recreation impact fees that considers the lower population impacts of multifamily developments.

Impact fees, restrictive land use regulations, infrastructure costs, and rising labor costs create serious impediments to addressing the housing affordability crisis the region is facing. It is critical that the City of Santa Clara continue to produce housing for all incomes. The City’s jobs/housing imbalance is a testament to the under production of housing to meet the demands of its robust economy.

BIA is committed to working with the City of Santa Clara to find fair and reasonable solutions to the park and recreation development impact fee dilemma. Please feel free to contact me with any questions or comments.

Very truly yours,

Dennis Martin  
BIA Government Affairs

cc: James Teixeira

Encl: City of Santa Clara Housing Occupancy Analysis, Development & Financial Advisory



## Gina Saporito

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**From:** Art May <amay@keystonedg.com>  
**Sent:** Tuesday, February 05, 2019 4:16 PM  
**To:** Gina Saporito  
**Cc:** James Teixeira  
**Subject:** Santa Clara Park Fee - Quimby Fee Question  
**Attachments:** Updated Park Fee Study - Quimby Act Item 2.5.19.pdf

Gina,

I am following up on my question to you following last month's park fee community/stakeholder meeting. My question revolves around the inclusion of park improvement costs for the Quimby Fee. Per the City's new Nexus Study, the Quimby fee is based on the dedication of parkland and not the improvements on the parkland (see attached highlighted lines on page 17). If that is true, why are the improvement costs included in the Quimby fee calculation (see attached highlighted lines on page 19)?

Additionally, when is the City going to address our questions raised at the community and stakeholder meetings last June? We would appreciate a response so we can provide timely comments. I am also happy to meet with you if that would be helpful. Thanks,

**Art May**

Keystone Development Group, LLC  
1611 Telegraph Ave, Suite 1150  
Oakland, CA 94612  
Phone: 510.454.8716  
Cell: 510.206.9130  
[amay@keystonedg.com](mailto:amay@keystonedg.com)

## Park Facility Standards

Park facility standards establish a reasonable relationship between new development and the need for expanded park facilities. Information regarding the City's existing inventory of existing parks facilities was obtained from City staff.

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city's existing inventory of park facilities), or an adopted policy standard contained in a master facility plan or general plan. Facility standards may also be based on a land dedication standard established by the Quimby Act.<sup>1</sup>

### *Mitigation Fee Act*

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.<sup>2</sup> A simple and clearly defensible approach to calculating a facility standard is to use the city's existing ratio of park acreage per 1,000 residents. Under this approach, new development is required to fund new park facilities at the same level as existing residents have provided those same types of facilities to date.

### *Quimby Act*

The Quimby Act does specify facility standards to use for parkland dedication. The Act only includes dedication of parkland and does not require construction of park improvements. The Act specifies that the dedication requirement must be a minimum of 3.0 acres and a maximum of 5.0 acres per 1,000 residents. Funds collected through the Quimby ordinance can only be used for purchasing land to create neighborhood and community parks, not open space. The city can require residential developers to dedicate above the three-acre minimum if the city's existing park standard as of the last Census justifies the higher level (up to five acres per 1,000 residents). The standard used must also conform to the City's adopted general or specific plan standards.

The Quimby Act only applies to land subdivisions. A city cannot apply the Quimby Act to development on land subdivided prior to adoption of a Quimby ordinance, such as development on infill lots. The Quimby Act also would not apply to residential development on future approved projects on single parcels, such as many types of multi-family development.

The Quimby Act allows payment of a fee in lieu of land dedication. The fee is calculated to fund acquisition of the same amount of land that would have been dedicated. The fee does not include the cost of park improvements because the land dedication requirement does not include improvements.

The Quimby Act allows use of in-lieu fee revenue for any park or recreation facility purpose. Allowable uses of revenue include land acquisition, park improvements including recreation facilities, and rehabilitation of existing park and recreation facilities.

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<sup>1</sup> California Government Code §66477.

<sup>2</sup> See the *benefit and burden* findings in Chapter 5, *Mitigation Fee Act Findings*.

## Facilities Needed to Accommodate New Development

Table 9 shows the park facilities needed to accommodate new development at the existing standard. To achieve the standard by the planning horizon, depending on the amount of development subject to the Quimby Act, new development must fund the purchase and improvement of between 72.97 and 85.18 parkland acres, at a total cost ranging between \$384.3 and \$432.1 million.

The facility standards and resulting fees under the Quimby Act are higher because development will be charged to provide 3.0 acres of parkland per 1,000 residents, and 2.57 acres of improvements, whereas development not subject to the Quimby Act will be charged to provide only 2.57 acres of parkland per 1,000 residents, and 2.57 acres of improvements. Since the exact amount of development that will be subject to the Quimby fees is unknown at this time, Table 9 presents the range of total facility costs that may be incurred depending on the amount of development subject to the Quimby Act.

**Table 9: Park Facilities to Accommodate New Development**

	Calculation	Parkland	Improvements	Total Range <sup>1</sup>
<i>Parkland (Quimby Act), Improvements (Mitigation Fee Act)<sup>2</sup></i>				
Facility Standard (acres/1,000 residents)	A	3.00	2.57	
Resident Growth (2018-2035)	B	<u>28,392</u>	<u>28,392</u>	
Facility Needs (acres)	$C = (B / 1,000) \times A$	85.18	72.97	
Average Unit Cost (per acre)	D	<u>\$ 3,922,000</u>	<u>1,344,000</u>	
Total Cost of Parkland To Serve New Development	$E = C \times D$	<u>\$ 334,075,960</u>	<u>\$ 98,071,680</u>	\$ 432,147,640
<i>Parkland and Improvements - Mitigation Fee Act<sup>3</sup></i>				
Facility Standard (acres/1,000 residents)	F	2.57	2.57	
Resident Growth (2018-2035)	G	<u>28,392</u>	<u>28,392</u>	
Facility Needs (acres)	$H = (G / 1,000) / F$	72.97	72.97	
Average Unit Cost (per acre)	D	<u>\$ 3,922,000</u>	<u>1,344,000</u>	
Total Cost of Parkland To Serve New Development	$I = H \times D$	<u>\$ 286,188,340</u>	<u>\$ 98,071,680</u>	\$ 384,260,020

Note: Totals rounded to the thousands.

<sup>1</sup> Values in this column show the range of the cost of parkland acquisition and development should all development be either subject to the Quimby Act, or to the Mitigation Fee Act, respectively.

<sup>2</sup> Cost of parkland to serve new development shown if all development is subject to the Quimby Act (subdivisions). Parkland charged at 3.0 acres per 1,000 residents; improvements charged at the existing standard.

<sup>3</sup> Cost of parkland to serve new development shown if all development is subject to the Mitigation Fee Act. Parkland and improvements are charged at the existing standard.

Sources: Tables 1, 5, and 8.



# Memorandum

To: Dennis Martin  
From: Development & Financial Advisory ("DFA")  
CC: Pat Sausedo  
Date: 2/5/2019  
Re: City of Santa Clara Housing Occupancy Analysis

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## Introduction

Development & Financial Advisory ("DFA") has conducted an evaluation of housing occupancy information to provide tangible data associated with the number of "people per household" for higher density housing, namely multifamily units, including the recognition for differences among multifamily developments based on the mix of unit types. It is anticipated the findings of DFA's evaluation will be utilized in conjunction with a review of the City of Santa Clara ("City") park fee methodology as it pertains to occupancy and population impacts on park and recreation facilities.

## Executive Summary

Empirical data supports the fact that a multifamily development more heavily weighted with studio apartments and one-bedroom units will house, on average, fewer people than multi bedroom units. Those development projects that house a smaller population have a lower impact on City parks and other public services. Therefore, a distinction should be made among developments, identifying the respective mix of unit types and quantifying the population on people per household factors.

According to the U.S. Census Bureau, American Community Survey 5-year estimates (Census Data), non-family households in the City have 1.46 people per household versus family households which have 3.19 people per household. Non-family households total 33% of households in the City and 91% of non-family households are 1-person and 2-person households. It is reasonable to conclude, many of these non-family households and 1-person or 2-person households are residents in multifamily housing developments. It is DFA's opinion the City should implement a park fee schedule that considers the lower population impacts of multifamily housing developments.

## Occupancy Data & Analysis

The Census Data conclusions are logical and should be used to develop a more accurate means for estimating population for a given development. For example, a similar approach is being applied in the City of San Jose (San Jose).

San Jose has established a “scaled” park fee schedule based on estimated number of persons per unit. Below is a table obtained from the San Jose park land fee schedule, as of March 2018.

Rates are effective March 1, 2018

**EXHIBIT A**  
**2017/2018 Parkland In-Lieu Fees**

MLS ZONE	AREA COVERED	100% OF COST/ SQUARE FOOT	PROPOSED FEE PER UNIT*						
			SINGLE FAMILY DETACHED	SINGLE FAMILY ATTACHED	MULTI- FAMILY 2-4 UNITS	MULTI- FAMILY 5+	DOWNTOWN CORE AREA HIGHRISE (non-Incentive) 12+ Stories	SINGLE RESIDENCY OCCUPANCY UNIT (SRO)	SECONDARY RESIDENTIAL UNIT (Granny Unit) Maximum of 800 sq feet
Number of Persons Per Unit - 2010 Census Data; ACS; Survey			3.31	3.31	2.96	2.34	1.51	1.00	60% of SRO
Number of Dwelling Units to create 1 acre of Raw Parkland			100.7	100.7	112.6	142.5	220.6	333.3	n/a

The San Jose park fee schedule indicates a range of number of persons per unit from a low of 1.0 for Single Residency Occupancy (SRO) to a high of 3.31 for single family detached homes. Multifamily persons per unit are differentiated based on density and whether the development is within the downtown Core Area.

The City of San Jose findings for the downtown core area largely considered the results of a direct survey, of which actual data occupancy information was collected from local leasing companies. This approach is consistent with DFA’s recommendation, which is to evaluate actual occupancy data, along with census data, to derive a more accurate means of estimating population impacts, park needs and ultimately resulting fee levels.

As noted above in the Executive Summary, a distinction should be made to account for the different types and sizes of households and their impact on population. Below is a summary table of City household data which supports the methodology of estimating population impacts based on housing and household types.

	Santa Clara city, California	
	Estimate	Margin of Error
Total:	43,417	+/-655
Family households:	28,899	+/-657
2-person household	11,085	+/-714
3-person household	7,438	+/-545
4-person household	6,444	+/-511
5-person household	2,343	+/-300
6-person household	771	+/-173
7-or-more person household	818	+/-189
Nonfamily households:	14,518	+/-709
1-person household	10,365	+/-650
2-person household	2,778	+/-441
3-person household	655	+/-248
4-person household	441	+/-138
5-person household	177	+/-114
6-person household	37	+/-28
7-or-more person household	65	+/-52

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

*Census Definition: A nonfamily household consists of a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom he/she is not related.*

**Occupant Data from Multifamily Projects**

DFA evaluated “real world” data to compare to the Census Data. DFA obtained occupancy numbers on Thirty-six (36) multifamily development projects located in northern California, primarily Santa Clara County. The occupancy numbers from these development projects was used to test the empirical data gathered from the U.S. Census Bureau. The information is provided on the attached Exhibit A. Below is a summary of the ten (10) developments with the lowest reported occupants per unit.

The results indicate a range of 1.40 -1.62 occupants per unit. Consistent with census data, the weighted balance of multi-family unit size and type is correlated with occupancy levels.

The ten (10) projects with the *lowest* occupant per unit ratio are:

<b>Development Name</b>	<b>Location</b>	<b>Occupants / Unit</b>	<b>% of Studio &amp; 1-Bedroom</b>	<b>% of 3+ Bedroom</b>
481 on Mathilda	Sunnyvale	1.40	68%	0%
Main Street Cupertino	Cupertino	1.45	100%	0%
Meridian	San Jose	1.52	61%	0%
360 Residences	San Jose	1.53	40%	6%
Century Towers	San Jose	1.54	63%	0%
Solstice	Sunnyvale	1.54	52%	0%
Museum Park	San Jose	1.55	60%	5%
One South Market	San Jose	1.56	73%	6%
Marquis	San Jose	1.58	58%	0%
Magnolia Square	Sunnyvale	1.62	71%	1%
<b>AVERAGE</b>		<b>1.53</b>	<b>64%</b>	<b>2%</b>

Additionally, DFA was provide data from local developers which included sixteen (16) multifamily development projects located in Southern California, Seattle and Oregon. The findings from those developments are consistent with the multifamily developments analyzed in this memorandum. In Seattle, seven (7) properties averaged 1.30 persons per household, with 82% of the units studio and 1-bedroom units. In Oregon, four (4) properties averaged 1.38 persons per household, with 84% of the units studio and 1-bedroom units. In Southern California, five (5) properties averaged 1.57 persons per household, with 73% of the units studio and 1-bedroom units.

**Nexus Methodology**

The Nexus methodology used to calculate park fees assumes all multifamily developments have a density of 2.4 occupants per household. *Only one (1) development, Foundry Commons in San Jose, reported occupant per unit ratios of 2.4 or higher. Foundry Commons is located near San Jose State and is reported to have a high number of occupants per unit comprising San Jose State students.*

*Nexus Table 2. Occupant Density, sources US Census Bureau, 2017 American Community Survey, Tables B25024 and B25033. Table B25033 provides the Total Population in Occupied Housing Units and B25024 provides the number of Housing Units. These tables do not provide for the distinction between family households and non-family households, nor does it account for variation in floorplans/ # of bedrooms. As a result, developments with smaller populations are artificially inflated to an assumption of 2.4 residents per dwelling unit.*

**Conclusions**

Overall, data on thirty-six (36) bay area developments were compiled, comprising 9,568 apartment units. The findings illustrate the relevance of evaluating developments based on their respective apartment type and mix of apartment sizes (# of bedrooms), to more accurately assign population estimates to development projects. DFA suggests each development be evaluated based on the respective unit mix. As example, this can be accomplished by developing an estimated person per household factor based on unit type, establishing a factor assumption for # of people/persons per unit type (for example: 1 person per studio, etc.).

The establishment of a fee schedule based on the actual characteristics of the development, rather than assigning a blanket population assumption for all multifamily developments, will provide for a more accurate means of quantifying park impacts from new development.

According to census data, non-family households in the City have 1.46 people per household. Non-family households total 33% of households in the City and 91% of non-family households are 1-person and 2-person households. DFA concludes the City should establish a mechanism to more accurately measure the population differences among multifamily development projects, which comprise of different household types and unit sizes.

**Park Fee Calculation Impacts:** To illustrate, the below park fee calculations are presented based on data assumptions from the City Nexus study dated January 4, 2019. The "Park Fee Calculation Tables" below reflect the three zip code based fee calculations presented in the Nexus. The below calculations quantify the change in park fee levels based solely on an adjustment to the density factor assumption, from a density assumption of 2.4 to a density assumption of 1.6.

**Park Fee Calculation Tables**

<b>Nexus Table 11a - Zip Code 95050</b>									
<b>MultiFamily</b>									
<b>Quimby</b>	<b>Cost</b>	<b>Density</b>	<b>Fee</b>	<b>Admin</b>	<b>Total</b>	<b>Adjusted Density</b>	<b>Fee</b>	<b>Admin</b>	<b>Total</b>
Parkland	\$11,214	2.4	\$26,914	\$538	\$27,452	1.6	\$17,942	\$359	\$18,301
Improvements	\$3,454	2.4	\$8,290	\$166	\$8,455	1.6	\$5,526	\$111	\$5,637
<b>Total</b>					<b>\$35,907</b>				<b>\$23,938</b>
<b>Mitigation Fee Act</b>									
Parkland	\$9,607	2.4	\$23,057	\$461	\$23,518	1.6	\$15,371	\$307	\$15,679
Improvements	\$3,454	2.4	\$8,290	\$166	\$8,455	1.6	\$5,526	\$111	\$5,637
<b>Total</b>					<b>\$31,973</b>				<b>\$21,316</b>

Zip Code 95050: The fee amounts are reduced from \$35,907 per unit to \$23,938 per unit, on the Quimby fee. The Mitigation Fee Act fee is reduced from \$31,973 per unit to \$21,316 per unit.

**Park Fee Calculation Tables**

<b>Nexus Table 11b - Zip Code 95051</b>										
<b>MultiFamily</b>										
<b>Quimby</b>	<b>Cost</b>	<b>Density</b>	<b>Fee</b>	<b>Admin</b>	<b>Total</b>	<b>Adjusted Density</b>	<b>Fee</b>	<b>Admin</b>	<b>Total</b>	
Parkland	\$11,979	2.4	\$28,750	\$575	\$29,325	1.6	\$19,166	\$383	\$19,550	
Improvements	\$3,454	2.4	\$8,290	\$166	\$8,455	1.6	\$5,526	\$111	\$5,637	
Total					\$37,780				\$25,187	
<b>Mitigation Fee Act</b>										
Parkland	\$10,262	2.4	\$24,629	\$493	\$25,121	1.6	\$16,419	\$328	\$16,748	
Improvements	\$3,454	2.4	\$8,290	\$166	\$8,455	1.6	\$5,526	\$111	\$5,637	
Total					\$33,577				\$22,385	

Zip Code 95051: The fee amounts are reduced from \$37,780 per unit to \$25,187 per unit, on the Quimby fee. The Mitigation Fee Act fee is reduced from \$33,577 per unit to \$22,385 per unit.

<b>Nexus Table 11c - Zip Code 95054</b>										
<b>MultiFamily</b>										
<b>Quimby</b>	<b>Cost</b>	<b>Density</b>	<b>Fee</b>	<b>Admin</b>	<b>Total</b>	<b>Adjusted Density</b>	<b>Fee</b>	<b>Admin</b>	<b>Total</b>	
Parkland	\$12,105	2.4	\$29,052	\$581	\$29,633	1.6	\$19,368	\$387	\$19,755	
Improvements	\$3,454	2.4	\$8,290	\$166	\$8,455	1.6	\$5,526	\$111	\$5,637	
Total					\$38,088				\$25,392	
<b>Mitigation Fee Act</b>										
Parkland	\$10,370	2.4	\$24,888	\$498	\$25,386	1.6	\$16,592	\$332	\$16,924	
Improvements	\$3,454	2.4	\$8,290	\$166	\$8,455	1.6	\$5,526	\$111	\$5,637	
Total					\$33,841				\$22,561	

Zip Code 95054: The fee amounts are reduced from \$38,088 per unit to \$25,392 per unit, on the Quimby fee. The Mitigation Fee Act fee is reduced from \$33,841 per unit to \$22,561 per unit.



## EXHIBIT – A

<b>Development Name</b>	<b>Location</b>	<b>Occupants / Unit</b>
<b>481 on Mathilda</b>	<b>Sunnyvale</b>	<b>1.40</b>
<i>Studio %</i>	25%	
<i>One Bedroom %</i>	43%	
<i>Two Bedroom %</i>	32%	
<b>Main Street Cupertino</b>	<b>Cupertino</b>	<b>1.45</b>
<i>Studio %</i>	4%	
<i>One Bedroom Jr. %</i>	13%	
<i>One Bedroom %</i>	54%	
<i>One Bedroom Lofts %</i>	14%	
<i>One Bedroom Live/Work %</i>	14%	
<b>Meridian</b>	<b>San Jose</b>	<b>1.52</b>
<i>Studio %</i>	17%	
<i>One Bedroom %</i>	43%	
<i>Two Bedroom %</i>	39%	
<i>Three Bedroom %</i>	0%	
<b>360 Residences</b>	<b>San Jose</b>	<b>1.53</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	40%	
<i>Two Bedroom %</i>	54%	
<i>Three Bedroom %</i>	6%	
<b>Century Towers</b>	<b>San Jose</b>	<b>1.54</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	63%	
<i>Two Bedroom %</i>	37%	
<i>Three Bedroom %</i>	0%	
<b>Solstice</b>	<b>Sunnyvale</b>	<b>1.54</b>
<i>Studio %</i>	4%	
<i>One Bedroom %</i>	48%	
<i>Two Bedroom %</i>	48%	
<i>Three Bedroom %</i>	0%	
<b>Museum Park</b>	<b>San Jose</b>	<b>1.55</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	60%	
<i>Two Bedroom %</i>	35%	
<i>Three Bedroom %</i>	5%	

*Note: Reflects # of Occupants per occupied unit.*

*Source: Property owner.*

## EXHIBIT – A

<b>Development Name</b>	<b>Location</b>	<b>Occupants / Unit</b>
<b>One South Market</b>	<b>San Jose</b>	<b>1.56</b>
<i>Studio %</i>	<i>0%</i>	
<i>One Bedroom %</i>	<i>73%</i>	
<i>Two Bedroom %</i>	<i>21%</i>	
<i>Three Bedroom %</i>	<i>6%</i>	
<b>Marquis</b>	<b>San Jose</b>	<b>1.58</b>
<i>Studio %</i>	<i>20%</i>	
<i>One Bedroom %</i>	<i>38%</i>	
<i>Two Bedroom %</i>	<i>42%</i>	
<i>Three Bedroom %</i>	<i>0%</i>	
<b>Magnolia Square</b>	<b>Sunnyvale</b>	<b>1.62</b>
<i>Studio %</i>	<i>71%</i>	
<i>One Bedroom %</i>	<i>0%</i>	
<i>Two Bedroom %</i>	<i>29%</i>	
<i>Three Bedroom %</i>	<i>1%</i>	
<b>Aventino</b>	<b>Los Gatos</b>	<b>1.62</b>
<i>Studio %</i>	<i>7%</i>	
<i>One Bedroom %</i>	<i>50%</i>	
<i>Two Bedroom %</i>	<i>43%</i>	
<b>Bristol Commons</b>	<b>Sunnyvale</b>	<b>1.64</b>
<i>Studio %</i>	<i>0%</i>	
<i>One Bedroom %</i>	<i>49%</i>	
<i>Two Bedroom %</i>	<i>51%</i>	
<i>Three Bedroom %</i>	<i>0%</i>	
<b>Fountains at River Oaks</b>	<b>San Jose</b>	<b>1.64</b>
<i>Studio %</i>	<i>0%</i>	
<i>One Bedroom %</i>	<i>44%</i>	
<i>Two Bedroom %</i>	<i>56%</i>	
<i>Three Bedroom %</i>	<i>0%</i>	
<b>Windsor Ridge</b>	<b>Sunnyvale</b>	<b>1.65</b>
<i>Studio %</i>	<i>0%</i>	
<i>One Bedroom %</i>	<i>58%</i>	
<i>Two Bedroom %</i>	<i>42%</i>	
<i>Three Bedroom %</i>	<i>0%</i>	

*Note: Reflects # of Occupants per occupied unit.*

*Source: Property owner.*

## EXHIBIT – A

<b>Development Name</b>	<b>Location</b>	<b>Occupants / Unit</b>
<b>Summerhill Park</b>	<b>Sunnyvale</b>	<b>1.69</b>
Studio %	0%	
One Bedroom %	40%	
Two Bedroom %	60%	
Three Bedroom %	0%	
<b>Epic I/II/III</b>	<b>San Jose</b>	<b>1.69</b>
Studio %	0%	
One Bedroom %	58%	
Two Bedroom %	39%	
Three Bedroom %	3%	
<b>Villa Granada</b>	<b>Santa Clara</b>	<b>1.71</b>
Studio %	0%	
One Bedroom %	61%	
Two Bedroom %	39%	
Three Bedroom %	0%	
<b>Anton 1101</b>	<b>Sunnyvale</b>	<b>1.71</b>
Studio %	9%	
One Bedroom %	49%	
Two Bedroom %	42%	
<b>Mio</b>	<b>San Jose</b>	<b>1.73</b>
Studio %	0%	
One Bedroom %	44%	
Two Bedroom %	56%	
Three Bedroom %	0%	
<b>Enso</b>	<b>San Jose</b>	<b>1.73</b>
Studio %	11%	
One Bedroom %	40%	
Two Bedroom %	49%	
Three Bedroom %	0%	
<b>Villas on the Boulevard</b>	<b>Santa Clara</b>	<b>1.75</b>
One Bedroom %	60%	
Two Bedroom %	40%	
<b>Lawrence Station</b>	<b>Sunnyvale</b>	<b>1.76</b>
Studio %	0%	
One Bedroom %	64%	
Two Bedroom %	36%	
Three Bedroom %	0%	

Note: Reflects # of Occupants per occupied unit.

Source: Property owner.

## EXHIBIT – A

<b>Development Name</b>	<b>Location</b>	<b>Occupants / Unit</b>
<b>Waterford Place</b>	<b>San Jose</b>	<b>1.81</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	50%	
<i>Two Bedroom %</i>	45%	
<i>Three Bedroom %</i>	5%	
<b>Via</b>	<b>Sunnyvale</b>	<b>1.81</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	59%	
<i>Two Bedroom %</i>	41%	
<i>Three Bedroom %</i>	0%	
<b>Esplanade</b>	<b>San Jose</b>	<b>1.83</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	52%	
<i>Two Bedroom %</i>	44%	
<i>Three Bedroom %</i>	5%	
<b>Avana Skyway</b>	<b>San Jose</b>	<b>1.83</b>
<i>Studio %</i>	12%	
<i>One Bedroom %</i>	40%	
<i>Two Bedroom %</i>	48%	
<b>Willow Lake</b>	<b>San Jose</b>	<b>1.92</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	45%	
<i>Two Bedroom %</i>	49%	
<i>Three Bedroom %</i>	6%	
<b>101 San Fernando</b>	<b>San Jose</b>	<b>2.02</b>
<i>Studio %</i>	11%	
<i>One Bedroom %</i>	56%	
<i>Two Bedroom %</i>	32%	
<i>Three Bedroom %</i>	1%	
<b>Apex</b>	<b>Milpitas</b>	<b>2.17</b>
<i>Studio %</i>	6%	
<i>One Bedroom %</i>	41%	
<i>Two Bedroom %</i>	34%	
<i>Three Bedroom %</i>	19%	

*Note: Reflects # of Occupants per occupied unit.  
Source: Property owner.*

## EXHIBIT – A

<b>Development Name</b>	<b>Location</b>	<b>Occupants / Unit</b>
<b>Bella Villagio</b>	<b>San Jose</b>	<b>2.19</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	34%	
<i>Two Bedroom %</i>	56%	
<i>Three Bedroom %</i>	10%	
<b>Palm Valley-Santa Palmia &amp; Village of Marineo</b>	<b>San Jose</b>	<b>2.20</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	46%	
<i>Two Bedroom %</i>	48%	
<i>Three Bedroom %</i>	6%	
<b>Carlyle</b>	<b>San Jose</b>	<b>2.20</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	36%	
<i>Two Bedroom %</i>	36%	
<i>Three Bedroom %</i>	27%	
<b>Summerwood</b>	<b>Santa Clara</b>	<b>2.23</b>
<i>One Bedroom %</i>	40%	
<i>Two Bedroom/1BA %</i>	21%	
<i>Two Bedroom/2BA %</i>	40%	
<b>Palm Valley-Palma Sorrento</b>	<b>San Jose</b>	<b>2.26</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	32%	
<i>Two Bedroom %</i>	56%	
<i>Three Bedroom %</i>	12%	
<b>Palm Valley-Villa Veneto</b>	<b>San Jose</b>	<b>2.35</b>
<i>Studio %</i>	0%	
<i>One Bedroom %</i>	22%	
<i>Two Bedroom %</i>	68%	
<i>Three Bedroom %</i>	11%	
<b>Foundry Commons</b>	<b>San Jose</b>	<b>3.45</b>
<i>Studio %</i>	8%	
<i>One Bedroom %</i>	46%	
<i>Two Bedroom %</i>	46%	

Note: Reflects # of Occupants per occupied unit.

Source: Property owner.

## Gina Saporito

---

**From:** Clysta <clysta@igc.org>  
**Sent:** Tuesday, January 22, 2019 2:07 PM  
**To:** Gina Saporito  
**Subject:** side note

Hi Gina,

On the parks inventory list the address for Westwood Oaks Park should be La Herran Dr. not Herran Dr.  
Page 8 of Willdan Report.

Thanks, Clysta

## Gina Saporito

---

**From:** Dennis Martin <dmartin@biabayarea.org>  
**Sent:** Tuesday, January 15, 2019 2:00 PM  
**To:** James Teixeira  
**Cc:** Gina Saporito; Manuel Pineda; Alexander Abbe  
**Subject:** RE: City of Santa Clara Parkland Fee Update Timeline

James,

Many thanks to City Staff for accommodating an expanded comment period and an additional stakeholder meeting. This is very much appreciated!

Yours,

Dennis Martin  
BIA Government Affairs  
408-294-5687

**From:** James Teixeira <jteixeira@SantaClaraCA.gov>  
**Sent:** Tuesday, January 15, 2019 1:43 PM  
**To:** dmartin@biabayarea.org  
**Cc:** Gina Saporito <GSaporito@SantaClaraCA.gov>; Manuel Pineda <MPineda@SantaClaraCA.gov>; Alexander Abbe <aabbe@SantaClaraCA.gov>  
**Subject:** City of Santa Clara Parkland Fee Update Timeline

Hi Dennis:

In order to provide the development community additional time to review and comment as requested, the revised timeline is as follows:

- January 11, 2019 - Notice of public input period
- January 14, 2019 - Public review and comment period on Nexus Study Update Administrative draft begins
- January 22, 2019 3pm - Community & Stakeholder Meeting
- February 26, 2019, 3pm - Community and Stakeholder Meeting
- February 26, 2019, 5 pm - Community Input period ends

With the additional time for review, the item is tentatively expected to go to Council in the early April timeframe.

The City will update the website and send a revised note to community and stakeholders to inform them of the extended timeline.

Let me know if you have any questions.

JT  
James Teixeira  
Director of Parks & Recreation  
City of Santa Clara  
1500 Warburton, Santa Clara, CA 95050  
408-615-2261

---

**From:** Dennis Martin [<mailto:dmartin@biabayarea.org>]  
**Sent:** Monday, January 14, 2019 10:32 AM  
**To:** Manuel Pineda  
**Cc:** James Teixeira  
**Subject:** FW: Meeting Invitation: City of Santa Clara Parkland Fee Update

Greetings Manuel and James,

Thank you for scheduling a stakeholder meeting as promised and releasing the revised parks nexus study well ahead of the CC hearing. It is definitely an improvement over past practice to be able to review this material in advance of the CC hearing.

However, BIA requests that you expand the period for review and input to the nexus study to 30 days from January 14, 2019. We received this material after business hours on Friday, January 11, 2019. The stated deadline of January 28 affords in effect only 10 business days for the development community to analyze and provide cogent input.

This is a reasonable and important request. We hope that you will honor the spirit of working together on this challenge by providing the development community with time enough to respond articulately to the new nexus study. I look forward to hearing from you.

Yours truly,

Dennis Martin

BIA Government Affairs

408-294-5687

**From:** Parks and Recreation <[ParksAndRecreation@SantaClaraCA.gov](mailto:ParksAndRecreation@SantaClaraCA.gov)>  
**Sent:** Friday, January 11, 2019 5:20 PM  
**To:** Undisclosed recipients:  
**Subject:** Meeting Invitation: City of Santa Clara Parkland Fee Update

## **Parkland Fee Update**

You are receiving this email because you have indicated an interest in updates and/or changes to the City of Santa Clara New Residential Impact Fees. You are invited to review documents below and attend the next meeting.

### **Community and Stakeholder Meeting**

**January 22, 2019**

**3:00PM - 4:00PM**

**Santa Clara Senior Center - 1303 Fremont Street Rm 232**

The City is interested in your comments and feedback from now through January 28, 2019. Comments should be directed to Gina Saporito ([GSaporito@SantaClaraCA.gov](mailto:GSaporito@SantaClaraCA.gov)).

The Administrative Draft Park & Recreation Facilities Development Impact Fee Study Update (Willdan Financial Services, January 4, 2019) is now available at

- [Fee Study Update 1/4/2019](#)



Additional information is available on the City Parks & Recreation Park Impact Fee page.

- December 31, 2017 Land Valuation Appraisal Report

You will be informed of future Council Meeting(s) and consideration of this item.

Since September 13, 2014, the Santa Clara City Code includes Chapter 17.35 “Park and Recreational Land” that requires new residential developments to provide developed park and recreational land, and/or pay a fee in-lieu thereof pursuant to the California Quimby Act (Quimby) and/or the Mitigation Fee Act (MFA).

(408)615-2260- Office  
(408)260-9719- Fax  
1500 Warburton Avenue  
Santa Clara, CA 95050



**City of  
Santa Clara**  
The Center of What's Possible

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## Gina Saporito

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**From:** Clysta <clysta@igc.org>  
**Sent:** Monday, January 14, 2019 10:39 AM  
**To:** Gina Saporito  
**Subject:** Happy New Year and a ?

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

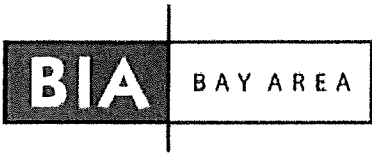
Hi Gina,

Good to see progress on the park fees being on schedule for the next budget cycle and lots of my questions from last June being answered.

I see the 2018 year's sales values won't be available until February . Is the City planning on proceeding with getting an updated 2018 analysis in February? Couldn't figure it out from a quick scan.

Happy New Year!

Clysta



BUILDING INDUSTRY ASSOCIATION

July 13, 2018

Manuel Pineda  
Assistant City Manager  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

Transmitted by email

**Re: Park and Recreational Land Ordinance - Adoption of 2018-19 Park In-Lieu Fee Schedule for New Residential Development**

Dear Manuel,

On behalf of BIA Bay Area, thank you for scheduling the meetings over the last few weeks to discuss and receive feedback regarding Parks in lieu fee increases. The stakeholders meeting especially was very much appreciated. In the future, it should be the intent of the City to hold meetings with the development stakeholder community prior to taking any new or significantly increased fee increase to Council hearing.

Many important discussion points were covered by both the City and the home builders. We hope you'll value the stakeholder input as you form policy options. Proposed parks in lieu fee increases from 42% up to 47% are extremely difficult if not impossible for projects to incorporate on such short notice; the City would best serve its residents and businesses by adopting fees that increase in more rational and reasonable percentages.

An important point is that the fee increase unreasonably relies on a massive increase in the "improvements" line of the overall Parkland Dedication In Lieu Fee calculation. The City has presented the 2018 update as a simple modification to the existing park values used in the 2014 Nexus Study, but those values are derived using an entirely different methodology (existing inventory) than the 2018 fee proposal which relies on the Kitchell Report (total cost recovery).

In Section 2. G. of the City Council Resolution Establishing the Parkland In-Lieu Fee for 2018-19 the City replaced the value of the Improvements and Special Use Facilities of \$78,100,633 with a value of \$403,043,173. This drives the Improvements and Special Use Facilities Cost per Acre from \$319,000 to \$1,611,105 per acre, a 500% increase from 2014 to 2017. This is not a reasonable annual fee update.

BIA has offered a peer review study of the City proposal conducted by Development & Financial Advisory (DFA) that calls out several inconsistencies with the methodology employed in this action to raise Parks fees. We sincerely hope that you will seriously consider adopting recommendations put forward in that report, including:

- Update the Nexus Study using current “existing inventory values” methodology utilized in the 2014 Wildan Study. Use current PEPiP values for City Park Facilities, rather than the “total replacement cost” methodology used in the Kitchell Report;
- Eliminate from the inventory several facilities which are not parks and are not identified in the 2014 Nexus Study as City park facilities; including the Agnews Historic Clocktower, Auditorium and Mansion, the Mission Center for the Performing Arts, and the Mission College Sports Complex;
- Identify which park facilities are actually owned by the City, as nearly 40 acres of the 295 identified appear to be owned by other agencies including school districts;
- Update the City population from 116,468 to 125,948
- Update the person per household density factors assumed for single family (2.90) and multifamily (2.24)

The Tasman East Specific Plan development group has put forward to the City valid concerns regarding the Annual Land Appraisal by the Schmidt Prescott Group. BIA supports the TE group’s recommendation that the City order the appraiser to update the report based on standard appraisal practices that include adjustments to City fees, as well as utilizing a more objective approach when making adjustments for the different zip codes.

The bottom line is that onerous fee increases threaten the ability of developers to get projects to pencil. Careful consideration must be given to timing and amount of additional cost and fee burdens placed on new development; Santa Clara is proposing four new fees or significantly increased fees in the next few months.

Impact fees, restrictive land use regulations, infrastructure costs, and rising labor costs create serious impediments to addressing the housing affordability crisis the region is facing. It is critical that the City of Santa Clara continue to produce housing for all incomes. The City’s jobs/housing imbalance is a testament to the under production of housing to meet the demands of its robust economy.

BIA is looking forward to additional meetings to find a solution that is fair and reasonable for both the City and the development industry. Please feel free to contact me with any questions or comments.

Very truly yours,

Dennis Martin  
BIA Government Affairs

July 3, 2018

Manuel Pineda  
Assistant City Manager  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

**Re: *Park and Recreational Land Ordinance - Adoption of 2018-19 Park In-Lieu Fee Schedule for New Residential Development***

Dear Manuel:

As a follow up to our joint letter on April 24, 2018 regarding adoption of the 2018-19 Park In-Lieu Fee Schedule (copy attached), we recognize and appreciate that staff and Council agreed to delay action on the adoption of a revised fee to allow time for the community and stakeholders to review and comment on the City's proposed modifications. The Tasman East developers studied the proposed modifications. This letter provides additional assessments as well as our recommendations to be considered by staff and Council prior to adoption of the 2018-19 fee schedule. Without changes to the proposed modifications, the feasibility of the Tasman East redevelopment is in jeopardy.

#### **Updated Park Improvement Valuation**

Santa Clara's development community was engaged with staff in 2013 and 2014 when the City prepared the initial Nexus Study and held various outreach meetings. The development community expressed a variety of concerns and alternatives. Staff and Council listened and made modifications to the adopted ordinance to make it more feasible and achievable.

During the ordinance's initial review process, one of the concerns expressed was the proposed fee implementation at 100% cost recovery and in the summer of 2014, Council requested that staff come back with a revised recommendation for a fee in the "mid-range" based on other neighboring communities. Staff provided a recommendation in October 2014 for a 65% cost recovery, which the development community supported (see attached Agenda Report). Council debated this matter at the hearing and ultimately approved the full 100% cost recovery, which placed the fee at the top of the neighboring Cities fee range.

We have worked under the present ordinance and have proposed a variety of supportive measures in line with the City's desire to plan and create a variety of open spaces and parks within the Tasman East Specific Plan Area. This includes our prior and accepted proposal to increase the open space acreage, as well as support of the open space concepts presented at the Council study session on February 6, 2018. We also have expressed support, through the established fees, to provide additional park resources for the entire City. However, the City's proposed change to the facilities improvement valuation will increase the fee by another 32%. Combining that with the 10% appraisal adjustment (total increase of 42%) creates a fee that exceeds most other Cities in the South Bay. We are very concerned that such a substantial fee increase, on top of an already high fee, would curtail projects in the pipeline, specifically those within Tasman East.

Please note that based on the encouragement of staff and Council, most of the Tasman East developers contracted and/or purchased the current slate of proposed redevelopment parcels in 2014 and 2015, during the period when the initial fee was adopted. At that time, with the support and approval by Council, staff indicated that the Specific Plan would be completed by the end of 2016. Due to various circumstances, the approval date first slipped to mid-2017, then late 2017, then mid-2018, and now to late 2018 (a two-year delay). While the development community accepted the adopted fee at the higher cost recovery level, we did not anticipate the delay, which is beyond our control, nor the potential for an additional 42% fee increase.

We respectfully request that projects in the pipeline be exempted from the proposed fee increase, based on the circumstance noted as above.

### Annual Appraisal

The appraisal report is not consistent with standard appraisal practices in adjusting comparables. For example, the report notes a common fact that fees imposed on future development uses have an impact on land value. This is one reason why the report states that comparables are not being used from adjacent cities, due to different fee structures. However, while the report includes a line item for noting differences in implementation of the City's new affordable housing requirement, it does not include a corresponding downward adjustment regarding land sales that predated the affordable housing implementation, versus more recent sales that include the requirement. In our estimation, the affordable housing implementation decreases the market rate land value by a minimum of 15% as the land value on the affordable component is zero at best knowing the fact that 100% affordable projects are not feasible simply with free land.

Somewhat similar, the residential comparables did not consider which comparables included the open space/park fee requirements, versus those that predated the ordinance and due to that condition, the report did not include any adjustments. The implementation of the fee has a direct cost impact, which results in an equally lower land value. As shown below, the effect of the Park and Recreational Land Ordinance on high density housing (based on the density used in the appraisal) should have resulted in an approximate \$1 million downward adjustment to the pre-ordinance high density land values.

Type	Density	Park Fee/Unit (average)	Lost Value (per acre)	% Reduction (compared to appraisal)
Very Low	8.00	\$24,000	(\$192,000)	-4.6%
Low	13.00	\$24,000	(\$312,000)	-6.5%
Med	30.00	\$24,000	(\$720,000)	-11.4%
High	44.00	\$24,000	(\$1,056,000)	-18.4%

Finally, the appraiser makes several highly subjective assumptions concerning the adjustments between the 95050 and 95054 zip codes and in each case when presented one or two ranges, they select the highest of the higher range, versus selecting an average. For example, the commercial comps for 95054 were adjusted 25% higher than the 95050 comps, even though the data presented suggested a 15% increase. Similarly, industrial comps were adjusted 15% higher, but the data suggests a 5% increase. And finally, the residential comps for 95054 were not adjusted, but the data suggested a 5% reduction from those in 95050.

We recommend the appraiser update their report based on standard appraisal practices that include adjustments to City fees, as well as utilizing a more objective approach when making adjustments for the different zip codes.

We appreciate the time City staff, including the City Manager's office, has taken to listen to stakeholders and the community regarding the modifications to the Park In-Lieu Fee Schedule for new residential development. Our request for exemption of projects in the Tasman East development pipeline from the facilities improvement fee increase and the update of the appraisers report to meet standard appraisal practices will alleviate the unintended consequence that could jeopardize Tasman East's development.

Sincerely,

Nick Vanderboom  
SVP & COO  
Related California

Elaine Breeze  
VP of Development  
SummerHill Apartment Communities

John Wayland  
Executive Managing Director  
Holland Partner Group

Steve Edwards & Tyson Sayles  
Principals  
Rethink / Ensemble Real Estate Investments

Ardie Zahedani  
Division President  
St. Anton Communities

Attachments: April 24, 2018 Joint Letter  
October 8, 2014 Agenda Report

cc: Deanna Santana, City Manager  
Andrew Crabtree, Community Development Manager  
Jim Teixeira, Director of Parks and Recreation

**Kristin Altamirano**

---

**From:** Clysta <clysta@igc.org>  
**Sent:** Sunday, July 01, 2018 5:00 PM  
**To:** James Teixeira  
**Cc:** Manuel Pineda; Gina Saporito; Kristin Altamirano  
**Subject:** Comments on June 18th Park Impact Fee Presentation  
**Attachments:** 2018 June 19 Presentation-Update of Parkland Dedication Fees In Lieu 2018-2019.pdf

Dear Director Teixeira,

I attended your detailed presentation on the Parkland Dedication and in-lieu fees for 2018-2019 that will be reviewed by Council in August.

I have some suggestions and additional questions regarding what was presented in the meeting.

As I understand it, the parks inventory valuation used in the formula increased five-fold due to a new system for documenting inventory. I compliment the city on implementing this system and have a couple of concerns about how that inventory is being applied to set park impact fees.

1) **Cemeteries.**

**Park Value**

**Building Value**

**Mission City Memorial Park**

\$5,279,905 \$9,401,353

I live near and frequently walk in the Mission City Memorial Park along with many of my neighbors. Lots of seniors who live in the Valley Village across the street use the cemetery for walking both themselves and their dogs. There are no cars to deal with, the walking paths have no driveway dips so it is a safe flat area for seniors to walk. A watering dish for dogs has been installed in the NW sector. Many of the neighborhood's children learn to ride their bikes in the cemetery. I believe the Mission City Memorial Park park value, but not the building value, could be included in the formula because it is used as green open space by the community. In the early nineties the Council approved having open community access on Dolores Ave at my request.

**Agnews Historic Cemetery**

\$ 786,168 \$1,592,904

The second cemetery, Agnews, is a historical resource and open for viewing with volunteer docents one day per week for four hours. There are no bodies in the cemetery according to the docent. At present it is used more like the Harris Lass House and gardens which are not on this inventory at all. I am curious why it is categorized as a cemetery rather than a historical resource?

2) **Park specific questions.**

**Ulistac.** When fees were originally set the acreage for **Ulistac** was not included because it was not a developed park. I was curious why the value is included in this formula. It makes sense to me that it is included but I was told at the time the ordinance was proposed that the acreage and value were deliberately excluded because of the wording of the Quimby and or MFA. Did I misunderstand? It seems the acreage is excluded but not the value.

**Civic Center Park.** The value of the Saint Clare statue and fountain and benches in Civic Center Park are missing from the inventory. Is that an oversight? If not, why are these assets not included?



3) Included in the formula for impact fees were park and total replacement cost for **joint use or historical easement facilities by private owners** such as

**Park Value**

**Building Value**

Agnews Historic Park, Clocktower, Mansion & Auditorium

\$ 3,278,089 \$59,710,151

Mission City Center for Performing Arts

\$ 538,137 \$40,462,347

Mission College Sports Complex

\$ 6,968,950 \$ 3,419,649

I believe the Agnews Historic Park acreage, kiosks and signage which is open to the public should be listed as a green space asset; however, this property is privately owned. It was planned that the auditorium could be used by the public at the owner's discretion; however, when citizens try to reserve the building from the new owner it is not available, so it is not truly an asset for community use and all buildings required badged entry. I do not understand why the clocktower, mansion and auditorium would be included as assets for the public in the sense of calculating impact fees. I understand there were historic preservation requirements that the owner must maintain going forward. But, it doesn't make sense to me to include that in park calculations.

I do not know how the facilities which are shared with the school districts (Mission College and SCUSD) are held, but it seems that those assets should be apportioned by jurisdiction and land ownership. Can you tell me if the acreage and value in the Kitchell Report are full value or already apportioned? How are the land and building ownership held in the agreements with these districts?

Additionally, I have a question about the city-owned property around the Triton Museum. This is open green space which holds art and historical homes in a park setting of redwoods and green landscaping. It is used by those neighborhoods for walking and by non-profits for plays, art shows and the like. It is not locked up like the Berryessa Adobe or Harris Lass, for example. It is used for person and dog-walking, picnic lunches, community events, etc. What is the thinking for not including these kinds of existing park and habitat uses in the calculations? Has the City made any changes to the ownership of this property? If so, what were the changes.

**4) Formula for Park Impact Fees (Fee Components)**

When these proposed fees come up annually the City Council should be reminded that a component of the fee that they approve involves how much credit for private open space is allowed to offset the fees in lieu of parkland dedication that are due for public open space. The previous Council decided to apply up to 50% in-lieu credit to the developer for amenities that benefit only the residents of the project. Whenever these fees come up for review, this element of the formula should be reviewed. Many cities offer no such developer entitlements and staff originally recommended 25%. Given the densities in some of the new projects, the Council should be made aware of and reconsider this percentage entitlement annually. There was no mention of this policy component in the June 19th presentation.

Attached is the copy of the presentation you made on June 18th. My comments are based on this. Thank you,

Clysta Seney

## Kristin Altamirano

---

**From:** James Teixeira  
**Sent:** Friday, June 22, 2018 10:49 AM  
**To:** Alex VanDinter  
**Cc:** Gina Saporito; Kristin Altamirano  
**Subject:** Re: Parks & Recreation Commission Meeting Information

Policy options will be developed after the listening, question and comment phase is complete.

Current fee levels are connected to maintaining the existing level of service: a ratio of 2.53 acres of improved parkland per 1000 residents. In lieu of parkland dedication, when/where the total developed parkland required (size, shape, location) is not possible, then a fee equivalent to 3 acres under Quimby Act provisions, or 2.53 under Mitigation Fee Act is due in compliance with City Code based on the methodology and calculations provided in the nexus study and values established in the supporting reports and appraisals.

Any modification of fees will need to have a rationale that is coherent and applied fairly/consistently.

Hope that helps for now.

JT  
James Teixeira  
Director of Parks & Recreation  
City of Santa Clara  
408-615-2260

On Jun 21, 2018, at 2:56 PM, Alex VanDinter <[avandinter@hollandpartnergroup.com](mailto:avandinter@hollandpartnergroup.com)> wrote:

James,  
Is there any plan to modify the proposed fee levels between now and the Council meeting or will they just be reexamining the same proposed fee levels from April?

Thank you so much for the information. Have a great rest of your week!

Alexander Van Dinter | Government Affairs Analyst | Holland Partner Group  
[1111 Main Street, Suite 700, Vancouver, Washington 98660](https://www.hollandpartnergroup.com)  
Cell 360-901-0919 | [avandinter@hollandpartnergroup.com](mailto:avandinter@hollandpartnergroup.com)

**From:** James Teixeira [<mailto:jteixeira@SantaClaraCA.gov>]  
**Sent:** Wednesday, June 20, 2018 5:02 PM  
**To:** Alex VanDinter <[avandinter@hollandpartnergroup.com](mailto:avandinter@hollandpartnergroup.com)>  
**Cc:** Gina Saporito <[GSaporito@SantaClaraCA.gov](mailto:GSaporito@SantaClaraCA.gov)>; Kristin Altamirano <[KAltamirano@SantaClaraCA.gov](mailto:KAltamirano@SantaClaraCA.gov)>  
**Subject:** RE: Parks & Recreation Commission Meeting Information

Hi Alex:

The presentation to the City of Santa Clara Parks & Recreation Commission was an informational item only and there were no changes, modifications or votes taken. This was the third community meeting and opportunity for community, commission, stakeholders and staff to listen, ask questions and provide comment. The presentations were the same.

There is one more meeting scheduled with developers/stakeholders for Wednesday June 27, 2018 at 1:00 pm in the Santa Clara City Hall- Council Chamber 1500 Warburton Avenue, Santa Clara CA 95050.

The Fee Schedule for fees due in lieu of parkland dedication will be presented to Council for adoption at an upcoming meeting, likely in August. Based on the methodology and calculations used, the fees due in-lieu of parkland dedication are proposed to increase for Fiscal Year 2018/2019.

Let us know if you have any questions or provide comment.

JT

**James Teixeira** | Director of Parks & Recreation  
1500 Warburton Avenue | Santa Clara, CA 95050  
D: 408.615.2260 | F: 408.260.9719  
[www.SantaClaraCA.gov](http://www.SantaClaraCA.gov) | **Parks Make Life Better!**

<image001.png>

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**From:** Alex VanDinter [<mailto:avandinter@hollandpartnergroup.com>]  
**Sent:** Wednesday, June 20, 2018 4:46 PM  
**To:** James Teixeira  
**Subject:** Parks & Recreation Commission Meeting Information

Good Afternoon,

I saw that the Parks and Recreation Commission had a presentation at their June 19<sup>th</sup>, 2018 meeting on Parkland In-Lieu Fees. I was wondering if there were any modifications, changes, or votes on the issue during this meeting or if it was just an informational presentation prior to going to Council.

Thank you for any help.

Alexander Van Dinter | Government Affairs Analyst | Holland Partner Group  
[1111 Main Street, Suite 700, Vancouver, Washington 98660](http://1111MainStreet,Suite700,Vancouver,Washington98660)  
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**Kristin Altamirano**

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**From:** James Teixeira  
**Sent:** Saturday, June 02, 2018 7:52 PM  
**To:** Clysta  
**Cc:** Kristin Altamirano; Gina Saporito  
**Subject:** Re: In Lieu of Parkland Dedication Fees Meeting  
**Attachments:** Screen Shot 2018-06-02 at 1.27.00 PM.png

Thank you for your comments. We will be scheduling a second meeting in the near future. We will announce the date early next week.

James Teixeira  
Director of Parks & Recreation  
City of Santa Clara  
408-615-2260

> On Jun 2, 2018, at 2:17 PM, Clysta <[clysta@igc.org](mailto:clysta@igc.org)> wrote:

>

> Dear Director Teixeira,

>

> I am unable to attend the June 11, 2018 meeting as I will be out of town. Although I won't have the benefit of the presentation or know what the issues you see are for the meeting I'd like to comment as best I can regarding the fees.

>

> I strongly support these fees to maintain our current level of service and I thank you for your leadership in getting them into place. In fact I wish we were not leaving money on the table and were collecting the full fee mitigation offered by the Quimby and Mitigation Fee Acts so we could improve the City's level of service to move up from the bottom of the level-of-service list for the County of Santa Clara.

>

> Dear Director Teixeira,

>

> I see from the municipal fees report that the in-lieu fees increase from 37% to 47% over last year. This is not a surprise and there should be no cutting back of these fees. The developers are already getting relief from the full fees that could be applied. With new development offering fewer parking spaces, smaller residence sizes and more high rises, the demand for shared open spaces, especially those 1) with trees and habitat that produce clean air to breathe and 2) that are children and senior friendly become critical. As a City we cannot fall behind in the outdoor gathering spaces our parks provide.

>

> I am attaching a 'mockup' of a spreadsheet that could provide information to establish the benefits of these fees to the citizens of the city. It (or something like it) could reinforce the fact that your goal of 97 new park acres is the bare minimum that a first class city requires.

>

> I believe it is important for citizens to have regular access to the dollar amount when Mitigation Fee Act fees and Quimby Act fees have been both planned for and collected.

>

> Transparency would be to include which projects and dollar amounts go where and when they are applied. Since the City has now decided to commit future fees it is important to also have a list of "pre-committed" projects which will use future fees as well as a forecast of expected fees when they are estimated for planned and approved projects. That kind of information is what this spreadsheet could contain. It's a quick draft before I leave and I don't really know the right numbers to insert. Some of these numbers would have to come from Mr. Crabtree's Community Development department. I just picked the three I know a little bit about to use as examples. We need to comprehend the cumulative impact of all this development on our parks in our neighborhoods, just like we do for our roads.

>

> <Screen Shot 2018-06-02 at 1.27.00 PM.png>

>

> I am very distressed not to be able to attend your meeting to better understand the nuances of what can and cannot be done and what, if any, issues are occurring. I just know I love parks and open space and consider them a requirement for human beings' health at all stages of life.

>

> Sincerely,

>

> Clysta Seney

## James Teixeira

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**From:** Mayor and Council  
**Sent:** Wednesday, May 02, 2018 1:20 PM  
**To:** James Teixeira; Angela Kraetsch; Manuel Pineda; Walter Rossmann  
**Cc:** Lynn Garcia; Jose Armas  
**Subject:** FW: April 24 continuance: Adoption of the Fee Schedule and Park in Lieu Fee Update

Hello:

Please see the correspondence below, which has been forwarded to the full City Council for their reference.

Cordially,

GENEVIEVE YIP  
Mayor & Council Offices | City of Santa Clara  
1500 Warburton Avenue, Santa Clara CA 95050  
Tel: 408-615-2253 | Email: [gyip@santaclaraca.gov](mailto:gyip@santaclaraca.gov)

-----Original Message-----

**From:** Walt and Sue [<mailto:waltsue@comcast.net>]  
**Sent:** Wednesday, May 02, 2018 12:28 PM  
**To:** Mayor and Council  
**Subject:** April 24 continuance: Adoption of the Fee Schedule and Park in Lieu Fee Update

Dear Mayor Gillmor and City Council Members,

Regarding POST MEETING MATERIAL, from the April 24, 2018 City Council Meeting File #18-226 (<http://santaclaraca.gov/?splash=https%3a%2f%2fsantaclaraca.legistar.com%2fLegislationDetail.aspx%3fid%3d3484601%26GUID%3d0A3F0ED8-734A-40D1-A76C-06B3EEFFB7B&isexternal=true>) for agenda item "Adoption of the Fiscal Year 2018-19 Municipal Fee Schedule and 2018-19 Park In Lieu Fee Schedule for New Residential," I would like to bring the following to your attention.

Regarding the following text in the public letter, from the third (3rd) and sixth (6th) paragraph, sent to the Council by Nick Vanderboom, Jonathan Fearn, John Wayland, "Tyson Sales Principal," and Ardie Zahedani, "Within the Tasman East zip code specifically (95054), the new fee represents an increase of over \$9000 per unit or over 40%. The increase in Zip Code 95050 is over 47%. Such large increases on what already is a substantial fee has significant ramifications for projects in the pipeline that are not yet deemed complete ... Lastly, the principal driver of the fee increase ... is not well justified or explained" -- I would like to point out that real estate itself has soared in value over the past several years. Expert testimony is not needed in order to know this, one need only look at real estate websites such as Zillow or Redfin.

Such increases obviously mean that real estate profit has gone up and the percentages are in the kind of range asked for in fees -- which, obviously, would provide justification for a fee increase. Here are a few easy-to-find examples, all from Zip Code 90505:

In 2012, according to Redfin, the single family home at 1802 Henning Place sold for \$662,000, and on May 1, 2018, this house sold for \$1,450,000. This is an increase of 219%.

In May 2015 the townhouse at 2460 Michele Jean Way sold for \$860,000, and on April 25, 2018 this townhouse sold for \$1,400,000, an increase of 162%.

In February 2017 the multi-housing building, containing 2 2-bedroom units, each of about 1216 square feet, sold for \$805,000, and on April 26, 2018 this 2-unit building sold for \$1,495,000, an increase of 185%.

Note that for that last, 2-unit, building, the increase of 185% occurred in slightly more than a single (1) year.

The above examples took approximately 10-15 minutes to find, and they are far from unique. Imagine how City of Santa Clara renters and home buyers must feel while looking at these increases in value. Surely, with prices like these, renters and home buyers expect decent city infrastructure, services, schools, and green space. How does the City fund such new infrastructure? In part through development fees. In light of profits that the above letter writers stand to make, a 40% or even a 47% fee increase seems fully justifiable.

Sincerely yours,  
Susan Hinton  
Citizen of Santa Clara

P.S. I am submitting this letter as public comment on this matter.

April 24, 2018

Mayor Gillmor and Councilmembers  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

**Re: April 24, 2018 Council Hearing – Agenda Item 6: Adoption of 2018-19 Park In-Lieu Fee Schedule for New Residential Development**

Honorable Mayor Gillmor and Members of the City Council:

On behalf of Related California, SummerHill Apartment Communities, Holland Partner Group, Ensemble Real Estate Investments, and St. Anton Communities, representing over 60% of the land area in the Tasman East Specific Plan Area, we respectfully submit this letter requesting Council delay the adoption of the 2018-19 Park In-Lieu fee schedule as currently proposed.

While we support the City's desire for additional parkland resources and have been actively engaged with Staff in developing an open space plan that meets the desires of the City in the Tasman Area, the proposed fee represents a dramatic increase from the current fee with virtually no input from or outreach to community stakeholders and puts in jeopardy the feasibility numerous projects and will stall or curtail the realization of many areas the City has envisioned for change.

Within the Tasman East zip code specifically (95054), the new fee represents an increase of over \$9,000 per unit or over 40%. The increase in Zip Code 95050 is over 47%. Such large increases on what already is a substantial fee has significant ramifications for projects in the pipeline that are not yet deemed complete. The immediate implementation of this fee provides no opportunity for applicants to prepare for or modify their applications to accommodate for it.

The higher per acre values concluded in the appraisal report, which alone represents a nearly 10% increase of the fee in the 95054 zip code, are questionable in a number of ways. One, the residential comparables do not include the new affordable housing requirements adopted by the City last year and the analysis did not make adjustments similar to how it made adjustments based on other comparable factors. Further in this regard, the report noted that fees have an impact on land prices in prior reports which was one of the reasons given for not using comparables from neighboring cities. Two, similarly to the first point, the residential comparables ironically do not include the park fee requirements and the analysis again did not make any adjustments. These two items alone cast significant doubt on the assertion that land values have increased as stated.

Lastly, the principal driver of the fee increase, an increase in the facilities assessment valuation stemming from the 2017 Kitchell report, is not well justified or explained. Additionally, while the City provided notice of the appraisal report over a month ago, the Kitchell report was not released to the public nor posted on the City's website until now. Upon reviewing the Kitchell report, we are struggling to understand why City park facilities and improvements have increased by such a large amount -- \$92,378,460 to \$405,683,013 -- in only four years since the ordinance was adopted.

Due to this lack of clarity and the concerns stated above related to the appraisal report, we respectfully propose that an independent analysis be commissioned on the topic of facility valuation, and more time be provided for applicants to better understand the ramifications of this fee increase, and if found justifiable, for potential future fee increases of this nature and scale.



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**HOLLAND**  
RESIDENTIAL

Sincerely,

Nick Vanderboom  
SVP & COO  
Related California

Jonathan Fearn  
VP of Development  
SummerHill Apartment  
Communities

John Wayland  
Executive Managing Director  
Holland Partner Group

Tyson Sales  
Principal  
Ensemble Real Estate Investments

Ardie Zahedani  
Division President  
St. Anton Communities