

04/24/18

#6

Mayor and Council

Subject: FW: April 24 agenda Item 6 Santa Clara Parkland In Lieu Fees
Attachments: Resolution Establishing the 2018-19 Parkland In Lieu Fee Schedule for New Residential Development (1).pdf

Importance: High

From: Dennis Martin [<mailto:dmartin@biabayarea.org>]
Sent: Monday, April 23, 2018 4:34 PM
To: Mayor and Council
Subject: FW: April 24 agenda Item 6 Santa Clara Parkland In Lieu Fees
Importance: High

Dear Mayor Gillmor and Councilmembers,

BIA Bay Area is very concerned about the Parkland In Lieu Fee Resolution on the April 24th agenda. City of Santa Clara Parks fees will rise significantly if the City Council adopts the attached In Lieu Fee Schedule Resolution on Tuesday. The increase will be approximately 30% across the board on all unit types. This equates to about \$9500 increase per unit on single family and \$7500 per unit on multifamily. With the proposed increase single family fees would reach about \$45,000 per unit, and multifamily fees would be about \$35,000 per unit.

The increase is due to a jump in the "improvements" line item in the fee structure and comes as a result of the City's recent *City of Santa Clara Facility Condition Assessment (2017)* - Kitchell. This report severely inflates the value of City's park improvements assets from approx. \$92,378,460 (Wildan Report 2014) up to \$405,683,013! This figure is then prorated as "cost per capita" across the population, subsequently triggering the improvements line item increases. See Attachment A, B, and C in the Resolution for more specifics.

Item 6: Municipal fees and Parkland Dedication In Lieu Fees. See attached resolution. Our concerns are with Paragraph G and Attachments A,B, and C. We are requesting deferral of the Parkland In Lieu Fee Resolution for New Residential Development. We ask that Council Defer action on Park fees for at least 30 days to allow builders to analyze the proposed fee increases.

Please feel free to contact me with any questions.

Yours truly,
Dennis Martin
BIA Government Affairs
408-294-5687
408-499-2739

POST MEETING MATERIAL

04/24/18

#6

Mayor and Council

Subject: FW: Park In-Lieu Fee - Council Meeting Agenda Item #6
Attachments: Tasman Dev Grp Letter to City Council - FINAL - 042418.pdf

From: Fearn, Jonathan [<mailto:JFearn@shapartments.com>]

Sent: Tuesday, April 24, 2018 6:48 AM

To: Mayor and Council; Lisa Gillmor; Patrick Kolstad; Debi Davis; Patricia Mahan; Dominic Caserta; Teresa O'Neill; Kathy Watanabe

Cc: John Wayland (jwayland@hollandpartnergroup.com); Ardie Zahedani; Jay Coles; Tyson Sayles; Steven Edwards; Rosen, Sam; Vanderboom, Nicholas; Manuel Pineda; Deanna Santana; Kamangar, Katia; Cynthia James

Subject: Park In-Lieu Fee - Council Meeting Agenda Item #6

Dear Mayor and Members of the City Council,

Please find the attached comment letter regarding the adoption of the 2018-19 Park In-Lieu fee to be discussed at today's Council meeting.

Best,

Jonathan Fearn

Vice President of Development

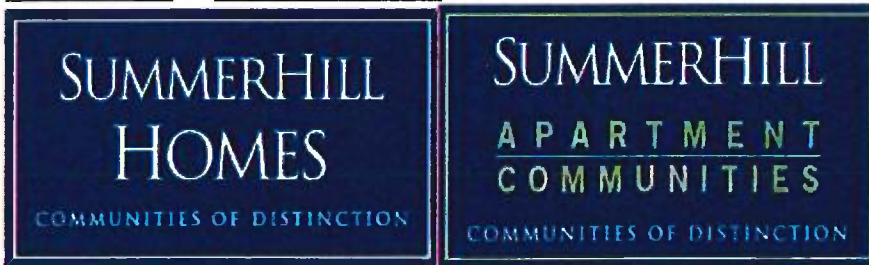
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POST MEETING MATERIAL

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.



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