



Quimby Act and Impact Fee Methodology Update

Greater Vallejo Recreation District Board of Directors



April 28, 2022



Mitigating the Cost of Growth for Parks and Recreation

- ▲ Parks and recreation are seen as essential components for quality of life
- ▲ Basic park and recreation components have become an expectation of many home buyers
- ▲ Parks are infrastructure

Three Basic Options to Pay for Growth

1

- Existing residents pay for new growth through taxes or fees

2

- Absorbing growth which lowers your Level of Service (LOS)

3

- Growth pays its own way

- ▲ Residential growth is most often mitigated
- ▲ Commercial and industrial mitigation is also necessary, but not common

Definitions



**Land Dedication
(for parks)**



**Fees-in-Lieu of
Land Dedication**



Park Impact Fees

Current Impact Fees

Last study was in 2007

▲ Acres per 1,000 x Persons per Housing Unit x Average Construction Costs = Fee per Dwelling Unit

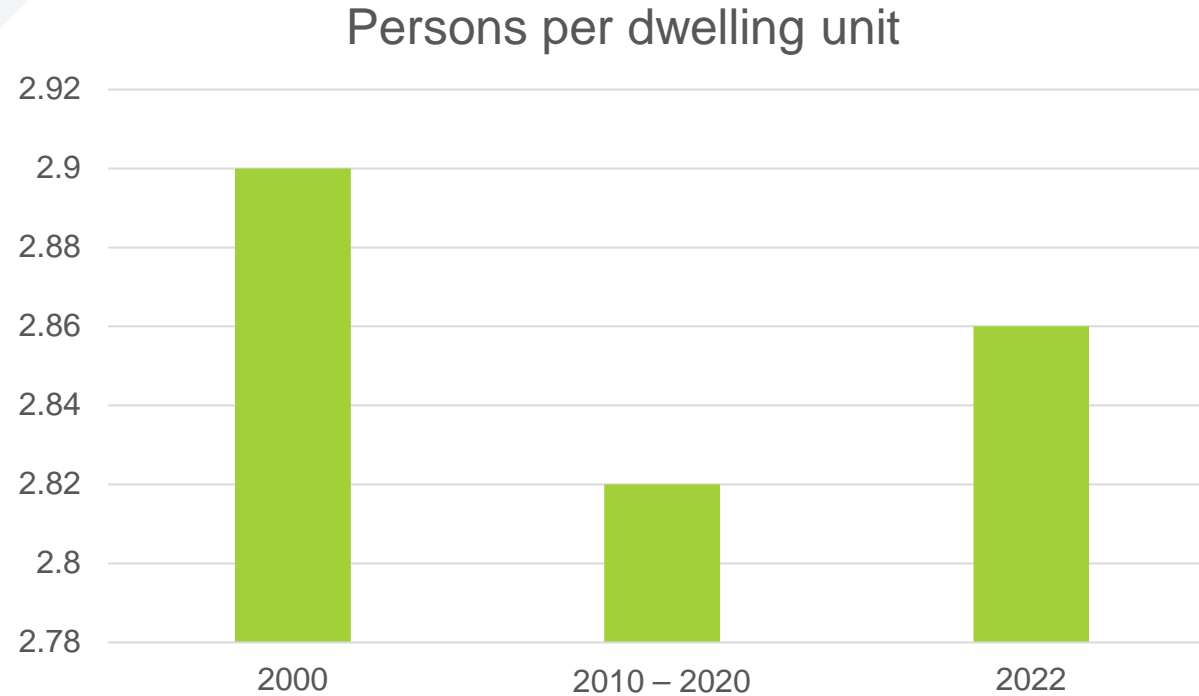
Table Title	
Single Family Detached Per Unit	\$14,315
Single Family Attached Per Unit	\$12,907
Duplex Per Unit	\$11,686
Multiple Family (3 or more units) Per Unit	\$9,808
Mobile Home Per Unit	\$8,588

▲ Fees have been escalated based on cost of construction



Current Impact Fees

Last study was in 2007



▲ Current park development costs \$340,000 to \$425,000 per acre



Current Land Dedication (Quimby Act)

- ▲ Number of new Dwelling Units x Average # people per Dwelling Unit x LOS
- ▲ LOS mandated by the Quimby Act is 3-5 acres per 1,000 population
- ▲ Current District “Quimby Act” LOS is 4.25 acres per 1,000
- ▲ Must be used in the area of development, unless area already has 3 acres of parkland; then it is permissible to move to a neighborhood near the development
- ▲ Most neighborhoods have an LOS in excess of 3 acres per 1,000
- ▲ The current cost of land per acre in the District = \$800,000



Projecting Changes to the Fee Policies

- ▲ Updated LOS will increase to 5 acres per 1,000
- ▲ Cost of land and development may increase from \$770,150 per acre to ~1.8 million per acre
- ▲ Anticipating a 15 – 20% increase in maximum, justifiable fee



Planning Standards for Land Dedication and Development Fees

The establishment of a fee must be rationally linked (the "rational nexus") to an impact created by development

Some benefit must accrue to the development as a result of the payment of a fee

A fee cannot be imposed to address existing deficiencies except where they are exacerbated by new development

Funds received under such a program must be segregated from the general fund and used solely for the purposes for which the fee is established

The fees collected must be encumbered or expended within a reasonable timeframe to ensure that needed improvements are implemented

Planning Standards for Land Dedication and Development Fees

Provisions must be included in the ordinance to permit refunds for projects that are not constructed, since no impact will have manifested

The fee cannot be used to cover normal operations and maintenance or personnel costs but must be used for capital improvements

The fee established for specific capital improvements should be reviewed at least every two years to determine whether an adjustment is required, and similarly the capital improvement plan and budget should be reviewed at least every 5 to 8 years

SDC fee payments are typically required to be made as a condition of approval of the development, either at the time the building or occupancy permit is issued

The fee assessed cannot exceed the cost of the improvements, and credits must be given for outside funding sources



How do you justify what you need?

- ▲ Address the need in your parks and recreation master plan and methodology study
- ▲ Identify Level of Service standards
- ▲ The methodology study and master plan should be reasonably up to date



Decision Points

- ▲ Establish methodology to determine fees-in-lieu (market rate determined on a periodic basis or specific assessment)
- ▲ If need is for land, reserve the right to have land meet certain minimum requirements (suitable for park development)
- ▲ If need is for fees, establish a revolving fund to hold the fees until land can be purchased or development can occur

The Real Cost of Mitigating Growth

Discounts – low-income housing, negotiations, etc.

- Establishing land dedication requirements and impact fees below the cost of providing the LOS may be communicating that you can do “more with less”

Determine the real cost

- Make sure the community (including developers and home builders) knows that you are collecting less than the full cost of serving the new growth area and additional funding may be needed from another source

How Can SDCs Be Used?



Acquisition and development of parks and recreation facilities



Existing or new facilities when increased capacity occurs (the level of performance or service)



Finance future debt

How Can Impact Fees Be Used?



Cannot be used for administrative office space, unless incidental



Cannot be used for routine maintenance or operations



Can fund master plan

Formal Acceptance of Land/ SDC Fees

- ▲ Decision on acceptance by City of Vallejo and the District
- ▲ Formal acceptance by City Council
- ▲ Methodology needs to address transfer of funds to the District



SDC Credits

- ▲ Low-income housing
- ▲ Private park space that impacts capacity



Next Steps

- ▲ City review of draft document
- ▲ Meet and brief developers
- ▲ Board consideration and approval of fees and draft document
- ▲ City Council approval
- ▲ Memorandum of understanding





Thank you

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