

ORDINANCE NO. _____

CITY COUNCIL, CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

AN ORDINANCE AMENDING CHAPTER 8.67 OF THE
SOUTH SAN FRANCISCO MUNICIPAL CODE
REVISING THE METHOD OF CALCULATION FOR THE
PARKLAND ACQUISITION FEE AND A PARKS
CONSTRUCTION FEE AND EXPANDING APPLICATION OF
THE FEES TO NONRESIDENTIAL DEVELOPMENTS TO
MITIGATE THE IMPACTS OF NEW DEVELOPMENTS ON
PARK AND RECREATIONAL FACILITIES IN THE CITY

WHEREAS, parks and recreational facilities are vital to the health and welfare of a community; and

WHEREAS, the City of South San Francisco (“City”) aims to provide sufficient levels of parks and recreational facilities for its residents; and

WHEREAS, the City’s General Plan and Parks and Recreation Master Plan aim to provide three acres of parks and recreational facilities per 1,000 residents; and

WHEREAS, the City General Plan and Parks and Recreation Master Plan also aim to provide one-half acres of parks and recreational facilities per 1,000 employees; and

WHEREAS, Guiding Policy 5.1-G-1 of the City’s General Plan provides that the City should “[d]evelop additional parkland in the city, particularly in areas lacking these facilities, to meet the standards of required park acreage for new residents and employees;” and,

WHEREAS, Implementing Policy 5.1-1-2 of the City’s General Plan provides that the City should “[m]aintain parkland standards of 3.0 acres of community and neighborhood parks per 1,000 new residents, and 0.5 acres of parkland per 1,000 new employees;” and

WHEREAS, Goal #1 of the Parks and Recreation Master Plan provides that the City “should provide a minimum of 3 acres of developed park land per 1,000 residents and 0.5 acres of parkland per 1,000 new employees”; and

WHEREAS, in 2016 the City contracted with the Municipal Resources Group (MRG) to analyze the relationship between new development in the City and the cost of public facilities to serve that growth and determined that there is a reasonable nexus between the proposed Parkland Acquisition Fee and Park Construction Fee and the types of new development that will be responsible for paying the fee (*Park Land Acquisition and Park Construction Fees Report 2016*, hereafter “Study,” attached to the associated staff report, but incorporated by this reference as though set out fully herein); and

WHEREAS, new residential development projects attract new residents to the city, which generates increased demand for parks and recreational facilities and impacts existing park service levels; and

WHEREAS, new non-residential development projects attract new employees to the city, which generates increased demand for parks and recreational facilities and impacts existing park service levels; and

WHEREAS, the City may adopt and impose a parkland acquisition fee and a park construction fee to pay for the cost of acquiring and constructing park facilities needed to support new development under the authority of Sections 66000 et seq. of the California Government Code (“Mitigation Fee Act”); and

WHEREAS, in accordance with Section 66019 of the Mitigation Fee Act, at least fourteen (14) days prior to the public hearing at which this Ordinance was introduced, notice of the time and place of the hearing was mailed to interested parties who filed written requests with the City for mailed notice of meetings on new or increased fees or service charges; and

WHEREAS, in accordance with Government Code Section 66019, the Fee Study was available for public inspection, review, and comment for ten (10) days prior to the public hearing at which the Council considered the adoption of the Bicycle and Pedestrian Impact Fee; and

WHEREAS, ten (10) days advance notice of the public hearing at which this Ordinance was introduced was given by publication in accordance with Government Code Section 6062a; and

WHEREAS, pursuant to the Mitigation Fee Act, the City seeks to adopt this Ordinance to mitigate the impacts caused by new development by providing for the payment of development impact fees necessary for the City to acquire property and construct parks and recreational facilities and to maintain desirable levels of parks and recreational facilities for new and existing residents and employees; and,

WHEREAS, the action taken by this Ordinance has no potential for physical effects on the environment because it involves an adoption of certain fees and/or charges imposed by the City, does not commit the City to any specific project, and said fees and/or charges are applicable to future development projects and/or activities, each of which future projects and/or activities will be fully evaluated in full compliance with the California Environmental Quality Act (“CEQA”) when sufficient physical details regarding said projects and/or activities are available to permit meaningful CEQA review (See CEQA Guidelines, Section 15004(b)(1)). Therefore, approval of the fees and/or charges is not a “project” for purposes of CEQA, pursuant to CEQA Guidelines, Section 15378(b)(4); and, even if considered a “project” under CEQA, is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that approval of the updated fees and/or charges may have a significant effect on the environment.

NOW, THEREFORE, the City Council of the City of South San Francisco does hereby ORDAIN as follows:

SECTION 1.

Amendments

The City Council hereby amends Chapter 8.67 to the South San Francisco Municipal Code to read as follows and finds that the foregoing recitals are true and correct and are incorporated into the Ordinance by this reference. Sections and subsections that are not amended by this Ordinance are not included below, and shall remain in full force and effect.

8.67.010 Purpose.

The City Council finds and determines that in order to provide sufficient funding to achieve the City's goal of maintaining park service levels and providing adequate parks and recreational services and facilities to residents of the city, in accordance with the standards established in the General Plan, Parks and Recreation Master Plan, and other applicable plans and regulations, development projects identified in Section 8.67.050 below shall pay a Parkland Acquisition Fee and a Park Construction Fee as outlined in this Chapter, and in order to mitigate the impacts of these development projects on parks and recreational services and facilities in the city.

(a) The specific purpose of the Parkland Acquisition Fee is to mitigate the impact of development projects by collecting sufficient funds to acquire property in the city and provide three acres of parkland per 1,000 residents and one-half acres of parkland per 1,000 new employees.

(b) The specific purpose of the Park Construction Fee is to mitigate the impact of development projects on park facilities by collecting sufficient funds to construct adequate park facilities and improvements in the city and provide three acres of improved parkland per 1,000 residents and one-half acres of improved parkland per 1,000 new employees.

8.67.020 Parkland acquisition fee and park construction fee findings.

(a) Parkland Acquisition Fee. The City Council finds and determines that:

- (1) There is a reasonable relationship between the Parkland Acquisition Fee and the type of development projects to which the fee is imposed because the development projects that are subject to the fee outlined in this chapter will place additional demands on park and recreational facilities in the city. The parkland acquired with the proceeds of this fee will address and mitigate the additional impacts created by these development projects.
- (2) There is a reasonable relationship between the need for the additional parkland and the type of development projects subject to the fees outlined in this chapter because these development projects will attract additional residents and employees to the city that will place a greater demand on park and recreational land. The parkland acquired with the proceeds of this fee will serve those new residents and employees.

- (3) There is a reasonable relationship between the amount of the fee and the cost of providing the parkland attributable to the types of development upon which the fee is imposed because, pursuant to Section 8.67.070 below, the fee is calculated by apportioning the cost of acquiring the required additional parkland to the number of residents projected to reside in each type of new residential unit or by apportioning the cost of acquiring the additional parkland to the number of employees projected to be generated by non-residential development projects.

(b) Parks Construction Fee. The City Council finds and determines that:

- (1) There is a reasonable relationship between the Park Construction Fee and the type of development projects to which the fee is imposed because the development projects that are subject to the fee outlined in this chapter will place additional demands on park and recreational facilities in the city and the park facilities constructed with the proceeds of the fee will address and mitigate the additional impacts created by these development projects.
- (2) There is a reasonable relationship between the need for the additional park facilities and the type of development projects subject to the fee outlined in this Chapter because these development projects will attract additional residents and employees to the city that will place a greater demand on parks and recreational facilities and the park facilities constructed with the proceeds of this fee will serve those new residents and employees.
- (3) There is a reasonable relationship between the amount of the fee and the cost of providing the parks and recreational facilities attributable to the type of developments upon which the fee is imposed because, pursuant to Section 8.67.070 below, the fee is calculated by apportioning the cost of constructing the additional park facilities to the number of residents projected to reside in each type of new residential unit or by apportioning the cost of constructing the additional park facilities to the number of employees projected to be generated by non-residential development projects.

8.67.030 Relation of parkland and improvements to population and employment density.

The City Council finds and determines that the public interest, convenience, health, welfare, and safety require that three acres of property and improvements, for each 1,000 persons residing within the city, and one-half acres of property and improvements, for each 1,000 persons employed within the city, be devoted to parks and recreational purposes.

8.67.050 Application of parkland acquisition fee and parks and recreation construction fee.

(a) Parkland Acquisition Fee. The following types of developments shall be required to pay the Parkland Acquisition Fee established pursuant to this Chapter:

(1) Subdivisions with fewer than five (5) parcels that are not otherwise required to dedicate land or pay in-lieu fees pursuant to Sections 19.24.030 through 19.24.110;

(2) Multi-family residential rental development projects;

(3) Existing residential lots that have not previously dedicated land or paid fees pursuant to Chapter 19.24.

(4) Any other residential development project that is not otherwise required to dedicate land or pay an in-lieu fee pursuant to Section 19.24.030 through 19.24.110;

(5) Non-residential development projects.

(b) Park Construction Fee. All residential and non-residential development projects shall be required to pay the Park Construction Fee pursuant to this Chapter.

(c) A development project that has submitted a complete application prior to the effective date of this ordinance shall pay the applicable Parkland Acquisition Fee and Park Construction Fee in effect at the time the application was filed with the City, at the time specified by Section 8.67.040 of this Chapter.

8.67.060 Calculation of the parkland acquisition fee and park construction fee.

(a) In calculating the Parkland Acquisition Fee for residential development pursuant to subsection (b) and Parks Construction Fee for residential development pursuant to subsection (c) of this section, the City will use the data contained in Formula Table 8.67.060(a) below. In calculating the Parkland Acquisition Fee for non-residential development pursuant to subsection (d) and Parks Construction Fee for non-residential development pursuant to subsection (e) of this section, the City will use the data contained in Formula Table 8.67.060(b) below.

Parkland Acquisition and Parks and Recreation Improvements Formula for Residential Development Table 8.67.060(a)

Units in Structure	Acres per Resident	Average Residents per Unit	Parkland Acres Required per Unit/Parks and Recreation Improvements Required per Unit
1 (single-family residential unit)	.003	3.45	.01035

2 to 4 (duplex to four-plex)	.003	2.98	.00894
5 to 19	.003	2.53	.00759
20 to 49	.003	2.04	.00612
50 or more	.003	1.78	.00534
Mobile Home	.003	2.65	.00795

Parkland Acquisition and Parks and Recreation Improvements Formula for Non-Residential Development Table 8.67.060(b)

Land Use Type	Employees per 1,000 Square Feet	Park Land Acres Required per Employee	Parkland Acres Required per 1,000 Square Feet/Parks and Recreation Improvements Required per 1,000 Square Feet
Commercial/Retail	2.50	.0005	.00125
Hotel/Visitor	2.38	.0005	.00119
Office/R&D	2.22	.0005	.00111
Industrial	1.05	.0005	.00052

(b) Parkland Acquisition Fee for Residential Development. The Parkland Acquisition Fee for residential development shall be calculated by multiplying the number of units in a development by the average number of residents per unit as shown in Formula Table 8.67.060(a) above, then by .003 (equal to three acres per 1,000 residents), then by the average fair market value (FMV) per acre of land in the city, reduced by a factor of .30. The average FMV per acre of land in the city shall be determined pursuant to subsection (f) below.

Formula 8.67.060 (b)										
Units in Development	X	Average Residents per Unit	X	.003 (3 acres/ 1,000 people)	X	Average FMV per acre	X	.70	=	Parkland Acquisition Fee

(c) Park Construction Fee for Residential Development. The Park Construction Fee for residential development shall be calculated by multiplying the number of units in the development by the average number of residents per unit as shown in Formula Table 8.67.060(a) above, then by .003 (equal to three acres per 1,000 residents), then by the average construction cost per acre, reduced by a factor of .30. The average cost of construction per acre in the city shall be determined pursuant to subsection (f) below.

Formula 8.67.060 (c)										
Units in Development	X	Average Residents per Unit	X	.003 (3 acres/ 1,000 people)	X	Average Construction Cost per acre	X	.70	=	Park Construction Fee for Residential Development

(d) Parkland Acquisition Fee for Non-Residential Development. The Parkland Acquisition Fee for non-residential development shall be calculated by multiplying the total square feet of the development divided by 1,000, by the average number of employees per 1,000 square feet shown in Formula Table 8.67.060 (b) above, then by .0005 (equal to 0.5 acres per 1,000 employees), then by the average fair market value (FMV) per acre of land in the city, reduced by a factor of .30. The average FMV per acre of land in the city shall be determined pursuant to subsection (f) below

Formula 8.67.060 (d)											
Total square feet	/	1,000 square feet	X	Average number of employees per 1,000 square feet	X	.0005 (0.5 acres per 1,000 employees)	X	Average FMV per acre of land	X	.70 =	Parkland Acquisition Fee for Non-Residential Development

(e) Park Construction Fee for Non-Residential Development. The Park Construction Fee for non-residential development shall be calculated by multiplying the total square feet of the development divided by 1,000, by the average number of employees per 1,000 square feet

shown in Formula Table 8.67.060 (b) above, then by .0005 (equal to 0.5 acres per 1,000 employees), then by the average construction cost per acre of land in the city, reduced by a factor of .30. The average construction cost per acre of land in the city shall be determined pursuant to subsection (g) below.

Formula 8.67.060 (e)											
Total square feet	/	1,000 square feet	X	Average number of employees per 1,000 square feet	X	.0005 (0.5 acres per 1,000 employees)	X	Average Construction Cost per acre of land	X	.70 =	Park Construction Fee for Non-Residential Development

(f) Determining Average Fair Market Value per Acre. In order to determine the fair market of land per acre for purposes of this Chapter, the City will obtain a written appraisal from a qualified appraiser assessing the average fair market value of land per acre in the City of South San Francisco. Such appraisal setting the fair market value of land in the city shall be approved by resolution of the City Council. A new appraisal may be periodically conducted to reflect changes in the real estate market; provided, however, that such appraisal may not be conducted more than once per year.

(g) Determining Average Construction Cost per Acre. In order to determine the average hard and soft construction costs per acre, the City will obtain an estimate of these costs from a qualified architecture or construction firm. Such estimate setting the average construction cost per acre shall be approved by resolution of the City Council. A new estimate may be periodically conducted to reflect changes in the cost of construction; provided, however, that such estimate may not be conducted more than once per year.

(h) Administrative Fee. The City may collect a reasonable administrative fee to cover the cost of administering the program described in this Chapter, as determined by the Finance Director and approved by resolution of the City Council.

(i) Annual Construction Cost Adjustment. Fees paid pursuant to this section will be adjusted annually by the same percentage as the latest increase or decrease in the Engineering News Record Construction Cost Index (CCI) for the San Francisco area. The adjustment shall be based on a comparison of the most recent CCI to the CCI in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The first adjustment will take effect on the second July 1st following the adoption of this resolution and each subsequent July 1st.

8.67.070 Use of parkland acquisition fee and park construction fee.

The Parkland Acquisition Fee and the Park Construction Fee funds shall only be used for the purposes outlined in this Chapter and to further the requirements outlined below:

ABSENT: _____

ATTEST: _____
City Clerk

As Mayor of the City of South San Francisco, I do hereby approve the foregoing ordinance this ____ day of _____, 2017.

Pradeep Gupta, PhD, Mayor