CITY OF LOS ANGELES Department of Recreation and Parks

June 4, 2020

TO: Board of Recreation and Park Commissioners

FROM: Michael A. Shull, General Manager M. Alle

SUBJECT: QUIMBY/PARK FEES COLLECTION AND ALLOCATION

SUMMARY

Ordinance 184,505 (Parks Dedication and Fee Update ordinance) was passed by City Council on September 7, 2016 with an effective date of January 11, 2017. The ordinance requires most residential projects that create new dwelling units or joint living and work quarters to dedicate land or to pay a fee for the purpose of developing park and recreational facilities. Residential projects that propose one or more additional dwelling units are subject to the Park Fee unless they meet one of the exceptions listed in Los Angeles Municipal Code Section 12.33 C.3.

Use of Quimby/Park Fees

Quimby/Park Fees can only be used to acquire new parkland, develop new parks, or fund capital improvements at existing park facilities, which will serve residents of the residential development that dedicated the land or paid the fees. Any Quimby/Park Fees collected by the Department must be committed to a park project within five years of the receipt of payment.

Quimby/Park Fees are not permitted to be used to offset park operation and maintenance costs, to purchase materials and supplies, or to replace equipment.

Quimby/Park Fee Schedule

Per Los Angeles Municipal Code Section 12.33 E, the fee amount depends on the type of residential development project (Subdivision or Non-Subdivision). The Department of Recreation and Parks (RAP) collects these fees pursuant to Los Angeles Municipal Code Section 19.17 and the Park Fees Section of RAP's Rate and Fee Schedule.

The Park Fees Section of RAP's Rate and Fee Schedule is adjusted on July 1st of each year.

RAP is responsible for calculating the amount of Quimby/Park Fees that a residential development owes to the City. The amount of Quimby/Park Fees that a residential development project is required to pay varies depending on the Park Fee schedule in effect in the year of payment; the number of exempt dwelling units (e.g. affordable housing units, existing dwelling units to be replaced on site, etc.) included as part of the Project; any Dwelling Unit Construction Tax previously paid by the Project; and, any credits granted by the Department for

improvements to dedicated park land or for eligible privately owned recreational facilities and amenities.

Note: There are some residential projects that acquired vested rights prior to the effective date of Ordinance 184,505 and therefore are not be subject to the Quimby/Park Fee Schedule in the Park Fees Section of RAP's Rate and Fee Schedule. These vested entitlement projects are still subject to applicable Recreation and Park Fee provisions and fee calculation process that were effective on the vesting date of the entitlement.

Quimby/Park Fee Expenditure Radius

Per LAMC Section 12.33 E.3, any Park Fees collected by the City shall be used on park projects located within a certain radius from the project site, as specified below:

- a) Neighborhood Park: within a 2-mile radius
- b) Community Park: within a 5-mile radius
- c) Regional Park: within a 10-mile radius

Identification of Project for Quimby/Park Fee Funding

Potential park acquisition and park capital improvement projects are identified based on RAP staff recommendations, recognized facility infrastructure needs, community input and stakeholder discussions, and input from City Council Offices.

It is important to note that Quimby/Park Fees are just one of a number of funding sources that are potentially available to fund identified park projects. Additionally, Quimby/Park Fees often used as matching funds and are leveraged with State or Local grant, bond, or special funds to enhance scope features for specific projects or to meet identified project funding shortfalls.

Once a determination has been made by RAP to use Quimby/Park Fees for a park project, RAP staff prepares a report to the Board of Recreation and Park Commissioners (Board) recommending the allocation/commitment of Quimby/Park Fees to the proposed project.

Approval of Allocations/Commitments of Quimby/Park Fees

Only the Board can approve the allocation/commitment of Quimby/Park Fees to a park project. No Quimby/Park Fees can be approved for use for a park project without approval by the Board.

Los Angeles City Council approval is not required to approve the allocation/commitment of Quimby/Park Fees to a park project.

Annual Report

Per Los Angeles Municipal Code Section 12.33 I.2, within 180 Days after the last day of each fiscal year, RAP is required to report to the Board on the amount of Park Fee income (including interest income), expenditures, status of the trust fund account, and intrafund transfers. RAP is also required to report on each of the park and recreational facilities on which fees were committed in the last fiscal year and the approximate date by which the construction of the park and recreational facilities will commence. The City shall maintain accounts and prepare reports in accordance with California Government Code Section 66001 or successor section.