



CITY OF TEMPLE CITY

**QUIMBY LAND DEDICATION REQUIREMENT AND
IN-LIEU FEE STUDY**

SEPTEMBER 2014
PUBLIC REVIEW DRAFT

PREPARED FOR:

CITY OF TEMPLE CITY COUNCIL

PREPARED BY:

SCIConsultingGroup

4745 MANGELS BOULEVARD

FAIRFIELD, CA 94534

PHONE 707.430.4300

FAX 707.430.4319

www.sci-cg.com

CITY OF TEMPLE CITY

CITY COUNCIL

Carl Blum, Mayor
Tom Chavez, Vice Mayor
Fernando Vizcarra, Council Member
Vincent Yu, Council Member
Cynthia Sternquist, Council Member

INTERIM CITY MANAGER

Donald E. Penman

ASSISTANT TO CITY MANAGER/COMMUNITY DEVELOPMENT DIRECTOR

Brian Haworth

PARKS AND RECREATION DIRECTOR

Cathy Burroughs

CONSULTANT

SCI Consulting Group

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

 INTRODUCTION..... 1

 SUMMARY OF KEY FINDINGS..... 1

 SUMMARY OF GENERAL RECOMMENDATIONS..... 2

DETERMINATION OF QIMBY LAND DEDICATION REQUIREMENT..... 4

 QIMBY STANDARD 4

 DWELLING UNIT OCCUPANCY FACTOR 4

 QIMBY LAND DEDICATION REQUIREMENT..... 5

DETERMINATION OF QIMBY IN-LIEU FEES 7

 FAIR MARKET LAND VALUE FOR PARKS 7

 QIMBY IN-LIEU FEES..... 7

APPENDIX A – RECENT RESIDENTIAL PROPERTY SALES 10

APPENDIX B – CALIFORNIA GOVT. CODE § 66477 (“THE QIMBY ACT”)..... 11

LIST OF FIGURES

FIGURE 1 – PROPOSED QIMBY DEDICATION REQUIREMENT 2

FIGURE 2 – PROPOSED QIMBY IN-LIEU FEE..... 2

FIGURE 3 – DWELLING UNIT OCCUPANCY FACTOR (CITY OF TEMPLE CITY)..... 5

FIGURE 4 – QIMBY LAND DEDICATION REQUIREMENT..... 6

FIGURE 5 – QIMBY IN-LIEU FEES 8

FIGURE 6 – RECENT RESIDENTIAL PROPERTY SALES..... 10

EXECUTIVE SUMMARY

INTRODUCTION

The California Government Code contains specific enabling legislation for the acquisition and development of community and neighborhood parks by a city, county or special district. This legislation, codified as Section 66477 of the Government Code and known commonly as the "Quimby Act," establishes criteria for charging new development for park land acquisition based on specific park standards.

There are two factors that determine how much land is required to be dedicated for a new subdivision. These factors are multiplied by the number of respective dwelling units for the proposed subdivision to determine acreage to be dedicated for neighborhood and community parks. In some instances, the payment of fees in lieu of land may be considered. In this case, the Quimby dedication requirement is multiplied by the fair-market of the land which would be otherwise be required to be dedicated to establish the Quimby in-lieu fee.

This Quimby Dedication Requirement and In-Lieu Fee Study ("Study") presents the calculation of the three factors that determine the Quimby land dedication requirement and In-Lieu Fees for the City of Temple City ("City"). Additionally, this Study makes specific recommendations for changes in the City's Quimby Policy.

SUMMARY OF KEY FINDINGS

Based on a review of the Quimby Act; the 2010 U.S. Census; and the City's 2014 Park and Recreation Master Plan, the following key findings are presented:

1. The City currently does not have an adopted land dedication requirement for new residential construction. They require a New Construction Park Fee of \$500 per new unit to be paid upon application to the City for a building permit.
2. Based on the City's current park inventory and population, the City has 0.5 acres per 1,000 residents. Therefore, the City's maximum dedication requirement allowed under the Quimby Act is 3 acres of land for every new 1,000 residents.
3. Based on 2010 U.S. Census information, the average household size for single-family detached homes, single-family attached homes and multi-family units is 3.17, 3.58 and 2.10 persons per unit, respectively, for the City.
4. For the purpose of determining the Quimby in-lieu fees, the fair market value of land in the City is estimated to be \$1,260,000 per acre.

SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in this Study, the following general recommendations are presented:

1. The City may establish a Quimby land dedication requirement based on 3 acres per 1,000 residents and average household sizes based on figures from the 2010 U.S. Census for the three residential land use categories shown below.

FIGURE 1 – PROPOSED QUIMBY DEDICATION REQUIREMENT

Residential Land Use	Proposed Quimby Land Dedication Requirement
	<i>Square Feet per Unit</i>
Single-Family Detached Housing	414
Single-Family Attached Housing	468
Multi-Family Housing	274

2. The City may establish their Quimby In-Lieu fee to reflect the new Quimby land dedication requirement and land values of \$1,260,000 per acre. The proposed in-lieu fee is presented in the following table.

FIGURE 2 – PROPOSED QUIMBY IN-LIEU FEE

Residential Land Use	Proposed Quimby In-Lieu Fee
	<i>Per Dwelling Unit</i>
Single-Family Detached Housing	\$11,975
Single-Family Attached Housing	\$13,537
Multi-Family Housing	\$7,926

3. The City should periodically conduct a review of land costs in the City. If land values change significantly in either direction, the Quimby In-Lieu fee should be adjusted accordingly.
4. If a subdivider and the City do not agree on the fair market value for park land, the value shall be determined by a qualified real estate appraiser. All cost to obtain such appraisal should be borne by the subdivider.

5. The Quimby land dedication requirement and in-lieu fees should be adopted and implemented in accordance with the applicable provisions of the Quimby Act (California Govt. Code § 66477). Proceeds from Quimby in-lieu fee should be collected separately and accounted for independent of park impact fee proceeds.
6. The Quimby land dedication requirement and/or in-lieu fee should be required from new residential subdivisions in addition to park impact fees pursuant to the Mitigation Fee Act (California Govt. Code § 66000 et. seq.).¹

¹ This Study was prepared parallel to a Park Impact Fee Nexus Study to establish the legal and policy basis for the imposition of park impact fees on new residential development. If the City requires a developer, as a condition of project approval, to dedicate land, to pay fees in-lieu of land dedication under the City's Quimby ordinance, the park impact fees imposed on that development project shall be reduced by the portion of the park impact fee component related to land acquisition.

DETERMINATION OF QUIMBY LAND DEDICATION REQUIREMENT

QUIMBY STANDARD

Under the Quimby Act, the dedication of land, or payment of fees, or both, cannot exceed the proportionate amount necessary to provide three acres of park area per 1,000 persons residing within the subdivision, unless the amount of existing neighborhood and community park area exceeds that limit, in which case the calculated amount may be adopted as a higher standard not to exceed five acres per 1,000 persons residing within a subdivision.

Based on the City's current park inventory, City residents are currently served by approximately 18.2 acres of developed parkland - 2.2-acre Temple City Park and 16-acre Live Oak Park. With a current population of approximately 36,453, the combined acreage of these parks represents a ratio of 0.5 acres of park area for every 1,000 residents of the City.

Since the City's existing developed parkland is less than 3 acres per 1,000 residents, the City's maximum dedication requirement and/or fee allowed under the Quimby Act is 3 acres of land for every 1,000 residents.

DWELLING UNIT OCCUPANCY FACTOR

Pursuant to Govt. Code § 64477(a)(2), the amount of land dedicated or fees paid shall be based upon a project's population density, which shall be in part determined based on the average number of persons per household according to the most recent federal census.

Since the need for and demand for park and recreational services is inherently driven by population and since different residential land uses have varying household sizes, it is recommended that the land dedication requirement and in-lieu fees be expressed on a per unit based on their respective average household size for three residential land use categories.

For the purposes of this Quimby program, a "unit" generally means one or more rooms in a building or structure or portion thereof designed exclusively for residential occupancy by one or more persons for living or sleeping purposes and having kitchen and bath facilities, including mobile homes.

The three residential land use categories are as follows:

- "Single-family detached" means free-standing one-family dwelling units;

- "Single-family attached" means one-family dwelling units on separate parcels that share a common wall, such as townhomes; and
- Multi-family residential" means buildings or structures designed for two or more families for living or sleeping purposes and having a kitchen and bath facilities for each family. This category also includes mobile homes.

Based on figures from the 2010 U.S. Census, figure 3 below presents the determination of dwelling unit occupancy factor for three residential land use categories.

FIGURE 3 – DWELLING UNIT OCCUPANCY FACTOR (CITY OF TEMPLE CITY)

Land Use Categories	Occupied	Total	Dwelling
	Dwelling	Number of	Unit
	Units	Occupants	Factor
	Calc	a	b
			c = a/b
Single-Family Detached	9,421	29,865	3.17
Single-Family Attached	766	2,742	3.58
Multi-Family Residential	1,228	2,574	2.10
Average (2010 Census)	11,415	35,181	3.08

Source: U.S. Census Bureau

QUIMBY LAND DEDICATION REQUIREMENT

Based on the City's Quimby standard of 3 acres per 1,000 residents allowed under the Quimby Act, the formula for calculating the dedication of land for the City within the City of Temple City is as follows:

$$\begin{array}{rcl}
 \text{Proposed} & & \text{Average} \\
 \text{Number of} & \times & \text{Household Size} \\
 \text{Units by} & & \text{by Housing} \\
 \text{Housing Type} & & \text{Type} \\
 & & \times \\
 & & \text{Quimby} \\
 & & \text{Standard} \\
 & & (0.003 \text{ acres} \\
 & & \text{per capita})
 \end{array}$$

Figure 4 on the following page presents the City's Quimby Land Dedication Requirement expressed on a square footage of land basis for three residential land uses. As shown, the average number of persons per dwelling unit is determined on the basis of the housing type and the average household size for such land uses as of the 2010 U.S. Census.

FIGURE 4 – QIMBY LAND DEDICATION REQUIREMENT

Residential Land Use	Dwelling Unit	Quimby	Quimby Land
	Occupancy	Standard	Dedication
	Factor ¹	(Acres / 1,000	Requirement
		Population) ²	(Sq ft /
	Calc	a	Dwelling Unit)
		b	c = a * b * 43,580
Single-Family Detached Housing	3.17	0.00300	414
Single-Family Attached Housing	3.58	0.00300	468
Multi-Family Housing	2.10	0.00300	274

Notes:

¹ Based on figures from 2010 U.S. Census for the City of Temple City.

² The City's maximum allowable land per 1,000 residents standard under the Quimby Act.

For example, a 100-unit multi-family home development project would require a 0.63 acre land dedication for park and recreational facilities.

$$\begin{array}{rcl}
 100 & & 274 \\
 \text{Multi-Family Units} & \times & \text{Required Land} \\
 & & \text{Area (sq. ft.) per} \\
 & & \text{Single-Family Lot} \\
 & & = \\
 & & 27,400 \text{ Sq. Ft or} \\
 & & 0.63 \text{ Acres of} \\
 & & \text{Dedication Parkland} \\
 & & \text{for the Subdivision}
 \end{array}$$

DETERMINATION OF QUIMBY IN-LIEU FEES

For proposed subdivisions containing fewer than 50 parcels, the Quimby Act allows for the payment of fees ("Quimby in-lieu fees") in lieu of land dedication.² The purpose of in-lieu fees is to accumulate enough funding from several developers to acquire land for neighborhood and community parks within the City where the fees are collected. Moreover, while land dedication may be required for larger subdivisions, the City may require in-lieu fees only, or a combination of land dedication and in-lieu fees, to meet the park goals of the City.

FAIR MARKET LAND VALUE FOR PARKS

The table on the following page presents the calculation of the Quimby in-lieu fees based on the City's land dedication requirement for single family detached housing, single family attached housing and multifamily housing and land acquisition costs per acre. As shown, commercial property value in the City is estimated to be \$1,260,000 per acre. This figure is based on a study of recent residential property sales in the City. Since there is a small amount of available vacant land in Temple City, it was necessary to look at the assessed land value of residential properties sold within the past two years. This research resulted in the finding that the baseline market value for the property type normally acquired for parks in Temple City is \$1,260,000 per acre.

Arguments for higher land costs can be made; however, the presented amount per acre appear be the most appropriate and conservative figures for the purposes of this Study.

QUIMBY IN-LIEU FEES

Figure 5 on the following page presents the calculation of the Quimby in-lieu fee based on the City's new land dedication requirement for single family detached housing, single family attached housing and multi-family housing and the fair market land value of \$1,260,000 per acre.

² However, when a multi-family development or stock cooperative exceeds 50 dwelling units, a dedication of land may be required, even though the number of parcels may be less than 50. *Govt. Code § 66477(a)(7)*

FIGURE 5 – QIMBY IN-LIEU FEES

Residential Land Use	Quimby Land	Quimby Land	Quimby In-Lieu Fees (per unit)
	Dedication Requirement	Acquisition Cost Per Capita	
Calc	a	b	$c = a * b / 43,560$
Single-Family Detached Housing	414	\$1,260,000	\$11,975
Single-Family Attached Housing	468	\$1,260,000	\$13,537
Multi-Family Housing	274	\$1,260,000	\$7,926

It is important to note that although Quimby in lieu fees are calculated based on land value only, the Quimby Act allows for the in-lieu fee to be used for land acquisition, park development and the construction of new or rehabilitation of existing park and recreational facilities.

APPENDICES

Appendix A – Recent Commercial Property Sales

Appendix B – California Govt. Code § 66477 ("The Quimby Act")

APPENDIX A – RECENT RESIDENTIAL PROPERTY SALES

FIGURE 6 – RECENT RESIDENTIAL PROPERTY SALES

Sale	APN	Location	Sales Date	Value	Size (Acres)	Price per Acre	Price per Sq. Ft.
1	5382-014-025	Temple City	August 2012	\$504,200	0.31	\$1,610,863	\$36.98
2	5385-022-001	Temple City	August 2012	\$965,000	0.49	\$1,957,404	\$44.94
3	8587-030-006	Temple City	August 2012	\$353,581	0.43	\$822,281	\$18.88
4	8585-030-038	Temple City	September 2012	\$464,000	0.31	\$1,482,428	\$34.03
5	8590-006-016	Temple City	October 2012	\$277,029	0.46	\$599,630	\$13.77
6	8574-025-021	Temple City	November 2012	\$273,000	0.35	\$771,186	\$17.70
7	8573-002-001	Temple City	March 2013	\$520,200	0.43	\$1,224,000	\$28.10
8	8585-007-047	Temple City	April 2013	\$368,102	0.33	\$1,115,461	\$25.61
9	8586-013-011	Temple City	June 2013	\$335,769	0.37	\$905,038	\$20.78
10	8587-005-003	Temple City	June 2013	\$312,869	0.30	\$1,039,432	\$23.86
11	8590-020-014	Temple City	June 2013	\$562,500	0.35	\$1,625,723	\$37.32
12	8590-006-017	Temple City	July 2013	\$488,100	0.49	\$1,002,259	\$23.01
13	8585-023-006	Temple City	September 2013	\$496,470	0.36	\$1,371,464	\$31.48
14	8586-013-025	Temple City	December 2013	\$588,614	0.30	\$1,962,047	\$45.04
15	5384-007-024	Temple City	January 2014	\$297,713	0.34	\$886,051	\$20.34
16	8590-024-021	Temple City	March 2014	\$604,000	0.56	\$1,076,649	\$24.72
17	5388-008-017	Temple City	May 2014	\$466,100	0.31	\$1,518,241	\$34.85
18	5388-008-018	Temple City	May 2014	\$474,303	0.30	\$1,581,010	\$36.29
19	5384-007-003	Temple City	June 2014	\$576,000	0.34	\$1,694,118	\$38.89
20	8585-008-022	Temple City	June 2014	\$512,000	0.54	\$951,673	\$21.85
Average						\$1,260,000	\$28.92

APPENDIX B – CALIFORNIA GOVT. CODE § 66477 ("THE QUIMBY ACT")

(a) The legislative body of a city or county may, by ordinance, require the dedication of land or impose a requirement of the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a tentative map or parcel map, if all of the following requirements are met:

(1) The ordinance has been in effect for a period of 30 days prior to the filing of the tentative map of the subdivision or parcel map.

(2) The ordinance includes definite standards for determining the proportion of a subdivision to be dedicated and the amount of any fee to be paid in lieu thereof. The amount of land dedicated or fees paid shall be based upon the residential density, which shall be determined on the basis of the approved or conditionally approved tentative map or parcel map and the average number of persons per household. There shall be a rebuttable presumption that the average number of persons per household by units in a structure is the same as that disclosed by the most recent available federal census or a census taken pursuant to Chapter 17 (commencing with Section 40200) of Part 2 of Division 3 of Title 4. However, the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide three acres of park area per 1,000 persons residing within a subdivision subject to this section, unless the amount of existing neighborhood and community park area, as calculated pursuant to this subdivision, exceeds that limit, in which case the legislative body may adopt the calculated amount as a higher standard not to exceed five acres per 1,000 persons residing within a subdivision subject to this section.

(A) The park area per 1,000 members of the population of the city, county, or local public agency shall be derived from the ratio that the amount of neighborhood and community park acreage bears to the total population of the city, county, or local public agency as shown in the most recent available federal census. The amount of neighborhood and community park acreage shall be the actual acreage of existing neighborhood and community parks of the city, county, or local public agency as shown on its records, plans, recreational element, maps, or reports as of the date of the most recent available federal census.

(B) For cities incorporated after the date of the most recent available federal census, the park area per 1,000 members of the population of the city shall be derived from the ratio that the amount of neighborhood and community park acreage shown on the maps, records, or reports of the county in which the newly incorporated city is located bears to the total population of the new city as determined pursuant to Section 11005 of the Revenue and Taxation Code. In making any subsequent calculations pursuant to this section, the county in which the newly incorporated city is located shall not include the figures pertaining to the new city which were calculated pursuant to this paragraph. Fees shall be payable at the time of the recording of the final map or parcel map, or at a later time as may be prescribed by local ordinance.

(3) (A) The land, fees, or combination thereof are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision, except as provided in subparagraph (B).

(B) Notwithstanding subparagraph (A), fees may be used for the purpose of developing new or rehabilitating existing park or recreational facilities in a neighborhood other than the neighborhood in which the subdivision for which fees were paid as a condition to the approval of a tentative map or parcel map is located, if all of the following requirements are met:

(i) The neighborhood in which the fees are to be expended has fewer than three acres of park area per 1,000 members of the neighborhood population.

(ii) The neighborhood in which the subdivision for which the fees were paid has a park area per 1,000 members of the neighborhood population ratio that meets or exceeds the ratio calculated pursuant to subparagraph (A) of paragraph (2), but in no event is less than three acres per 1,000 persons.

(iii) The legislative body holds a public hearing before using the fees pursuant to this subparagraph.

(iv) The legislative body makes a finding supported by substantial evidence that it is reasonably foreseeable that future inhabitants of the subdivision for which the fee is imposed will use the proposed park and recreational facilities in the neighborhood where the fees are used.

(v) The fees are used within a specified radius that complies with the city's or county's ordinance adopted pursuant to subdivision (a), and are consistent with the adopted general plan or specific plan of the city or county. For purposes of this clause, "specified radius" includes a planning area, zone of influence, or other geographic region designated by the city or county, that otherwise meets the requirements of this section.

(4) The legislative body has adopted a general plan or specific plan containing policies and standards for parks and recreational facilities, and the park and recreational facilities are in accordance with definite principles and standards.

(5) The amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision.

(6) (A) The city, county, or other local public agency to which the land or fees are conveyed or paid shall develop a schedule specifying how, when, and where it will use the land or fees, or both, to develop park or recreational facilities to serve the residents of the subdivision. Any fees collected under the ordinance shall be committed within five years after the payment of the fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If the fees are not committed, they, without any deductions, shall be distributed and paid to the then record owners of the subdivision in the same proportion that the size of their lot bears to the total area of all lots within the subdivision.

(B) The city, county, or other local agency to which the land or fees are conveyed or paid may enter into a joint or shared use agreement with one or more other public districts in the jurisdiction, including, but not limited to, a school district or community college district, in order to provide access to park or recreational facilities to residents of subdivisions with fewer than three acres of park area per 1,000 members of the population.

(7) Only the payment of fees may be required in subdivisions containing 50 parcels or less, except that when a condominium project, stock cooperative, or community apartment project, as those terms are defined in Sections 4105, 4125, and 4190 of the Civil Code, exceeds 50 dwelling units, dedication of land may be required notwithstanding that the number of parcels may be less than 50.

(8) Subdivisions containing less than five parcels and not used for residential purposes shall be exempted from the requirements of this section. However, in that event, a condition may be placed on the approval of a parcel map that if a building permit is requested for construction of a residential structure or structures on one or more of the parcels within four years, the fee may be required to be paid by the owner of each parcel as a condition of the issuance of the permit.

(9) If the subdivider provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the ordinance.

(b) Land or fees required under this section shall be conveyed or paid directly to the local public agency which provides park and recreational services on a communitywide level and to the area within which the proposed development will be located, if that agency elects to accept the land or fee. The local agency accepting the land or funds shall develop the land or use the funds in the manner provided in this section.

(c) If park and recreational services and facilities are provided by a public agency other than a city or county, the amount and location of land to be dedicated or fees to be paid shall, subject to paragraph (2) of subdivision (a), be jointly determined by the city or county having jurisdiction and that other public agency.

(d) This section does not apply to commercial or industrial subdivisions or to condominium projects or stock cooperatives that consist of the subdivision of airspace in an existing apartment building that is more than five years old when no new dwelling units are added.

(e) Common interest developments, as defined in Section 1351 of the Civil Code, shall be eligible to receive a credit, as determined by the legislative body, against the amount of land required to be dedicated, or the amount of the fee imposed, pursuant to this section, for the value of private open space within the development which is usable for active recreational uses.

(f) Park and recreation purposes shall include land and facilities for the activity of "recreational community gardening," which activity consists of the cultivation by persons other than, or in addition to, the owner of the land, of plant material not for sale.

(g) This section shall be known, and may be cited, as the Quimby Act.

