



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Sergio Jimenez
Councilmember David Cohen
Councilmember Pam Foley

SUBJECT: Parkland Fee Credits for Deed
Restricted Moderate-Income Housing Units

DATE: February 26, 2021

APPROVED:

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Handwritten signatures of Sergio Jimenez, David Cohen, and Pam Foley.

RECOMMENDATION

Accept the Staff recommendation with the additional direction:

1. Provide an annual cost/benefit analysis report to the City Council that includes the financial impact on parkland fees to PRNS as well as the number of affordable units constructed;
2. Align the expiration date of the Parkland Fee Credit program with the completion of a new nexus study which is expected to be completed in 2024;
3. Direct staff to include a study of Commercial linkage fee in the scope of the PRNS nexus study work;
4. Direct staff to pursue all avenues for new revenue sources in order to continue to invest in our parks and public spaces.

BACKGROUND

We appreciate the hard work and efforts by staff to find ways to address the City's housing crisis by encouraging the production of affordable housing. The Inclusionary Ordinance is just one tool in our tool box. The recommendation to allow new moderate-income housing units built to satisfy IHO requirements by reducing the parkland fee to 50% per unit could spur the creation of new units, however adopting this goal of reducing fees for deed restricted moderate-income units triggers the need for a review of the Parkland Dedication Ordinance.

PRNS has begun work to review the PDO/PIO program including an updated nexus study. This program as well as other discounts and incentives, such as park credits should be reviewed as part of this work to include a balanced perspective.

It's important to have metrics to determine the success of this ordinance. How many extra units will we gain and what could be potential added costs to departments? For example, has housing quantified how much of an incentive this is for developers and if there is an impact on financing feasibility? Who will be responsible for reviewing the program? It is important that Council be provided regular updates to know if this change is resulting in the units we critically need and not creating too much of an impact on our capital budget for parks. Some districts in our city do not have the same level of funding for parks due to less development taking place. This creates inequity in advancing the goal of a 10 minute walk to a park or trail for all of our residents, something that we understand PRNS is currently in the process of mapping.

Let us work together in guaranteeing that incentives and discounts create a gain in needed affordable housing and not unintended consequences that hurt our parks and public spaces.