

Task Force Meeting Summaries

This document aims to capture the task force’s desired goals and actions for the Department of Parks, Recreation, and Neighborhood Services (PRNS) to achieve. This document also identifies key tasks, takeaways, and policies.

What Did the Task Force Accomplish?		
Topic	Recommended Next Steps	Discussed in Task Force Meeting(s)
<p>Collaborated to update the fee</p> <ul style="list-style-type: none"> • Simplify how fees are assessed • Enhance transparency and provide clarity to the public and developers • Studied land valuation <ul style="list-style-type: none"> ○ City of San Jose fees based on 2017 land value ○ Discussed land valuation on a citywide basis versus various geographies basis • Considered other fee options <ul style="list-style-type: none"> ○ Evaluate city priorities and make choice between fee options ○ Ensure San Jose collects the right fee to the right development based on current market rates • Obtained a comprehensive understanding of the current fee schedule and other fee options, including understanding all implications of various methodologies <ul style="list-style-type: none"> ○ Understand the issue is political 	<ul style="list-style-type: none"> • Analyze approaches taken by larger cities outside of California • Encourage privately owned, publicly accessible parks to reduce maintenance burdens on the city • Review Draft Fee Study and submit comment letter • Present staff recommendations and recommendations for future policy analysis to City Council 	<p>2, 3, 5, 8, 9, 12</p>

<ul style="list-style-type: none"> Studied Credit program 		
<p>Identified issues related to the fee study, but outside of the scope of the fee study</p> <ul style="list-style-type: none"> Deferred maintenance Equity Regional Park system Quality Park Parks and housing 	<p>Staff to compile discussed policy issues that are not directly related to the fee</p> <ul style="list-style-type: none"> Create an Equity Fund Redistribute funds to support the regional park system <p>Create a maintenance ballot measure</p> <ul style="list-style-type: none"> City to advocate for maintenance funding <p>Design new parks with less maintenance load (durable amenities)</p> <p>Create a new narrative for parks and housing</p> <ul style="list-style-type: none"> Align goals and strengthen messaging (avoid pitting the two against each other) <p>Present staff recommendations and recommendations for future policy analysis to City Council</p>	<p>1, 2, 3, 4, 5, 6, 7, 8, 10, 11</p>

Policy Changes		
Topic	Recommended Next Steps	Discussed in Task Force Meeting(s)
<p>Consider fee options:</p> <ul style="list-style-type: none"> Current: Quimby <ul style="list-style-type: none"> Fee based on 2017 MLS land valuation AB1600 Standards-based <ul style="list-style-type: none"> Fee based on land costs and facility development costs, applicable with owned 	<p>Recommended: AB 1600 because it is a more complete fee, charges for cost of land and cost of improvements, flexibility, easier to administer/fees are all in one option</p>	<p>2, 5, 7</p>

<p>and rented development, residential and nonresidential development, fee based on existing inventory current</p> <ul style="list-style-type: none"> • AB1600 Plan-based <ul style="list-style-type: none"> ○ Fee based on land costs and facility development costs 	<p>Reassess land valuation as part of the fee study</p> <ul style="list-style-type: none"> • 2017 MLS land valuation does not allow for the city to collect maximum fees, does not cover costs • Sense of urgency as CSJ does not collect the maximum amount of fee possible 	
<p>Consider land valuation options</p> <ul style="list-style-type: none"> • Citywide <ul style="list-style-type: none"> ○ City can only collect fees on a citywide basis due to General Plan Policy, City cannot spend the money on a citywide basis ○ Political issue ○ Citywide may be “fairer” • Various geographies 	<p>Continue to discuss and study citywide fee</p> <p>Recommend Citywide Fee (One city one fee) as a future policy to City Council</p> <ul style="list-style-type: none"> • Policy would allow for collection and spending across districts • One city one fee should have an equity basis • Continue to study 	<p>4, 6, 7, 9</p>
<p>Credit Program</p>	<p>Update credits language</p> <p>Discontinue Private Recreation Credit Program (POPOS)</p> <ul style="list-style-type: none"> • Passive • Results in only public amenities eligible for credit <p>Create a Privately-owned Park space (POPS) Credit Program</p> <ul style="list-style-type: none"> • Active • Intent: Create active recreational spaces <p>Require two public recreational amenities</p> <p>Provide credit to developers for the cost of improvement to POPS</p> <p>Balance: Preserve flexibility/avoid overprescription while creating clear policy</p>	<p>2, 3, 6, 7, 9, 10, 12</p>

	<ul style="list-style-type: none"> • Provide PRNS director discretion • A proposal should meet objectives/intent of the ordinance 	
Timing of payment	Alignment of framework (i.e., timing of payments across fee programs) is encouraged Staff to map out timeline of fee calculation, entitlement, and building permit for Taskforce	3, 6
Nonresidential Linkage Fee	Conduct feasibility study to determine commercial linkage fee	12

Desired Actions Related to the Draft Fee Study		
Topic	Recommended Next Steps	Discussed in Task Force Meeting(s)
PDO/PIO Implementation Goals	<p>If there are no parks/if the area is a park priority area, #1 priority is to add parks (land dedication is priority)</p> <p>If not feasible, projects can meet that obligation through other methods</p> <p>If the area is already well served, #1 priority is to enhance quality of parks</p>	4
Park Advocate Perspective	<p>Update fee schedule</p> <ul style="list-style-type: none"> • Current fee schedule does not cover costs <p>Reframe Parks and Housing narrative</p> <ul style="list-style-type: none"> • Housing/industry AND Parks, reframe to we need housing, and we need parks <p>Address equity</p> <ul style="list-style-type: none"> • Parks is an equity issue 	8
Developer's Perspective	<p>Foster a balance between city and developer</p> <p>Do not disincentivize development momentum</p>	8

	<ul style="list-style-type: none"> • Modest fee increases can be absorbed, large fee increases will slow down development <p>Desired action:</p> <ul style="list-style-type: none"> • City staff to consider the entirety of parkland fees, understand that a balanced, simplified structure of the fees would also foster development (call to simplify fee structure), have a long-term perspective to budget the fee program 	
<ul style="list-style-type: none"> • Credits/Equity: Adverse effect of affordable housing credit <ul style="list-style-type: none"> ○ Providing credit against the parkland obligation for housing that tends to be dense counteracts the fact that dense areas have greatest need for parks ○ Results in inequitable distribution of parks 	<p>Continue fee study and park planning work with an equity basis</p>	<p>1</p>
<p>Private Recreation Credits: Tiered Credits</p> <ul style="list-style-type: none"> • <i>Some</i> Taskforce member support for a “tiered” credit, where there is a greater credit available for providing publicly accessible amenities and less credit available for providing private recreation amenities • Continue to offer at least some credit for private amenities (Argument: Eliminating credit for private amenities will result in developers reducing size, quality, creativity of amenities in apartment 	<p>Discontinue Private Recreation Credit Program</p> <p>City views private recreation credit as great public loss</p> <p>City staff listened to taskforce and considered points, but continued forward with the recommendation to discontinue Private Recreation Credit Program</p>	<p>7</p>

building throughout the city)		
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Task Force Meeting #1

Summary:

Overview of task force, legal authority, credits, capital budget, and fee study

Takeaways:

- The purpose, importance, and necessity of the task force to address and critically analyze issues, and analyze the PDO and PIO ordinances
 - Park advocates desire the following:
 - Utilize Quimby Act,
 - Analyze PIO/PPO and exemptions,
 - Address unequal distribution with the way funds work
- Credits toward the parkland obligation
 - Task force concerns about credits and equity include the following:
 - Adverse effect of affordable housing credit,
 - Inequitable distribution of parks in lower income-high density areas where parks are needed most
- Funding and the capital budget
 - Takeaways:
 - Park Trust Fund overview and spending nexus
 - A lot of parks have been built because of this program; however, recognition that it is expensive to fund projects

Task Force Meeting #2

Summary:

Discussion about public engagement in task force meetings, overviews of Fee Study (Quimby and AB 1600 Mitigation Act) and credits

Takeaways:

- Discussion: Public Engagement

Include targeted meetings open to the public for sake of transparency and engagement; however, not all meetings should be available for public commenting to keep meetings at appropriate length.
- Fee Study, presented by DTA
 - Purpose of the fee study is the following:
 - Inform task force about options and consider taskforce’s comments
 - Inform task force that as part of this fee study, DTA will perform “nexus study” and recommend best path forward

- Opportunity to consider other fee options
 - DTA noted that the city should exercise caution and first evaluate the methodologies before considering a hybrid approach
 - Inform task force about San Jose's current fee type: MLS land valuation and Quimby only fees
 - DTA noted importance of studying land valuation as part of this fee study because San Jose's fees are based on 2017 land value
 - Task force desired action: Analyze approaches taken by larger cities outside of CA
- Credit Program, focus on Private Recreation Credits
 - Takeaways:
 - Prescriptive language works well. City doesn't have to be prescriptive, but City does have to be clear
 - Credits are additive
 - Task force desired action: Encourage privately owned, publicly accessible parks reducing the maintenance burdens on the city
 - Task force concerns about Private Recreation Credits and equity include the following:
 - Developers can get private recreation credits for amenities, get a break on park obligation, and raise rental rates
 - New development gets new private space dedicated to recreation and areas without new development don't get parks
 - Prescriptive language may limit create designs
 - The same equity concern stated above in Meeting #1

Task Force Meeting #3

Summary:

Summary of Meeting #2's Public Recreation Credit discussion, overviews of proforma, affordable housing, development cost, and development fee framework

Takeaways:

- Summary Discussion: Private Recreation Credits

Non-public amenities both lower maintenance of existing City-owned parks and are a strong public loss.
- Proforma, presented by DTA
 - The purpose and importance of the proforma to project return on investment was established
 - Takeaways:
 - Time element and transparency of proformas is critical, late changes have a large impact
- Affordable housing
 - Challenge: Attracting development, creative ways to fund parks
- Cost of development
 - Takeaways:

- It remains very difficult to fund development for multi-family housing in the current real estate market
 - Because San José's rents aren't as high as other areas, it can be difficult to compete
 - Most market-rate development occurs within West San José and Central San José because both of those areas have a higher ability to achieve rents sufficient to support the construction costs
- Overview of Development Fee Framework
 - The purpose and importance of framework to provide clarity and transparency to the public and developers regarding fees was established
 - Takeaways:
 - Alignment of framework (i.e., timing of payments across fee programs) is encouraged

Task Force Meeting #4

Summary:

Recap of purpose of fee study and task force, overview of AB 602, PDO/PIO implementation goals, equity discussion, discussion about one city one fee recommendation.

Takeaways:

- Summary Discussion: Fee Study options
 - City's choice depends on priorities, city will have to make this choice.
- Overview of AB 602
 - Requirements of AB 1600, relevant if city chooses to adopt AB 1600 framework
- Summary Discussion: PDO/PIO implementation goals
 - If there are no parks/if the area is a park priority area,
 - #1 priority is to **add parks (land dedication is priority)**
 - If not feasible, projects can meet that obligation through other methods
 - If the area is already well served
 - #1 priority is to **enhance quality of parks**
- Clarification
 - GP Service level goals: not requirements, rather, it is the City's intent to meet goals
- Citywide Fee (One city one fee) recommendation
 - Takeaways:
 - Benefit: Could address current challenges related to fee spending, could improve quickness to access and use fees
 - Challenge: Subject to political whim, council district cooperation
 - Equity discussion: One city fee and subsequent project prioritization list should have an equity basis
 - Recommendation needs to be studied more
 - Consider total amount of fees are collected via different geography methods
 - Consider tiering system

Task Force Meeting #5

Summary:

Overview of General Plan as it relates to parks, open space, and recreation, and discussion of park fee types, pros and cons, and implications.

Takeaways:

- General Plan overview of structure and content, presented by Rebekah Ross
 - Takeaways:
 - Policies:
 - 3.5 acres/1,000 residents
 - Challenge with Joint Use Agreement (JUA): The General Plan intent is to capitalize on JUA with schools, but in reality, it is a challenge
 - 10-min walk: Woven in ActivateSJ strategic plan
 - Discussion about the balance between existing issues and goals: As task force discusses building out more parks, concern about deferred maintenance
 - It is not this task force's role to solve, but discussion to acknowledge the issue
- Level of Service, presented by DTA
 - Current Level of Service (LOS): 3.12 acres per 1,000
 - Task force purpose: Provide feedback, understand the issue at hand is political, decide what the city is comfortable with, ensure San Jose collects the right fee to the right development based on current market rates
- (Meat of meeting) Recap of fee calculation options and summary of Pros and Cons of park fee calculations
 - Quimby: fee based on land value and persons per household
 - Pros: Easy to implement, easy to update land valuation, San Jose may obtain actual land
 - Cons: Must base upon existing standards, current LOS is 3.0, collect for land costs only, defined geographic nexus, fee based on land costs only, only applicable with subdivisions
 - AB1600 Standards-based: fee based on current Level of Service (LOS); projects cost with same LOS for future residents
 - Pros: fee based on land costs and facility development costs, applicable with owned and rented development, residential and nonresidential development, fee based on existing inventory
 - Cons: Existing inventory may be below service level goals, with AB1600 difficult to update land valuation, can create parameters/priorities
 - DTA recommends AB1600 Standards based citywide fee for residential and non-residential
 - Pro: Collect \$ more quickly and it could be spent anywhere, flexibility, easier to administer/fees are all in one option
 - AB1600 Plan-based: Needs List

- Pros: fee based on land costs and facility development costs, applicable with owned and rented development, residential and nonresidential development, fee based on future facility plans, may base standards above existing LOS, but must be justified
 - San Jose could use GP plan of 3.5 LOS, current is 3.12
- Cons: LOS must be justified if it is greater than existing LOS (likely greater possibility of being subject to litigation and cannot predict what judge's decision), needs list can be challenged, locks city into a needs list, with AB1600 difficult to update land valuation

Task Force Meeting #6

Summary:

Announcement/update to the citywide approach, staff recommendation about credits for publicly accessible amenities, discussion about the timing of the payment of fees/credits/incentives.

Takeaways:

- Update to the citywide approach for spending:

According to the General Plan, the city can collect fees on a citywide basis, but cannot spend the money on a citywide basis.

 - Task force concern about collecting citywide, but not spending citywide
 - City staff restated the overarching question for the task force: How do we incentivize increasing access to nature, providing recreational amenities in park-poor areas, and how do we support the City's goals around development and promoting high-density development in appropriate areas of the city?
 - Proposed ideas: Many task force members in favor of:
 - Equity Fund
 - Redistribution of funds to support regional park system
- Credits: Continue workshopping credits language
 - Public Recreation Amenities, staff recommendation
 - Task force support for "tiered" credit: offer greater credit for publicly accessible amenities, continue to offer credit for private amenities
 - Task force desired actions:
 - Do not overlook functionality, don't be too prescriptive on size and design to preserve flexibility
 - Staff to email a list of recommended POPOS to visit (Staff delivered on this ask– Provided self-guided walking tour map to task force)
- Timing of payment
 - Requirement of AB602 is payment at the Certificate of Occupancy
- Overview of credits and incentives, and tying this into the timing of payment
 - Proposed question: Should the City offer an incentive to pay fees prior to Certificate of Occupancy (i.e., temporary, time limit)?
 - Note: fees will be collected at COO due to city goals/state law

- Lots of task force input in both support and with concern
- Developer perspective, city must offer big incentive for it to be advantageous to developer
- Task force desired action of staff: Map out for taskforce timeline of fee calculation, entitlement, and building permit

Task Force Meeting #7

Summary:

Staff recommendation about credits for private and publicly accessible amenities, establish that credit discussion will continue, and introduction to proposed fee calculation/introduce numbers!

Takeaways:

- Credits: Continue workshopping credits language
 - Private amenities, staff recommendation
 - 10% cap on private amenities
 - Task force concern: Eliminating credit for private amenities will result in developers reducing size, quality, creativity of amenities in apartment building throughout the city
 - Public amenities
 - Task force desired action: Bake in flexibility
 - Credits for POPOS
 - Credits cap at 50% of the fee
- Proposed Fee Calculation
 - Takeaways:
 - Illustrated how land valuation method affects fees
 - Citywide may be “fairer” as it varies based on how the data is organized
 - Recommended: AB 1600 because it is a more complete fee, charges for cost of land and cost of improvements
 - Increased sense of urgency, data shows how San Jose current method does not allow for the city to collect maximum fees
 - Discussion about addressing deferred maintenance

Task Force Meeting #8

Summary:

Webinar with staff presentation about city goals and fee study, park commissioner perspective (park advocate), and developer’s perspective

Takeaways:

- Staff presentation- city goals
- Park commissioner perspective (park advocate) presentation
 - Current fee schedule does not cover costs
 - Housing/industry AND Parks, reframe to we need housing, and we need parks
 - An equity issue

- 10 minute walk and quality park: account for access and population density
- Developer's perspective
 - Balance, symbiotic relationship between city and developer
 - Agree parkland fees are a critical piece of our community
 - Do not disincentivize development momentum
 - Feasibility of development for commercial and residential includes the cost of development, financing development, the expectation of equity partners and development (representative of residential and commercial development)
 - Desired action:
 - For City staff to consider the entirety of parkland fees, understand that a balanced, simplified structure of the fees would also foster development (call to simplify fee structure), have a long-term perspective to budget the fee program
- Staff presentation of fee analysis
 - Purpose: to simplify how fees are assessed, transparent, understandable
 - Overview of land value approaches (various geographies or citywide)
 - Overview of credits
 - Discussion:
 - Modest fee increases can be absorbed, large fee increases will slow down development

Task Force Meeting #9

Summary:

Recap of key information of fee study and discussion, and final staff recommendation about credits for publicly accessible amenities including discussion about POPS

Takeaways:

- Key information of fee study and discussion
 - 2040 Goal: 3.5acres/1,000
 - 1,872 acres of land needed to reach goal
 - 893 acres of land needed to maintain existing level of service today (3.12 acres of land per 1,000 people)
 - Task force desired actions
 - For City Council, both present staff recommendation and recommendations for future policy analysis
 - Future policy: Allow for collection and spending across districts
 - Allow Task force to review feasibility study prior to City Council
 - For City Council, present 4 fee options for a vote
- Credit, Final Staff Recommendation
 - POPS (Privately-owned Park space), require public recreational amenities
 - Task force desired actions
 - Maintain flexibility, don't overprescribe
 - More discretion when developing each POP, potentially during existing public meetings

Task Force Meeting #10

Summary:

Overview of Nonresidential fee and AB602 update to square footage basis for fee calculation, and recap of city proposals on credits for POPS.

Takeaways:

- Nonresidential fee and AB602 update to square footage basis
 - New charge to nonresidential development projects
 - Would result in lower LOS and slightly lower residential fee
 - AB602 update to square footage basis for fee calculation would result in slightly higher fees
 - Task force reminder and concern that increases in fees impact feasibility of development
- Recap of city proposals on credits for POPS and previous Task force input, and additional comments/discussion
 - Propose POPS program, discontinue Private Rec Credit Program
 - Result in only public amenities eligible for credit
 - Feedback: somewhat split/majority in support, private amenities lessen impact on public parks, tiering method, importance of quality of amenities
 - Amenities in POPS
 - Require two amenities
 - Feedback: split, project by project discretion and diverse community input, context (existing amenities near the site) should inform which amenities are included in new development, active play, well designed
 - Credit provided to developers for the cost of improvement to POPS
 - Feedback: vast majority in support, enforce maintenance and ensure access to POPS
 - Proposal should meet objectives/intent of the ordinance
 - Feedback: support
- Action item for Staff and Task force: Compile discussed policy issues that are not directly related to the fee (i.e., equity, deferred maintenance, etc...)

Task Force Meeting #11

Summary:

Discussion of topics related, but not a part of, the Fee Study including deferred maintenance and equity, spending nexus, quality park, and parks and housing.

Takeaways:

- Task force member presentations
 - Presentation #1 on deferred maintenance
 - Concern about new parks with existing, exponential difficulty to maintain parks
 - Possible solutions:

- Spend park fees on maintenance, hire outside companies to take over maintenance
 - Presentation #2
 - Perspective: Kids as user of parks, recreation, and services
 - For new development, new parks are important in areas of dense housing
 - Task force desired actions:
 - Advocate to keep private rec credit
 - Maintenance ballot measure
 - Design new parks with less maintenance load (durable amenities)
 - Quality Park
 - Task force input: quality park defining elements
 - Safe, clean, maintained
 - Diverse amenities, great amenities, and programming (events, active volunteer program)
 - Network of parks
 - Welcoming
 - Parks and housing
 - Takeaways:
 - Narrative drives policy
 - Task force desired action for PRNS to advocate for maintenance funding
 - Co-design: Align goals and strengthen messaging (avoid pitting the two against each other)

Task Force Meeting #12

Summary:

Discuss draft fee study, overview and discussion of nonresidential fee (commercial linkage fee), and final staff recommendation for POPS.

Takeaways:

- Draft Fee Study
 - Future action item for task force: review document and submit comment letter
- Nonresidential fee
 - Feasibility study to determine commercial linkage fee
 - Task force input:
 - Appropriate to consider commercial impact on parkland
 - Balance needs for park fees and need to keep development feasible
 - Concern square footage calculation may overestimate impact
 - Spending: desire for nonresidential fee spent for maintenance
- POPS
 - Intent: Create active recreational spaces
 - Next staff will draft resolution language
 - Task force input:
 - Recommend 50% active space

- Concern with 50% credit cap (too little if developer takes ownership)
- Concern with prescriptive language
- Advocate to keep private rec credit, receive lower credit than public amenities (20-25% credit)