

PDO/PIO Fee Study Task Force – Eighth Meeting  
Community Meeting on Fees that Support Parkland Development  
Thursday, May 19, 2022

[Meeting Summary](#)

**Task Force Members in Attendance:** Bob Levy, Chris Shay, Erik Schoennauer, Helen Chapman, Tasha Tenturier, Peter Given, Jeannette Marsala, Robert Braunstein

**Staff in Attendance:** Rebekah Ross, Nicolle Burnham, Zak Mendez, Leo Tapia, Marybeth Bowman, Darius Brown

**Others Attending:** David Taussig, DTA

## Welcoming Remarks

**Presentation Summary:**

Rebekah Ross opened the meeting and reviewed the rules of conduct. She introduced the fee study Team and acknowledged the task force members. She reviewed the meeting agenda.

## Part 1 – Why We Are Here

**A. Goals of the City and What We Need – Rebekah Ross**

**B. How we meet our Goals – Rebekah Ross**

**Presentation Summary:**

Rebekah Ross reviewed the fee study goals and noted that the Department is not currently meeting its goals. She reviewed the Park Impact Fee Program and noted the discussion would be focused on the fee portion. She reviewed what park impact fees accomplish and noted that state law prohibits impact fees being used on operation and maintenance. She then reviewed a map showing the results of the program, where the fees either built or improved parks. Next, she provided an overview of the Fee Study and its intent. She discussed the limitations of the current fee program and noted that the City is considering including improvement costs as part of the program. Lastly, she reviewed the cost to buy land and the cost to improve parkland.

**C. Why this is Important – Former Park Commissioners Perspective – Helen Chapman, Bob Levy, with contributions from Rudy Flores**

**Presentation Summary:**

Two task force members, Helen Chapman and Bob Levy, provided a presentation on why parkland dedication fees are important. They pointed out the limits of funding sources for parks and noted that park fees are the primary source of funding for parkland acquisition and improvements. They expressed concerns of inadequacy and inequity in the current park system. They briefly noted how parks are used and pointed out an increase in park usage during the pandemic, highlighting the importance of parks, particularly in enhancing quality of life. They noted significant past support for parks ballot measures and noted that the last time a ballot measure funded parks was 22 years ago. They pointed out that the City's falling behind on its park goals (10-minute walk, 3.5 acres/1,000, and equitable access). They pointed out that the current fee schedule doesn't cover the costs to both build and acquire parkland. They reviewed the history of discounts and credits that result in a loss in funding for parks. They noted that commercial developments currently do not pay park fees. They argued that it shouldn't be a choice between housing versus parks. It should not be an either or, but should be an "and." They closed by encouraging community members to get involved

#### **D. Questions and Answers**

##### **Key Discussion Points**

One member from the public noted that there is no green space on Alum Rock Avenue between the Country Club and Roosevelt Park. Another member from the public was concerned about funding mechanisms constraining the ability to provide a variety of parks for different uses. A member of the public asked whether there is a distance requirement from existing housing in park deficient areas where no housing is being developed. Staff noted that when new development comes on-line, they try to fill needs in areas of park deficiency. However, the Department does not currently have an official land development acquisition plan. The Department is mapping areas of need.

Another member from the public asked whether staff has identified the number of neighborhoods that are park deficient. Staff responded that analysis is in progress for analyzing deficiencies at the neighborhood level but has information at the citywide level. The individual asked whether the Department utilizes the Trust for Public Land's (TPL) map which identifies park deficient land in San Jose and whether that map has been shared with the task force. Staff are using TPL's walk score and their data, however, the TPL data may not match up with the Department's data. Staff are conducting their own analysis to capture population density to determine whether parks are adequately serving the surrounding population. TPL's 10-minute walk data doesn't reflect the population density, which is important towards meeting goal of 3.5 acres per 1,000 residents.

## **Part 2 – Fee Analysis**

### **A. Why this is Important – Developers (Builders) Perspective – Peter Given and Chris Shay**

#### **Presentation Summary:**

Two task force members, Peter Given and Chris Shay, provided a developer's perspective of the park fee program. They reviewed the value of parks to developers, as parks help a community thrive. They noted that it's challenging to find a balance between all the needs. They reviewed the costs and risks

associated with development and noted that the current cost of construction in California is turning away development from the area. They suggested some opportunities and solutions, including standardizing fees to facilitate underwriting and fostering development. They highlighted the desperate need for housing in San Jose and how far behind San Jose is in meeting its housing goals. They noted that incentives have an expiration date and argued that credits need to be there for the development to happen. They argued that parkland fees are a critical piece and should be evaluated to determine the most effective means of calculating, collecting, and deploying fees to the areas that need them. They argued for a need to simplify the structure of the fees

## **B. Fee Analysis – Rebekah Ross and Nicolle Burnham**

### **Presentation Summary:**

Rebekah Ross and Nicolle Burnham provided a presentation on the fee analysis. Rebekah noted that the analysis being presented is preliminary, based on currently available information. She noted that it is just an initial fee assessment and is the outcome of the initial analysis. The actual fees will be based on the assessment of land and will be decided on by City Council. She introduced the two fee mechanisms being considered to simplify and increase transparency: a Citywide fee or a fee based on the Affordable Housing Areas. She noted that what's being considered doesn't include a commercial fee at this point.

Nicolle Burnham reviewed the basis of the fee structure mechanism. She noted that the EDU (Equivalent Dwelling units) is the way that we normalize the value to convert a fee into a per unit cost. Rebekah reviewed the potential cost of a citywide per housing unit. She reviewed the range of fees using the IHO (Inclusionary Housing Ordinance) geographies. She then reviewed the current system of credits and noted that we are looking to modernize the credit system. She pointed out that fees can be reduced through credits. She reviewed the next steps for how the final fees will be determined and noted that the City Council is the ultimate decision maker.

## **C. Questions and Answers**

### **Key Discussion Points**

One member of the public asked whether the Department is considering changes to the types and amounts of credits, as well as whether the Department would incentivize developers to pay larger fees while lowering other development-related fees. Staff noted that changes to the overall program are being considered and have been discussed during the Task Force meetings, but nothing is formalized yet. Staff also noted that incentives are still under discussion, but the idea of raising park fees while lowering other development fees is not an option. A task force member pointed out the need for finding a good balance point between competing interests. He noted that the City is far behind in meeting housing goals due to high construction costs and argued that severe increases in park fees could stymie housing production. In response to a question about the City's budget, staff stated that the proposed budget includes some allocation for staffing, but the General Fund does not fund the construction or acquisition of parks. A member of the public asked whether the removal of contaminated soil would be included as part of park improvement costs. Staff noted that the clean-up cost would be absorbed by the development because of a requirement that land dedicated by development must be clean. Another

member of the public asked whether the fee will be based on a percentage. Staff noted that the fees resulting from the feasibility study will be a dollar amount, not a percentage and directed the individual to the Office of Economic Development's Cost of Development Study. In addition, any fees adopted after July 1<sup>st</sup> will be based on the unit size and thus will vary based on the square footage of the building. A task force member asked whether commercial fees, if adopted, would be based on a square footage basis or a per unit basis. Staff responded that it would likely be a square footage basis. The task force member noted that it will be a challenge to find a balance within all the development fees. A member of the public discussed two studies by the City of Santa Clara that analyzed turf-like replacement costs and noted that smaller parks typically have hardscape and amenities, which are more costly. Staff noted that Santa Clara updated their fee schedule, but that City is also in the red and is not obtaining the full amount to cover their costs.

### Part 3 – Next Steps

Rebekah Ross encouraged both task force members and members of the public to stay involved in the fee study. She noted future public meetings in which the fee study will be discussed and encouraged both task force members and the public to attend.

## Meeting Transcription

### Notes and Disclaimer:

- Speaker's names were added at the beginning of their comments.
- Agenda items were added to the transcription for clarity.
- Disclaimer: The meeting recording was auto transcribed using a transcription service. There may be errors in the transcription.

# Task Force Mtg#8\_Transcript\_5-19-22

Mon, 5/23 11:54AM • 1:41:25

## Welcoming Remarks – Rebekah Ross

00:06

All right. Well, good evening, everyone. Thank you for joining us tonight. My name is Rebekah Ross. I work for the city of San Jose's Parks, Recreation and Neighborhood Services. And I'm very glad you can join us tonight. Before we start our presentation, I would like to review our rules of conduct and explain our ways of participating in today's webinar. All participants shall be respectful in previous unruly or disrespectful behavior, including off topic comments warrants removal from the meeting. The public comment period will begin after presentations. We have two parts tonight that we're going to be presenting to you and after each part, you'll have an opportunity to engage with staff. And if you'd like to comment or ask a question, you can request a comment by clicking nine on your phone star nine. You can request to speak via Zoom at the bottom of your page, there's a reaction button and if you click on the reactions button, it gives you the options to raise your hand. Once you raise your hand you'll be placed in a queue and staff will go through the list of speakers who are able to speak at that time and identify when you can unmute. You can also type in a question in the questions and answers box and staff will respond to those questions and answers. If you need a technical assistance at all, during the meeting, you can email capital P r n s, p, lowercase l a n n i n g at San Jose CA dot onmicrosoft.com PNSplanning@SanJoseCA on microsoft.com. And with that, I'm going to close my screen and I'm going to my supervisor Deputy Director Nicole Burnham will share the screen with the presentation.

02:23

We're joined here tonight by a great team of people who are all contributing to this effort. We're especially grateful to a group of volunteers who sit on our task force. And this task force includes councilmember selected representatives as well as representatives from the market rate residential development industry, as well as affordable housing advocates and developers. Also from the city of San Jose, we have deputy director Nicolle Burnham and representatives from the Office of Economic Development and the housing department. We have members of

our task force will help to advise staff and the community. And we also have our consultants that we've hired DTA finance, to help us assist, create a fee study that we're going to talk about later in our presentation. Next slide.

03:22

See what. Okay, thank you. So on tonight's agenda, we're first going to talk about the goals of the city and what we need. And then we're going to talk about how we meet our goals. We're going to talk about why this is important. And we're going to have a presentation from former Parks and Recreation commissioners, and then we're going to open it up for questions and answers. And then we're going to go through part two. And we're going to start talking about a fee analysis that we're in the process of completing. And then we'll have a presentation from a representative from the building industries, a builder who helps do new development in San Jose. We'll go into more information about the fee analysis. Another question and answer session, and we'll end with next steps. Excellent. Next slide.

## Part 1 – Why We Are Here

### A. Goals of the City and What We Need – Rebekah Ross

### B. How we meet our Goals – Rebekah Ross

04:14

The city has established numerous goals and policies that support the ongoing development of a Parks and Recreation system that serves our diverse community. And these policies include making sure that all community members have access to safe and clean public spaces within a short distance of our homes. As our city grows and more residents move to the area, we need to add new Parkland to make sure that our goals for Park access are met. And our goal is to provide 3.5 acres of parkland for every resident. And at this time, we don't we do not meet that goal. We are currently providing 3.1 acres of land for every 1000 residents, when our goal is 3.5 acres of land. We'll need to develop at least 104 acres have land annually by the year 2040 to meet our goals. Next slide.

05:09

So how do we add new parkland? That's a good question. Our primary mechanism for adding Parkland is through the park impacts fee program. And that program is a charges fees to residential developers. So when residential developers come into the city, they are assessed with a fee to support the acquisition and development of new parks. Paying a fee isn't the only way a developer can meet this obligation. But for the purposes of tonight's discussion, we're just focusing on the fee portion. And our ability to charge this fee is rooted into to place to two pieces of enabling state laws known as the Quimby Act and the Mitigation Fee Act. And we're not going to go into discussion about those laws either. But please feel free to contact me after the meeting if you want any additional information or details, or if you have any questions about anything that we're presenting tonight. We also want to evaluate how our fee structure can be accountable to make adjustments for inflation costs, and meet other policy changes. And we want to make sure that whatever we come up with is easy and transparent. And everybody can understand it without a lot of explanation. Next slide.

06:31

So, what do impact these do so the impact fees that we collect, they support buying, and improving lands. And this can include parks, trails, or communities, improvements to community centers. This is our second largest source of funding to create new parks and improve existing. But we can also improve trails, we can also improve community centers, we can build trails segments, if there's enough money, we can build a community center for recreational purposes. And through this program - it's an independent funding source. So it doesn't, it can only be spent on Parks and Rec. And it doesn't take away from other funding sources like the general plan. If we didn't have this resource, we would have to receive monies from somewhere else to be able to support the development of new parks and recreational benefits in our city. And that could include new taxes or general fund, you know, competing for general fund money, that type of thing. State law prohibits us from using these state funds for operations and maintenance. So these can only be used to for capital projects. So a capital project is basically just a physical project to build something is what that is. They can be used to upgrade. So if we're upgrading something within a park, so like there's a worn down playground feature, and we replace it, that does help to lower our maintenance costs. Next slide.

08:10

This program has had enormous benefits to our community. And this This results in new or improved parks, trails and community centers in your neighborhoods. And over the last 20 years, we have built or improved over 51 parks and currently has 15 parks and development. And if you recognize one of your favorite parks here, and I hope you have many favorite parks exists today because of this impact the program. Next slide.

08:38

We're here tonight because we're setting how our impact fee program works and we are looking at potential ways to update the program. We haven't raised or changed our fees since 2017. And this is the first time since the program started that the city is taking a comprehensive analysis of the fee structure. In addition to setting fees for residential development, we have direction from the city council to also study the possibility of an impact fee for commercial development. We're not going to discuss a commercial impact fee tonight, that's going to be presented at a later public meeting. Tonight, we're just focusing on residential fees. We've hired a consultant to help us prepare a report called the fee study. And this fee study informed staff informed our task force the community and will ultimately support staffs recommendation to the city council. This report when it's finalized, is going to be publicly available and published on our web page. Next slide.

09:34

In addition to needing land, we need money to be able to build things. It costs money to make improvements to design and improve and construct a park. And so our program currently uses all resources to acquire new land and to pay for the design and construction of the park. And legally these fees cannot be used for operations and maintenance. So the impact fee that we have today only consider some costs for land acquisition, it doesn't consider any costs associated with making improvements. So therefore we're considering adding an improvement cost to the feet. That's why our consultant team evaluated current land values across the city and we can look at land. We can look at land costs, costs across the whole city or by certain

neighborhoods. And we all and as we all know, real estate is based on location, location, location, and so where property is located determines its value. And this initial draft assessment indicates that an acre land costs from the low end in Almaden, in Edenvale, excuse me, about \$1.25 million, and in downtown land costs are very high at \$8.25 million for an acre. And please note that all numbers shown tonight are preliminary in nature and will be continually updated and may change prior to our final fee study report. Next slide.

11:05

Staff has been tracking construction costs for parks and based on recent data, the cost to construct the park in San Jose ranges between \$6.4 million per acre to \$6.8 million an acre. And this is for a basic park that has standard items such as less large grassy areas, children's playgrounds and picnic areas, special features that make a park and more of a destination, something like the rotary play garden with increased costs. Next slide.

**C. Why this is Important – Former Park Commissioners Perspective – Helen Chapman, Bob Levy, with contributions from Rudy Flores**

11:38

We're now going to hear from two members of our task force Helen Chapman and Rudy Flores. In addition to being on our task force, both were on our Parks and Recreation Commission in the past, Helen and Bob volunteered to present and while we were super grateful to them for making this presentation, please note that their views may or may not reflect the city's position. So just give me one moment to get their presentation up. And I will go on mute and off camera during the presentation.

12:27

Okay, does anybody see your present? Can you see your presentation Bob and Hellen? Yep. Okay. Just tell me when you want. Next slide and thank you take it away, Bob and Helen.

12:41

Okay,

12:41

thank you, Rebekah for inviting us to speak tonight. My name is Helen Chapman, former Park Commissioner. I represent District Two representing the office of Sergio Jimenez. And I also am the vice chair of the Santa Clara Valley Open Space Authority. So I'm very glad to be here tonight to share my background on why Parkland dedication fees are important.

13:03

And I'm Bob Levy and Rebekah that was a great presentation and thank you for all the help you did in with our presentation here. I am representing District One. I have a long history in parks and planning. I've served on the City Parks Commission, the City Planning Commission, as well as the County Parks Commission County, and Planning Commission. Next slide.

13:29



Okay, so we're going to cover in 10 minutes or less the benefits of Parkland, the importance of the program and why we feel we're losing ground. Next slide. As Rebekah clearly outlined, there are funded funding sources for parks are really limited to two things to construction conveyance tax, which 64% goes to parks of that 64% 15% goes to operation and maintenance. Then we have the park impact fees. And we had Measure P which was voted on in 2000, which was a funding source and is now fully allocated Columbus Park is the last project where that is receiving the allocation. So it's a note to note that the last time we had a parks ballot measure dedicated to City Parks was 22 years ago. Next slide. So why are Park impact fees important? It is the primary source of funding for Parkland acquisition. That's why we call it the Parkland dedication ordinance. capital improvements such as trail acquisition or improvements, playground, renovations, new irrigation systems, Community Center improvements, and many more things think dog parks. Why does it matter? Well, I think you know, clearly we are seeing that there's an inadequate and inequitable distribution of Parkland throughout the city. And I think it's a cause for concern that poorly maintained infrastructure which is resulting maybe in a broken slide is closing off playground next Guess which means kids have no access to play. So it's important that we discuss this topic and we figure out a solution. Excellent.

15:09

I probably don't need to tell you why y'all love parks, but they're used by a variety people for a variety of purposes. For example, organized sports, casual sports trails, committee scanners, parks, playgrounds, community advance casual social gathering, walking, relaxing, picnic, eating, dog parks, etc. The County, the county and the open space authority during the pandemic experienced a 300 year 300% increase year over year, Park usage. And so people killed out to the parks when they had no other place to go. And it really showed how important parks are to the community. And there is the parks have played translate the park usage translates to real value of parks improve the quality of life and make San Jose a much better place to live. Some of the things that they do is they promote community social programs and services encourage physical activity and kids and adults. enhance the natural environment provide connection to people with the with Nature creates a free and safe place for gathering and increases property values. Parks really do improve the quality of life for all of us. Next slide. Slide that's yours.

16:43

Nope, there we go. So just to re emphasize, we have had overwhelming political support for parks and open space when there's been a ballot measure, measure P in 2000. Pass was 79%. Again, reiterating that was the last bond measure specifically target for San Jose City Parks. Measure A for county parks and 2016 Pass was 78%. Measure T with the open space authority ballot initiative and 2020 with 81%. So we know when we place a ballot measure for parks people care about their open space in their park access. And so measures passed. Excellent.

17:24

As Rebekah said a few minutes ago, the city understands how important parks are and they have put it into the general plan. And documented in its policies and goals as well. The general plan states, it recognizes the importance of park amenities in creating complete neighborhoods, providing recreational opportunities for residents, and enhancing the livability and socio environmental quality in this of the city. Next slide. And Rebekah mentioned of the 3.5 acres per 1000 residents, that is the one of the city's policies. But there's a couple others that are

important as well. And we're falling behind on all of them. There's a 10 minute walk to a park. So you theoretically every one of us should have a 10 minute walk to a park. There's the 3.5 acres per 1000 residents, which we're falling behind on with every development, we're behind already and falling farther behind, and providing equitable access to parks. And there's some neighborhoods, and there's a neighborhood not far from here where there's not a park for a mile or two in any direction. And so there's a real need for making sure that we have this funding so we can pay for parks. Next slide, please. Now, this chart, this slides a little bit of an eye chart. And I apologize for that. But it's really an important slide for understanding what's going on here. So we provide an example of the money that's collected for a development in district one. And it's 113 unit project. And the cost of developing the parkland, that includes the property and improvements would be about \$11 million. The based on the current fee schedule, the city only collects \$2.75 million. So if you look at that one line with the red print on it, you can see that we have an \$8.25 million shortfall from this one development in the amount that they're not paying to mitigate the impacts of the development. And there's two primary reasons for this. And the first equation identifies the first reason and that is that we're using 2017 fees or 2017 property values to assess the land value for the property. So we come out theoretically it would cost \$6.5 million or 4.5 million dollars for an acre of land at current value, but we're only collecting \$2.75 million. And then there's no nothing collected for land acquisition or for nothing collected for the improvements. So when you calculate it together, it would cost \$11 million to build the park to buy the property to build the park, but the city can only collect \$2.75 million based on the current fee schedule. Next slide, please.

20:35

So a little historical perspective coming from past Park Commissioner, we have a long history of giving substantial credits for, for and for building, downtown high rises, we know that it's a 50% off the cost of parks. So we're up to 50% credit for downtown high rises, we give a credit for private recreation space, we pay that 50% for affordable housing and looting that if you get a credit combined to get up to 75% of the obligation for affordable housing, that's concerning to me, because folks living in affordable housing need that access to a park or open space or a trail more than someone living in a single family home or even, you know, an apartment so and then the latest one is any accessory dwelling and it's less than 700 square feet do not pay Park fees. So these are fees that we are not collecting on new development. Next slide.

21:36

So in addition to not be able to collect adequate fees to mitigate the impacts, and then in addition, having those fees that were collected, potentially discounted and credited to making even a smaller bucket, we don't collect any money for commercial development right now. And both the state and studies recognize that there is a nexus between commercial development and park usage, Parks benefits, commercial users helped create quality projects. And here's some pictures that from GTA angemessen providers web that shows some of the things that you know, the employees do during lunchtime or after work. And they play games, they go have lunch at the park, they go for walks, that meetings, their parks are used by the commercial by industry or by employees, not quite to the same extent as residential, but there is an impact. And we need to be collecting money from commercial developers as well to pay for their impacts. Next slide, please.

22:41

So, in summary, I think what we're trying to get across is parks are important. We are unable to meet the city goals and policies. And we're losing ground. But I think most important to me is we're losing trust with the public. Because we can't go back to the public for another revenue source unless we feel like we have turned over every rock and stone to see what other alternatives there are to help meet this gap. And so this is our opportunity to reverse the trend and secure funding for parks. I believe on this committee, we have a shared responsibility to find a solution that works for all of us. And I think I also want to reiterate, because it's been said that there's a choice between housing or parks or people care about housing and homelessness more than care about parks. It's not an either or it's an and we need housing, and we need parks, we need that access that's most important in that most critical and it's an equity issue.

23:39

We understand that there is going to be an argument for either parks or housing, or or parks and industry and parks and jobs. But we understand this is not an either or it isn't and and it's containing some serious lobbying in order to make sure that we do get the funding needed to mitigate the impacts and development. And so we need your help to lobby for this change. We need to lobby the your district leadership group lobby your neighbors, right your council members 10 meetings like this one Parks Commission meetings, use Commission's senior Commission's city council meetings and council committee meetings. And if you want to contact either Helen, I feel free to do so you can contact the parks department, they'll provide us provide you with our contact information. And I want to thank staff for allowing us to make this presentation and for helping us with the presentation. Thank you.

24:40

Thank you. It was a pleasure to present tonight. Thank you.

24:45

Thank you, Bob and Helen just one moment while we transition from your presentation on the call brings back up ours just one moment please

25:03

Oh my Am I gonna run the timer that's can be is the timer embedded Rebekah,

25:10

it should be embedded. If it's not working, we'll figure something out. But it should have been embedded if you can click on it to see if it works. I only have it there in case we need it. You know, we have 17 people, I think we'll open it up. And if we need to regulate the conversation, we will but let's just have we're gonna go ahead and open it up for public questions and comments

25:34

Rebekah, would you mind if during the Q&A, I take the slide down, so we can want to know,

25:41

I would like to I would prefer to have it up because of the timer and also helps people know how they can participate. Okay. But, you know, speakers, people want to speak on that when they raise your hand, then we can go with the flow. Okay. So that being said, if you would like to

comment or ask a question, you can raise your hand by using the reaction button and raising your hand there. Or you can hit star nine on your phone. Or you can ask a question or make a comment in the Q&A box. And with that, let's go ahead and open the deck. Are there any questions or comments at this point?

#### D. Questions and Answers

26:30

Let's do folks raising their hands. So I'm going to go ahead and unmute for Danny, you will be allowed to talk. Danny, you can unmute yourself.

26:40

everybody, Bob and Helen, I don't know if you saw the chat. But that was really, really very refreshing for me. Really, really honest. I just want to remind people that you know, there is no green space on Alum Rock and I wrote this in the chat. There's no green space on Alum Rock avenue to 18th Street, and Santa Clara. That's including no access to the the Country Club Golf Course. So from the country club, or the East foothills, to Roosevelt park, there is no green space. Plata Arroyo is a few blocks to the north at King road. Mayfair and McQueary is probably three blocks and four blocks farther. There's nothing so the property at 1948 and 1936 hour mark ave the need to be made into a park, the property that Silicon Sage was looking at for housing, which is 100% polluted with oil and other chemicals. Asbestos included arsenic needs to be have the soil removed and cat. And then that turned into an eight acre park also. Thank you.

26:40

Hey, good evening,

28:10

Thank you for your comments standing. Alright, we will move on to our next speaker. Juan, I'm going to allow you to talk you can go ahead and unmute yourself.

28:20

I just wondered I know there's another Q&A portion later in the meeting and wanted to get more information before commenting. And so is it true that I can wait until that time?

28:32

You can do either or you can participate now and then or you can wait until then. So you're welcome to participate. Now I

28:40

will wait. Okay. You know,

28:42

this isn't like a council meeting where you're only limited to speak one time. If we have a lot of speakers, we you know, we have the two minutes just to make sure that we keep the meeting

on schedule. But don't you know, you can speak now and later to send to sell. So please don't feel limited. I appreciate that. I will wait.

29:00

Rebekah, sorry to interrupt. But I just I did want to make sure that everyone's aware that the second part of the meeting, we're going to talk about potential future fees. But we're also going to hear from kind of the development community on what these fees mean to them and how they manage them as they're considering a development process and what the implications are. And I think it's important because we want it to show a balance of opinion. And so I wanted to make sure that folks are aware that we're trying to we're going to try to show both both opinions on that.

29:36

Thank you. Juan, you wanted to wait until the next Q&A. Is that correct? Yeah, go

29:43

ahead and wait. I really appreciate your explanation.

29:46

Okay, thank you. All right. Zach, do we have any more hands are coming.

29:53

We have another hand from Jean Dresden. So I'm going to go ahead and allow you to talk Jean and you can unmute yourself worry.

30:07

Sorry. My Yeah. My question is do we know how many neighborhoods right now are without access to a park? We know how many neighborhoods we've identified as Park deficient.

30:25

We're right, right now we're still crunching the neighborhood. We're not we don't have it at the neighborhood level. So we know what we were what we're lacking citywide. And we have some analysis done for some part, Park priority areas. But to report out on a neighborhood level that you know, that's granular, we don't have that yet. So we're still crunching the numbers. We have some maps to give us some good indications. But we're not ready to publish those. But I can tell you what the city wide numbers are right now.

30:58

Um, so the city wide numbers, you have like an acreage deficit, is that correct?

31:04

That's correct. So I mean, I can tell you initially that our initial, you know, for the 10 minute walk, is that where you're leaving to? Or? I don't want to yes,

31:11

that that Yes. For the 10 minute walk. And I also have another question kind of related to it. But that's the first piece of the question. So you don't have it identified by neighborhood yet. But you have an acreage number, relative to the, to the three and a half acre goal. And I'm wondering, the Trust for Public Land just issued their park score report, and it included a GIS mapping system that indicated all the park deficient lands that they have identified in the city of San Jose. And I'm wondering if you since yours is not ready, whether you have shared that with this task force, so that both the task force and the public here can see how many areas of the city are park deficient.

32:08

Gotcha. So yes, the Trust for Public Land is an organization outside of the city and they do something called a Walk Score. And the way that we are completing our analysis for a park priority areas and a report out on our 10 minute walk, we are using their data, it's not going to exactly match up, you know, t for t and AI for AI. But you know, we work closely with them and do use their parameters for that data analysis. And so TPM Trust for Public Land ppl, they did report out the San Jose has, has about 64 Don't quote me on this is something rough, like 64% of all citizens have a 10 minute walk. So we have about a 34% Correct my math who do not have access to a park within 10 minute walk of their house. We've shared some data with the taskforce but not the complete data, because we want to make sure that when we report out it, we report out. But it's clean. That is clear. And it's accountable.

33:17

But I want to I want to just touch on this, Rebekah because it's a topic of incredible importance to me. So the Trust for Public Land to Gene's point does mapping

33:32

based on

33:34

10 minute walk. So if you are within a 10 minute walk of a park, they say we've met the goal. But we also have a goal of three and a half acres of parkland per 1000 residents. So I think about and the easiest, the easiest leap for me and it won't. It may not be relevant for everybody in this room. But we have a small pocket park in West San Jose called Buena Vista Park. And it's maybe a half acre park that we built recently. And it's a cute little park, it's much beloved.

34:10

And

34:12

we map that and put a pin in that location. And it suddenly shows up, you know, within a third of a mile that all of those residents that live within 30 mile that park are within a 10 minute walk. But what the 10 minute walk doesn't capture is the idea that there are multiple high density housing developments within that area, that there's a large volume of people so we might have 30,000 residents all trying to use that third of an acre park or half acre park. So so what we've been doing with the mapping that Rebekah's talking about that we're still working on the details of is combining not just 10 minute walk but population density and trying to see where'd and judging Parkland need not just on 10 minute walk but also on the the number of people that live

within radius of that of a specific Park. And so I hope that made sense. But but it the 10 minute walk is kind of it can, it can kind of paint a picture that over estimates or over over compensates for the area of Parkland we have because it's one thing to have a park, it's another thing for that park to be large enough to actually accommodate true community use in a meaningful way. So we're, we're behind the scenes working on trying to balance all of that.

35:47

So if I could restate that a third of the people in San Jose don't have parks within 10 minute walk, and some unknown number, have parks that are too tiny to really serve as many 1000s of people that are within the 10 minute mark radius as there are so maybe another third have an inadequate Park. Would you say that?

36:14

Your your assessment is fair, and you're thinking about it is completely logical. I don't know that I can say a third don't have enough parkland. But but your thinking is is correct. If that helps, kind of

36:29

that does help. Okay.

36:34

Thank you. I see that Do we have any more hands or speakers?

36:40

We do, Larry. I'm sorry, Lawrence, we have you next on the list here. I'm going to allow you to talk you can go ahead and unmute yourself.

36:51

Yes, hi. We have already submitted a letter and just wanted to kind of echo some of the points that we've made that parks come in a variety of different uses. And there's a variety of different park users to so want to have local parks that people can walk to. But people also walk across the country, council boundaries and go to other parks in different areas. So we want the funding that you collect, not to be constrained by the council district boundaries, don't want to categorize them categorize too much that you're constrained that the neighborhood serving Park cannot get money from some distance away. I mean, if it needs to get a new swing set, you need to be able to get some funding for it. You have a backlog of about a half a billion dollars of different repairs that need to be done over the years, and you're falling further behind. So you want to collect all the money that you can collect. And right now you're giving a discount on high rises, high rise buildings, I added up some of the statistics from last year and the city took in \$15 million total in the PDO Pio. But they gave away \$11 million in high rise discounts. So you could have gotten \$26 million instead of \$15 million. And then you're also giving away about a million dollars a year on affordable housing discounts and about \$3 million a year on the amenity credits. If we just collect the money, we would not be falling as far behind as quickly as, as we are. So developers will always complain that they're paying taxes, we I found emails or notice newspaper articles from 20 years ago saying that if we start charging Park fees, we're not going to be building any more houses in the area they have been built. So it's not not a serious complaint. And it's not fair for the developers to be getting a discount. And then say there's a

park shortage and you have to then tax all the residents to make up for the discount that you've given the developers. So just feedback here, please collect the appropriate fees. And I do want to echo Nicole, support what Nicole was saying about that point about the just the fact that there is a park within within a 10 minute walk does not mean it's sufficient. I can imagine that. If you had a picnic table, every couple of blocks downtown, you could say you've totally served the downtown area, but a few picnic tables would not serve the hundreds of 1000s of people there. So it has to be adequately sized as well as being local nearby. Thank you.

39:15

Thank you that any more hands are common.

39:19

That is all the hands we have up currently we do have some questions in the chat that we've been answering solely and some open questions. One, I saw your hand go up. Did you want to? Did you want an opportunity to ask your question lines? Just raise your hand again. If you do, yes, great. I will allow you to talk go ahead and unmute yourself.

39:40

Sure, I did have one question in the chat and perhaps I don't fully understand it. So let me just double check. So earlier in the presentation, I saw that there is a distance requirement for a park within a certain distance from new housing and it went so quickly that I didn't capture that distance. But what I was trying to figure out is, is that? Is there also a distance requirement from existing housing? So let's let's there is a park deficient neighborhood, there is no new housing being developed, is a city still trying to achieve a distance requirement with fees despite the lack of new housing producing fee revenue? And what and I guess what would that distance be?

40:31

Thank you. That's a very good question. So our general plan does have an adopted policy, that for all new housing projects that we do try to acquire new parkland and provide Parkland with a certain while of that new development. So one of the primary things that my team does, and you'll see Zach Mendez is assisting here, and also behind the scenes, Leo tapeo, who's doing the technical support. And Marybeth Bauman, who's also helping out behind the scenes, it is we do review those new development applications. And many of the developers and the taskforce members are very familiar with us. And we work with them quite regularly. And so at the beginning of when they come in for a permit from planning, building and code enforcement planning, land use, and building, we let them know what their obligation is, you know how much land they're required to dedicate to the city. And then we always say, a preferred method to meet that obligation. And when it's feasible, we do our best to negotiate to have land be incorporated as part of a project. Sometimes it's just not feasible for many, many reasons. It could be that, you know, the site is too small, or, you know, the what's needed for the development can't serve a sufficient spot. But you know, we do have development partners, and we've worked with them very regularly. And generally, I think there's a willingness to incorporate parkland, when they can. And we're gonna we're just gonna go into part two of the presentation now, and I think the presentation from a developer's perspective will help you understand a little bit more about that. But we do identify when new development comes online, where there's a shortage and where there's a need and our preferred way to meet that obligation.



42:24

Could I ask it a different way? Because I think here's what I'm asking. Because I think based on everything you said, it still didn't answer this. If there is a park deficient area, is there a possibility that it will have new park space? Absent new development? Does it need new development to get new parks? Or will the city try to add parks to park deficient areas, even if there is no new development?

42:53

Right now, we do not have an official land acquisition plan. We're moving too hard, right? We're moving towards that. A lot of what we're doing and that this work will support that effort later on down the road. But we do we are mapping where we have that need and those gaps.

43:10

I appreciate that. I'm just trying to get a full understanding. Thank you.

43:14

Sure. Yeah, no, good question. Thank you. That Kenny, any comments or you want to read the check?

43:23

Yeah, we don't have any more hands. At this time. We do have a couple questions that we've been I've been slowly answering. So I'll go ahead and read through the questions and some of the answers for the ones that I was able to provide an answer for. And then we have a couple questions that I think would be good to answer live. So just I'm gonna start from the bottom. Dennis. I'm sorry. I'll get to that question again. Dennis had a question about the cost of construction and whether or not we'll be discussing that. Dennis, we will be discussing that later in this meeting. So you'll have a chance to hear from us regarding that. Hopefully that will answer your questions. And if not, we can provide you some clarity at that time. We had a question about the improvement fees and whether they refer to new parks or existing parks? The answer is that they the improvement fees refers to both new or existing parks. We had a question from one about the distances. One, I think you've got to answer your ask your question again. And hopefully that provided some clarity just for everybody else that's listening. But the distances in which the funding can be used is dependent on the type of park for neighborhood parks that isn't three quarter miles from the project and for regional parks, or community serving parks. It isn't three mile distance from the project. You've had a subsequent question about the requirement goals for the city wide. I think we kind of answered that. But the answer is that the goals right now are citywide for 3.5 per 1000 residents. And then we had a question about which existing community center is the best example of recreational planning. I think that's a chat challenging question to answer. And I'm wondering if either Nicole or Rebekah would have some insight on that.

45:11

Well, I think we I think, you know, we all probably have opinions about that. I think that and I think part of it lies in the question what is recreational planning, but I think our community centers serve a broad cross section of our community as to our parks. And so, when I think about our community centers and what they do, and the population they serve, I think about things as diverse as Bascom or Cypress, which are both in council district Well, site Baskin and

Council District Six, Cypress and council district one, smaller centers may not provide a full array of services, but they provide things like senior nutrition programs, they provide open gyms, we have gym access at Baskin that allows youth in that neighborhood that may not otherwise have access to, to recreation, it's kind of a park deficient areas. So there's a gym there that provides access, the sharks do programming there on occasion. So there's that aspect of it. And then I think about the opposite, maybe end of that spectrum, which is something like an Almaden Community Center, which is a hub community. Similar hub Community Center also provides nutrition programs also provides a gym fitness room, multiple community rooms that allow for community meetings. So all of those are in the advantage of something like Almaden or seven trees built on the same model. They're adjacent to a park. So we have the opportunity to provide youth programming that spills out into the park space. So so that's what I think about when I think about programming and recreational programming at community centers. So I'm not sure if that answers the question, but that's what went through my head when I saw it come up in chat.

47:11

And I'm gonna add, I had an inspirational thought. And so I would add that, you know, our community centers, especially our community center spaces where they share parkland, have become more and more of a destination for our placemaking activities. And so if you've participated in Viva parks, or national night out, or, or something like that, we have other events, Viva chi. And so there's, you know, there is a great recreational aspect to a lot of our community centers. You know, there's recreational classes where you can learn to dance or sew or meditate or do yoga. And so, anyway, my passion is getting away from me, I think. I will go back to see if we have any comments. Our hands at SAC?

47:58

Yes. As I said, I think it's a difficult question to answer. Everybody has their own flavor. We do have one more question. Maybe two more questions. One from Dennis, is there available an inventory of parks and other facilities, schools, trails, golf courses with acreage is that are being included in the level of service determination such as what you would see in Nexus study? I did provide Dennis with a response to a similar question that provided x links to the open the city's GIS Open Data pages that has some of that mapping. I don't think it quite provides the information that Dennis is answering, asking about. I'm not sure if we quite have that available. I don't know if you guys have any insight on

48:38

where we are working on it. And we're close. And so we do have different classifications of parklands. We have regional neighborhood, community serving, and those are all spelled out. And so we're getting close to be able to report out on those. We're just not ready yet. So you're right on target. But we are still working on that data.

49:02

And then I think the last question we have here is about plateau rodeo. Plata Arroyo Park is well within the required area of Quetzal Gardens, and they have contributed zero to plot to a Royal Park, from a meeting with their director. When can we see funds from that park project to go towards pot

49:18

to a Plata Arroyo Park? That's from Danny?

49:21

Thank you, Danny, good question. That's going to have to be a follow up question. So so if you would like to contact me or when I'm Zack or Leo, or maybe if one of us could look into that and respond to you offline, and I, I have your email address and I think you have mine. But anybody so feel free to reach out after the meeting. We can follow up on that specific questions.

49:45

And I think that pretty much conclusive. Lawrence did provide a correction on comment that he said he said hi rights discount was 11 million. He should have said 9.5 million it is still a big discount is what he's highlighting. And then Danny also had a comment about the old Silicon Valley sage project, what how it was 800 units. And with that number of residents coming any new park would automatically be overcrowded.

50:13

That is all we have for now.

## Part 2 – Fee Analysis

### A. Why this is Important – Developers (Builders) Perspective – Peter Given and Chris Shay

50:16

Thank you, Zack, the can you go to the next slide, please? Thank you. So we're gonna transition into the second part of our presentation tonight. Just one moment. And this part of the presentation, we're going to talk about our fee analysis to date. And but But before we dive into more staff presentations, we also want to hear from the developer side of the world. And another one of our task force members, Peter given Peter given as a Senior Project Manager as far as Regis moment. As far as Regis and is currently supporting the development of the Adobe North Tower project in downtown San Jose. He's lived in San Jose, and he's worked in commercial real estate for many years since the early 2000s. He on our task force, he represents commercial development, but he graciously volunteered to give a perspective from the new construction and development industry fields. And so once again, we're grateful to Peter for presenting and his presentation may or may not reflect the views of the city or fires read Regis. And so now I just need one moment to share my screen so he can start his presentation just for a moment. Peter, can you see your presentation? I can. Okay, just tell me next slide when you're ready, and I will go off camera and mute while you were speaking.

51:55

All right. Very good. Well, thank you very much, Rebekah. Let me actually get my screen sorted here. Okay, thank you so much to the city and staff for the opportunity to participate in this taskforce. In particular, as well as the conversation this evening. As Rebekah Becca stated, I'm a project manager with saris Regis, we are a real estate developer on the peninsula, I am on the commercial side of the business. So it's a little bit different because I work on fee based

projects. So not a typical equity based kind of return on investment side that some of us might associate development with. But I certainly have colleagues on my in my company that represent that side. So I'm familiar with that side of the business as well. So I'm speaking this evening, really just to share kind of high level input on some of the considerations from the developer community, when they're evaluating where and when to kind of deploy capital and try and improve communities. I'm joined this evening, also, perhaps occasionally by Chris Shea, a director of real estate at San Jose State University. Thanks, Chris, for supporting me if I start to  
Good evening,

53:24

David, thanks for your great talk great HansPeter.

53:28

falls to the wayside. So I come to this meeting with the with the utmost appreciation and respect for parks and open spaces and the need to fund those. I really wanted to personally participate in this task force, because I do value parkland and the maintenance and access of those parks. I did, I used to live in downtown San Jose in the early 2000s for a while. And I've been really fortunate to have the opportunity to continue to work there. And I you know, have a firm belief that we all have an opportunity through these forums to meaningfully have positive impacts in our communities. And, you know, it's a it's a it's a complex equation with a lot of variables. So it's important that we have these conversations. And I just appreciate the opportunity to do that. And thanks to Alan and Bob for their perspective earlier and I certainly agree with many of their sentiments and echo The value here. You can go to next slide please. So, I think that, you know, city planning is a little bit more of a marathon than a race and thoughtful planning and strategy is critical to kind of the pace and health of our communities. You know, a city, the public and honestly a developer all share in the value created by a healthy city and the infrastructure and the operation. You know, that city's operation is Bob and Helen noted recreation, mental health benefits, equity and access, these are all essential, and we should be striving to protect and promote those, a commercial or residential developer would want to see that strength and healthy park system, transit, police department school system, all of these things ultimately help the developer build and and succeed and the community thrive. But there has to be balanced, keep that, you know, healthy tension and relationship going. If one starts to kind of outweigh the other, I think some of that value can erode. So there's a great deal of balance between these this relationship and but they're are mutually mutually beneficial to each other. And, you know, there are keeping the balance is just an important thing for us to always consider. So you can go to the next slide.

56:03

I think there's a little bit of a little bit of a misperception that, that all the development that we see in the peninsula and in San Jose, that that is happening currently, perhaps, you know, means that developers are making money hand over fist. And that's, it's really a misnomer. You know, development is taking place, because there's been effort by a lot of stakeholders to foster belief and opportunity. And from there, developers are taking a tremendous risk to help these goals, you know, become realities. Hindsight, is always 2020. But when you're underwriting and underwriting a deal, and trying to get financing to to make a project happen and succeed, you don't you don't have that level of foresight. So it takes a great deal of trust, and, you know, a leap of faith in the community, when developers are putting down significant amount of capital to

make these projects come to reality. Someone was asking about the cost of construction earlier, the cost of construction in today's market is absurd. It is, you know, exponentially increased, really, to a point where deals in California, not even just from construction, have caught construction cost standpoint are becoming less appealing. And we're seeing that, you know, companies are leaving the state of workforces are leaving the state. And these are real challenges that we need to be aware of and cognizant of, I think it's very important, you know, this is, ultimately means less demand on residential and commercial development, if that really started that, that tide really starts to turn. And the thought that volatility makes investors nervous, it makes banks nervous, and it makes underwriting these deals very challenging. And it's a very competitive market to get financing. And there are, you know, there's obviously an entire country where deals are taking place. So it's, it's, it's not a simple equation by any stretch of the means. Of course, projects are providing a yield, I'm not coming here to say that, you know, these projects don't make money, and all of them, not all of them do, but you have a lot of people that are contributing significant dollar amounts, and taking a big risk. And if that's if there isn't a yield, or maybe not a yield, then that just wouldn't happen. And projects wouldn't get built, and fees wouldn't be acquired. And parks and city programs would wither away. So it's just it's important to bear in mind all of these things, I think, you know, it can be easy for us sometimes to in these tasks force, isolate our view of parks and the importance of parks. And it seems very easy to be able to say, Yeah, let's bump their fee up quarter of a percent. But in the overall grand scheme of things, you know, quarter percent is actually a significant number, particularly when construction costs are rising, depending on how your fees are calculated that those actually exponentially are related. So you know, those fees go up, and it's a significant impact. So that's just a little bit on kind of the different elements of cost and risk associated with evaluating a deal. You can go to the next slide, Rebekah.

59:39

So there's there's no question that there is strong development momentum in this area and in San Jose in particular, and the community should expect to have a positive impact in the city, which it is and it's fair for there to be a balance of positive impacts. and reward for everyone that's in the community and, and that momentum should be capitalized on to, you know, a certain extent. I think with the effort of city leadership task forces such as these input from the public, we can all try and find the right equation across all of these fees to strike a balance, that the housing piece is really, really critical. You know, we're in desperate need of housing, and whether it's affordable, or its market rate, or whatever it is, we really need to see it built. And we can't risk disincentivizing or losing the momentum that is currently percolating in the area. Because if you do lose that momentum, I think there's a strong risk that you, you really lose it, and it's gone. So getting it back is not an easy thing to do.

1:00:59

Peter, it's in support of what you're saying. We pulled some statistics from the California Housing Partnership that says that we are the Bay Area are missing 200,000 housing units, affordable housing units, that's to city of Santa Clara is that we're missing that we talked about equity with parks, and I'm a huge believer in equity parks, making sure we get the communities that have had historically been disassociated with parks, getting them access. But if you look at it from a perspective of African American community, 34% of the Bay Area, African American city is severely rent impacted, meaning that they spend more than 50% of their income, their take home income on housing. So that balance, I think, is really important what you're talking

about, we need to build housing, we need to collect some money for parks, but keeping that balance to make sure we keep moving forward on this mountain of a housing problem. It's

1:01:42

really critical. Yep, Agreed. Agreed. And, you know, we talked a little bit about incentives, which yes, there have been incentives in the city, and there are incentives in the cities, but the those incentives also have expiration dates on them, too. And so we can't, we can't just think of what the fees are structure is today, not knowing what that might be in the future. So it's really important to have a long term perspective on what's ultimately going to happen here. And I can say, with my own confidence that, you know, cities, cities don't have an incentive not to collect fees that they may be associate, you know, entitled to, I think the credits or the credits are there, because they need to be there in order for these deals to happen. If the city could collect, you know, \$25 million in IRS fees, they would certainly do that, because the city needs the money. And we I would love to see San Jose have more money. I don't disagree with that in the slightest bit. I'm 100% supportive of that. So it's just a way of trying to find a balance between all of these needs. And it's, we all had, there are a lot of needs right now across multiple disciplines. So you can go to the next slide, Rebekah. Get there. So that, you know, in summary, just no question. Parkland fees are a critical piece of our community and one that should be evaluated and one that should be considered to determine what the most effective means to calculate those fees, you know, collect those fees when they're collected and provide flexibility to city and staff to deploy those fees, you know, to the areas that need them. So I'm, I believe in that. And, you know, this, this program has obviously done a good job, as Rebekah stated earlier, there have less 20 years, there have been 50, some odd proof parks and 15 that are being built. That's fantastic. And I hope we can do more of that. I just think the city, the public and staff need to consider the entirety of all these fees. And that in development projects are, you know, to keep them going, we need to we need to have a balance and simplifying the structure of these fees would also foster development, right underwriting into the future. So we can have a little bit more of this long term perspective that I think ultimately would help budget and plan accordingly. So that's just kind of an overall high level look. I thank you, Rebekah, and staff for the opportunity to speak and thanks, Chris, for chiming in. And, and to the other members of this taskforce. It's really been a great experience and pleasure getting together with you all, and I appreciate it. So I'm eager to see how we can continue to develop a great solution and support parkland in San Jose, thank you for the time.

## **B. Fee Analysis – Rebekah Ross and Nicolle Burnham**

1:04:54

Thank you, Peter. So thank you Nicole, can you bring up our presentation please? Come back. There we go. All right, just a moment. Okay, so. So now what we're going to discuss is how the fees are calculated. I saw some questions in the chat about the numbers behind the numbers. And so we're gonna start getting into that now. So now's the opportunity to start answering some of those questions. So I want to have full disclaimer, this is just an initial assessment to see these are not final numbers, this is not like staff is proposing, numbers are going to shift and change, we have to make adjustments for population counts, we have to update land values. So what we're showing you tonight are not final numbers. It's just the first output of our initial

analysis. So I hope everybody understands that. So the actual fee will actually be based on the cost of land, the cost of improvements and policy decisions made by the city council. To assess land values, we're considering two different approaches, we're looking at maybe perhaps having a citywide fee, and maybe a fee based off a map that the city's housing department uses to assess affordable housing units. So the vernacular for that behind the scenes is the inclusionary housing ordinance maps. But that's more detail than anybody really needs to know, just know, it's the same map that housing department uses. It's also in alignment with other city priority items. And we want to work considering these two approaches, because we want to simplify how the fee is assessed. And we want to see when when we finally propose it, and we want everybody to be able to understand it, we want it to be transparent. We want the public to understand it, we want the developers who are investing in our cities to understand it. And then as I mentioned before, there's a lot of other city policy work that we want to align with. And the information that we're about to show does not consider commercial impact fee or commercial projects. We're still working on that behind the scenes. And I promised to bring that forward to the public for comment and evaluation. Before we take it to Council for consideration. This next slide and Nicole Bernal is going to give a basis for how the fee is calculated. And then I'll jump back in after her presentation. Sure.

1:07:38

Thanks, Rebekah. So earlier in the presentation, we talked about land acquisition costs per acre, we talked about construction costs per acre. So in and we also talked, Rebekah talked really early on about the general plan. And its goals in terms of where we want to be as a city, what we're projecting for population growth. So all of that information gets converted into an equivalent dwelling unit on which we base our park fees. So an edu is based on a single family home. And then from there you adjust up or down like we know that in high rises, the actual population, living in a high rise is approximately half of what we might find in a single family home. So basically, the edu is the way we normalize the values. For the two in what we're trying to do is take that information of that we presented earlier, cost per acre and cost per acre for development, and convert it into an adu so that we can equate it to a per unit development cost. And I realized that's a lot of mumbo jumbo. But bottom line is we're trying to set our fee set a park fee that allows a developer to understand or it allows the community to understand, you know, the cost, the park impact fee per unit of residential unit of development is X number of dollars. And Rebekah is going to tell you about x in a minute. But that's the kind of behind the scenes math of what's happening here. We're happy to walk through the background of that math with anybody but we kind of want to just give you that high level that there's a step in between you saw in part one cost of land per acre cost of per development per acre. Now we're taking that information and converting it into a cost per unit to assess the actual Park fee. So with that,

1:09:48

I'll turn it back over to Rebekah. move you through the next the next part of this.

1:09:55

Thank you Nicole. Just one moment Okay, so we've crunched the numbers. And we determined that to be able to buy land and make improvements on that land, if we take an average of land values citywide and have a set improvement rate, that this would equal a number of \$76,926 per housing unit, liking your people gasping, even though you're not on us. So just bear with us.

Remember, this is the initial fee assessment. I recognize this as a high number. And again, we're not proposing this as the fee, we're just sharing the outcome of our analysis. And we'll be coming back again with more information. Next slide. If we were to split up the geography and use the housing department's map that they use for their affordable housing fees, then you can see a different range of fees across the board here. And it depends on location, location, location, location, location, and where where it's located is going to depend that land on that land value, the improvement costs will stay constant. But the location will make the land values fluctuate. So what you're looking at here is a different geography city split up into a different geography based on the areas that you see outlined here. And so it shows the basis of the land portion of the fee, and then a stagnant improvement cost fee. And then what that would be if we added those together. So we have the lowest range is about \$50,522 per unit. And then that would be an even Vale. And we have a higher amount in downtown, which is \$105,000 105 \$475 \$105,475. All of this is going to be posted on our web page. So I wouldn't try to get into the details. But you know, a quick glance, so you can always go back and view this again later. Next slide. Ah, now that I shared the outcome of our key analysis with you, this is a good time to say that we currently have a program that allows dela for developers to apply for credits to lower their fees. There, I think Bob and Helen mentioned this in their presentation, I think it is what you see before you are four different possible ways that a fee can be lowered. And we're looking to modernize and update this program as part of this effort as well. And we're looking forward to coming back to you to the public into our task force with some proposed changes that we think are pretty exciting. And but for now that I just want to get across the fees can be reduced. On average, most projects receive 20 to 30% in credits. And, but they can get up to 50% or even 75%. With some of these credits are combined. Next slide.

1:13:29

So how is the final fee going to be determined? And that's a great question too. So at the end of all the technical analysis, city staff will present our findings to our task force, and to the community will also provide regular report outs to city commissions and committees will complete a feasibility analysis that will evaluate the results of all of our findings. And that's going to state how the fee can be considered within the larger costs to construct new housing and commercial development. And so we are not tone deaf. We are we work with our other city departments. And we're well aware of that, you know, the need for housing and the cost of development. We recognize that very well. So you know, the feasibility study is going to show that relationship and report out on that so that we would have that person everybody will have that perspective before it goes to council. Ultimately, the city council is a decision maker. And we do aim to make a presentation to the city council by the end of this year. And with that, Nicole next slide. This brings us to our second Q&A session. So if you would like to make a comment or speak please raise your hand or type in the Q&A box

### C. Questions and Answers

1:14:57

we have a hand up from Juan. I'm gonna go ahead and do If you want you can unmute yourself and speak.

1:15:04



I appreciate the information about credits that may lower the fee. And I'm Will this body or decision consider those credits? Or is that just information? Or are you at all considering changes to the types of credits and the amount of credits? We are? Rebekah, you re muted

1:15:35

Thank you. So we are considering changes to the overall program. So right now we've discussed, you know, you can see it on our recordings of our taskforce meetings, which are on our webpage that we've presented some ideas to our task force about how we could give credit for publicly accessible spaces. You know, the ground floor that everybody can enjoy fewer credits for private amenities that are within buildings. But we're still finalizing a program for that. And so we don't have that information to share tonight, but we are excited to come forward, Zack has been key in that portion of the update to the program. So we do we will consider credits when we report out because it's fair. And we want to be transferred as transparent as possible. So one additional good.

1:16:33

So on the flip side, or will you consider increases in the park fee, Parkland fee, that would result in credits that would reduce the requirements for the other fees. In other words, it doesn't seem like there's an incentive to, for a developer to pay more of a percentage than is required. And but there is an incentive to offset it and reduce what the developer pays. And so I'm just wondering if you will also consider the possibility that by paying more than is required for Parkland fees, you could get a credit that would lower the other fees, or the other items listed on that screen, such as existing housing, for example, well, that's not really a good one. But you know what I mean,

1:17:31

I think I'm getting where you're going. So we, you know, we we have discussed on the task force, credits and incentives. So you know, and the way I'm trying to delineate it when I'm communicating with others, because I mean, in the English language are kind of the same thing. But for the purposes of what we're talking about tonight, I like to think of a credit as something that's embedded in the program that's permanent. You know, everybody knows about it. And an incentive could be something that's temporary or long term, to promote something that the city wants. We have talked with our task force, like if you were to build, you know, publicly accessible space, and you own it, and you maintain it, maybe that we could give you some credits for that. As far as incentives, we haven't cut, we haven't landed on anything yet. I think that's still open for discussion. But you know, it's open for discussion. Thank you. Thank you.

1:18:35

And we have Erik, next, I'm going to allow you to talk Erik, you can go ahead and unmute yourself.

1:18:41

Good evening, Erik. Schoennauer and I serve on the task force representing high density in downtown, high rise development. You'll parks are like apple pie, puppies and kittens. Everybody loves them. So there's no debate about there's no debate about that. good public policy finds the right balance point between competing interests. So I'm confident at the end of the day, the city council will find a good balance point. But to give a little more perspective on

the development side. You know, in the next eight years, the state of California says that San Jose should construct 7500 housing units per year. Last year, San Jose issued building permits for only 1300. So the housing hole that we're in is so deep. And among the reasons it's so deep is that the Bay Area has the second highest construction costs in the world. Not in California, not in the US, second highest construction costs in the world, second only to Tokyo. And so if the full Park fee scenario that's been analyzed, which adds 50 to \$70,000 per unit were was adopted. A typical apartment building would see their their costs go up between seven and \$15 million. So does anyone really think that an apartment building can absorb an added cost of seven to \$15 million? Of course it can't. So we will definitely stymie housing production. If we increase costs that severely modest increases can be absorbed. So in the end of the day, it will be up to the council. And I'm confident with 10,000 homeless people wandering our parks and creeks, that the production of housing will be as high a priority as the creation of new parks. And I look for that balanced.

1:21:14

Thank you. Exactly. I'm more hands are comments.

1:21:20

We do not have any more comments at this time, hands at this time. So I'll go ahead and move to some of the open questions that we have. We had a question from Edward about why was Karen is unable or unwilling to get residential developers to discuss the impacts of park fees given that commercial projects don't pay Park fees? Chris, did you want to provide an answer?

1:21:44

Though? Go right. I'm sorry. Could you repeat the question?

1:21:46

The question was, why was PRNS unwilling or unable to get residential developers to discuss impact of park fees given that commercial projects don't pay Park fees? So thank you very much I

1:21:57

can I can tackle that one. Um, just just by way of introduction, I am a residential developer, I work for San Jose State. I'm building workforce housing. I've worked on the public side now. And I've also worked on the private side as a residential developer. So just want to make sure that the shirts that are Peter did a phenomenal job leading it from the commercial side. But I am a residential developer. And Chris is also on our test. Thank you.

1:22:24

Rebekah, did you have any thoughts that you wanted to share in regard to Edward's comments?

1:22:30

Um, well, I'm not sure I understand the question of is Edward, are you able to unmute and clarify? Would you feel comfortable speaking? Or could you clarify in the chat?

1:22:41

If you are you able to unmute yourself now if you would like to do so? I'm sorry, aberdein. messed up. You are now able to unmute yourself. Sorry about that.

1:22:56

My response was that I mean,

1:22:59

Peter, initially when he spoke, pointed out that he came from the commercial side, and Peter was the one doing the majority of the talking on the presentation. So then therefore, the majority of the conversation was coming from someone who admitted that they weren't coming at it from a residential slant was when I typed the question, thank

1:23:17

you. Now I understand. Thank you very much. Yeah, I mean, I think that Peter did a good, very good job of keeping it pretty high level to, you know, whether it's residential development or commercial development. I think that I think he reflected that well.

1:23:36

I think it translates across both types of development. And I hope I hope that came across to you as well.

1:23:43

Yeah. I mean, I would just I would agree. And I saw the question as well, Edward. I mean, I do think they really apply. And I know that Rebekah TDF that we're talking about commercial another night, so I didn't really want to complicate the matter. But yeah, they are very similar, at least from the viewpoints in the the 30,000 foot view that I was trying to get across really apply across

1:24:08

all development. So fair question. Thank you guys for that clarification.

1:24:16

Answer. And since Erik spoke, he does do residential.

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That's when Erik, I see your hand is up. So I will go ahead and allow you to talk again, and you can unmute yourself if you would like to see the edge

1:24:27

question. The reason I'm not on the panel is because I was too busy trying to get housing approved in our city and I didn't have time to do a presentation. staff wanted me to participate. And I was a slacker and didn't do it. But Peter clearly grasped the key points and that is, you know, the cost of development, financing development, the expectation of equity partners and development. All of that speaks to if you layer in additional costs, it impacts The feasibility of doing development. And quite frankly, it's the same whether it's residential, commercial or any

other other category. So Peter did a great job capturing it. And what he said was representative of what impacts residential development as well. Thanks. Thank you, Erik.

1:25:21

We have another question in the open, open now, this is from Doc Cassidy, is there an allocation from city budget surplus being allocated to parks? Cool.

1:25:41

There is some allocation. B, the proposed budget for 2223 does include quite a bit of benefit for parks on the operating side. So that is helping shore up things like making sure we have enough staff to support to begin to support Guadalupe gardens as we develop, it still isn't fully restoring staff to pre 2008 levels, but but we did get some additional staffing resources in the general fund. But in our overall in terms of the budget supporting proposed future new parks or park construction, no, that does not come out of the general fund at all.

1:26:32

And then we have another question from Dennis, when we released the park inventory figures and cost breakdown of park development, these numbers are important to provide informed comment. I'm not sure if we have a timeline explicitly set up for that. But Dennis, if you'd like to contact myself or Rebekah, and we're happy to take that question offline for you and provide some answers. Rebekah, if you have a response you'd like to,

1:26:56

I think I'd say, Zack, the yes, there is backup for those numbers, we are happy to provide them, we can provide them publicly, I understand that they are significantly higher than than some of our neighbors that was put in the chat. Also say that, you know, we regularly have AD developers proposed parks at 170 500 or \$210, a square foot for construction through RAM. And that hasn't been contested, right? It is expensive to build parks in an urban area, there's more hardscape. So when we're talking about neighborhood parks, we are talking about these parks in high density areas that probably have more hardscape have more amenities are more intensively used. And so we're building them in a more robust way. And so they do have higher construction costs. But we absolutely have the numbers to support that. And we're happy to share that and talk through it with the community.

1:27:59

Thank you for that. Cool. And then we had two more quick questions that we did provide answers for. So there was question from Danny, about, are we also talking about including cost of removing polluted soil that was in relation to the cost of improvement and development or the land acquisition and customer improvement numbers we were sharing? We did I provided clarification that the numbers we were sharing were showing the cost of purchase the land and the cost to improve the land. And while the cost to improve the the costume group, the land that we have is based on the average average cost of development for recently built parks, as Nicole just mentioned, this doesn't necessarily include the cost of removing soil. But if it is something that is required as a part of the project, it would be the funding available to do so. And then Danny had a follow up question about whether the city is thinking about credits for developers removing pollution. And as Rebekah mentioned, we're still working through our credit program, and we're still you know, going through the process and and, you know, trying to decide what it

is. That's not out of the question, but it's also not something we've had a conversation about. Rebekah and Nicole, did you want to add anything to that?

1:29:06

Yeah, I just want to clarify, you know, I think that we would not we have a current requirement now that when land is dedicated to the city for a park, whether we develop it or a developer developer for us, that the land is turned over to us in a clean condition, so that they're responsible for cleaning up that soil, that's part of their obligation under the Environmental Quality Act, and SQL mitigation. So I think that that would not change or be accounted for in the cost. So that would stay on the developer side.

1:29:41

Thank you for that clarification, Rebekah. We did have we have a couple more hands popping up. So I'm gonna go ahead and allow Jean to talk. You can unmute yourself when you're ready.

1:29:54

Yes, I wanted to talk briefly about the study about the costs to development and, and I do know a little bit about the Santa Clara study that Kitchener study from 2016. That was the study that's widely available was a replacement cost for all of their parks. And because they have so many more parks, you know, per 1000 over their acreage, the lot of their parks are more, the replacement was just for turf, like amenities. And that was what the calculation was widely circulated so that they didn't have a lot of expensive amenities. But their most recent park out there on a next to the highline development on Coleman Avenue, that was just designed and shown to the community. Well, just I guess it was last fall, its costs are running higher, a lot more higher than the Kitchener report from 2016. So that might be an interesting thing for folks who are aware of the Santa Clara old study from then to go back and look at the comparables now contemporarily. And with the current design, where the current design with these smaller parks don't have acres and acres of cheap turf, they have amenities that in order to make the parks work harder in a smaller space. So I think that's really significantly different and certainly worthy of a greater discussion, rather than just saying, Santa Clara is cheaper. Thanks.

1:31:35

Thank you, Jean. That's insightful, the you know, I'll disclose that I recently talked to my counterpart in Santa Clara, her name is Gina and I cannot pronounce her last name. So I'm not going to do her the disservice of trying. But we had a very pleasant conversation, because I was asking about Santa Clara does have they have a land dedication fee, and they have an improvement fee. So back in 2016, I may get the date wrong. But since Jeanne mentioned that date, and she's usually right about days, so I'm gonna go with that. But forgive me, if I get it wrong, they did go to the council with an improvement fee cost to help cover the cost for improvement. And so that was based on costs at that time. And then their city council actually phased in, you know, an increase every year for an improvement cost of 25%. And so just now they just updated their fee schedule again. And so they just got to the point where they're at 100% of the improvement costs that was approved in 2016. So even they are not getting the full improvement fee to cover their current costs. And they're also in the red. Well, that's not too much information. But it was relevant to what Jeanne said. So I thought I would share.

1:32:56

One viewer asked, I have your hand up, I'm gonna go ahead and allow you to talk feel free to unmute yourself when you're ready.

1:33:02

So I, I believe a comment earlier reference that an example of corresponding dollar cost per unit of the sea would be 50,000. For that example, development, I think the commenter didn't indicate the expected sale cost per unit. Right. So I don't know if that's for a million dollar unit \$2 million unit. But I I'm trying to again, understand. So I think we'll the fee ultimately decided upon be a percentage, in which case, I would assume that's reassuring, because then if the ultimate cost was half, then I suppose that would be about a \$25,000 fee per unit on average. No,

1:33:42

oh, well, it doesn't quite work that way. And but you're on the right track, you got that you'd have a right sense. And so going back to our feasibility study that we're going to complete, those are going to show those, you know those numbers a little bit more clearly. So, you know, I don't have numbers in front of me, that show, you know, different projects and what those units are selling for what they're renting for. But you could contact the Office of Economic Development, they do have some of that information now, and they're also working on studying that and reporting out on that. That's called the cost of development study. So you can follow along with that as well. But let me just simply say as a takeaway, if nothing else that you can take away from what I just said, we're going to do a feasibility study where it's going to show that relationship Okay,

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well the fee be a percentage or \$1 amount. When you when you decide the ultimate fee structure.

1:34:53

It will be \$1 amount it will be \$1 amount and it will be based off Yeah, it will be \$1 amount. Thank you.

1:35:05

That is all the hands we have right now. And we have no questions currently. So unless there are any other hands have a couple of hands on our on our task force going outside, go ahead and let them unmute themselves. You can start with David sorry. David, are you there? The mic isn't on.

1:35:40

There you go. We heard you for a second.

1:35:42

Okay, good. Sorry. I always talk to myself. I didn't want you guys to hear me talking myself anyway. So I'm the consultant. Just want to make a couple points. Excellent. Question. One, a one thing that Steve has done is any fees adopted after July 1, and I think Rebekah, and folks as a city know, know this very well, Nicole, is that the fee has to be based on the size of the unit. In other words, we're gonna have a fee that's per square foot. So one thing you aren't going to find is that a 500 square foot, you know, small studio condo, where multifamily unit is going to

be paying half or a third, let's say a third of a 1500 square foot condo. So there will be some connection is not exactly price, right, because who knows what the price is going to be depends on the kind of unit and how luxurious it is and all that. But the fact of the matter is, it will vary totally based upon the square footage of the building. So you are going to have that variation to the extent of the square footage of the building reflects the sales price, or whatever it is you want to use this to equate at all, we are going to have fees that vary depending on the size of the unit. And that is now going to be required by the state as of July 1, and our chances of adopting this before July 1 are zero. So I believe you're gonna wind up having something that does something along the lines of what you're saying, even though it's an absolute dollar amount, not based on sales price, it will reflect the square footage of the units.

1:37:11

Thanks, David. David. Okay. So I was I was gonna comment just since we were talking about dollars per unit, but this David probably just answered it. But if we're in the commercial scenario, I'm assuming that is going was going to be either percentage base, or maybe it is a per square foot basis. I don't know if you guys have determined that at all.

1:37:35

No, we haven't made a determination. But we'll it will be there will probably be a finish based based on the current state law. And the fall in alignment with other city policy works

1:37:47

for commercial commercial projects. Okay. And the only other thing I was going to say to one to who was asking about reducing your providing incentives and offering credits on other ones if you were paying more, I mean, I think in general, playing around with these different concepts of how we evaluate the equation is a good thing to think about at the end of the day. It's really the overall fee like it's it's it's all these different fees, right? Like we're sitting here tonight talking about parks, but it's just it's everything. It's what is it you pile all these things into the blender? And what do you get out? And so it's really finding that balance between all these different things. So that's where I think we need to lean on city also to help city staff to help inform us perfectly. Thank you. Thank you, Peter. Good,

1:38:46

no worries, I was just gonna say that is all we have for now. Unless there any other hands I want to pop up in the last minute, I think you can move on twice.

## Part 3 – Next Steps

1:38:57

The call, can you next slide. Okay, we're coming to the end of our presentation. So this is not your only opportunity to participate in this process. There are going to be other opportunities, we're going to hold to additional public committee meeting similar to this one. We're gonna give a regular report out to our youth senior and neighborhoods commission. And we're also going to be presenting findings to our community and economic development committee. And then all of that will be taken to our Parks and Recreation Commission. And we'll be giving regular updates

to them as well. And then we'll bundle it all up and we'll take what we heard from everybody including all those commissions and committees and your voices and our taskforce voices and pay get the city council as a recommendation and we aim to do that in December of this year. Next slide. If you can, please do stay involved, please encourage others to be involved. You know, anybody who knows me and has worked with me knows that I value the public process and I value the public voice. I like a balance of perspectives. We have a very transparent webpage. Every taskforce meeting that we've held has been recorded and is there so you can see what the task force has talked about. We've shared the reading materials that we've given to the task force meeting notes. I'm trying to make it as accessible as possible. I am always willing to be there to help and me and my staff, I have the most amazing staff and they are also incredibly responsive and willing to reach be available to answer questions and provide information. So I hope you'll go to our webpage and you can read more about that. You see that listed here and here's my email address. And with that, I will bid everybody a good thank you for coming. Thank you for participating. Good job, Helen. Good job, Bob. Good job, Peter. Thank you, Chris, for your support and thank you community for commenting. Thanks and good night. me just turn off the recordation just one moment