

# Agenda Report

**TO:** City Council

**DATE:** October 13, 2008

**FROM:** City Manager

**SUBJECT:** Residential Impact Fee Information

**RECOMMENDATION:**

This report is for information only.

**BACKGROUND:**

At the City Council meeting on September 15, 2008 during the discussion of the grant application for the east Arroyo connector trail, the City Council requested staff return with an update on the Residential Impact Fee (RIF). Specific information requested included: the allowable uses of the Fee; distribution of the Fee; timeframe for spending the money; total collected to date; the number of new parks constructed; and how the Fee has been spent.

The RIF was created in 1988 to help mitigate impacts on the park system from new residential development. As set forth in Chapter 4.17 of the Pasadena Municipal Code, the fee is imposed all new residential development including subdivisions, single-family dwelling units, multi-family dwelling units, work/live units, additions of new residences to preexisting construction and any other form of residences.

On October 3, 2005, Council adopted a new RIF calculation methodology. It changed from a flat fee per dwelling unit to one based on the number of bedrooms within a residential unit. The current Fee amounts are listed below.

**Residential Impact Fee Amounts – Effective July 1, 2008**

Number of Bedrooms	Residential Impact Fee Amount
Studio	\$15,566.64
1	\$16,427.77
2	\$18,245.02
3	\$20,981.03
4	\$25,492.66
5 or more	\$28,814.50

Inclusionary Housing Regulations,  
Skilled Nursing Units, or Student Housing       \$   806.72

The Fee amounts may increase annually based on the Consumer Price Index.

**ALLOWABLE USES**

Chapter 4.17.050 of the Municipal Code, defines the allowable uses for the RIF as "...parkland acquisition, capital improvements and maintenance." The allowable uses are further defined in Chapter 4.17.60 which allows the RIF to be used "...to develop park or recreational facilities, or targeting certain improvements for acquisition, construction and installation." The RIF can also be used on any school ground park which is the subject of a cooperative agreement between the City and the Pasadena Unified School District. . Chapter 4.17 does not mention "public open space," although the RIF cost study does support the purchase of public open space that will become dedicated parkland.

Section 4.17.060 requires that Council adopt by resolution a schedule for disbursement of funds "to develop park or recreational facilities" but then limits the "park or recreational facilities" that could be improved with the funds to the parks or projects specifically listed in Chapter 4.17. Since public open space to be used as dedicated parkland is not listed, Council should consider directing the City Attorney's Office to amend Chapter 4.17 prior to expending RIF funds on the purchase of open space.

**DISTRIBUTION OF FEES**

On July 24, 2000, the City Council adopted Resolution 7893 which established three park impact districts: the West, Central and East. Marengo Avenue and Allen Avenue from north city limits to south city limits serve as the dividing lines for the districts. Ninety percent of the RIF collected within a park impact district must be spent on neighborhood and community parks within that district. The remaining ten percent of the funds are distributed to the citywide parks which include Hahamongna, Central Arroyo and Lower Arroyo. Interest earned on the funds collected may be used to maintain any park or any capital improvement located in any park.

**TIMEFRAME FOR SPENDING THE FUNDS**

Per the Municipal Code, fees paid into the RIF must be appropriated within five years of payment or the developer may request a refund of the fee.

**TOTAL COLLECTED TO DATE**

Since the new fee structure went into effect on December 2, 2005 the City has collected \$8,566,677 in Residential Impact Fees and the fund has earned \$979,857 of interest. Per the approved distribution method, this revenue was divided as follows:

West District	\$2,022,614
Central District	\$4,526,910
East District	\$1,160,484
Citywide Parks	<u>\$ 856,669</u>
Total	\$8,566,677

**NUMBER OF NEW PARKS TO DATE**

In FY 2006, the RIF helped fund the creation of Vina Vieja Park which became Pasadena's first new park to open in over thirty years. Among other amenities, Vina Vieja contains the City's first dog park.

**HOW HAVE THE FUNDS BEEN SPENT?**

The RIF has been appropriated to various Capital Improvement Projects in neighborhood, community, citywide and school parks as highlighted on the attachment. The projects range from new play equipment, restrooms, walkways, security lighting, and ball field improvements to the creation of water and skateboard parks.

As of September 15, 2008, RIF fund has an unappropriated fund balance of \$1,609,886 and it is anticipated that the remaining balance will be allocated as part of the FY 2010 Capital Improvement Program Budget as follows:

West District	\$ 55,007
Central District	\$ 696,179
East District	\$ 199,498
Citywide Parks	\$ 11,742
Interest	<u>\$ 594,084</u>
Total	\$1,556,510

The remaining balance of this fund will be used as a match for submitted grant applications or to cover the cost of projects in this fiscal year. In addition, these funds will be allocated towards the cost of constructing projects in FY 2010 that are currently under design.

**FISCAL IMPACT**

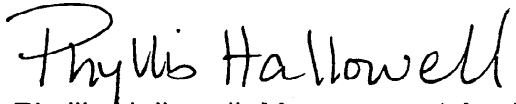
This report is for information only.

Respectfully submitted,



MICHAEL J. BECK  
City Manager

Prepared by:



Phyllis Hallowell, Management Analyst  
Finance and Management Services

Approved by:



Martin Pastucha  
Director, Department of Public Works

**City of Pasadena**  
**Residential Impact Fee Appropriations**  
**December 2, 2005 - September 15, 2008**

<b>Fund 304 Residential Impact Fees</b>		<b>West</b>	<b>Central</b>	<b>East</b>	<b>Arroyo</b>	<b>Interest</b>	<b>Total</b>
<b>I. Revenues</b>							
	Unappropriated Revenues through December 2, 2005	460,413	334,105	191,991	332,729	337,857	1,657,095
	Revenues Received from Dec. 2, 2005 - September 15, 2008	2,022,614	4,526,910	1,160,484	856,669	979,857	9,546,534
<b>Total Revenues</b>		<b>2,483,027</b>	<b>4,861,015</b>	<b>1,352,475</b>	<b>1,189,398</b>	<b>1,317,714</b>	<b>11,203,629</b>
<b>II. FY 2006 Appropriations after Dec. 2, 2005</b>							
Comp	Central Park - Implement Master Plan - Walkway Lights and Security Lighting Sytems and Walkways Replacement - Phase I (per 3/06 Cln Up)	200,000	0	0	0	0	200,000
Comp	Replacement of Athletic Field Lighting and Installation of Centralized Lighting Equipment (per 3/06 Cln Up)	0	100,000	0	0	0	100,000
Comp	Grant Park - Walkway Lighting and Security Lighting System (per 3/06 Cln Up)	0	16,592	0	0	0	16,592
Comp	La Pintoresca - Water Play Area (to close project per 3/06 Cln Up)	49,000	0	0	0	0	49,000
Comp	Madison Avenue School Project (per 3/06 Cln Up)	0	60,500	0	0	0	60,500
Comp	Singer Park - Walkway Lighting and Security Lighting (to close project per 3/06 Cln Up)	11,296	0	0	0	0	11,296
Comp	Grant Park - Renovate Picnic Shelter (to close project per 3/06 Cln Up)	0	6,099	0	0	0	6,099
Comp	Pasadena Regional Bikeway Project (to close project per 3/06 Cln Up)	0	0	0	137,023	0	137,023
Comp	Grant Park Renovate Basketball Courts (to close project per 3/06 Cln Up)	0	146	0	0	0	146
<b>FY 2006 Appropriations Total</b>		<b>260,296</b>	<b>183,337</b>	<b>0</b>	<b>137,023</b>	<b>0</b>	<b>580,656</b>
<b>II. FY 2007 Appropriations</b>							
Const	Restroom Buildings (Replace or Construct) - McDonald, Jefferson, Villa Parke, Singer, Eaton-Blanche, and Hamilton Parks	0	156,000	25,000	0	0	181,000
Comp	Park Walkway Replacement	0	50,000	0	0	0	50,000
Comp	Allendale Lighting Project	0	101,000	0	0	0	101,000
Design	Memorial Park - Implement Master Plan	65,000	0	0	0	0	65,000
Design	Hamilton Park - Various Projects	0	0	60,000	0	0	60,000
Comp	Hahamongna - Implement Master Plan - Restoration of Flint Wash Bridge Crossing	0	0	0	30,000	0	30,000
Comp	Grant Park - Replacement of Asphalt Tennis Court Surfaces with Concrete (9/06 Cln Up)	0	35,000	0	0	0	35,000
Comp	Victory Park Lighting (9/06 Cln Up)	0	0	1,968	0	0	1,968
Comp	Slurry Seal Repair Walkways and Parking Lots (9/06 Cln Up)	0	0	2,770	0	0	2,770
Comp	Hamilton Park - New Bleachers and Picnic Shelter (9/06 Cln Up)	0	0	30,843	0	0	30,843
Comp	La Pintoresca Water Play Area (9/06 Cln Up)	4,245	0	0	0	0	4,245
Const	New Playground Equipment and Site Amenities at Brenner, Grant, La Pintoresca, San Rafael, and Gwinn Parks (9/06 Cln Up)	0	75,000	0	0	0	75,000
Comp	Vietnam Memorial Project (9/06 Cln Up)	98,479	0	0	0	0	98,479
Const	Restroom Buildings (Replace or Reconstruct) McDonald, Jefferson, Villa Parke, Singer, Eaton Blanche, and Hamilton Parks (1/07 Cln Up)	100,000	655,000	42,764	0	0	797,764
Comp	Villa Park Slope Drain Repair (1/07 Cln Up)	0	6,339	0	0	0	6,339
Comp	Hahamongna - Implement Master Plan - Restoration of Flint Wash Bridge Crossing (1/07 Cln Up)	0	0	0	170,185	0	170,185
Comp	Vina Vieja Park - Implement Master Plan (4/07 Cln Up)	0	0	0	0	311,992	311,992
Comp	Install New Playground Equipment and Renovate Picnic Area (11/6/06 Prks Agda Rpt)	0	67,000	0	0	0	67,000
<b>FY 2007 Appropriations Total</b>		<b>267,724</b>	<b>1,145,339</b>	<b>163,345</b>	<b>200,185</b>	<b>311,992</b>	<b>2,088,585</b>

<b>Fund 304 Residential Impact Fees</b>		<b>West</b>	<b>Central</b>	<b>East</b>	<b>Arroyo</b>	<b>Interest</b>	<b>Total</b>
<b>II. FY 2008 Appropriations</b>							
Comp	Pasadena High School Pick-up and Drop-Off Plan - Phases I & II	0	0	100,000	0	0	100,000
Design	Robinson Park - Implement Master Plan	275,000	0	0	0	0	275,000
Comp	Replace Drinking Fountains	35,000	10,357	0	0	0	45,357
Const	Memorial Park - Implement Master Plan	250,000	0	0	0	0	250,000
Const	Central Park Master Plan	0	100,000	0	0	0	100,000
Design	Washington Park - Implement Master Plan	0	200,000	0	0	0	200,000
Comp	Grant Park - Replacement of Asphalt Tennis Court Surfaces with Concrete (FY08 + 9/07 Cln Up)	0	232,565	0	0	0	232,565
Const	New Playground Equipment and Site Amenities at Brenner, Grant, La Pintoresca, San Rafael, and Gwinn Parks (FY08 + 9/07 Cln Up)	600,000	250,000	0	0	0	850,000
Comp	Replacement of Skate Park Equipment at La Pintoresca Park	150,000	0	0	0	0	150,000
Design	School Park Site Improvements	0	181,000	83,000	0	0	264,000
Design	Brookside Park - Replacement of Walkways	0	0	0	100,000	0	100,000
Design	Trail and Rubble Wall Restoration - Central Arroyo	0	0	0	37,438	0	37,438
Design	Lower Arroyo - Implement Master Plan- Signage	0	0	0	10,000	0	10,000
Const	Brookside Park - Upgrade of Picnic Facilities	0	0	0	90,000	0	90,000
Design	Hahamongna Watershed Park - Implement Master Plan	0	0	0	10,000	0	10,000
Design	New Trash Bin Enclosure - Brookside Park	0	0	0	100,000	0	100,000
Design	Central Arroyo - Implement Master Plan	0	0	0	10,000	0	10,000
Comp	Allendale Park - Install New Playground Equipment and Renovate Picnic Area (9/07 Cln Up)	0	13,885	0	0	0	13,885
Const	Slope and Street Repair - 2005 Winter Storms (9/07 Cln up)	0	0	0	75,000	0	75,000
Comp	Repair to La Casita Retaining Wall (9/07 Cln Up)	0	0	0	8,010	0	8,010
<b>FY 2008 Appropriations Total</b>		<b>1,310,000</b>	<b>987,807</b>	<b>183,000</b>	<b>440,448</b>	<b>0</b>	<b>2,921,255</b>
<b>III. FY 2009 Proposed Appropriations</b>							
Const	Restroom Buildings (Replace or Construct)	590,000	948,353	131,632	0	236,638	1,906,623
Design	Washington Park - Implement Master Plan	0	50,000	0	0	0	50,000
Design	Hamilton Park - Various Projects	0	0	650,000	0	0	650,000
Design	Citywide Athletic Field Lighting Replacement	0	350,000	0	0	0	350,000
Const	Implement Master Plan - Hahamongna - Sunset Overlook	0	0	0	100,000	0	100,000
Design	Replacement or Installation of Security Lights - Various	0	500,000	0	0	0	500,000
Design	Utility Infrastructure Improvements at Hahamongna Annex	0	0	0	300,000	150,000	450,000
Design	Installation of Skateboard Park - Hamilton Park	0	0	25,000	0	0	25,000
Design	New Trash Bin Enclosures - Brookside Park (9/22 cln up)	0	0	0	0	25,000	25,000
<b>FY 2009 Appropriations Total</b>		<b>590,000</b>	<b>1,848,353</b>	<b>806,632</b>	<b>400,000</b>	<b>411,638</b>	<b>4,056,623</b>
<b>Total Appropriations</b>		<b>2,428,020</b>	<b>4,164,836</b>	<b>1,152,977</b>	<b>1,177,656</b>	<b>723,630</b>	<b>9,647,119</b>
<b>Remaining Balance</b>		<b>55,007</b>	<b>696,179</b>	<b>199,498</b>	<b>11,742</b>	<b>594,084</b>	<b>1,556,510</b>

<b>Legend</b>	
Comp	Project and/or phase of project is complete.
Const	In construction phase of project.
Design	In design phase of project.