



BRION &amp; ASSOCIATES

## MEMORANDUM

---

To: Brenda Harvey-Williams and Phyllis Hollowell, City of Pasadena, Department of Public Works

From: Joanne Brion, Brion & Associates and Michelle Nilsson, Nilsson Consulting

Subject: Fixed Funding Ratio for Park Land versus Improvements: B&A #2463

Date: January 13, 2014

---

City Staff has asked for our professional opinion regarding an implementation policy included in the newly adopted Open Space:

Develop a plan to establish a fixed ratio for spending the residential impact fee so that it emphasizes acquisition rather than repairs with the goal of reallocating a higher proportion of the responsibility for park improvement and repairs to the General Fund.<sup>1</sup>

The City is divided up into three districts and a fourth citywide district for park planning and development purposes. Park fees can be used for a wide variety of purposes, as discussed in the final draft RIF Update:<sup>2</sup>

Fee revenue derived from new development and based on the nexus analysis will be used to fund required park and recreation facility improvements described in the City's Capital Improvement Program. These improvements have been estimated by the City's Public Works Department and meet the City's current standards for new development. They include park improvements, new and expanded recreation facilities, capital replacement and renovation of existing facilities, and acquisition of land for new parks and new open space. These improvements are listed in **Appendix A** and will be updated over time in the City's Capital Improvement Program.

### Allowable Uses

Pasadena Municipal Code §4.17.050 defines allowable uses for the RIF as "...parkland acquisition, capital improvements and maintenance." The allowable uses are further

---

<sup>1</sup> Open Space and Conservation Element, Jan 2012, page 25, Residential Impact Fee Implementation.

<sup>2</sup> See page 4 of Final Draft Park and Recreation Residential Impact Fee Nexus Study Update, January 2014.

defined in PMC §4.17.060 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.<sup>3</sup>

Overall, we do not recommend that the City implement such a policy to restrict a portion of RIF revenue to land acquisitions only. In addition, we do not recommend that the City set a prescribed funding plan by district, based on where the park fees are generated. We offer the following reasons for these two recommendations:

- In a city that is relatively built out, it can take some time for land to become available for acquisition. If funds were restricted to X percent for land and X percent for improvements, it reduces the City's flexibility in being able to use 100% of the funds to make an acquisition, at any given time.
- Fees must be appropriated within 5 years and ideally spent within that time period. There needs to be a reasonable and likely project with which to spend said funds. Holding funds solely for land acquisition runs the risk that sufficient funds may not be available when needed and may sit for over five years.
- The City often leverages RIF funds to gain grants and other types of funding to complete park improvements. Again, flexibility is key in allowing staff to leverage available funds to its maximum benefit of the community.
- We recommend that the district in which fees are generated are targeted for the application of those fees but not restricted. The City needs flexibility in responding to opportunities to complete park and open space projects.
- Park improvements, including capital replacement and enhancement are key methods for increasing the functionality of existing parks to better service the community. Limiting funds for this purpose may create a situation where a great project lacks adequate funding.

In conclusion, the most we would recommend on this issue is to perhaps setting some targets but to have them clearly not implemented as restrictions.

The Council can set directives year-to-year on how the fees should be spent based on short-term opportunities, but often land becomes available quite unexpectedly and Staff should have some discretion to make decisions about said fees. Again, our professional opinion here is that flexible will serve the City's interests best.

---

<sup>3</sup> From City of Pasadena Open Space and Conservation Element of the General Plan, (January 2012), pg. 22.