



## STAFF REPORT

To the Honorable Mayor and City Council  
From the City Manager

**DATE:** June 13, 2022

### SUBJECT

Waive second reading and adopt ordinance amendments to Redwood City Code Chapter 30, Article XII, Parks Dedication (Redwood City Quimby Act Implementation Ordinance) and Redwood City Code Chapter 18, Article XVI, Parks Impact Fee (Parks Impact Fee Ordinance) to update current fees and implement new non-residential impact fees

### RECOMMENDATION

1. Waive second reading and adopt an ordinance of the City of Redwood City amending Sections 18.257, 18.258, 18.259 of Article XVI (Parks Impact Fee) of Chapter 18 of the Redwood City Municipal Code regarding Park Impact Fee; and
2. Waive second reading and adopt an ordinance of the City of Redwood City amending Sections 30.143, 30.144, 30.145 and 30.146 of Article XII (Parks Dedication) of Chapter 30 of the Redwood City Municipal Code.

### STRATEGIC PLAN GUIDING PRINCIPLE

Excellence in Government Operations

### BACKGROUND

In 2018, the Parks, Recreation & Community Services (PRCS) Department initiated the process to consider updating the Park Impact and Quimby Act Fees. After a series of delays, including a pause on the project in light of the COVID-19 pandemic, the process resumed.

On March 7, 2022, the City Council held a Study Session on potential amendments to the Redwood City Code Chapter 30, Article XII, Parks Dedication (Redwood City Quimby Act Implementation Ordinance) and Redwood City Code Chapter 18, Article XVI, Parks Impact fee (Parks Impact Fee Ordinance) to receive feedback to update current fees and introduce new non-residential impact fees. [See the March 7, 2022 staff report for more information.](#)

## ANALYSIS

On May 23, 2022, the City Council held a public hearing to consider the Nexus Study and associated Impact Fee Project List supporting the Parks Impact Fee update, introduce ordinances amending Chapter 30, Article XII, Parks Dedication (Redwood City Quimby Act Implementation Ordinance) and Redwood City Code Chapter 18, Article XVI, Parks Impact fee (Parks Impact Fee Ordinance), and consider the updated rates for the Parks Impact Fees. [See the May 23, 2022 staff report for more information.](#) At this meeting, the City Council received a presentation by the Parks, Recreation and Community Services Director, and consultants.

The City Council deliberated and unanimously adopted the Nexus Study and the Impact Fee Project List, introduced the ordinances, and set the updated Parks Impact Fees, with a phase-in for rates for updated residential Parks Impact Fees. Under the phase-in, the Parks Impact Fees for residential development, including both parkland acquisition and park facilities components, would be set at 50% of the maximum rates supported by the Nexus Study for 12 months starting on July 22, 2022, and then 100% of the maximum rates supported by the Nexus Study thereafter. The City Council voted to phase in just the Parks Impact Fees for residential development due to the City Council's intention of lessening the impact for housing developments as housing is a top priority for the City. The list of rates for the Parks Impact fees may be found in the [resolution](#) adopted on May 23, 2022, and the rates for the parkland in lieu fees under the Quimby Ordinance [here](#).

Additionally, the City Council discussed providing incentives to developers to provide land for developed/finished parks rather than paying impact fees due to the great need for more parkland in Redwood City. Staff recommends acting on this as part of the visioning process for the Central Redwood City Plan.

If the ordinance amending Chapter 30, Article XII, Parks Dedication (Redwood City Quimby Act Implementation Ordinance) is adopted on June 13, 2022, the ordinance will be effective thirty (30) days after adoption (July 13, 2022). In accordance with state law, the City can begin applying the updated Quimby dedication requirements and in lieu fees to projects that file a tentative map with the City after August 12, 2022.

If the ordinance amending Chapter 18, Article XVI, Parks Impact fee (Parks Impact Fee Ordinance) is adopted on June 13, 2022, the ordinance will be effective thirty (30) days after adoption (July 13, 2022). In accordance with the state law and the resolution setting updated rates for Parks Impact fees, the City can begin applying the updated rates to:

- Subdivision Map Act projects whose applications are deemed complete on or after July 22, 2022;
- Non-Subdivision Map Act projects that receive discretionary approval on or after July 22, 2022, or if no discretionary approval is required, are issued a building permit on or after July 22, 2022;
- The above is subject to limited exceptions under law.

Under state law, development projects filed under the Subdivision Map Act are subject to the impact fees in effect at the time the application is deemed complete. However, subject to certain exceptions, where an agency has given notice of its intent to initiate proceedings to update fees, an agency can apply the fees in effect at the time the agency approves the tentative map to projects whose application are deemed complete after the initiation date. Redwood City by motion initiated proceedings to update Parks Impact

fees on April 26, 2021. Staff reviewed the projects that would be impacted if the City relied on the initiation of proceedings, and only one housing-related project would be subject to the new fees based on the initiation of proceedings, 1330 El Camino Real (also known as Redwood City Discovery at the location of the former Record Man business). In light of Council's discussion at the May 23 meeting to lessen the impact of fees on housing, staff recommends against relying on the initiation of proceedings to this project. 1332 El Camino Real will be subject to the fees in effect at the time their application was deemed complete, which was prior to the effective date of the updated fees. Subject to limited exceptions under law, all other housing-related projects that have not been deemed complete prior to July 22, 2022, will be subject to the updated fees as they were not deemed complete prior to the effective date of the updated fees. Staff has informed project applicants of this requirement.

## **FISCAL IMPACT**

Redwood City's Park Impact Fees are well below the actual costs associated with adding parkland (cost per acre). Future amendments to the Quimby Ordinance, the Park Impact Fee Ordinance, and potential new non-residential park impact fees could potentially increase Park Impact Fees fourfold and Redwood City would still be in the median range (or at least not number one) for all of the development categories.

## **ENVIRONMENTAL REVIEW**

The proposed ordinance amendments are not considered a project under Public Resources Code Section 21605 and CEQA Guidelines Section 15378 as the amendments will not result in a direct physical change in the environment or a reasonably foreseeable indirect change on the environment. In addition, under CEQA Guidelines Section 15061(b)(3), the proposed ordinance amendments are exempt from CEQA as it can be seen with certainty that there is no possibility for causing a significant effect on the environment.

## **PUBLIC NOTICE**

On April 26, 2021, the City Council formally initiated proceedings (by motion) to consider amendments to the Affordable Housing Ordinance and the affordable housing impact fee. At the same time, A [Notice Under Government Code Section 66474.2\(b\) Regarding Initiation of Proceedings to Adopt Amendments](#) and the consideration for Amendments to Parks Impact Fee Ordinance, Quimby Act Park In Lieu Fee, and to Introduce a new non-residential park impact fee was published in the *San Mateo Daily Journal* on April 29, 2021.

On May 13 and 26, 2021, staff held information sessions on the proposed amendments. Past and current development applicants, including nonprofit housing providers, were invited to participate in these sessions and the City had eleven attendees. Staff has received comment letters from the Housing Leadership Council of San Mateo County and MidPen Housing.

On April 22, 2022 (at least 30 days prior to scheduled meeting), a notice of public hearing was advertised of the time and place of the May 23, 2022 City Council meeting, including an explanation that the City intends to update its park impact fees as set forth in the nexus study. Additionally, the notice was sent to existing developers and potential developers in Redwood City at same time.

On May 12, 2022, (at least 10 days before public hearing) and a statement that the data required by Government Code section 66019 was made available to any interested party who filed a written request. (Gov. Code 66019); and the Parks Capital Improvement Project list was made available on the City's website and at the City Clerk's Office; and the same public hearing notice was published again.

On February 24, 2022, at least ten days before the hearing date, notice of the Mary 23, 2022 City Council hearing was posted on the City website, placed in the *San Mateo Daily Journal*, emailed to an interested parties list, and posted to [www.RedwoodCity.org/ParkImpactFee](http://www.RedwoodCity.org/ParkImpactFee). Notice of the City Council hearing was posted again in the *San Mateo Daily Journal* on March 1, 2022, at least five days after the first notice was published.

Public notification of this Council meeting was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

## **ATTACHMENTS**

Attachment A – Parks Impact Fee Ordinance

Attachment B – Quimby Act Ordinance

## **REPORT PREPARED BY:**

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## **APPROVED BY:**

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