San Diego Regional Chamber

Policy Brief

January 2018

CITY OF SAN DIEGO INTERIM PARK EQUIVALENCIES

POSITION: The Chamber's Infrastructure, Housing & Land Use Committee voted to SUPPORT the proposed Interim Park and Recreation Equivalency Ordinance on November 21, 2017. The Chamber's Public Policy Committee will consider the ordinance on January 9, 2018.

STATUS: The Interim Park and Recreation Equivalency Ordinance was introduced by Councilman Scott Sherman in Fall of 2017. It has been through a number of Community Planning Groups and may be heard by the City's Planning Commission.

AT-A-GLANCE

The Interim Park and Recreation Equivalency Ordinance serves two main objectives: 1) reduce DIF in certain areas where regional parks are located and 2) increase opportunities for developers to enhance their communities, in lieu of paying into a City fund that rarely is expended

SUMMARY

According to the memo received by the Chamber from Councilmember Scott Sherman, the "Interim Park and Recreation Equivalency Ordinance serves two main objectives: 1) reduce DIF in certain areas where regional parks are located and 2) increase opportunities for developers to enhance their communities, in lieu of paying into a City fund that rarely is expended."

The City of San Diego has existing development impact fees (DIF) that are levied for new developments. Part of the DIF is the park component, which goes toward the building of additional parks. This proposed ordinance would introduce alternatives to traditional parks that developers may invest in to alleviate the burden of the fee, and additionally would allow for credit to be given if a development is in close proximity to one of the city's regional parks.

The ordinance would be in place until a citywide Parks Master Plan is adopted.

ANALYSIS

Development Impact Fees are one-time payments made by a developer prior to building or receiving a construction permit from the City of San Diego. Because a significant portion of those fees (approximately 68%) is allocated for park development, called the "park component," there has been steady discussion about the component's effectiveness in delivering increased park and recreational space to the city.

The author challenges that while the City awaits a Parks Master Plan (slated for 2020 or 2021), it is imperative that the City adopt more pragmatic regulations that reflect the built-out nature of the City as well as its numerous regional parks and beaches. Of particular frustration to many is that the City does not allow developers to count major regional parks such as Balboa Park in their park planning, and instead developers can be on the hook for as much as $11,000 in park component fees per unit. According to the Chamber's Standard of Living Dashboard, San Diego ranks 1st in most acres of parkland with over 48,000 acres of parks, although most of that acreage is unaccounted for when determining fees to be levied on proposed development.

The interim proposal outlined here would allow for proximity to regional parks to be considered, better representing the actual park presence within the City, and for investments in alternatives to parks to be considered by the developer, lessening their DIF burden. These alternatives include picnic areas, playgrounds, scenic overlooks, recreation centers and skateboard parks, among others.

Allowing for flexibility in meeting park requirements for the City, as well as counting the city's immense existing park resources could help to alleviate the current housing crisis caused by the lack of new units coming online. A 2015 Point Loma Nazarene Study found that 40% of the cost of building new units can be attributed to fees and regulation, a major deterrent for the business community to invest in building units, particularly those for low- and moderate-earning families. Particularly when considering that hundreds of millions of dollars go unspent in various DIF accounts because of the inability to build (due to a variety of reasons but most importantly the difficulties in land acquisition to build required parks), it is necessary to wonder if promising communities additional parks that never get built, with funds that are never spent, is an appropriate way to continue to do business.