

**BOARD REPORT**

NO. 26-095

DATE May 07, 2026

C.D. ALL

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: PARK FEE ORDINANCE – CHANGES TO THE PARK FEES SECTION OF THE SCHEDULE OF RATES AND FEES – STATUTORY EXEMPTION FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 18, SECTION 15273(a)(4) [CEQA DOES NOT APPLY TO THE ESTABLISHMENT, MODIFICATION, STRUCTURING, RESTRUCTURING, OR APPROVAL OF RATES, TOLLS, FARES, OR OTHER CHARGES BY PUBLIC AGENCIES FOR THE PURPOSE OF OBTAINING FUNDS FOR CAPITAL PROJECTS, NECESSARY TO MAINTAIN SERVICE WITHIN EXISTING SERVICE AREAS] OF CALIFORNIA CEQA GUIDELINES AS WELL AS ARTICLE II, SECTION 2, CLASS (o)(4) OF CITY CEQA GUIDELINES

|             |       |                       |           |
|-------------|-------|-----------------------|-----------|
| B. Aguirre  | _____ | M. Rudnick            | _____     |
| B. Jones    | _____ | for* C. Santo Domingo | <u>DF</u> |
| C. Stoneham | _____ | N. Williams           | _____     |

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

**RECOMMENDATIONS:**

1. Authorize staff to amend the Park Fees section of the Schedule of Rates and Fees as outlined in the Summary of the Report, and detailed on the attached schedule (Attachment 1), which is to be effective July 1, 2026;
2. Determine that the changes to the Park Fees section of the Schedule of Rates and Fees is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article 18, Section 15273(a)(4) [CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies for the purpose of obtaining funds for capital projects, necessary to maintain service within existing service areas] of California CEQA Guidelines and Article II, Section 2, Class (o)(4) of City CEQA Guidelines and direct staff to file a Notice of Exemption (NOE) with the Los Angeles County Clerk and the Governor’s Office of Land Use and Climate Innovation;

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3. Authorize the Department of Recreation and Parks (RAP) Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$25.00 for the purpose of filing an NOE; and,
4. Authorize RAP's Chief Accounting Employee or designee to make technical corrections as necessary to carry out the intent of this Report.

### SUMMARY

On September 7, 2016, the City Council approved the new Park Dedication and Fee Update Ordinance (Park Fee Ordinance), Ordinance No. 184,505, and approved a Resolution relative to a General Plan Amendment to amend the Public Recreation Plan of the Service Systems Element of the City of Los Angeles General Plan.

The Park Fee Ordinance requires all new residential dwelling units to dedicate land, or pay a fee in-lieu, or provide a combination of land dedication and fee payment, for the purpose of acquiring, expanding, and improving park and recreational facilities for new residents. Certain affordable housing units and accessory dwelling units may be exempt from any requirement to pay a fee.

On December 14, 2016, the Board of Recreation and Park Commissioners (Board) approved the establishment of a new Park Fees Section of the Schedule of Rates and Fees, which included the initial adjustment of the parks fees and the establishment of an administrative fee, and authorized the establishment of various special fund accounts for the deposit of collected fees (Report No. 16-248).

### PARK FEE ANNUAL ADJUSTMENT PROCEDURE

Per Section 12.33.E.5 of the Park Fee Ordinance, the park fees are adjusted using the following combination of annual changes in a construction cost index and a land value index: "Any fee imposed by this section shall be adjusted on July 1st of each year by a percentage equal to a weighted average of: (1) the percentage change in the Construction Cost Index for Los Angeles, as published by Engineering News-Record, or its successor publication, for the 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year; and (2) the percentage change in the Federal Reserve Economic Data All-Transactions House Price Index for Los Angeles-Long Beach-Glendale, CA (MASD) as published quarterly by the Federal Reserve Bank of St. Louis, or its successor publication, from the fourth calendar quarter most recent to the year in which the adjustment is made to the fourth calendar quarter immediately preceding it." Park fees adjustments under LAMC Chapter 1A SEC. 10.4.5.D rely on the same calculations.

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RECOMMENDED PARK FEE ADJUSTMENT

The calculation of the Park Fee adjustment is detailed below. The calculation of the Park Fee adjustment is based on the data provided in Engineering News-Record's Construction Cost Index for Los Angeles and the percentage change in the Federal Reserve Economic Data All-Transactions House Price Index for Los Angeles-Long Beach-Glendale, CA (MASD) as published quarterly by the Federal Reserve Bank of St. Louis. Note, that all percentages have been rounded, up or down, to the nearest one-tenth of a percent.

(1) Construction Cost Index for Los Angeles

|                |          |
|----------------|----------|
| March 2025     | 15778.36 |
| March 2026     | 15651.74 |
| Percent Change | -0.8%    |

(2) Federal Reserve Bank of St. Louis's Federal Reserve Economic Data All-Transactions House Price Index (all homes)

|                |        |
|----------------|--------|
| Q4 2024        | 546.86 |
| Q4 2025        | 557.42 |
| Percent Change | 1.9%   |

The Park Fee Ordinance prescribes the use of a "weighted average" of the two indexes to calculate the annual adjustment. The Park and Recreation Site and Facility Fee Study (Fee Study) that was prepared by the City and provided the technical analysis and nexus findings to support the development of the Park Fee Ordinance, determined that 82% of the park and recreational fee is attributed to land acquisition costs to serve future developments. Therefore, for the annual adjustment of the park fees, the two indexes are being weighted according to the percentage breakdown identified in the Fee Study.

(3) Adjustment Factor Derivation

|                         | <u>Value</u> | <u>Weight</u> | <u>Weighted Value</u> |
|-------------------------|--------------|---------------|-----------------------|
| Construction Cost Index | -0.8%        | 18%           | -0.144%               |
| Median Home Sales Price | 1.9%         | 82%           | <u>1.558%</u>         |
| Weighted Average        |              |               | 1.414%                |

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Based on the analysis detailed above, the park fee adjustment factor would be 1.4%. In order to calculate the new Park Fee, the park fee adjustment factor of 1.4% will need to be applied to the current fees identified in the Park Fees section of the Schedule of Rates and Fees. Note that the dollar values for the “New Fees” have been rounded, up or down, to the nearest whole dollar.

(4) Current Park Fees

|                          | Current Fee | Adjustment % | New Fee     |
|--------------------------|-------------|--------------|-------------|
| Subdivision Projects     | \$17,964.00 | 1.4%         | \$18,216.00 |
| Non-subdivision Projects | \$8,805.00  | 1.4%         | \$8,928.00  |

Upon approval of this Report by the Board, the “New Fee” shown above would be established in the Park Fees section of the Schedule of Rates and Fees as the fee schedule to be effective from July 1, 2026 to June 30, 2027.

ADMINISTRATIVE FEES

The Board has previously authorized the establishment of a Park Fee Program Administration Account No. 89720H under Fund No. 302 and Dept. No. 89 for the deposit of the administrative service fees (Report No. 16-248) and adopted an administrative service fee currently in the amount of 5% for the Park Fee program (Report No. 17-242). The administrative fee was established to help ensure that sufficient staffing and resources will be available to effectively manage the Park Fee program. As discussed in Report No. 16-248, the establishment of an administrative fee is allowable under Park Fee Ordinance and, pursuant to Section 12.33.J.1 of the Park Fee Ordinance, the collected Park Fees can be used for “any administrative costs incurred by the City in accordance with this section”. Following the approval of Report No. 16-248, RAP established a specific work order number which it is using to track administrative expenses related to the Park Fee Program. As of April 1, 2026, the Park Fee Program Administration Account revenue and expenses are as follows:

(5) Park Fee Administration Account Revenue and Expenses

|   |                       |
|---|-----------------------|
| Administrative Fee Balance (as of 7/1/2025) | \$13,043,452.39       |
| Administrative Fee Revenue                  | \$1,140,954.42        |
| Administrative Fee Interest                 | \$234,241.81          |
| Administrative Expenses & Encumbrances      | <u>(\$543,327.99)</u> |
| Total Balance (as of April 1, 2026)         | \$13,875,320.63       |

Based on the current rate of expenditures from the Park Fee Program Administration account, and the current balance of the Park Fee Program Administration account, RAP is not recommending any change in the administrative service fee at this time.

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### ENVIRONMENTAL IMPACT

As the City grows, new residential dwelling units create new pressure on existing parks and increase demand of new parks and recreational facilities. In order to maintain the same level of service, RAP needs additional resources to improve maintenance of existing structures, acquire new park land and build additional facilities.

The purpose of park fees is to enable the acquisition of land and the collection of funds to be used for the purpose of developing new or rehabilitating existing recreational facilities in order to maintain the same level of recreational and open space services throughout the City.

The proposed Board action consists of the approval of rate increases for the purpose of obtaining funds for capital projects to maintain adequate park services within existing service areas in the City. Based on this consideration, staff recommends that the Board determine that this action is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 18, Section 15273(a)(4) of California CEQA Guidelines as well as Article II, Section 2, Class (o)(4) of City CEQA Guidelines. Staff will file a Notice of Exemption with the Los Angeles County Clerk and the Governor's Office of Land Use and Climate Innovation upon Board's approval.

### FISCAL IMPACT

The amendment of the Park Fees section of the Schedule of Rates and Fees will have no fiscal impact on the RAP General Fund.

This Report was prepared by Nicolas Caulfield, Management Assistant, Planning, Maintenance and Construction Branch.

### LIST OF ATTACHMENTS

1. Proposed Amendment to the Schedule of Rates and Fees

PARK FEES  
~~(Revised 4/25)~~  
**(Revised 4/26)**

PARK FEES

Pursuant to Los Angeles Municipal Code Section 12.33 and Chapter 1A SEC 10.4, all new, non-exempt, residential dwelling units shall be required to dedicate land, pay a fee or provide a combination of land dedication and fee payment for the purpose of acquiring, expanding and improving park and recreational facilities for new residents. The fee amount depends on the type of residential development project (Subdivision or Non-Subdivision).

The Department of Recreation and Parks (RAP) shall collect these fees pursuant to the RAP's schedule of rates and fees.

Residential Subdivision projects are subject to the Quimby in-lieu fee and shall pay:

~~\$17,964.00~~ **\$18,216.00** (per each new non-exempt dwelling unit)

Non-subdivision Residential projects are subject to the Park Mitigation fee and shall pay:

~~\$8,805.00~~ **\$8,928.00** (per each new non-exempt dwelling unit)

The park fee schedule above shall be effective from ~~July 1, 2025 to June 30, 2026~~ **July 1, 2026 to June 30, 2027**.

PARK FEE ANNUAL ADJUSTMENT

Pursuant to Los Angeles Municipal Code Section 12.33.E.5 and Chapter 1A SEC 10.4.5.D, any fee imposed by Los Angeles Municipal Code shall be adjusted on July 1st of each year by a percentage equal to a weighted average of the annual percentage change in:

- (1) the Construction Cost Index for Los Angeles, as published by Engineering News Record, or its successor publication, for the 12-month period between March in the year in which the adjustment is made and the month of March in the immediately preceding year; and
- (2) the percentage change in the Federal Reserve Economic Data All-Transactions House Price Index for Los Angeles-Long Beach-Glendale, CA (MASD) as published quarterly by the Federal Reserve Bank of St. Louis, or its successor publication, from the fourth calendar quarter most recent to the year in which the adjustment is made to the fourth calendar quarter immediately preceding it.

The park fee adjustment factor that shall be effective on ~~July 1, 2025~~ **July 1, 2026** is ~~5.3%~~ **1.4%**.

PARK SERVICE FACTOR

Pursuant to Los Angeles Municipal Code Section 12.33 D and Chapter 1A SEC. 10.4.4, Residential Subdivision projects with more than 50 residential dwelling units may be required by the City to dedicate land to the City for park and recreation purposes. The amount of land to be dedicated is calculated pursuant to the formula detailed in the Los Angeles Municipal Code.

Park Service Factor for Residential Subdivision projects:

$$F = 0.00251 \text{ (2.51 acres of park land per 1,000 residents)}$$

Pursuant to Los Angeles Municipal Code Section 12.33 H.1 and Chapter 1A SEC. 10.4.8.A.1.a, Residential Subdivision projects with less than 50 residential dwelling units may offer to dedicate land to the City for park and recreation purposes in lieu of paying Park Fees. The amount of land to be dedicated is calculated pursuant to the formula detailed in the Los Angeles Municipal Code Section.

Park Service Factor for Residential Subdivision projects:

$$F = 0.00251 \text{ (2.51 acres of park land per 1,000 residents)}$$

Pursuant to Los Angeles Municipal Code Section 12.33 H.1 and Chapter 1A SEC. 10.4.8.A.1.b, Non-subdivision Residential projects may offer to dedicate land to the City for park and recreation purposes in lieu of paying Park Fees. The amount of land to be dedicated is calculated pursuant to the formula detailed in the Los Angeles Municipal Code.

Park Service Factor for Non-subdivision Residential projects:

$$F = 0.00123 \text{ (1.23 acres of park land per 1,000 residents)}$$

PAYMENT OF PARK FEES

All Park Fees shall be paid to the City of Los Angeles, Department of Recreation and Parks.

**Accepted methods of payments: Credit Card or Automatic Clearing House payments for eligible applicants ONLY. Credit Card payments will be assessed an additional non-refundable service fee.**

**Cashier's Checks, Certified Checks, and Official Checks are accepted for payments exceeding One Million Dollars (\$8,000,000.00).**

**No CASH or MONEY ORDERS or personal/business checks.**

Checks should be made payable to the City of Los Angeles, Department of Recreation and Parks.

Park Fee payments may be made at, or be mailed to, the following address:

Attention: Park Fees Program  
City of Los Angeles Department of Recreation and Parks 221  
North Figueroa Street, Suite 400 (Fourth Floor)  
Los Angeles, California 90012

Park Fees that are not paid by ~~June 30, 2026~~ **June 30, 2027** shall be subject to recalculation.

PARK FEE PROGRAM ADMINISTRATION

Pursuant to Los Angeles Municipal Code Section 12.33.J.1 and Chapter 1A SEC. 10.4.10.A, the collected park fees can be used for any administrative costs incurred by the City in accordance with that section.

5% of all Quimby in-lieu Fees and Park Mitigation Fees to be deposited into the Park Fee Administration Account.

95% of all Quimby in-lieu fees to be deposited into the Quimby In-Lieu Fee Account.

95% of all Park Mitigation fees to be deposited into the Park Mitigation Fee Account.