

FILE NUMBER: DCA 234-002(LG)

DATE INITIATED: Summer 2023

TOPIC: Amendment to the Dallas Development Code to align Park Land Dedication requirements with Texas House Bill 1526, 88th Legislature

CITY COUNCIL DISTRICTS: All

CENSUS TRACTS: All

PROPOSAL: Consideration of amending Chapters 51 and 51A of the Dallas City Code regarding park land dedication, including Divisions 51-4.900, “Park Land Dedication,” Section 51A-1.105, “Fees”, and Division 51A-4.1000, “Park Land Dedication,” and related sections to update development standards and bring park land dedication requirements into conformity with the requirements of Texas House Bill 1526, 88th Legislature.

SUMMARY: The proposed code amendments recommend changes to park land dedication requirements for a fee-in-lieu of park land dedication for residential and lodging uses in the City of Dallas pursuant to the requirements of Texas Senate Bill 929, 88th Legislature.

ZOAC RECOMMENDATION: Approval.

STAFF RECOMMENDATION: Approval.

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1. Background

On June 27, 2018, the Dallas City Council approved Ordinance #30934 and went into effect on July 1, 2019. On June 10, 2023, Governor Greg Abbott signed House Bill (HB) 1526 regarding an update for parkland dedication requirements for municipalities with over 800,000 residents. The new bill only applies to five municipalities in Texas- Austin, Dallas, Fort Worth, Houston, and San Antonio-and went into effect on September 1, 2023. HB 1526 requires municipalities with over 800,000 residents to follow HB 1526 when determining parkland dedication fees.

The 2018 ordinance required fees for fee-in-lieu and park development. It established seven park nexus zones to generate and spend fees. The fees can only be expended for land acquisition and park development. The ordinance impacted single family, multifamily and hotel/motel developments; and offered credits for certain types of amenities and flexibility for dedicating land and developing parks within developments.

The 2018 ordinance was developed through a process of working with park advocates and representatives of the development community. Through implementing the ordinance, staff learned that the credits and flexibility were not utilized, and all developers chose to pay a fee for reasons related to simplicity and timing.

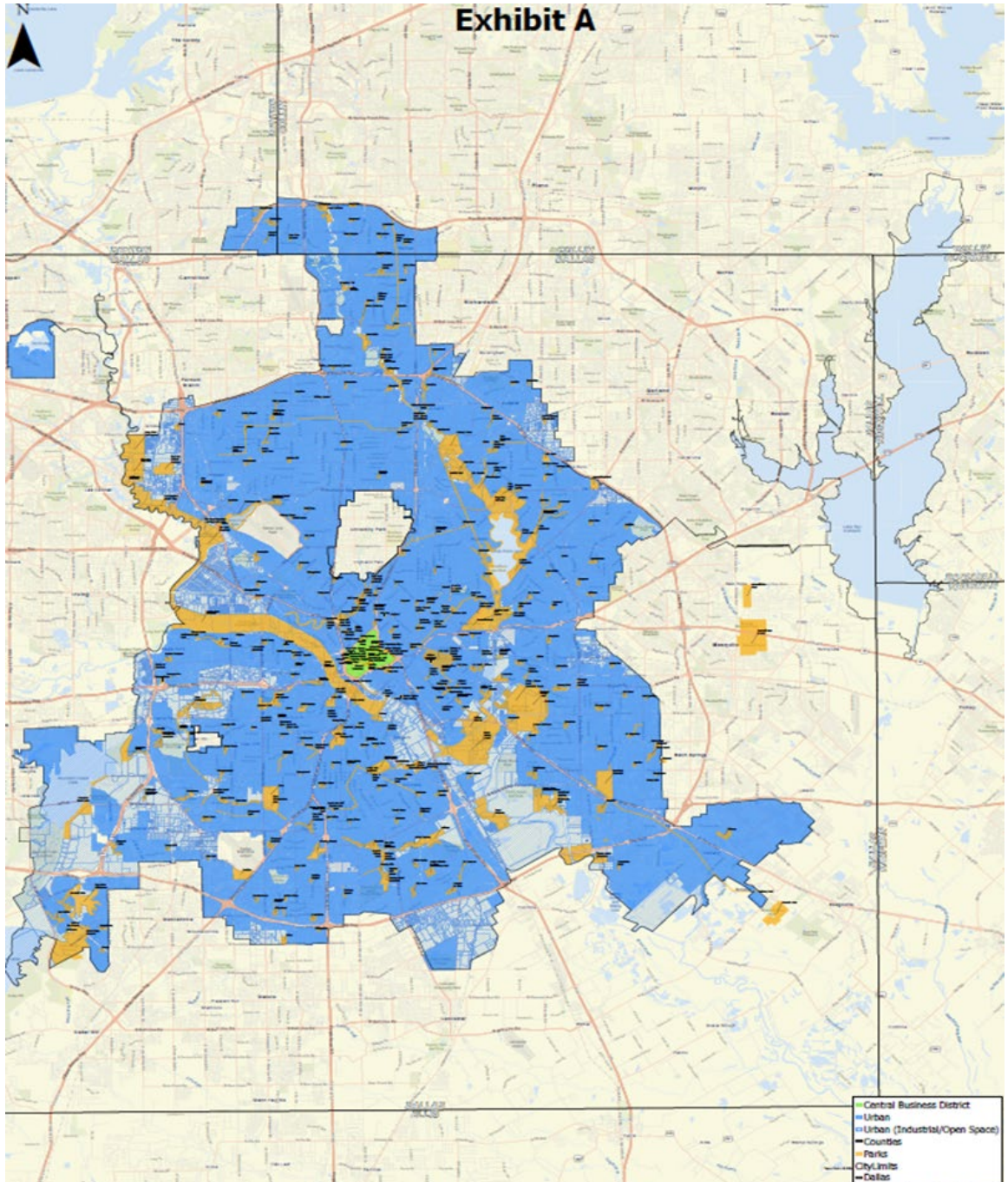
In May 2023, the Texas Legislature amended Chapter 212 of the Local Government Code through H.B. No. 1526, which is applicable to all Texas municipalities with a population over 800,000. This impacted Dallas, which is comprised of five counties (Collin, Dallas, Denton, Kaufman and Rockwall) and has territory in three counties (Collin, Dallas and Denton) along with Houston (2.3 million people); San Antonio (1.75 million people); Austin (960,000 people) and Fort Worth (920,000 people). H.B. No. 1526 will apply to all plan applications filed on or after January 1, 2024, necessitating modifications to our current ordinance.

The new state law required the establishment by the Dallas City Council of density and dwelling unit factors as a component of establishing fees and the subsequent actions have been taken:

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- On November 8, 2023, the public comment period was opened for discussion on the density and dwelling unit factors for all territory within the City of Dallas. A Parkland Dedication Designation Map was also opened for discussion.
- On December 13, 2023, the public comment period was closed.
- On January 10, 2024, the Dallas City Council adopted density and dwelling unit factors and a map designating all territory within the City of Dallas. The map is provided on the next page.
- On October 22, 2024, the Zoning Ordinance Advisory Committee was briefed about the proposed changes to the parkland dedication ordinance.
- On December 3, 2024, the Zoning Ordinance Advisory Committee recommended approval with recommended revisions and clarification of 51A-4.1005 and 51A-4.1006 by the City Attorney's Office as discussed.

Exhibit A: Parkland Dedication Designation Map



2. General Information

Park land dedication ordinances are commonplace throughout the state of Texas including the surrounding metroplex and have been utilized in Texas since 1955. All large peer cities (Houston, San Antonio, Austin, and Fort Worth) have enacted similar ordinances to ensure adequate park land and amenities are available to new residents and visitors. The intent of the ordinance is to make park land and park amenities available to new residents as new residential and lodging development occurs. The cost of providing land and amenities to new residents is borne by the developer and visitors as opposed to existing taxpayers. Typical components of these ordinances include a park land dedication requirement, an optional fee-in-lieu of land dedication, a park development fee, establishment of nexus zones and a time limit for expending fees.

The current fees were based on a methodology that considers the existing criteria of the park system including acreage, US Census data, the cost to develop a neighborhood park, and the cost to acquire parkland. An assessment of parkland dedication fees within the DFW Metroplex were also considered when establishing fees, resulting in two fees-a park fee-in-lieu and a park development fee. The new fee structure was proposed by HB 1526, which eliminates the park development fee and allows for only a fee-in-lieu and land dedication. If land dedication is required, Dallas Park and Recreation must pay the applicant the difference between the fair market value of the land minus the parkland dedication fees based on the number of units at the proposed site. HB 1526 allows municipalities with over 800,000 residents to also take a maximum of 10% per development for land dedication requirements.

As of January 2025, the park land dedication has approximately \$12.9 million in its fund and fees have been collected on approximately 4,300 parcels. Park land dedication fees are collected on a parcel once unless there is a future increase in density on the parcel in the future. Ordinance #30934 stipulates the park land dedication ordinance is reviewed every five years, so this ordinance is under review due to ordinance requirements as well as making the ordinance compliant with HB 1526. At this time, Fort Worth has decided to use the 2% flat fee calculation. Austin has decided to use the state's standard calculation to determine fees. Houston has

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not updated their ordinance to meet the requirements of HB 1526 at this time. San Antonio does not apply since they do not charge parkland dedication fees on multifamily or hotel and motel uses.

3. HB 1526 and Its Implications

The new state law affects multifamily and hotel/motel uses. The law had no impact on single family uses. Municipalities with over 800,000 residents have the right to determine whether to require land dedication, fee assessment or both. HB 1526 establishes two ways to derive fees:

1. Calculation based upon formula that utilizes appraisal districts land values, number of units in a development, density factor, and dwelling unit factor; and
2. Flat per unit cost not to exceed 2% of median family income.

HB 1526 limits the City's ability to require a land dedication to no more than 10% of development site. If the City chooses to require dedication, the City must purchase the land at fair market value minus the fee calculation. The fees and/or land dedication must be satisfied prior to issuance of the final Certificate of Occupancy for multifamily and hotel/motel uses, which means it can take 2-3 years for the City to collect funds on a project (see Section 51A-4.1009). Single family and duplex uses will continue to pay parkland fees at the time of permit submittal (see Section 51A-4.1008). The new state law is silent on the nexus principle, uses of fees, reimbursements, and exemptions. Affordable housing units (reserved dwelling units in the Dallas Development Code per Sec. 51A-1100) are also excluded from the fee calculation. The current ordinance waives park land dedication fees for affordable units, and the updated ordinance proposes to keep this provision in place.

For the purposes of crafting the new ordinance and calculating fees using the formula method, the City must assign all territory within its boundaries using the draft land use designations from HB 1526 as a suburban area, urban area or central business district (CBD) area. The City is also responsible for notifying appraisal districts to calculate average per acre land values for suburban, urban and CBD areas every ten years.

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Dallas established urban and CBD areas in January 2024 and does not include a suburban area. The next update for appraisal values will be in 2033.

The Dallas City Council also approved the following dwelling and density factor units in 2024:

- Dwelling unit factor (parkland acres required per dwelling unit) not less than:
 - .005 for multifamily units
 - .004 for hotel/motel rooms.
- Density factor not less than:
 - One (1) for the Suburban Area-Dallas does not have any territory designated as Suburban
 - Four (4) for the Urban Area
 - Forty (40) for the Central Business District (CBD) Area.

The dwelling and density factors will not be used since Dallas is proposing the flat fee calculation instead of the standard calculation. These factors were added to the ordinance to comply with HB 1526.

HB 1526 also requires Dallas to generate a proposed letter for park land dedication determination at the property owner's request. This letter will include the amount for fee-in-lieu and the requirements for land dedication, if applicable. The letter must be sent to the applicant within 30 days of the request, and the letter will expire two years from the date of issuance or the day the applicant files a development plan or permit, whichever timeframe is less.

4. Staff Analysis

The 2018 park land dedication ordinance has the following requirements:

- Land Dedication Requirements

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- SF = 1 acre per 100 dwelling units
- MF 1 bed = 1 acre per 255 dwelling units
- MF 2+ beds = 1 acre per 127 dwelling units
- Hotel/Motel = 1 acre per 233 rooms
- Fee-in-lieu total (including park development fees)
 - SF = \$1165 per dwelling unit
 - MF 1 bed = \$457 per dwelling unit
 - MF 2+ beds = \$917 per dwelling unit
 - Hotel/Motel = \$500 per room
- Minimum size of land dedication is 1 acre unless special circumstances exist
 - For developments that require a dedication of less than 1 acre, fee-in-lieu will be accepted.

The number of dwelling units for parkland dedication fees are based upon the total increase in units in existence within 5 years of approval of a preliminary plat or issuance of building permit. Applicants provide the number of market rate units and reserved dwelling units. The 2018 ordinance also exempts residential teardowns and the replacement of a new home from paying parkland dedication fees.

In the current ordinance, private park lands are given 100% credit towards land dedication requirements if it is publicly accessible and is compliant with other standards. Private park lands are given a 50% credit towards land dedication requirements if it is completely private but is compliant with other standards. Dedicated land must meet certain standard requirements, shall not have more than 50% of land dedicated with a floodplain designation and shall not include storm water detention/retention areas. Since no development has successfully completed the process to obtain credits and deductions, staff proposes to remove these sections from the ordinance. The standards for land dedication if required by the director of Park and Recreation are in Sec. 51A-4.1007.

Definitions for community park, neighborhood park and private park land have been removed from the proposed ordinance, while definitions for CPI, density factor, dwelling unit factor, land value and park dedication zone have been added. Staff is proposing to remove the CPI definition and add MFI instead since the 2% flat fee is based on anticipating median family income values increasing over time.

The fee-in-lieu section has also been updated to reflect the 2% flat fee calculation, and the park development fee sections have been proposed for deletion since Dallas can no longer charge this fee. Staff has also proposed removing definitions for community park, neighborhood park and private park land, since land dedication will not be required unless it is at the discretion of the director of Park and Recreation. On-site dedication must be shown on the preliminary and final plats, and the minimum size of land dedicated for a park is 0.5 acres, per ZOAC's recommendation.

Since staff may have parkland dedication determinations appealed, the proposed ordinance has added application fees for City Plan Commission and City Council in the amount of \$900. This is consistent with the fees charged for Board of Adjustment applications. Parkland fees will also be paid to the director of Park and Recreation, not the building official. The director of Park and Recreation will also determine whether the owner of property is required to dedicate land, pay a fee-in-lieu of dedication, or both per Section 51A-4.1009(b)(3). Language adjusting the fees based on CPI on October 1st of every year is also included in the proposed ordinance since this is the first day of fiscal year for the City of Dallas. After further consideration, staff is recommending the date in the ordinance is changed to January 1st due to the short time frame between the release of the new median family income values annually in mid-September and October 1st.

The 2018 ordinance also stipulates that the fees must be spent within 10 years and cannot be used for maintenance or staff/overhead expenses. Staff would like for the City Plan Commission to consider flexibility regarding the use of the funds to support staff that administers the park land dedication funds and to allow for more flexibility regarding the use of the funds, such as acquisition or improvement of park land, facilities, and to increase connectivity in the city's trail system located within the same park dedication zone as the development. Staff's recommendation for the

proposed language is on page 29 and proposes increasing the percentage of indirect costs to be increased from 10% to 20%.

Staff also recommends fees are used to improve other parks within the same zone, and this language is reflected in Section 51A-4.1005(c) of the proposed ordinance. The updated version of this ordinance also proposes eliminating Section 51A-4.1010 regarding tree mitigation, since staff has proposed removing all requirements for deductions and credits to satisfy parkland dedication.

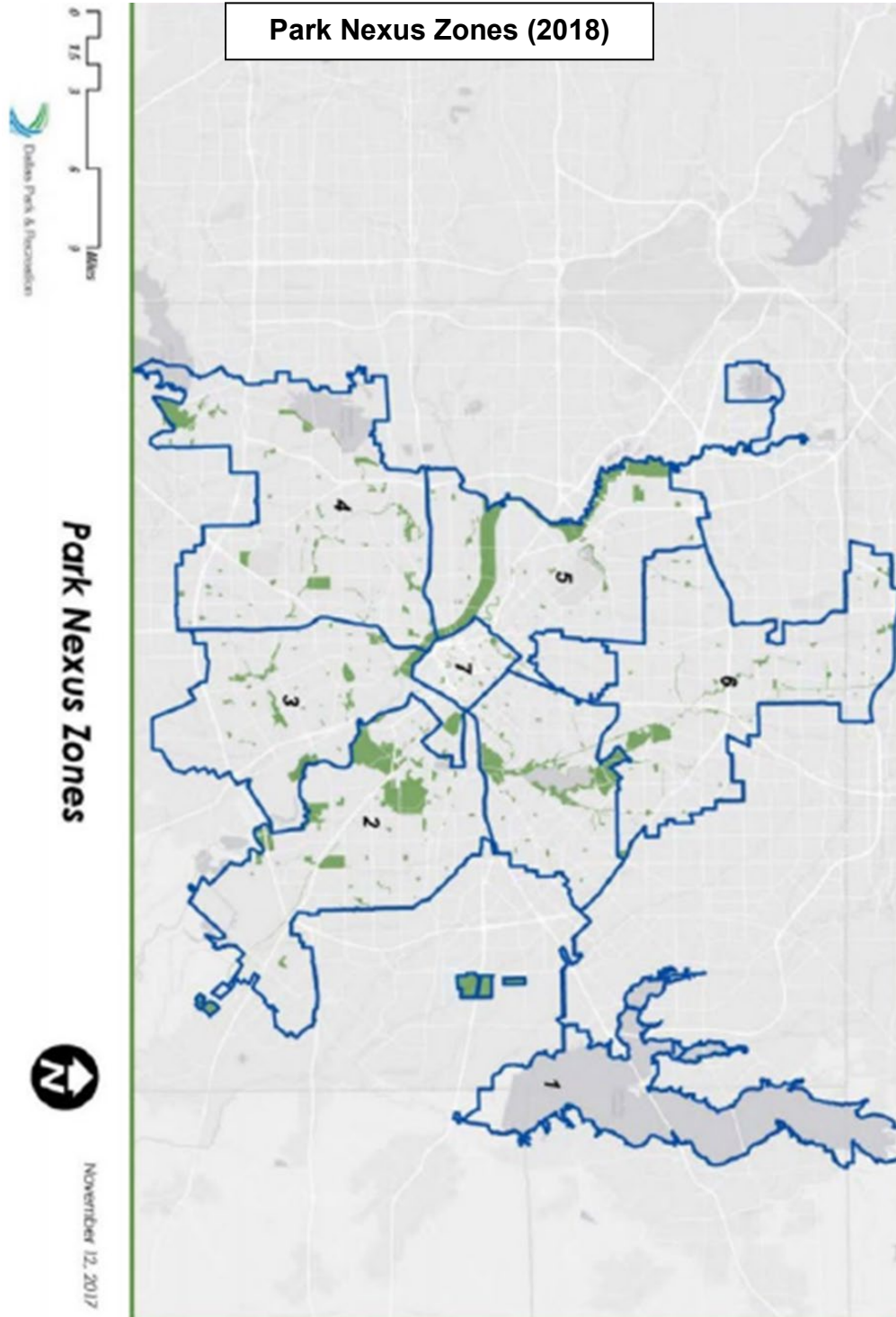
The new ordinance proposes to reduce the number of nexus zones from 7 to 5. This will allow the nexus zones to accrue money faster and give Park and Recreation more flexibility to move money to adjacent zones when necessary to complete projects. The rationale is that the districts currently exist, they contain roughly a similar number of parks and facilities, and they are large enough to offer flexibility for acquiring park land while still being responsive to the new development. Also, please note due to the requirement that land dedication and funds spent must geographically relate to the new development, fees must be spent within the same nexus zone as the new development or in an adjacent zone in the scenario where the development occurs on a zone border.

The 2018 and proposed park nexus zones are on pages 11-12. Maps of the current park nexus zones and proposed park nexus zones reflect the number of parcels that have paid parkland dedication fees and the zone balances with seven park nexus zones and five nexus zones are on pages 13-16. These maps are being provided to show how staff's recommendations of less zones would allow monies to accrue faster and provide more opportunities to use the funds for a larger geographical area, but staff recommends the map on page 14.

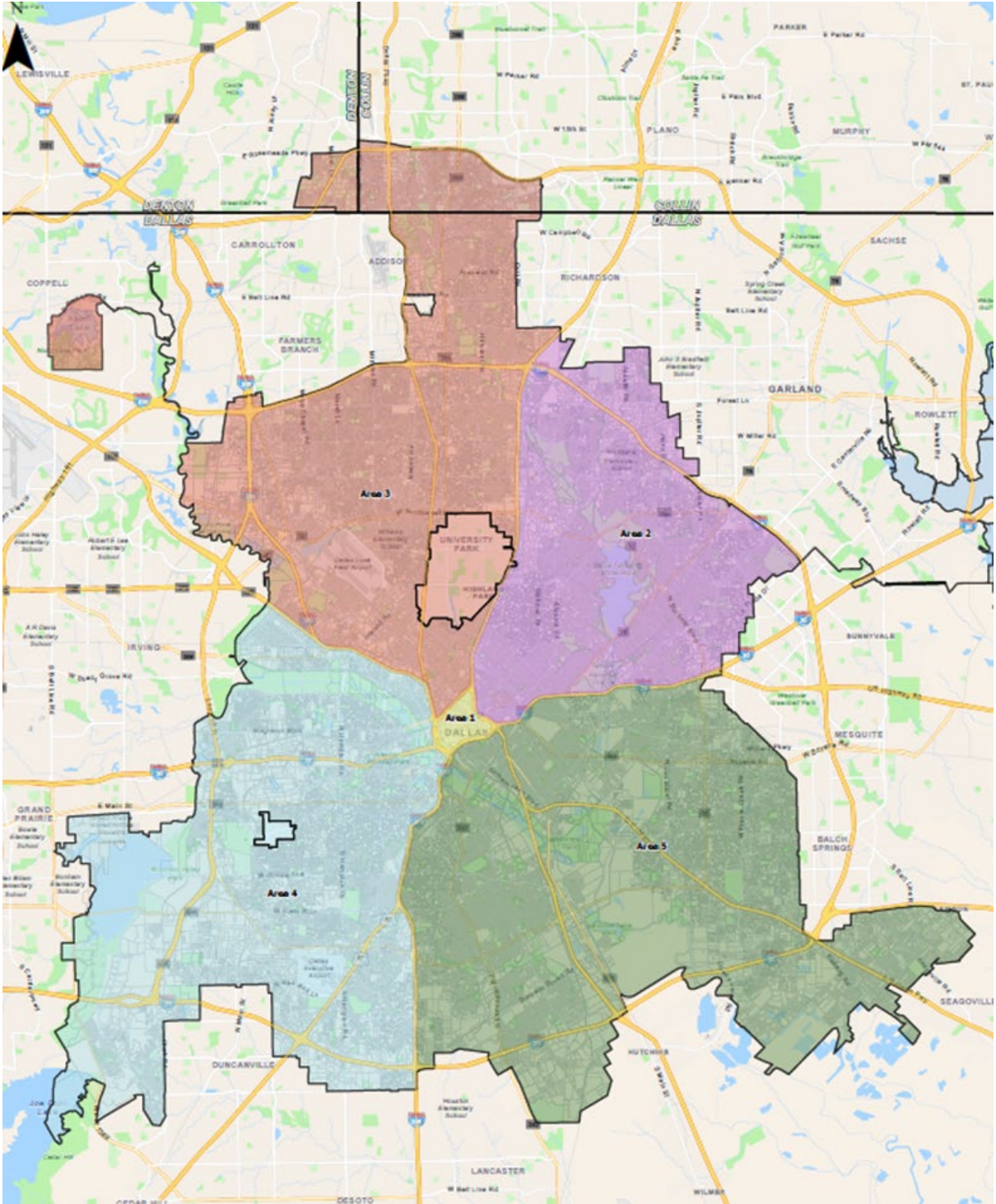
Due to HB 1526, the new ordinance will require staff to write a parkland dedication determination letter within 30 days of the property owner's request. It also requires an appeal process that requires review by the City Plan Commission, City Council and county courts if necessary (Collin, Dallas, and Denton counties). The appeal process is also described in Section 51A-4.1013 of the updated ordinance.

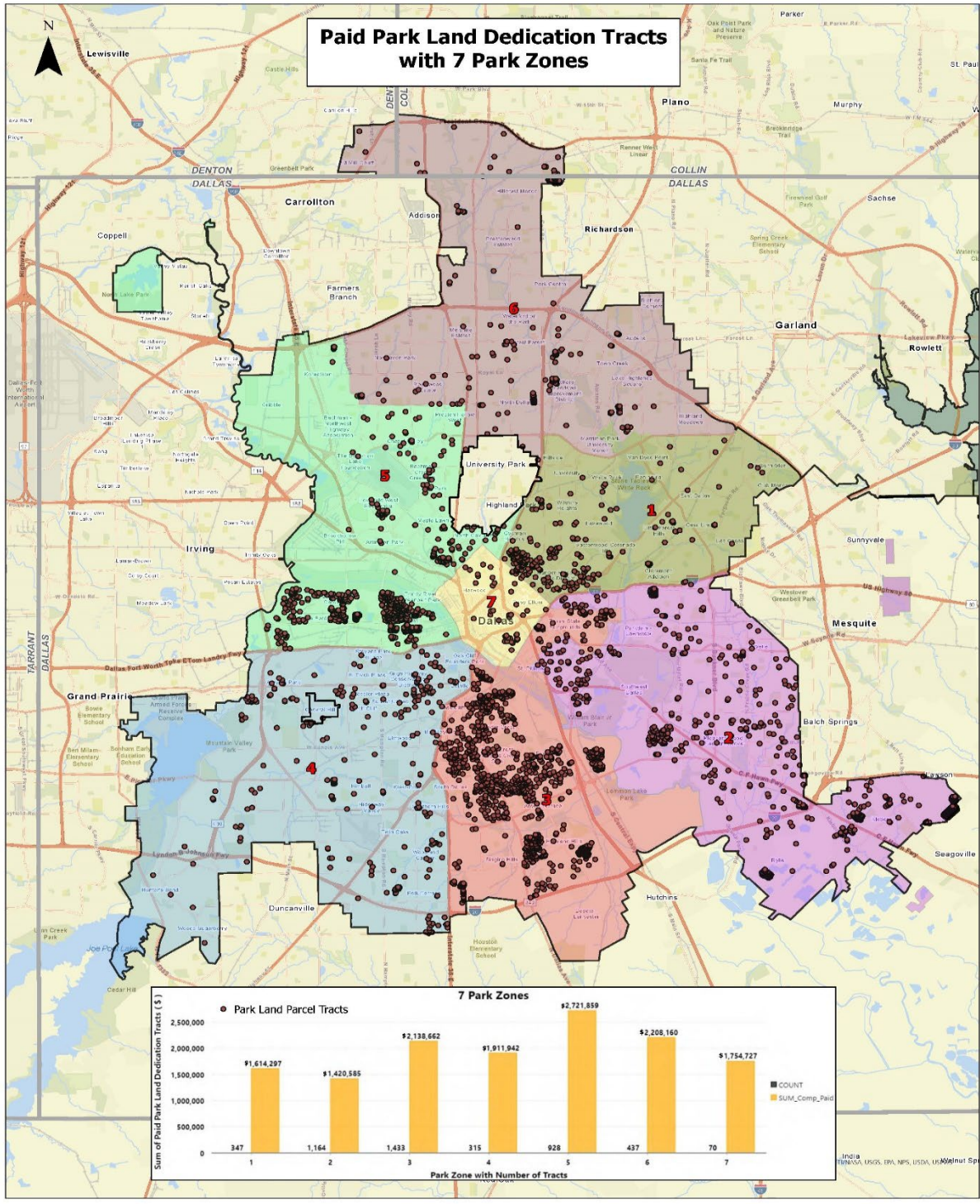
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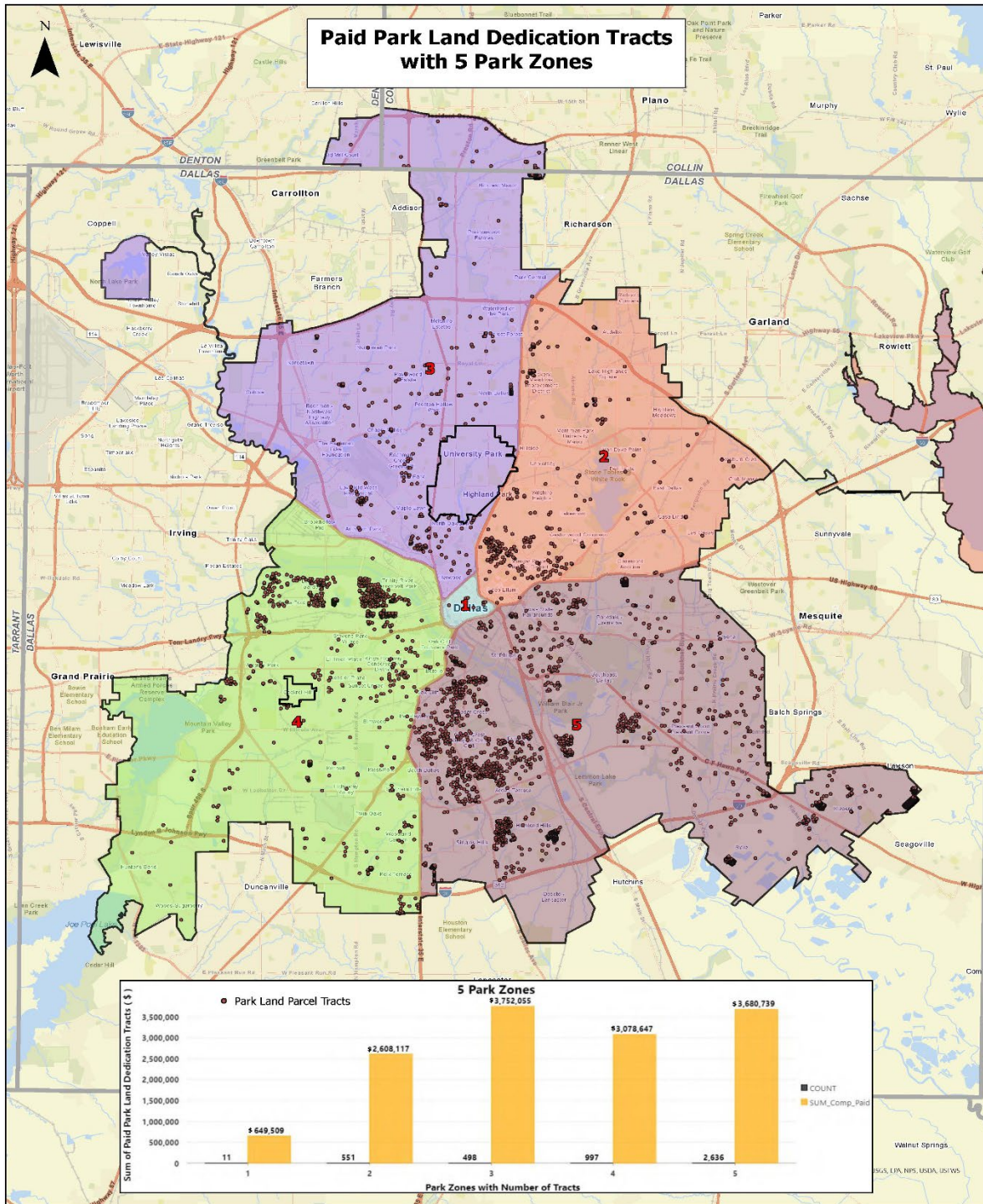
Lastly, staff has proposed to increase the fine for violating the parkland dedication ordinance from \$500 to \$2000 per Section 51A-4.1014. This allows the fine to be consistent with other City fines.

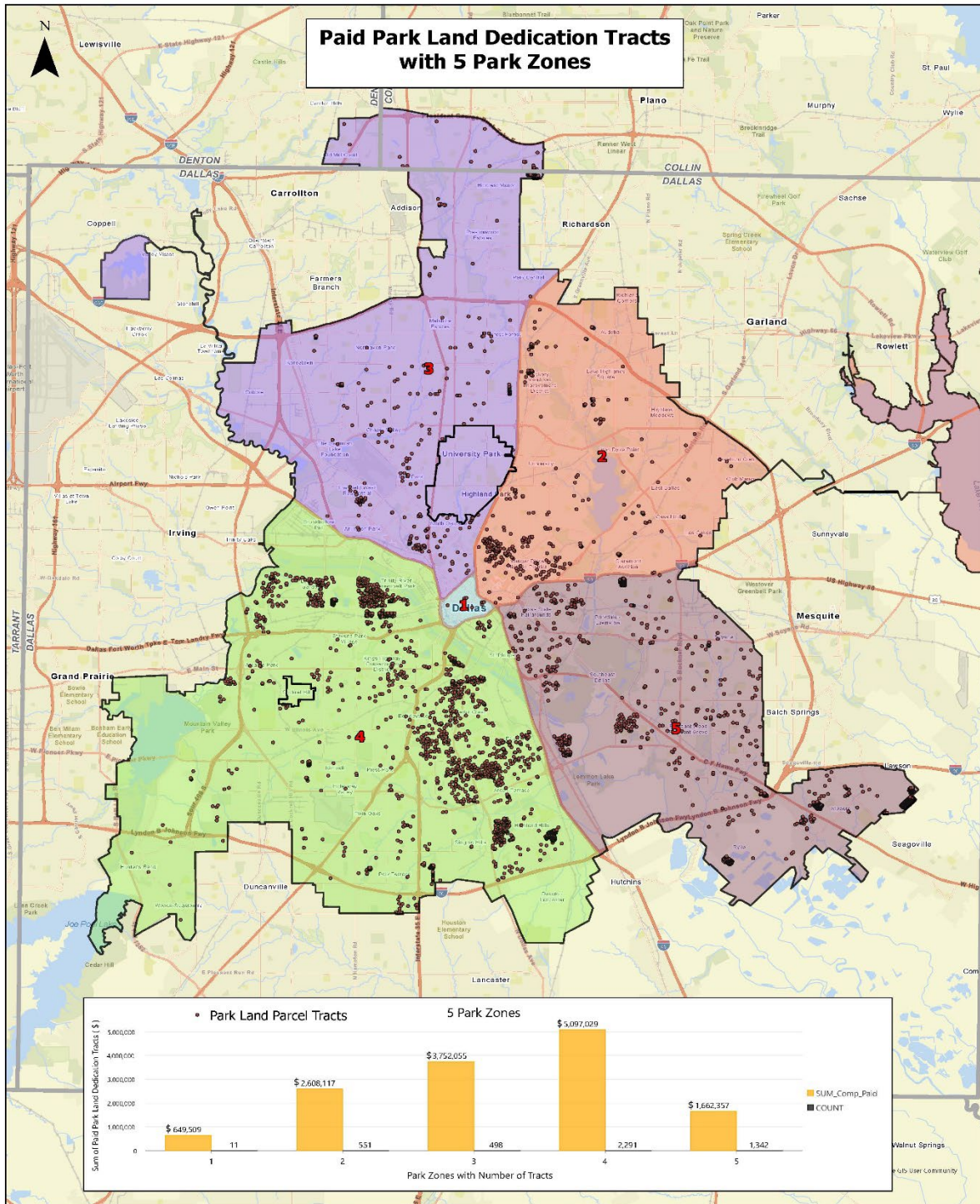


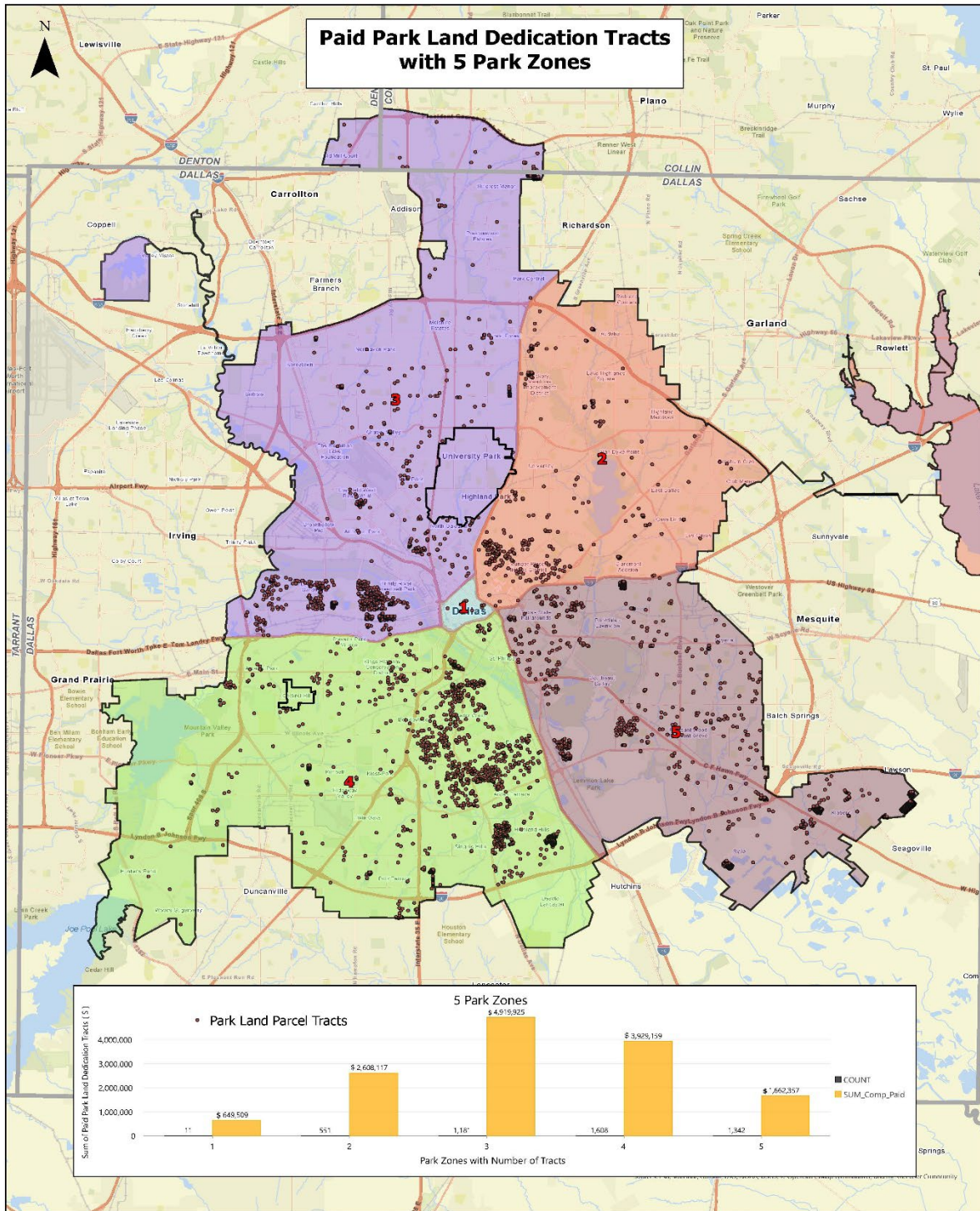
Park Nexus Zones (Proposed)











5. Low Fee Calculation Formula

Based on HB 1526, staff is able to choose from two methods for calculating parkland dedication fees. Staff can calculate fees using the flat fee calculation method or the standard calculation provided in Sec. 212.210 of HB 1526. For Dallas, the math for the standard calculation requires the use of average value per acre for urban and CBD areas, density and dwelling factors, and the number of dwelling units being constructed.

The standard calculation formula was cumbersome, so staff decided to use the flat fee calculation method in Sec. 212.211, which allows the City to charge no more than 2% of the 5-year median family income average for Dallas. The 5-year median family income for Dallas is \$65,400, so the maximum fee per dwelling unit Dallas can charge is \$1,308.00. Table 1 below shows the proposed fees for single family, multifamily-one bedroom, multifamily-two or more bedrooms, and hotel/motel uses:

Single Family	Multifamily (1 bedroom)	Multifamily (2+ bedrooms)	Hotel/Motel
<p>2% Dallas MFI $(.02)(\\$65,400) =$ \$1,308 per dwelling unit</p>	<p>1% Dallas MFI $(.01)(\\$65,400) =$ \$654 per dwelling unit</p>	<p>2% Dallas MFI $(.02)(\\$65,400) =$ \$1,308 per dwelling unit</p>	<p>1% Dallas MFI $(.01)(\\$65,400) =$ \$654 per dwelling unit</p>

The fees were established in this manner to use an easier mathematic formula than standard calculation given by HB 1526 that allows for easier communication to the public and affected parties. This also removes the potential justification of appeals based upon appraisal district land values.

Single family and multifamily-two or more bedrooms will pay the same rate. Hotel/motel uses will pay a lower rate, since hotel/motel users are typically visitors and are not the long-term beneficiaries of parkland dedication. Multifamily-one bedroom will also pay a lower rate, but their rates will still increase from the current ordinance.

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An example of how fees are calculated is listed below (Appendix A):

	250 Apartments, 2 or more bedrooms	% Increase or Decrease	250 Hotel/Motel Rooms	% Increase or Decrease
Current Ordinance	(250 x \$600) + (250 x \$317) = \$229,250	N/A	(250 x \$327) + (250 x \$173) = \$125,000	N/A
Proposed Ordinance	250 x \$1,308 = \$327,000	42.64%	250 x \$654 = \$163,500	30.8%

The above examples show that if a developer constructed 250 two or more-bedroom apartments, the current ordinance would require them to pay \$229,250 in parkland dedication fees. With the proposed new ordinance, the City would be able to collect \$327,000, which is an increase of 42.64%. The table above also demonstrates an example where if a developer constructed 250 hotel/motel rooms, they would pay \$125,000 under the current ordinance but \$163,500 under the proposed ordinance. This would result in an increase of 30.8%. The increase in funding would be useful to park staff, since acquisition costs have risen dramatically since the ordinance went into effect in 2019. Table 2 on the following page also shows what all municipalities impacted by HB 1526 charge. San Antonio is not on the table since the municipality does not charge parkland dedication fees on multifamily and hotel/motel uses.

Table 2: Fee Calculations Cities Impacted by HB 1526

	Simple Fee (2% MFI)	CBD Land Value	CBD Fee	Urban Land Value	Urban Fee	Suburban Land Value	Suburban Fee
Austin	N/A	\$17,631,029/ ac	\$2,203.88/ DU	\$4,657,575 /ac	\$5,821.97/ DU	\$1,363,105 /ac	\$6,815.53/ DU
Proposed Ordinance Dallas	\$1,308.00	\$4,053,832/ ac	N/A	\$425,205/ ac	N/A	N/A	N/A
Fort Worth	\$1,800.00	\$2,558,694/ ac	N/A	\$1,072,489 /ac	N/A	\$333,460/ ac	N/A
Houston	N/A	N/A	\$700/DU	N/A	\$700/DU	N/A	\$700/DU

Future fee increases will be tied to the median family income (MFI), which allows the fee-in-lieu to keep up with inflationary costs. The number of fees will be reduced from two (fee-in-lieu and park development fee) into one (fee-in-lieu). Applicants will be required to pay the fee-in-lieu and no more than 10% of the total acreage of the parcel based if parkland is needed to address park access in the area at the discretion of the director of Park and Recreation. Land dedication will have to meet the subdivision guidelines of the City of Dallas, which is consistent with the current ordinance. The updated ordinance in this report also has language that reflects these changes as well in Sections 51A-4.1004-1006 of the updated ordinance.

6. Staff Recommendation

The proposed amendments would allow staff to utilize the ability to require land dedications on a case-by-case basis and charge a fee for all parkland dedication. This would only require a land dedication in areas of high need of park access, such as the Cedars, Far North Dallas, and Southern Dallas.

Staff propose redrawing park dedication zone boundaries, crafting five (from seven) that will create larger geographical areas, which will provide more flexibility on where to invest resources and let funds accrue more quickly. Staff would like to consider other uses of funds beyond land acquisition and park development such as staff costs for program implementation and oversight.

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Ultimately, staff recommend utilizing the maximum of 2% MFI (low fee) methodology:

- 2% for single family
- 1% for multifamily uses (one bedroom)
- 2% for multifamily uses (two bedrooms or more)
- 1% for hotel/motel uses

Concerns have been raised about whether or not Park and Recreation would pursue land dedication and not inform developers about land dedications in a timely manner. While land dedications are included in the current ordinance, no applicant has successfully completed land dedication during the life of this ordinance. After further discussion, the Park and Recreation Department has decided to maintain the right we have to require a fee-in-lieu, land dedication or both since HB 1526 gives municipalities with over 800,000 residents these rights.

The parkland dedication designation map was added to the appendix of ForwardDallas, which was approved on September 25, 2024. Staff will continue to work with Planning and Development, Housing, and all private development City staff to update the plan application process to reflect the new park land dedication ordinance. Staff will also coordinate with Planning and Development to add the new parkland dedication calculations in Accela and Cartegraph, which are scheduled for launch in 2025. Staff will also ensure development community and residents are aware of the upcoming changes to the ordinance.

Park staff is also in the process of creating a webpage on the Park and Recreation website providing information about parkland dedication, which will launch in Spring 2025. This page will also have the draft ordinance so it can be shared with stakeholders and public to start the adoption process for the new ordinance. The ordinance will require approval from ZOAC, the City Plan Commission and ultimately the Dallas City Council. The proposed ordinance will go into effect Spring 2025 and the next review is due in 2029.

Draft Ordinance

1-22-25

ORDINANCE NO. _____

An ordinance amending Chapter 51, “Dallas Development Code: Ordinance No. 10962, as amended,” and Chapter 51A, “Dallas Development Code: Ordinance No. 19455, as amended,” of the Dallas City Code by amending Sections 51A-1.105 and 51A-8.405 and Division 51A-4.1000;” amending the parkland dedication requirements; providing a penalty not to exceed \$2,000; providing a saving clause; providing a severability clause; and providing an effective date.

WHEREAS, the 88th Texas Legislature met in regular session between January 10, 2023 and May 29, 2023; and

WHEREAS, H.B. 1526 was filed on January 23, 2023; and

WHEREAS, H.B. 1526 provides requirements for parkland dedication and parkland dedication fees for multifamily, hotel and motel uses; and

WHEREAS, H.B. 1526 was approved by both chambers of the Texas Legislature; and

WHEREAS, H.B. 1526 was signed by Governor Greg Abbott on June 10, 2023 and takes effect on September 1, 2023; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

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SECTION 1. That of Article IV, “Zoning Regulations,” of Chapter 51, “Dallas Development Code: Ordinance No. 10962, as amended,” is amended by adding a new Division 51-4.900, “Park Land Dedication” of Article IV, “Zoning Regulations,” to read as follows:

“Division 51-4.900.

Park Land Dedication

This division incorporates by reference Division 51A-4.1000, “Park Land Dedication,” of Chapter 51A of the Dallas Development Code, as amended, as that division exists today and as it may be amended in the future.”

SECTION 2. That Subsection (k), “Fees for Miscellaneous Items,” of Section 51A-1.105, “Fees,” of Article I, “General Provisions,” of Chapter 51A, “Dallas Development Code: Ordinance No. 19455, as amended,” of the Dallas City Code is amended to read as follows:

“(k) Fees for miscellaneous items.

(1) An application will not be processed until the fee has been paid.

(2) The applicant shall pay the filing fee to the director. The director shall deposit fees received in the official city depository not later than the next business day following receipt of the fees.

(3) Fee schedule.

Type of Application	Application Fee	Area of Notification for Hearing
Minor plan amendment	\$825.00	
Appeal of the decision of the director to city plan commission or the decision of the city plan commission to the city council for a minor plan amendment	\$300.00	
Detailed development plan when submitted after passage of an ordinance establishing a planned development district	\$600.00 for each submission	

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Waiver of the two-year waiting period under Section 51A-4.701(d)(3)	\$300.00	
Extension of the development schedule under Section 51A-4.702(g)(3)	\$75.00	
Waiver of the requirement of proof that taxes, fees, fines, and penalties are not delinquent under Section 51A-1.104.1	\$200.00	
Appeal to the city council of a moratorium on a zoning or nonzoning matter handled by the department	\$300.00	
Request for a letter from the department explaining the availability of water services for a development site	\$200.00	
Request for a letter from the department explaining the availability of wastewater services for a development site.	\$200.00	
Request for performance of a wastewater capacity analysis on an existing wastewater line to determine its capacity for a proposed development or land use	\$2,500.00	
Appeal of an apportionment determination to the city plan commission	\$600.00	
Appeal an apportionment determination decision of the city plan commission to the city council	\$600.00	
Appeal a decision of the landmark [\$300.00] commission on a predesignation certificate of appropriateness, certificate of appropriateness, or certificate for demolition or removal to the city plan commission regarding a single family use or a handicapped group dwelling unit use	\$300.00	
Appeal a decision of the landmark commission on a predesignation certificate of appropriateness, certificate of appropriateness, or certificate for demolition or removal to the city plan commission regarding any other use	\$700.00	
Request for a sidewalk width waiver under Section 51A-4.124(a)(8)(C)(v)	\$300.00	
Request for an administrative parking reduction under Section 51A-4.313	\$375.00 and \$25 per space over 10 spaces	
<u>Appeal of a park land dedication determination to the city plan commission</u>	<u>\$900.00</u>	

<u>Appeal of a park land dedication determination decision of the city plan commission to the city council</u>	<u>\$900.00</u>	
Note: The director shall also send notification of minor plan amendments to the city plan commission members, any known neighborhoods associations covering the property, and persons on the early notification list at least 10 days prior to the city plan commission meeting.”		

SECTION 3. That Subsection (z), “Fee-in-Lieu for Park Land Dedication and Park Development Fees,” of Section 51A-1.105, “Fees,” of Article I, “General Provisions,” of Chapter 51A, “Dallas Development Code: Ordinance No. 19455, as amended,” of the Dallas City Code is amended to read as follows:

“(z) Fee-in-lieu for park land dedication [and park development fees].

(1) The developer shall pay the filing fee to the director of the park and recreation department [building official]. The director of the park and recreation department [building official] shall deposit fees received in the official city depository not later than the next business day following receipt of the fees.

(2) Fee schedule for park land dedication fee-in-lieu.

<u>Type of Development</u>	<u>Fee-in-lieu</u>
Single family or duplex	<u>Two percent of the median family income [\$762.00] per dwelling unit</u>
Multifamily (one bedroom)	<u>One percent of the median family income per dwelling unit [\$299.00]</u>
Multifamily (two or more bedrooms)	<u>Two percent of the median family income per dwelling unit [\$600.00]</u>
College dormitory, fraternity, or sorority house	<u>\$299.00 per sleeping room]</u>
Hotel and motel	<u>One percent of the median family income per dwelling unit [\$327.00 per guest room]</u>

Current Text:

(3) On October 1 of each year, the director shall calculate the fee-in-lieu for each type of development.

Staff Recommendation:

(3) On January 1 of each year, the director shall calculate the fee-in-lieu for each type of development.

(4) For purposes of this subsection only, median family income means the United States Census Bureau’s most recent American Community Survey’s five-year estimate of median family income for all families within Dallas. [~~Park development fees.~~

<u>Type of Development</u>	<u>Park land development fee</u>
Single family or duplex	\$403.00 per dwelling unit
Multifamily (one bedroom)	\$158.00
Multifamily (two or more bedrooms)	\$317.00
College dormitory, fraternity, or sorority house	\$158.00 per sleeping room
Hotel and motel	\$173.00 per guest room]”

SECTION 4. That Division 51A-4.1000, “Park Land Dedication,” of Article IV, “Zoning Regulations,” of Chapter 51A, “Dallas Development Code: Ordinance No. 19455, as amended,” of the Dallas City Code is amended to read as follows:

“Division 51A-4.1000. Park Land Dedication.

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SEC. 51A-4.1001. PURPOSE.

Dedication of park land provides residents and visitors with recreational amenities and green infrastructure consistent with the current level of park services for existing residents.

SEC. 51A-4.1002. APPLICABILITY.

This division does not apply to:

- (a) plats, replats, or issuance of building permits for new construction on land owned by a governmental unit; or
- (b) developments in planned development districts existing on July 1, 2019 with open space or park land requirements.

SEC. 51A-4.1003. DEFINITIONS AND INTERPRETATIONS.

- (a) Definitions. In this division:

Current Text:

(1) CPI means the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, published by the Bureau of Labor Statistics of the United States Department of Labor.

Staff Recommendation:

~~(1) CPI means the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, published by the Bureau of Labor Statistics of the United States Department of Labor.~~

(1) MFI means the median family income based on the United States Census Bureau's most recent American Community Survey's five-year estimate of median family income for all families within the applicable municipality.

(2) DIRECTOR means the director of the park and recreation department.

(3) DENSITY FACTOR means a number reflecting the diminishing expectation of park land acres per dwelling unit in increasingly dense urban environment.

(4) DWELLING UNIT FACTOR means a number reflecting the number of parkland acres for each dwelling unit proposed by a development plan.

(5) HOTEL AND MOTEL USE means a hotel or motel use, extended stay hotel or motel use, lodging or boarding house use, or residential hotel.

(6) LAND VALUE means the market value of land per acre, not including improvements to the land.

(7) MULTIFAMILY USE means a college dormitory, fraternity, or sorority house, group residential facility, multifamily use, or retirement housing.

(8) PARK DEDICATION ZONE means an area as illustrated on the park land dedication map created by the park and recreation department defining the areas where dedication may occur.

(9) PLAN has the meaning assigned by Texas Local Government Code Section 212.201.

(10) RESERVED DWELLING UNITS has the meaning assigned by Division 51A-4.1100.

(11) SINGLE FAMILY OR DUPLEX USE means a duplex use, handicapped group dwelling unit, or single family use.

(b) Interpretations.

(1) In general. For uses or terms found in Chapter 51, the regulations in Section 51A-4.702(a)(6)(C) apply in this division.

(2) Computation of time.

(A) In computing a period of days under this division, the first day is excluded and the last day is included.

(B) If the last day of any period is a Saturday, Sunday, or holiday, the period is extended to include the next day that is not a Saturday, Sunday, or holiday.

SEC. 51A-4.1004. DEDICATION REQUIRED.

(a) In general. Dedication may be accomplished by dedication to and acceptance of suitable land as determined by the director that meets a need in the park system at the time of dedication, by payment of a fee-in-lieu of dedication, or both. The director shall determine whether the owner of property is required to dedicate land, pay a fee-in-lieu of dedication, or both.

(b) On-site dedication. On-site dedication must be shown on the preliminary and final plat. If the director determines that the owner of property is required to dedicate land, the minimum size of land dedicated for a park is 0.5 acre.

(b) Dedication for single family or duplex. See Section 51A-4.1008.

(c) Dedication for multifamily or hotel and motel use. See Section 51A-4.1009.

SEC. 51A-4.1005. FEE-IN-LIEU.

(a) The owner of property is required to pay a fee-in-lieu in the amount determined by this division and Section 51A-1.105.

(b) For single family or duplex uses, payment of the fee-in-lieu is required at the time of issuance of building permits. For multifamily and hotel and motel uses payment of the fee-in-lieu is required at the time of the issuance of a final certificate of occupancy.

(c) Payments may be used only for acquisition or improvement of park land, facilities, and to increase connectivity in the city's trail system located within the same park dedication zone as the development. Fees may be applied to any type of park site or improvement within the park dedication zone in accordance with park and recreation department prioritization.

DCA 234-002(LG)

(d) For developments in more than one park dedication zone, or that abut another park dedication zone, fees-in-lieu may be spent in either park dedication zone.

(e) For Park Dedication Zone One (the Downtown/CBD Zone) as shown on the parkland dedication zone map, fees-in-lieu may be used to increase connectivity in the city's trail system for the recreational benefit of the residents of that area.

SEC. 51A-4.1006. PARK LAND DEDICATION FUND.

(a) In general.

(1) There is hereby established a special fund for the deposit of all sums paid in lieu of land dedication under this section. The fund will be known as the "Park Land Dedication Fund." Except as provided in this section and Section 51A-4.1005, funds will only be released from the Park Land Dedication Fund to buy, build, enhance, or maintain, a park within the park dedication zone, from which the funds originated and acquire or improve park land, facilities, and increase connectivity in the city's trail system located within the same park dedication zone from which the funds originated.

(2) Fees paid into the park land dedication fund must be spent by the city within 10 years after the payment of the required fees. If the funds cannot be spent within the 10 year period, the owners of the property on the last day of the 10 year period will be entitled to a refund of the unexpended sum upon request. The owners of the property, as shown on the current tax roll or proven by other instrument, must request a refund within one year of the expiration of the 10 year period or the right to a refund is waived. The request must be made in writing to the director.

Current Text:

(b) Expenditures. The park land dedication fund must be used for the acquisition and improvement of parks and may not be used for city staff overhead expenses. Indirect costs reasonably incurred in connection with park acquisition and improvement, such as appraisal fees, environmental assessment costs, legal expenses, and engineering and design costs, are limited to a maximum of 10 percent of total acquisition or improvement costs.

Staff Recommendation:

(b) Expenditures. The park land dedication fund must be used for the acquisition and improvement of parks and may be used for city staff overhead expenses related to the administration of parkland dedication funds. Indirect costs reasonably incurred in connection with park acquisition and improvement, such as appraisal fees, environmental assessment costs, legal expenses, and engineering and design costs, are limited to a maximum of 20 percent of total acquisition or improvement costs.

SEC. 51A-4.1007. PARK LAND DEDICATION STANDARDS.

(a) Park land location standards. It is the purpose of this section to ensure that parks are easy to access, can be linked with nearby park and recreational facilities, and are generally open to public view or accessible by easement to benefit area development, enhance the visual character of the city, protect public safety, and minimize conflict with adjacent land uses. Land to be dedicated for parks must meet the following location standards:

(1) Where physically feasible, parks should be bound by streets or by other public uses (e.g., school, library, recreation center) to facilitate access and possible joint use.

(2) Where residential lots directly abut a park, consideration should be given to future owners' access to the facility and protection from future park uses, such as lighting and noise.

(3) Dedicated park land must be in a location that is accessible by the public.

(4) The director may accept dedication of property within the park dedication zone that provides for access to parks other than community and neighborhood parks.

(5) The land must comply with current park standards.

(b) Park land acceptance standards.

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(1) Land dedicated for park and recreational areas must be of such size, dimensions, topography, and general character as is reasonably required by the city for the type of use necessary to meet the current park system requirements.

(2) Land proposed to be dedicated for parks must generally meet the following requirements. The director may recommend the acceptance of the dedication of property that does not meet these criteria if the property is adjacent to an existing park or other public space, provides access to a park, or otherwise presents an opportunity to enhance the city parks system consistent with the park and recreation department's comprehensive plan update.

(A) Configuration standards.

(i) Unless determined otherwise by the director pursuant to Subsection 51A-14.104(e), the minimum size of land dedicated for a park is one acre.

(ii) Land dedicated for a park must be a contiguous piece of property that can physically accommodate improvements associated with a neighborhood or community park.

(B) Location and access standards.

(i) The land must meet the applicable location requirements of Paragraph (3).

(ii) The land must have connectivity to a public street appropriate for the size and use of the park.

(C) Physical characteristics standards.

(i) Unless otherwise approved by the director, land must be vacant and cleared of nonvegetative material.

(ii) The land must be in full compliance with all ordinances, rules, and regulations of the city.

(iii) Except when approved by the director, the land must not have severe slopes or unusual topography that would not allow the park to be used for its intended purpose without recontouring the property.

(D) Minimum environmental conditions standards. Except when approved by the director, the land must be reasonably free of recognized environmental conditions.

(i) If land is proposed to be dedicated by plat, before submittal of a final plat, the applicant shall submit either a phase I environmental assessment that shows no environmental conditions exist on the property or a phase II environmental assessment that shows no remediation is required.

(ii) If land is proposed to be dedicated by separate instrument, before acceptance the applicant shall submit either a phase I environmental assessment that shows no environmental conditions exist on the property or a phase II environmental assessment that shows no remediation is required.

(3) For developments in more than one park dedication zone, property may be dedicated in either park dedication zone.

SEC. 51A-4.1008. DEDICATION FOR SINGLE FAMILY OR DUPLEX.

(a) This section applies to dedication for single family or duplex uses only.

(b) Issuance of a building permit for a single family or duplex development requires confirmation of deposit into the park land dedication fund of the fee-in-lieu in the amount established pursuant to Section 51A-4.1005.

SEC. 51A-4.1009. DEDICATION FOR MULTIFAMILY OR HOTEL AND MOTEL USE.

(a) Applicably.

(1) This section applies to dedication for multifamily or hotel and motel uses only.

(2) Except as provided in Section 51A-4.1002, this section only applies to a development plan or building permit that includes a multifamily or hotel and motel use. If a development plan includes a combination of uses, the amount of parkland dedication is based only on the pro rata portion of the land proposed to be multifamily or hotel and motel use.

(3) Except as provided in Section 51A-4.1002, this section does not apply to reserved dwelling units. If a development plan includes a combination of reserved dwelling units and market rate dwelling units, the amount of parkland dedication is based only on the pro rata share of the market rate dwelling units.

(b) Request for park land dedication determination.

(1) Request for determination. An owner of the subdivision or development may make a written request to the director to determine how much dedication is required under this section.

(2) Additional information required. The director may request additional information from the owner of the subdivision or development in subsection (a) that is needed to determine the dedication required under this section and the additional information must be publicly and readily available.

(3) Director's determination.

(A) The director's determination must be in writing and sent to the owner of the subdivision or development within 30 days of the latter of:

(i) if the director does not request additional information under subsection (b), the date the director receives the request for determination.

(ii) the date the director receives the requested additional information under paragraph (2).

(iii) the date the director receives a response from the owner of the subdivision or development saying the requested additional information will not be provided to the director because it is not publicly and readily available.

(B) The director's determination regarding the amount of dedication is binding for the lesser of two years, or the day the owner of the subdivision or development files a development plan that relies on the director's determination.

(4) Release. An owner of the subdivision or development may release in writing the director from a determination made under this section.

DCA 234-002(LG)

(c) Fee-in-lieu required. Issuance of a final certificate of occupancy for a multifamily or hotel or motel use development requires confirmation of deposit into the park land dedication fund of the fee-in-lieu of dedication in the amount established pursuant to Section 51A-4.1005.

SEC. 51A-4.1010. DESIGNATION OF CENTRAL BUSINESS DISTRICT, SUBURBAN, AND URBAN AREAS.

(a) City council action.

(1) Before the city council holds the public hearing designating all the territory within the city as central business district, suburban, or urban areas, the city secretary shall give notice of the public hearing in the official newspaper of the city at least 30 days before the hearing.

(2) The affirmative vote of a majority of the city councilmembers present is needed to approve the designation of all the territory within the city as central business district, suburban, or urban areas.

(3) Within ten days of the city council designating all the territory within the city as central business district, suburban, or urban areas, the city secretary shall notify each appraisal district of the designation.

(b) Amendments to the designation. The city council may only amend the designation during the adoption or amendment to a comprehensive plan under Section 51A-1.108.

SEC. 51A-4.1011. VALUATION OF CENTRAL BUSINESS DISTRICT, SUBURBAN, AND URBAN AREAS.

(a) Years when the appraisal district calculates the value. Each appraisal district shall, not less than once every ten years, calculate the average land value for each area and provide the average land values to the director in accordance with Texas Local Government Code Section 212.209(c).

(b) Years when the appraisal district does not calculate the value.

(1) Except as provided in paragraph (3), in years when the appraisal district does not calculate the average land value of each area, the director shall determine the average land value.

(2) The director shall calculate the average land value using the following formula:

(a) First, average each of the previous year's monthly CPI rate.

(b) Second, add one to the rate in subparagraph (a).

(c) Third, multiply the figure in subparagraph (b) by the previous year's average land value.

(3) The calculations under this subsection are not required in the years when the appraisal districts make the calculations required under subsection (a). In those years, the director shall use the land valuation provided by the appraisal districts.

(c) Areas calculated by more than one appraisal district. If more than one appraisal district calculates the average land value of each area, the director shall determine the area's average land value using the following formula:

(1) First, determine the percentage each area is within an appraisal district.

(2) Second, multiply each appraisal district's calculated value of the area by the percentage in Paragraph (1).

(3) Third, add each figure resulting from the calculation made in Paragraph (2) together.

SEC. 51A-4.1012. DWELLING UNIT FACTOR AND DENSITY FACTOR ESTABLISHED.

(a) Dwelling unit factor.

(1) Multifamily. The dwelling unit factor is 0.005 acres per dwelling unit.

(2) Hotel or motel uses. The dwelling unit factor is 0.004 acres per room ordinarily use for sleeping.

 (b) Density factor.

 (1) Central business district area. The density factor is 40.

 (2) Suburban area. The density factor is four.

 (3) Urban area. The density factor is one.

SEC. 51A-4.1013. APPEAL.

 (a) City plan commission. An owner of the subdivision or development may appeal the director's decision regarding any element of this division by filing a written notice with the director within 30 days after the date of the decision. If an appeal is filed, the city plan commission shall hear the appeal within 60 days after the date of its filing. The director shall forward to the city plan commission the complete record of the matter being appealed. The owner of the subdivision or development shall include a requested adjudication for the issue in controversy. The city plan commission shall hold a public hearing where the owner of the subdivision or development and director may present evidence and testimony under procedures adopted by the city plan commission. The owner of the subdivision or development shall have the burden of proof at the public hearing. The city plan commission shall have the same authority as the director and may uphold, reverse, or modify the director's decision. The city plan commission shall make its decision within 60 days after the appeal is filed. If the city plan commission fails to act in accordance with this subsection, the appeal is resolved in favor of the owner of the subdivision or development's requested adjudication.

 (b) City council. An owner of the subdivision or development may appeal the city plan commission's decision regarding any element of this division by filing a written notice with the director within 30 days after the date of the city plan commission's decision. If an appeal is filed, the city council shall hear the appeal within 60 days after the date of its filing. The director shall forward to the city council the complete record of the matter being appealed. The owner of the subdivision or development shall include a requested adjudication for the issue in controversy. The city council shall hold a public hearing where the owner of the subdivision or development and director may present evidence and testimony under procedures adopted by the city council. The owner of the subdivision or development shall have the burden

of proof at the public hearing. The city council shall have the same authority as the director and may uphold, reverse, or modify the director's decision. The city council shall make its determination within 60 days after the appeal is filed. If the city council fails to act in accordance with this subsection, the appeal is resolved in favor of the owner of the subdivision or development's requested adjudication.

(c) County or district court. An owner of the subdivision or development may appeal the city council's decision to a county or district court of the county where the development project is located within 30 days after the date of the city council's determination. The sole issue on appeal is whether the city council erred in its review of the city plan commission's decision.

SEC. 51A-4.1014. REVIEW.

The director shall review this division every five years from the effective date.”

SECTION 6. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$2,000.

SECTION 7. That Chapters 51 and 51A of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 8. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 9. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

DCA 234-002(LG)

SECTION 10. That this ordinance shall take effect immediately from and after its passage and publication, in accordance with the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

TAMMY L. PALOMINO, City Attorney

By _____
Assistant City Attorney

Passed _____

Appendix A: ZOAC Action Minutes



City of Dallas

Zoning Ordinance Advisory Committee (ZOAC) Meeting Action Minutes

December 3, 2024

Room 6ES / Videoconference

9:00 a.m.

ATTENDEES:

ZOAC Members Present: Tipton Housewright (Chair), Lorie Blair (Vice Chair), Nathaniel Barrett, Ryan Behring, Paul Carden, Enrique MacGregor, Mark Rieves, and Brent Rubin

ZOAC Members Absent: None

City Plan Commission Members Present: None

City Council Members Present: None

City Staff: Michael Wade, Lori Levy, Jacob Rojo, and Sarah May (Planning & Development); La’Kisha Girder and Ryan O’Connor (Park & Recreation); and Daniel Moore and Suzanne Knuppel (City Attorney’s Office)

The meeting was delayed with notice and called to order at 10:02 a.m. by Tipton Housewright (Chair).

DCA 234-002(LG)

DISCUSSION: DCA234-002(LG): Amendment to Chapter 51A, the Dallas Development Code, to align Park Land Dedication requirements with Texas House Bill 1526, 88th Legislature.

Ms. Girder presented the code amendment with recommended revisions. ZOAC discussed the code amendment. Chair Housewright led the discussion. One speaker spoke on behalf of The Real Estate Council (TREC).

MOTION #1

Motion: It was moved to approve the staff recommendation with recommended revisions and clarification of 51A-4.1005 and 51A-4.1006 by CAO as discussed.

Motion: Lorie Blair
2nd: Paul Carden

Result: Passed: 8-0
For: Barrett, Behring, Blair, Carden, Housewright, MacGregor, Rieves, Rubin
Against: None
Absent: None

Amending Motion: It was moved to amend the motion to adjust the recommended fee percentages to result in amounts matching the current fees.

Motion: Nathaniel Barrett
2nd: Ryan Behring

Result: Failed: 6-2
For: Barrett, Behring
Against: Blair, Carden, Housewright, MacGregor, Rieves, Rubin
Absent: None

Speakers: Katie O'Brien, 6311 Vanderbilt Ave, Dallas 75214

MOTION #2

Motion to approve the 11/19/2024 ZOAC meeting action minutes.

Motion: Brent Rubin
2nd: Enrique MacGregor

Result: Passed: 8-0
For: Barrett, Behring, Blair, Carden, Housewright, MacGregor, Rieves,
Rubin
Against: None
Absent: None

The meeting was adjourned at 11:45 a.m.

NOTE: For more detailed information on the discussion of an issue(s) heard during this meeting, refer to the video recording retained on the Planning & Development website.

Appendix B: Dallas Fee Calculations Per Dwelling Unit

	Single Family	Multifamily (1 bedroom)	Multifamily (2 or more bedrooms)	Hotel/Motel
Current Ordinance	Fee-in-lieu: \$762/DU Park Dev. Fee: \$403/DU Total: \$1165/DU	Fee-in-lieu: \$299/DU Park Development Fee: \$158/DU Total: \$457/DU	Fee-in-lieu: \$600/DU Park Development Fee: \$317/DU Total: \$917/DU	Fee-in-lieu: \$327/DU Park Development Fee: \$173/DU Total: \$500/DU
Proposed Ordinance	0.02 x \$65,400= \$1,308/DU	.01 x \$65,400= \$654/DU	0.02 x \$65,400 = \$1,308/DU	.01 x \$65,400= \$654/DU
Percent Increase	12.27%	43.11%	42.64%	30.80%