

DATE ISSUED: May 14, 2003 REPORT NO. 03-049 Revised

ATTENTION: Honorable Mayor and City Council
Docket of May 20, 2003

SUBJECT: STATE 2002 RESOURCES BOND (PROP 40) PER CAPITA AND ROBERTI-Z'BERG-HARRIS PER CAPITA FUNDING & STATE 2000 PARK BOND (PROP 12) PER CAPITA FUNDING (REVISED)

REFERENCES: Manager's Report No. 03-090, dated May 6, 2003

SUMMARY

Issue - Shall the City Council approve the proposed distribution of monies expected through the State 2002 Resources Bond Per Capita and Roberti-Z' Berg Harris Per Capita funding and remaining State 2000 Park Bond Per Capita funding?

Manager's Recommendation: Approve the proposed allocation of State 2002 Resources Bond (Prop. 40) and State 2000 Park Bond (Prop. 12) Per Capita funds.

Other Recommendations: This report is a revision of Manager's Report 03-049 which was approved by the Rules Committee on March 19, 2003. Additions to the approved report are shown as underlined text in this report.

Fiscal Impact: None with this action. However, depending upon the number and/or type of projects that are funded, potential non-reimbursable staff costs and additional operating expenses are possible.

BACKGROUND

In March 2002, California voters approved the \$2.6 billion 2002 State Resources Bond "Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Act of 2002 (Proposition 40). This

is the second State park bond to be approved by California voters within a two year period. The 2002 Resources Bond provides two major areas for the City of San Diego to receive grant funds toward park and recreational capital improvements.

2002 Park Bond - Per Capita and Roberti-Z'Berg-Harris Per Capita

The Per Capita and Roberti-Z'Berg-Harris (RZH) Per Capita Park Bond funds will be allocated to California cities, counties and special districts based upon the State Department of Finance population figures as of January 1, 2002. Based upon preliminary figures given by the California Department of Parks and Recreation, the City of San Diego will receive approximately \$11.75 million, of which \$5.91 million will be from the Per Capita and \$5.84 million will be from the RZH Per Capita.

2002 Resources Bond - Competitive Grant Programs

The City may also be eligible to compete for grant funds allocated by the 2002 Resources Bond for general park purposes such as habitat restoration, general park improvements, new park development, park land acquisition, historical and cultural resource enhancements, and coastal public access needs. Some of the competitive grant programs identified within the 2002 Resources Bond already have grant program guidelines established and we anticipate that once the bonds are issued by the State, these competitive programs will be announced shortly thereafter. Other competitive programs identified within the bond measure do not have established guidelines at this time.

DISCUSSION

This action requests 1) approval of the distribution method for the approximate \$11.75 million the City anticipates receiving from the 2002 Resources Bond Per Capita and RZH Per Capita funds, and 2) approval to allocate \$685,182 in unencumbered 2000 Park Bond Per Capita funds toward priority deferred maintenance needs within the park system as identified on page 5 of this report.

2002 Resources Bond Per Capita Allocations

Based upon the approximate \$11.75 million we expect to receive from the two Per Capita allocations, we are recommending that funds be distributed through a fair apportionment process. We are not recommending that actual projects be identified at this time, but that Park and Recreation Development Office staff work individually with the Mayor and each council office between now and the end of the fiscal year to develop project priorities for these pending grant funds.

- ◆ Per Capita funds can be used for “acquisition, development, improvement, rehabilitation, restoration, enhancement, and interpretation of local park and recreational lands and facilities, including the renovation of recreational facilities conveyed to local agencies resulting from downsizing or decommissioning federal military installations.”
- ◆ Roberti-Z'Berg Harris (RZH) Per Capita funds can be used for “acquisition, development, rehabilitation, historic preservation, special major maintenance or innovative recreation program.” The overall intent of the legislative act developing the RZH program is to address park deficiencies in economically disadvantaged areas; however, guidelines developed and adopted by the California Department of State Parks, also allow the use for funds for documented park deficient needs. Projects completed with these funds require a 3/7 (\$2.5 million local non-state) match of which one-third (\$836,925) should come from private sources such as cash and “in-kind” donations. The “in-kind” donations can include such items as volunteer time and the value of any donated land for the proposed project. The local

cash match from the city can be secured by a variety of fund sources such as: Park Fees, Federal Community Development Block Grant (CDBG), DIF, and FBA. The State will waive a local match for land acquisition projects and the private match can be waived if the city can document that a private source match cannot be secured.

The expenditures of both Per Capita source of funds have specific criteria as well, including:

- ◆ Use of the funds must be for park purposes that are capital in nature, Master Plan and General Development Plan documents are not eligible. The City may use up to 10% of the total RZH Per Capita allocation for recreational programming.
- ◆ The State will only pay up to 25% non-construction costs on capital projects. Non-construction costs include: preliminary reports, design, contracts processing and environmental studies.

While specific projects are not identified at this time, staff recommends the Mayor and City Council use the funds to address the essential areas of park safety, deferred maintenance, acquisition of park land, or the development of park facilities located in community areas with park deficiencies. The overall emphasis of the proposed projects should limit operating impacts to the City's general fund.

In addition to the local funding match required for the RZH Per Capita, it is forecast that an additional \$1 million in local funds may be required to meet grant restrictions as well as to adequately budget for unforeseen costs associated with the large number of projects which will be programmed through this funding. The Governor has proposed release of the Per Capita allocations in the 2003-2004 state budget, which could make the bond funding available in Fall/Winter 2003; however, release of the funding is contingent upon approval of the state budget. If the Per Capita allocations become available in FY 2004, staff will attempt to find funding for any City match required to complete approved park projects.

Based upon these issues, as well as the State guidelines established for the Per Capita funds, the following allocations are recommended:

Per Capita

- 25% of Per Capita Allocated to Regional Park¹ Purposes
- 15% of Per Capita Allocated to Citywide
- 60% of Per Capita Allocated Evenly to Eight Council Districts

Roberti-Z'Berg-Harris (RZH) Per Capita

- 20% of RZH Per Capita Allocated to Deferred Maintenance Purposes within Regional Parks
- 30% of RZH Per Capita Allocated to the Mayor and Eight Council Districts for ADA Retrofits and Other Park Deficiencies
- 50% of RZH Per Capita Allocated among Eight Council Districts per CDBG Formula for Economically Disadvantaged Areas

¹ Regional Parks include: Balboa Park, Mission Bay Park, Mission Trails Regional Park, Otay Valley River Park, San Diego River Park, the Multiple Species Conservation Program (MSCP) open space areas, and coastal beaches and parks.

Recommended 2002 Resources Bond Per Capita Allocations

Area	Per Capita	20% of RZH ²	30% of RZH	50 % of RZH	Total
Regional ³	\$1,478,587	\$1,167,801	0	0	\$2,646,388
Citywide ⁴	\$887,152		\$350,340	0	\$1,237,492
Council District 1	\$443,576		\$175,170	\$186,848	\$805,594
Council District 2	\$443,576		\$175,170	\$362,018	\$980,764
Council District 3	\$443,576		\$175,170	\$551,786	\$1,170,532
Council District 4	\$443,576		\$175,170	\$440,845	\$1,059,591
Council District 5	\$443,576		\$175,170	\$157,653	\$776,399
Council District 6	\$443,576		\$175,170	\$341,582	\$960,328
Council District 7	\$443,576		\$175,170	\$350,340	\$969,086
Council District 8	\$443,576		\$175,170	\$528,430	\$1,147,176
	\$5,914,347	\$1,167,801	\$1,751,700	\$2,919,502	\$11,753,350

2000 Park Bond Funding Allocation

In July 2000 and July 2001 respectively, legislative action authorized the California Department of Parks and Recreation to release the Per Capita and RZH Per Capita portions of the 2000 Park Bond. San Diego's allocation of \$14,152,697 is under contract with the State. Based upon Mayoral and City Council approval, 51 park projects are in varying stages of development.

Of the \$14,152,697 allocated to the City of San Diego from the 2000 Park Bond Per Capita and RZH Per Capita funding, \$685,182 has yet to be programmed by the Mayor and City Council. It is our recommendation that the remaining funds be used to address the park deferred maintenance projects listed below. The projects were identified using the following criteria: 1) projects identified as a priority in General Services Facilities Division Report (9/02); 2) projects currently underway and underfunded; 3) projects that serve youth; 4) projects that are a community priority; and 5) projects that require no additional operating staff.

- ◆ Balboa Park Aerospace Museum Roof Repairs \$150,000
- ◆ Colina Del Sol Recreation Center Roof Repairs \$ 45,000
- ◆ Forestview Park Tot Lot Upgrade \$ 50,000
- ◆ Parkside Neighborhood Park Tot Lot Upgrade \$125,000
- ◆ Serra Mesa Park Tot Lot Upgrade \$137,900
- ◆ South Bay Robert Egger, Sr. Recreation Center Various Repairs \$ 45,000
- ◆ Sunset Cliffs Ladera Stairs Rehabilitation \$100,000
- ◆ University Gardens Tot Lot Upgrade \$ 32,100

ALTERNATIVE

1. Revise the distribution of 2002 Resources Bond Per Capita and Roberti-Z'Berg Harris (RZH) Per

² This funding will be used exclusively on Regional Park deferred maintenance projects.

³ Allocation of these funds will be initiated by the Mayor.

⁴

Capita Funding.

2. Revise the allocation of the remaining 2000 Park Bond Per Capita funding.

Respectfully submitted,

Ellen Oppenheim
Park and Recreation Director

Approved: Bruce A. Herring
Deputy City Manager

EO/AP/CW