

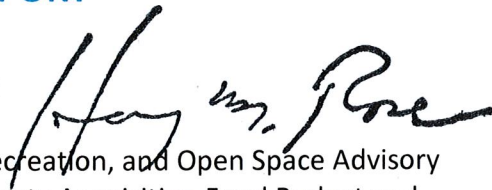
**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS**

BUDGET AND LEGISLATIVE ANALYST

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POLICY ANALYSIS REPORT

To: Supervisor Avalos
From: Office of the Budget and Legislative Analyst
Date: September 17, 2013
Re: Request to conduct a review of the Park, Recreation, and Open Space Advisory Committee (PROSAC), the Open Space Property Acquisition Fund Budget and Property Acquisition Process



Summary of Requested Action

Your office requested that the Budget and Legislative Analyst conduct an overview of the Park, Recreation, and Open Space Advisory Committee (PROSAC) including a review of the initial intent of PROSAC and whether PROSAC is meeting that intent; a review of PROSAC's process for providing input into the Recreation and Park Department's Five-Year Strategic Plan and Operation Plan and a review of the Open Space Property Acquisition Fund budget and property acquisition selection process over the last ten years. Your office also requested that the Budget and Legislative Analyst provide recommendations for improving these processes.

Executive Summary

- Passed by the voters in 2000, Proposition C amended City Charter Section 16.107 by extending for 30 years the annual property tax set-aside deposited into the Recreation and Park Department's Open Space Fund to be used for enhanced park and recreational services and facilities. By City Charter, no less than five percent of this fund is to be set aside into an Open Space Acquisition Fund for acquiring properties for parks and open space.
- As of the end of FY 2012-13, the Open Space Acquisition Fund had received deposits of \$18.3 million since its inception in FY 2000-01. Of this amount, approximately \$11 million, or 60 percent of the total deposits, has been expended on the acquisition of five properties and acquisition-related activities such as appraisals and environmental assessments, and approximately \$7.3 million was unspent fund balance. Until the recently purchased Noe Valley Town Square property, no property acquisitions had been made from the Open Space Acquisition Fund since FY 2006-07.
- As required by Proposition C, the Board of Supervisors of the City and County of San Francisco ("the City") established a citizens' advisory committee, as codified in Article 13 of the City's Park Code. Called the Parks, Recreation, and Open Space Advisory Committee (PROSAC), the Park Code mandates that the 23-member committee serve as community liaisons between the Recreation and Park Commission and the residents of their districts. The committee is also responsible for providing comments to the Recreation and Park Department on the Department's Five-Year Strategic and Capital and Operational Plans.
- The Budget and Legislative Analyst found that PROSAC members serve as advocates for their districts and fulfill their roles as community liaisons in a variety of ways. However, PROSAC members have not been able to completely fulfill their obligation to review and comment on the

Recreation and Park Department's Strategic, Operational and Capital Plans because the Department has not prepared these three separate plans in the manner called for in the City's Park Code.

- The absence of a Strategic Plan leaves the Recreation and Park Department (RPD) without an overarching vision and goals and objectives that would provide PROSAC with a useful framework for its input. Because RPD prepares individual program plans rather than a comprehensive Operational Plan as required in the Park Code, PROSAC reviews Department plans for individual programs on a piecemeal basis.
- The Park Code requires that potential properties to be acquired by RPD for open space, recreation facilities, significant natural areas, and other recreational purposes be identified in a comprehensive Five-Year Capital Plan. PROSAC is to review and provide comments to RPD on the Plan and potential property acquisitions to RPD. However, RPD does not prepare a Five-Year Capital Plan; instead, the Department discloses its planned projects in the City's Ten-Year Capital Plan and, for bond-funded projects, in its bond fund plans. Neither of these documents includes potential properties to be acquired.
- RPD does disclose properties to potentially be acquired in an Acquisition Roster, which PROSAC reviews and comments on. This process precludes PROSAC from viewing a comprehensive picture of all of RPD's planned capital investments at once prior to providing feedback to the Department. While the Acquisition Roster is available to the public, it is a less prominent document than the City's Capital Plan document and may be less familiar to the public.
- The City's Park Code includes criteria and priorities to guide the selection of new properties to be acquired with Open Space Acquisition and other funds. Though allowed by the Park Code to add other criteria to its acquisition decision making, RPD has developed an Acquisition Policy that is not consistent with the Park Code criteria in all respects.
- As shown in Exhibit A below, the sole top priority of the Park Code property acquisition criteria for use of the Open Space Acquisition and other funds is that the properties be in high needs areas, defined as areas with a conglomeration of high density and a high percentage of children, youth, seniors and low-income households. None of the properties purchased with Open Space Acquisition Fund monies to date have been in high needs areas, as defined by the Park Code, though the Department purchased one property in a high needs area in 2011 using development impact fees.
- RPD's Acquisition Policy top criterion includes high needs areas, but it gives equal weight to areas with "distribution deficiencies", or neighborhoods that do not have open space for passive or active use within one-half mile or a playground for children within one-quarter of a mile.
- The Department's definition of high needs areas also varies from the Park Code definition by including neighborhoods covered by Area Plans prepared by the Planning Department. Properties acquired by RPD to address distribution deficiencies or in neighborhoods covered by Area Plans do not necessarily have to be in high density, low-income neighborhoods, the sole top priority for RPD's property acquisitions required by the Park Code. In fact, none of the five properties acquired with Open Space Acquisition Funds since FY 2000-01 were in high needs areas, as defined in the Park Code. The Department did acquire a property at 17th and Folsom Streets in 2011 with Eastern Neighborhoods Development Impact Fees that is located in a high needs area.
- Though not in the Park Code criteria, RPD's Acquisition Policy includes consideration of whether funding has been identified for the property purchase and/or development and maintenance of

new property acquisitions. As a result, properties in neighborhoods that may not have the resources to apply for grants or privately raise funds for such properties may be overlooked during the acquisition process relative to properties in areas that are better positioned to secure grants or privately raised funds.

**Exhibit A: Differences between Park Code and RPD Acquisition Policy Criteria
Governing Use of Open Space Acquisition Fund Monies**

Park Code (criteria in priority order)	RPD Acquisition Policy (criteria in priority order)
1. Acquisition of open space, facilities and property in "high need areas", defined in the Recreation and Open Space Element of the City's General Plan as places where there is a conglomeration of high density and high percentages of children, youth, seniors, and households with low incomes.	1. Acquire open space in locations with high needs, which includes areas covered in City Area Plans ¹ , or areas with "distribution deficiencies" (areas that do not have open space within one-half mile or children's playgrounds within one-fourth mile). This allows for RPD to give highest priority to properties in areas other than high needs, in contradiction of the priorities specified in the City Park Code.
2. Acquisition of open space, facilities and other real property in neighborhoods that are experiencing a significant increase in residential population and that have few open space or recreational resources.	<i>RPD's Acquisition Policy gives priority to properties in neighborhoods for which Area Plans have been prepared by the Planning Department. These neighborhoods may be subject to significant development and be where growth is planned, but are not necessarily realizing significant increases in residential population, as required by the Park Code.</i>
3. Acquisition of significant natural areas that are not otherwise protected from degradation or development.	<i>Some overlap with the broader Acquisition Policy Standard #3 below.</i>
<i>Not part of Park Code criteria.</i>	2. Acquire properties that have identified funding for the purchase, development, and support maintenance of new acquisitions.
<i>Some overlap with the more narrow Park Code criterion #2 above.</i>	3. Acquire properties that encourage a wide variety of potential recreational and open space uses.

Sources: City Park Code Section 13.07; RPD Acquisition Policy

- The Park Code criteria guiding RPD's property acquisitions also gives priority to properties in areas of significant residential population growth that have few open space or recreational resources and

¹ Area Plans are components of the City's General Plan adopted by the Board of Supervisors that provide detailed land use and planning information and regulations for specific neighborhoods and geographic areas.

significant natural areas not otherwise protected from degradation or development (Park Code criteria #2 in Exhibit A). RPD's Acquisition Policy does not specifically include this criterion though it does include a broad criterion for acquisition of properties that encourage a variety of potential recreational and open space uses (see RPD Acquisition Policy #3 in Exhibit A above).

- RPD staff reports that even if a property is added to the Acquisition Roster, there are a number of factors that influence whether a property is actually acquired including: (1) the willingness of the owner to sell at fair market price; (2) support and organizing by local neighborhood residents or other stakeholders; (3) the availability of outside funding sources to assist with acquisition, development or maintenance of the property.
- Section 16.107 of the City Charter states any portion of the five percent property tax set-aside allocated for property acquisition that remains unspent at the end of any fiscal year should be carried forward, *with interest*, to the next fiscal year. Currently, the Open Space Acquisition Fund is not set up in the County's financial system to accrue interest. As a result, the Budget and Legislative Analyst estimates that the Fund has lost approximately \$690,000 in interest earnings between FY 2002-03 and FY 2012-13.

Policy Options

To address the above findings, the Budget and Legislative Analyst has developed the following policy options for consideration by the Board of Supervisors.

RPD's Strategic, Capital or Operational Plans

To address RPD compliance with its Park Code planning requirements and to ensure that PROSAC fulfills its duties established in the Park Code, the Board of Supervisors could request that RPD management:

1. Direct RPD staff to include the specific properties that are being considered for acquisition in the City's Ten-Year Capital Plan and in any Department-prepared bond plans.
2. Direct RPD staff to develop a Five-Year Strategic Plan, to be updated annually, by the end of FY 2013-14 which would be brought to the Recreation and Park Commission each year for approval and forwarded to the Board of Supervisors.
3. Direct RPD staff to develop a Five-Year Operational Plan, including all Department service areas, to be updated annually, by the end of FY 2014-15 which would be brought to the Recreation and Park Commission for approval.
4. Request that PROSAC provide input and written comments to RPD for each plan.

RPD's Property Acquisition Policy

5. *To address inconsistencies between the property acquisition criteria in the City Park Code and RPD's Acquisition Policy, the Board of Supervisors could request that RPD management amend its Acquisition Policy to make it consistent with the criteria and priorities in Section 13.02 of the Park Code or present possible amendments to the Park Code to address the following matters:*
 - a) RPD management should discontinue giving equal weight in the Department's Acquisition Policy to properties in high needs areas and those in areas with distribution deficiencies. To be

consistent with the Park Code, properties should be defined by RPD as “most desirable” only when they are in high needs areas, as defined by the City’s General Plan to be areas with a conglomeration of high density and a high percentage of children, youth, seniors and low-income households.

- b) RPD should amend its Acquisition Policy Standard 1 by removing locations within an Area Plan from the high needs area definition since this is not consistent with the Park Code definition of high needs.
- c) RPD management should establish a priority in its Acquisition Policy on areas undergoing significant residential population growth with few park or open space properties, as required by the Park Code.
- d) RPD should amend its Acquisition Policy to clarify that properties should not be given priority based on the availability of funding for the purchase, development and maintenance of the property, but that RPD first place top priority on identifying and acquiring properties in high needs areas and then should endeavor to secure funding for such properties from sources such as the Open Space Acquisition Fund and private sources.
- e) Properties that protect significant natural resources should be considered a higher priority than properties that offer multiple recreational uses, consistent with the Park Code.
- f) RPD management should provide the Board of Supervisors with possible amendments to either the Park Code acquisition criteria, where they can demonstrate that some of the criteria are no longer applicable to the property acquisition process or marketplace, and/or to the Department’s Acquisition Policy where RPD can demonstrate that certain other elements should be included in addition to the Park Code criteria.

Identify Open Space in High Needs Areas

- 6. *To address the need for identifying properties for parks and open space use in high needs areas, the Board of Supervisors could request that RPD develop a formal process for review by the Board of Supervisors that can be systematically implemented in which RPD staff proactively identifies open space in high needs areas for property acquisition. This process could include hosting community meetings in high needs areas, consulting with park and recreation related community groups and stakeholders in high needs areas, assisting with fundraising capacity-building in neighborhoods that cannot raise funds, meeting with Supervisors with high needs areas in their district, meeting with PROSAC members that represent districts with high needs areas, meeting with the Real Estate Department to discuss possible acquisitions, and continuing to work with the City’s Planning Department during the development of their neighborhood plans to identify potential properties for acquisition in high needs areas.*
- 7. The Board of Supervisors could request that RPD report to PROSAC each meeting on the progress of potential acquisitions and develop an annual report that details RPD staffs’ efforts in identifying open space in high needs areas, the progress that has been made to date, how potential funding could be secured if there is none, the potential setbacks to acquisition and proposed solutions. This report should be brought to the Recreation and Parks Commission for approval.

Open Space Acquisition Fund Management and Interest Earnings

8. *To address the issue that the Open Space Acquisition Fund has not been earning interest since it was established*, the Board of Supervisors could request that RPD and the Controller's Office allow the Open Space Acquisition Fund to accrue its own interest pursuant to Section 16.107 of the City Charter.

1. Overview of the Park, Recreation, and Open Space Advisory Committee

On March 7, 2000, San Francisco voters passed Proposition C which amended City Charter Section 16.107 to extend the annual property tax set-aside that is deposited into the Recreation and Park Department's (RPD) Open Space Fund for an additional 30 years and required the Board of Supervisors to establish, by ordinance, a Citizens Advisory Committee.

On June 2, 2000, the Board of Supervisors approved Ordinance 118-00 which implemented the amendments to City Charter Section 16.107 by adding Article 13 to the San Francisco Park Code. Article 13 of the San Francisco Park Code created the Park, Recreation and Open Space Advisory Committee (PROSAC)², set the membership criteria for the committee and defined the duties and terms of the committee members.

In accordance with Article 13 of the San Francisco Park Code, PROSAC is comprised of 23 members with one member appointed by each Supervisor from their Supervisorial District and one member appointed by each Supervisor from a list of individuals nominated by organizations having a primary focus on park, environmental, recreational, cultural, sports, youth or senior citizen issues for a total of 22 members appointed by the Board of Supervisors and one member appointed by the Mayor. Four of the members chosen from the list must be individuals nominated by an environmental organization and each member who is appointed must be approved by the full Board of Supervisors.

PROSAC members serve a two-year term at the will of the Supervisor who appointed them and cannot serve more than four consecutive terms. At the writing of this report, there are 21 members of PROSAC and two vacancies; one from Supervisorial District 3 and one from Supervisorial District 7. The scope of the Committee's overview is broad, encompassing all aspects of the Recreation and Park Department's operations and the Open Space Fund:

Article 13, Section 13.01(d) of the San Francisco Park Code details the duties of PROSAC:

- 1) The Committee shall submit written comments to the Department on its proposed Strategic, Capital and Operational Plans, and all updates to such plans within 30 days after the plan is delivered to the Committee.
- 2) The Committee shall assist the Department in conducting at least two public hearings on evenings or on weekends to permit the public to comment on the Department's full proposed budget and programming allocations prior to adoption by the Commission.
- 3) Members of the Committee appointed from Supervisorial Districts shall serve as liaisons between the Commission and the residents, neighborhood groups and organizations dedicated to park and recreational issues in their districts. Members may also serve as liaisons to the

² PROSAC was formerly called the Open Space Citizens Advisory Committee.

public at large and to citywide organizations that are concerned with park and recreational issues, and may assist the Department to arrange meetings with neighborhood groups, citywide organizations and the public at large to discuss such issues.

- 4) The Committee shall select a representative to make the Committee's quarterly report to the Commission on all significant park and recreational issues that have come to the attention of the Committee or its members.
- 5) The Committee shall hold meetings at least once a month and shall adopt its own rules of procedure.
- 6) In addition to the duties described in Charter Section 16.107, the Committee shall have such duties as may be fixed by the Commission or the Board of Supervisors.

As authorized in sub-section (5) above, PROSAC has created by-laws which include the establishment of a Chairperson and two Vice-Chairpersons who serve for one-year terms and are elected by PROSAC members. The Chairperson sets the agenda for each meeting with assistance from the Vice Chairpersons who also supports and assumes the duties of the Chairperson as needed.

Article 13, Section 13.02 of the San Francisco Park Code further describes the five-year Strategic, Capital and Operational plans that RPD must prepare and submit to the Recreation and Park Commission after gathering input from PROSAC. These plans are to be updated annually. Below is a summary of each Plan according to the Park Code:

The Strategic Plan: This plan should establish or reaffirm the mission, vision, goals and objectives for RPD.

The Capital Plan: This plan has two main goals according to the Park Code: (1) To guide the development, renovation, replacement and maintenance of RPD's capital assets, including prioritizing capital and maintenance improvements and providing budgets associated with those improvements; and (2) To guide RPD's real property acquisition process which is to include proposing specific properties to be acquired for open space, recreation facilities, significant natural areas, and other recreational purposes, according to the Park Code.

Park Code Section 13.02 further states that when identifying properties for acquisition under the Capital Plan, whether from the Open Space Acquisition Fund or other sources, the Department should consider the following criteria, among other things, in this order:

Exhibit 1: Criteria Used for Acquiring Properties According to the Park Code in Priority Order

Criterion 1	Acquisition of open space, facilities and other real property in neighborhoods designated as "high need areas" ¹ in the Recreation and Open Space Element (ROSE) of the City's General Plan
Criterion 2	Acquisition of open space, facilities and other real property in neighborhoods that are experiencing a significant increase in residential population and that have few open space or recreational resources
Criterion 3	Acquisition of significant natural areas that are not otherwise protected from degradation or development

¹ High needs areas, as defined in the Recreation and Open Space Element of the City's General Plan, are places where there is a conglomeration of high density and a high percentages of children, youth, seniors, and households with low incomes.

The Operational Plan: This plan is to detail proposed improvements to RPD's services and responsiveness to customer needs in order to improve the efficiency of RPD's operations. The Park Code states that the Operational Plan should include measurable performance standards which should consider the following issues:

- (1) Public safety, which shall include the reduction of environmental and other hazards, safe equipment operations and safe pesticide use;
- (2) Detailed maintenance work plans for each facility, including preventative maintenance;
- (3) Arboreal maintenance and reforestation of all parks;
- (4) Facility and landscape cleanliness, including timely graffiti removal;
- (5) Availability and cleanliness of restrooms; and
- (6) Maintenance of park and facility signage, furniture and amenities.

The Original Intent of PROSAC

PROSAC was created as a citizen's advisory committee tasked with certain duties and responsibilities generally outlined in Section 13.01 of the Park Code, as described above. The Park Code does not provide a mission statement or further details explaining PROSAC's purpose beyond the notion that members should serve as community liaisons, assist RPD with meetings and provide input on RPD's Strategic, Operational and Capital plans, as detailed above. This has left room for interpretation over the years with respect to PROSAC's roles and duties.

According to RPD staff, PROSAC's role is to (1) provide advisory feedback to RPD staff and the Recreation and Park Commission on department policies and projects; (2) serve as intermediaries between the community and RPD by soliciting opinions, concerns, and feedback on RPD's policies and projects from various district constituent groups; and (3) review and provide feedback on all of the Department's proposed acquisitions, whether from the Open Space Acquisition Fund or other sources. PROSAC members interviewed by the Budget and Legislative Analyst generally agree with these definitions of their roles though several PROSAC members defined their duties to include a stronger oversight function including watching over RPD's activities and decisions, and ensuring that the Department complies with existing policies.

With respect to property acquisitions, the main function of the citizen's advisory committee that preceded PROSAC, prior to its creation through the passage of Proposition C in 2000, was to advise RPD and the Department of City Planning regarding programming the expenditure of funds from the Open Space Acquisition Fund. Proposition C expanded PROSAC's role from advising primarily on property acquisitions to providing input on RPD's Strategic, Capital and Operational Plans. Under the terms of Proposition C, PROSAC's role still included advising on RPD's property acquisitions, but this was expanded to include properties purchased by the Department from any funding sources, not just the Open Space Acquisition Fund.

PROSAC in Practice

PROSAC is meeting the intent of Section 13.01 of the San Francisco Park Code by serving as community liaisons, providing feedback on the plans that the Department does prepare, assisting with public meetings, and regularly reporting to the Recreation and Park Commission.

Due to the lack of specific requirements in the Park Code, PROSAC members fulfill their roles as community liaisons in different ways including attending park and recreation related community meetings in their districts, attending park planning meetings, attending related City department meetings, attending community events, volunteering to plant trees or for clean-ups days, speaking at homeowner's association meetings, consulting with their Supervisor, and reviewing community news and other media.

Based on interviews with PROSAC members and RPD staff, PROSAC members are effective advocates for their districts and are quick to respond to their districts' issues. Moreover, RPD staff noted that PROSAC provides a good representation of the community; this is considered valuable because RPD staff can gauge how each district and the City as a whole will likely react to a proposed project based on PROSAC's reaction, which helps guide RPD's next steps on potential projects.

PROSAC's Input on RPD's Required Plans

While PROSAC has continuously provided input to RPD on its operations since the Committee's establishment in 2000, it has not completely fulfilled its obligations as established in the Park Code to review and comment on RPD's Strategic, Operational and Capital plans. The primary reason for this deficiency is that RPD has not prepared the three separate plans in the manner called for in the City's Park Code. Other approaches have been used to fulfill the Operational and Capital Plan requirements in the Park Code, as described below, neither of which fully meets the intent of the Park Code. No other approach has been used for PROSAC to provide input on the Department's Strategic Plan; the Department has not produced one since 2002, as discussed below.

Strategic Plan

In 2002, RPD developed a Strategic Plan that defined RPD's objectives for enhancing parks, facilities and recreation programs; however, this plan has not been updated for 11 years. As a consequence, PROSAC has not been able to provide comments on RPD's Five Year Plan, as required by Park Code Section 13.02, for at least six years. For RPD, the absence of a new or updated strategic plan since 2002 means that the Department does not have current, formalized statements of its mission, vision and values and goals and objectives in place to provide a framework for departmental activities. An up-to-date strategic plan would serve as a useful mechanism for PROSAC to provide formal input into the direction and activities of the Department.

Operational Plan

Though required by Park Code Section 13.02, RPD has not developed a formal or comprehensive Operational Plan to guide its approximately 750 staff members and seven operating divisions: (1) Park Patrol, (2) Golden Gate Park, (3) Urban Forestry, (4) Park and Open Spaces, (5) Recreation and Community Services, (6) Structure Maintenance, and (7) Permits and Reservations.

In lieu of a formal Operational Plan, RPD reports that it has developed, or has had outside assistance to develop, plans and assessments of several of the department's operating divisions, with recommendations for how those divisions could operate more efficiently. These reports include the 2004 Recreation Assessment, the 2009 Recreation Service Delivery Model, the Assessment of Urban Forestry Operations, a Custodial Services Plan and Staffing Allocation and an analysis by the Controller's City Services Auditor of RPD's Structural Maintenance Yard.

Because RPD's approach towards their Operational Plan is fragmented, PROSAC reviews and approves RPD's individual operational plans in a piecemeal manner rather than reviewing a comprehensive Department-wide plan. As a result of this practice, PROSAC members often do not have a comprehensive understanding of RPD's long term operational goals, making it difficult for the committee to provide meaningful input.

According to RPD staff, the Department communicates its operational changes during RPD's annual budget presentation to PROSAC, along with other departmental budget changes, and through the PROSAC chair when he or she attends Recreation and Park Commission meetings when operational issues are being discussed. Again, these approaches do not provide the same sort of information as would be contained in a comprehensive Department-wide operational plan.

Capital Plan

As mandated by the Park Code, PROSAC provides informal, verbal input as well as formal input on RPD's capital project plans. However, RPD's capital project plan documents are not consistent with the Capital Plan document requirements specified in the Park Code. According to RPD staff, the 2008 and 2012 Clean and Safe Neighborhood Park Bonds plans serve as RPD's Capital Plan as mandated by Section 16.107 of the City Charter and Section 13.02 of the Park Code. These plans describe the capital projects and programs that are proposed to be funded by the bonds' proceeds and provide budgets for each project, as required in the Park Code. The Department also provides capital project information to the Citywide Ten-Year Capital Plan, which is a high-level report on planned, pending and unfunded projects.

Neither the Citywide Ten-Year Capital Plan nor the Department's bond plans include proposed properties for acquisition, which the Park Code states should be included in the Capital Plan. Further, the bond plan documents only cover projects to be funded with bond proceeds and thus may not include capital projects funded by sources other than bond proceeds.

For the 2008 Clean and Safe Neighborhood Park bonds, staff worked with PROSAC over several meetings in calendar year 2007 to develop criteria for evaluating potential projects to be funded by the bonds. In addition to discussing the criteria with RPD staff during meetings, each PROSAC member was also asked to provide their rankings of potential criteria by which potential projects would be ranked and eventually selected to receive bond funding. The results were documented in PROSAC's meeting minutes and incorporated into the bond project selection criteria. PROSAC approved a resolution supporting the 2008 bond criteria during a meeting which is also documented in the meeting minutes.

RPD staff reports that PROSAC members have participated on at least three task forces and policy development groups for the 2008 Clean and Safe Neighborhood Parks bond programs, and have provided input on other capital project related programs and policies. In some instances, this input is documented by PROSAC through resolutions of support.

RPD reports that the criteria developed with input from PROSAC for evaluating possible projects for the Neighborhood Parks Program for the 2008 Clean and Safe Neighborhood Park Bond continued to guide the selection of projects for the 2012 Clean and Safe Neighborhood Park bonds. During these meetings, PROSAC provided feedback on the 2012 bonds through discussion with RPD staff, as documented in PROSAC's meeting minutes and, in some cases, in resolutions adopted by the committee, including a resolution in support of the 2012 bond program.

Though required to provide written comments for RPD's Capital Plan within 30 days of delivery of the plan to the Committee³, PROSAC did not provide written comments to RPD 30 days after the 2008 and 2012 Clean and Safe Neighborhood Park bond plans were delivered to them by RPD; the actual process was more interactive as comments were provided while the plans were developed and spread over a period of time in excess of 30 days. PROSAC was involved during the development of the plans and provided formal input on both plans in the form of resolutions on topics of significant interest. In 2012, PROSAC passed a resolution to urge RPD, the Recreation and Park Commission and the Board of Supervisors to increase RPD's commitment of funding for John McLaren Park in the 2012 Clean and Safe Neighborhood Park Bond after PROSAC members concluded that the planned funding level was too low to complete the needed improvements to the park. As a result of the resolution, funding for John McLaren Park was increased in the plan.

While these examples show that PROSAC has provided input on elements of RPD's capital plans and proposed property acquisitions, the Committee's review process is not comprehensive as capital project and property acquisition information is not integrated into a single Department-wide planning document, as required by the Park Code.

Historically and currently, the Chairperson of PROSAC, or a designated member, regularly reports to the Recreation and Park Commission keeping the Commission apprised of issues of concern to the Committee. PROSAC members often attend public hearings on RPD's budget, provide feedback and facilitate discussion between RPD and the community.

2. The Open Space Fund Property Acquisition Budget & Selection Process

As mentioned above, Proposition C extended the annual property tax set-aside which is deposited into RPD's Open Space Fund to pay for enhanced park and recreational services and facilities. The property tax set-aside is equal to two and one-half cents (\$.025) for each one hundred dollars (\$100) in assessed property value. City Charter Section 16.107 (f)(3) mandates that an allocation of no less than 5% of the monies deposited into the Open Space Fund be dedicated to acquiring properties for conversion to parks and open space. RPD separates the 5% allocation into their Open Space Acquisition Fund.

As shown in Exhibit 2 below, approximately \$18,300,000 has been deposited into the Open Space Acquisition Fund since the passage of Proposition C in 2000. Of that amount, \$10,964,161, or approximately 60 percent of all funds deposited, has been expended on acquiring five properties for parks or open space and for related costs such as appraisals and environmental assessments. As of the

³ Park Code Sections 13.01 and 13.02

end of FY 2012-13, the Open Space Acquisition Fund has a balance of approximately \$7,338,884, as shown in Exhibit 2 below. According to RPD staff, an additional \$2,028,000 is expected to be deposited in the fund in FY 2013-14.

Section 16.107 of the City Charter states that any portion of the monies allocated for property acquisition that remain unspent or uncommitted at the end of any fiscal year shall be carried forward, *with interest*, to the next fiscal year. According to RPD staff, the Open Space Acquisition Fund was established as a project within the larger Open Space Fund which accrues interest; however the Open Space Acquisition Fund has not accrued interest since its inception in 2000. According to the Controller's Office, the Open Space Acquisition Fund can be changed in the County's financial system so that the Open Space Acquisition Fund can accrue its own interest. If the Open Space Acquisition Fund accrues its own interest, those earnings can be used for future property acquisitions, as required in the Park Code, instead of being deposited into the Open Space Fund.

Based on the pooled interest rate reported by the San Francisco Treasurer and Tax Collector in their annual Investment Report, the Open Space Acquisition Fund could have earned approximately \$690,000 between FY 2000-01 and FY 2012-13 that could have been added to funds available for property acquisitions had the Fund been accruing its own interest.

As shown in Exhibit 2 below, no Open Space Acquisition Fund dollars were used to acquire new properties from FY 2006-07 to the last day of FY 2012-13.⁴ According to Ms. Dawn Kamalanathan, RPD's Director of the Capital and Planning Division, RPD was not actively considering acquiring property after FY 2006-07 because there were not sufficient funds in the Open Space Acquisition Fund following the Edgehill Mountain Park acquisition. While the acquisition of the Edgehill Mountain Park property (and the concurrent acquisition of the 701 Lombard Street property) between FYs 2004-05 and 2006-07 did leave the fund balance low, it built up again quickly due to average property tax receipts of \$1.8 million annually.

The average balance in the Open Space Acquisition Fund was \$4.9 million between FYs 2007-08 and 2011-12, ranging from \$564,177 at the start of FY 2007-08 to \$9.4 million at the end of FY 2011-12. However, only slightly less than \$20,000 was expended - for property appraisals and environmental assessments - during this period. RPD staff has pointed out that Department staff was waiting for a good opportunity to acquire properties during that time. RPD reports that between FY 2007-08 and the preparation of this report, the Department worked with the Department of Real Estate in an attempt to purchase two other properties, "Palou/Phelps" and "3rd and Hudson". In both cases the property owners declined to sell to the City for the fair market appraised value, according to RPD, who were unable to provide documentation related to the never completed real estate negotiations as they are not public documents.

⁴ The acquisition of 3861 24th Street which was approved by the Board of Supervisors on June 4, 2013 and the purchase was processed on June 28, 2013 which was the last day business day of FY 2012-13.

**Exhibit 2: Open Space Acquisition Fund Deposits, Expenditures and Balance
FY 2000-01 to FY 2012-13**

Fiscal Year	Deposits	Expenditures	Percent of Open Space Acquisition Fund Deposits Used for Acquisitions in Each Fiscal Year	End-of-Year Balance	Property Acquisitions
FY 2000-01	\$1,300,000	\$0	0.0%	\$1,300,000	
FY 2001-02	0*	0	0.0%	1,300,000	
FY 2002-03	1,089,315	1,088,023	99.9%	1,301,292	Hawk Hill Park
FY 2003-04	1,200,000	677,859	56.5%	1,823,433	Page Street Community Gardens
FY 2004-05	1,213,500	2,805,163	231.2%	231,770	Edgehill Mountain Park & 701 Lombard St.
FY 2005-06	1,299,680	1,204,220	92.7%	327,230	Edgehill Mountain Park
FY 2006-07	1,461,150	1,224,203	83.8%	564,177	Edgehill Mountain Park & 701 Lombard St.
FY 2007-08	1,646,500	0	0.0%	2,210,677	
FY 2008-09	1,858,000	0	0.0%	4,068,677	
FY 2009-10	1,830,450	0	0.0%	5,899,127	
FY 2010-11	1,736,000	3,723	0.2%	7,631,404	DPW and Real Estate Division work orders for property appraisals and environmental assessments.
FY 2011-12	1,808,450	7,182	0.4%	9,432,672	DPW and Real Estate Division work orders for property appraisals and environmental assessments.
FY 2012-13	1,860,000	3,953,788	212.5%	\$7,338,884	Environmental Assessment for 900 Innes Avenue and 3861 24 th Street and acquisition.
Total	\$18,303,045	\$10,964,161	60%	\$7,338,884	

Source: Deposits: FY 2000-01 to FY 2012-13 Annual Appropriation Ordinances; Expenditures: Recreation and Park Department and the Office of the Controller; Percentages and balance calculated by the Budget and Legislative Analyst.

* The 2005 management audit of the Recreation and Park Department by the Budget and Legislative Analyst reported that that no deposit was made in to the Open Space Acquisition Fund because the 2001 acquisition of Esprit Park, which had an appraised value of \$9,780,000, was reported by the Department to have met the 5 percent set-aside requirement for FY 2001-2002. The Department advises that the cost impact was outside the Recreation and Park Department budget because the Esprit Park property was exchanged for a development fee waiver at the Mission Bay Project in the amount of \$7,600,000.

In the last ten years, RPD has used funds other than the Open Space Acquisition Fund for property acquisition in two instances. First, between FY 2004-05 and FY 2006-07, RPD acquired 701 Lombard Street by eminent domain. The Board of Supervisors appropriated \$570,000 from the General Fund to pay for a portion of the \$2,570,000 701 Lombard Street acquisition, with the remaining \$2,000,000 paid for from the Open Space Acquisition Fund. In FY 2012-13, the Board of Supervisors approved the acquisition of a property at 17th and Folsom Street, located in a high needs area, as discussed later in the report, to be paid in full with Eastern Neighborhoods Development Impact Fees. In the last ten years, all other RPD property acquisitions were either transferred from another City agency at no cost (known as jurisdictional transfers) to RPD or were donated at no cost to the City as shown in Exhibit 3 below.

Exhibit 3: RPD Acquisitions since 2004 from Sources other than Open Space Acquisition Fund

Year	Park	Transaction	Square feet	Acres
2004	Geneva CarBarn	Jurisdictional Transfer	11,700	0.26
2004	Portola Park	Jurisdictional Transfer	25,974	0.59
2004	Hayes Green (Patricia's Green) Park	Jurisdictional Transfer	19,758	0.45
2005	Le Conte Mini Park	Donation	5,173	0.12
2005	Roosevelt at Henry	Jurisdictional Transfer	15,623	0.36
2006	Kite Hill Extension	Donation	8,000	0.18
2010	Little Hollywood	Jurisdictional Transfer	35,250	0.81
2011	17th & Folsom St.	Paid with impact development fees from Eastside Neighborhood Plan	34,300	0.78
2011	Mason Street between Columbus and Lombard St.	Jurisdictional Transfer	7,580	0.17
TOTAL			163,358	3.72

Source: Recreation and Park Department

RPD's Property Acquisition Policy & Process

In the 2005 Recreation and Park Department audit conducted by the Budget and Legislative Analyst, it was recommended that RPD should develop an acquisition policy that creates explicit criteria and prioritization for the use of Open Space Acquisition Fund monies as opposed to merely focusing on purchasing properties that are available. As a result, an initial RPD Acquisition Policy, which covered use of the Open Space Acquisition Fund and all other sources available to the Department, was developed by RPD staff in 2006, with input from PROSAC. This initial RPD Acquisition Policy was intended to support the goals of the City's General Plan and to promote an equitable approach to pursuing new recreational and open space opportunities. The 2006 Acquisition Policy included multiple objectives, several that were consistent with the City Charter and Park Code and several that were not, eight policies to guide the process of acquisition and a complex set of criteria for evaluating properties.

Difficulties in applying the methodology and definitions of the 2006 Acquisition Policy led PROSAC to advise RPD to consider updating and simplifying the Acquisition Policy to make it easier for staff and the public to understand and apply. A task force composed of representatives from PROSAC, RPD, the Parks Trust, the Neighborhood Parks Council⁵ and Department of Real Estate staff was assembled in January of 2011 to update the Acquisition Policy. A revised Acquisition Policy was adopted by the Recreation and Park Commission in September 2011.

RPD's updated Acquisition Policy includes three policy standards which are outlined in Exhibit 4 below. Properties are selected for acquisition based on their ability to satisfy the three policy standards. RPD staff noted that the properties that meet the most Acquisition Policy Standards can generally be considered to be the highest priority for acquisition; however, it is not necessary that all three criteria be met in order for RPD staff to pursue an acquisition.

Exhibit 4 RPD's Acquisition Policy's Three Policy Standards

Policy Standard 1	Acquire open space in a location that meet high needs and/or distribution deficiencies.
Policy Standard 2	Acquire properties that have identified funding for the purchase, development and support maintenance of new acquisitions.
Policy Standard 3	Acquire properties that encourage a variety of potential recreational and open space uses.

RPD's written Acquisition Policy document provides the following definition of high needs areas as referenced in Policy Standard 1:

- Places of high population density
- Places with a higher percentage of children and/or seniors
- Areas where households are categorized as low income
- Areas covered by an Area Plan⁶

According to RPD's written Acquisition Policy, neighborhoods with distribution deficiencies, as referenced in Policy Standard 1, are considered to be areas that do not have open space that could be

⁵ This organization is now called the Parks Alliance.

⁶ An Area Plan is a plan for a specific area of the City that has been adopted by the Board of Supervisors as part of the General Plan.

used for active or passive recreation within one-half mile (about a ten minute walk) or do not have a playground for children located within one-quarter mile.⁷

For Policy Standard 3, the RPD definition of recreational and open space uses that a potential acquired property could be used for include:

- Active Recreation uses
- Natural Resources Protection
- Passive Recreation uses
- Special Features (accessibility to water, views)

According to RPD's Acquisition Policy, the process for property acquisition begins when an interested party submits a Suggested Site Acquisition Identification Form to RPD that formally introduces the property and initiates the preliminary review. This form can be submitted by any individual or any group; however, according to RPD staff, in most cases, properties are introduced by members of the community that live nearby the proposed property or by members of the Board of Supervisors who have requested that RPD consider the property.

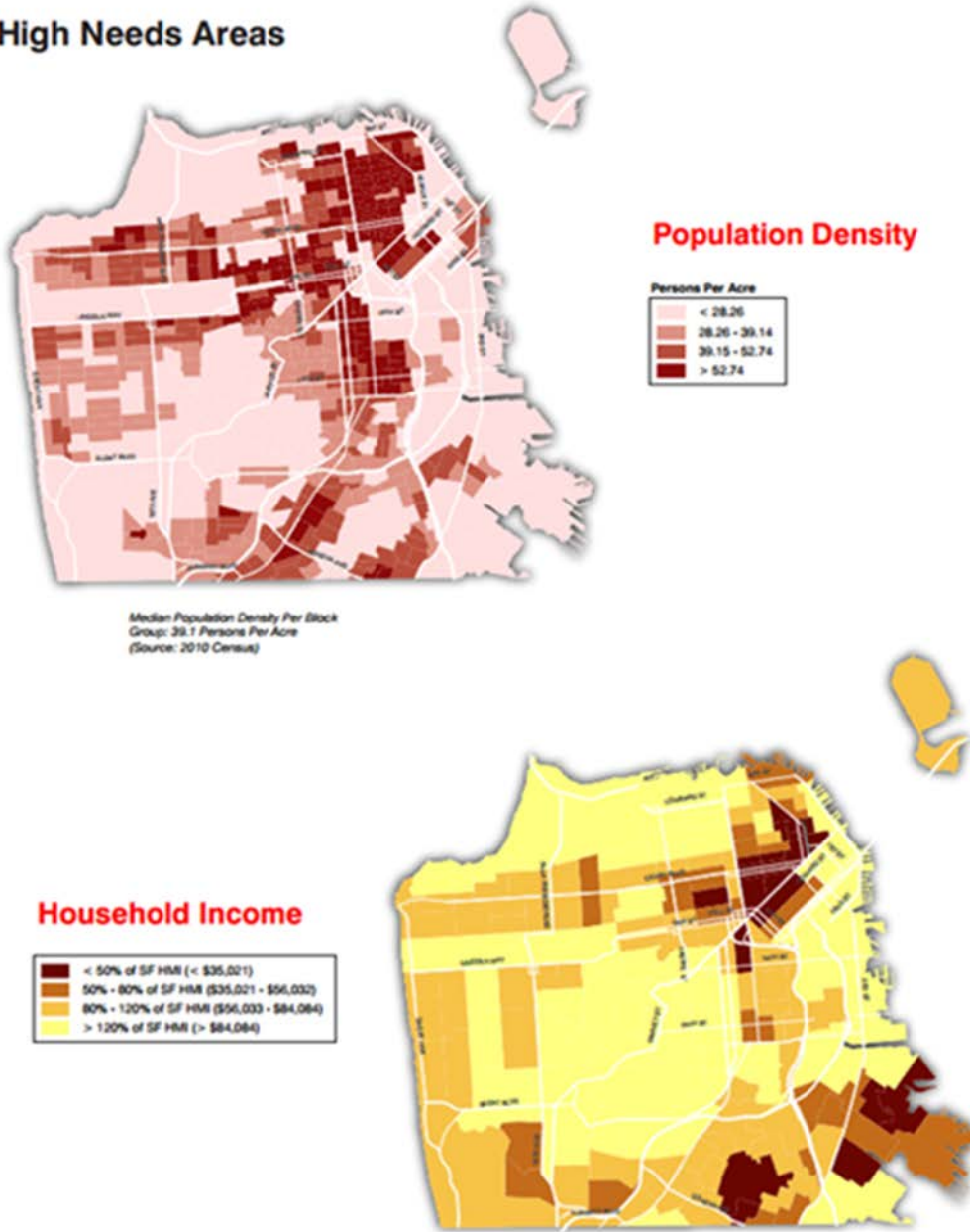
RPD staff gathers information about the property and then evaluates the site using the Property Acquisition Worksheet (Appendix B), with which they classify the property as (1) "Desirable" if it satisfies Policy Standard 3; (2) "More Desirable" if it satisfies Policy Standard 2; and (3) "Most Desirable" if it satisfies Policy Standard 1. If a property does not meet any of the Policy Standards, it is classified as "No Recommendation" and no further action is taken on this property.

Pursuant to Park Code Section 13.02, properties should be acquired in neighborhoods designated as high needs areas by the Recreation and Open Space Element (ROSE) of the City's General Plan which are illustrated in the "High Needs Area" maps and the "Priority Renovation and Acquisition Areas" map created by the Planning Department and shown in Exhibit 5 below. RPD uses these maps to determine whether a proposed property is in a high needs area pursuant to RPD's Policy Standard 1.

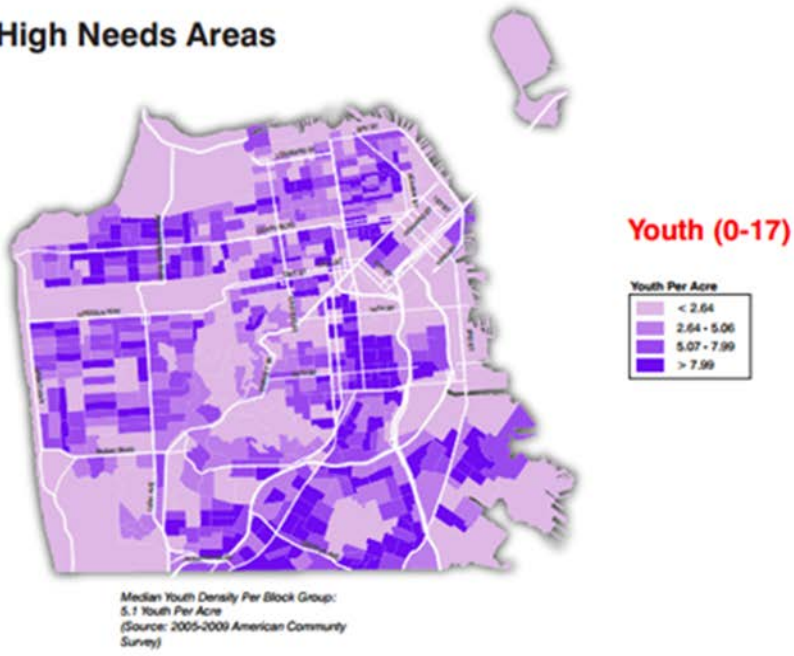
⁷ This is defined in the Recreation and Open Space Element (ROSE) of the City's General Plan developed by the Planning Department.

**Exhibit 5: "High Needs Areas" Identified in
the Recreation and Open Space Element (ROSE) of the
City's General Plan**

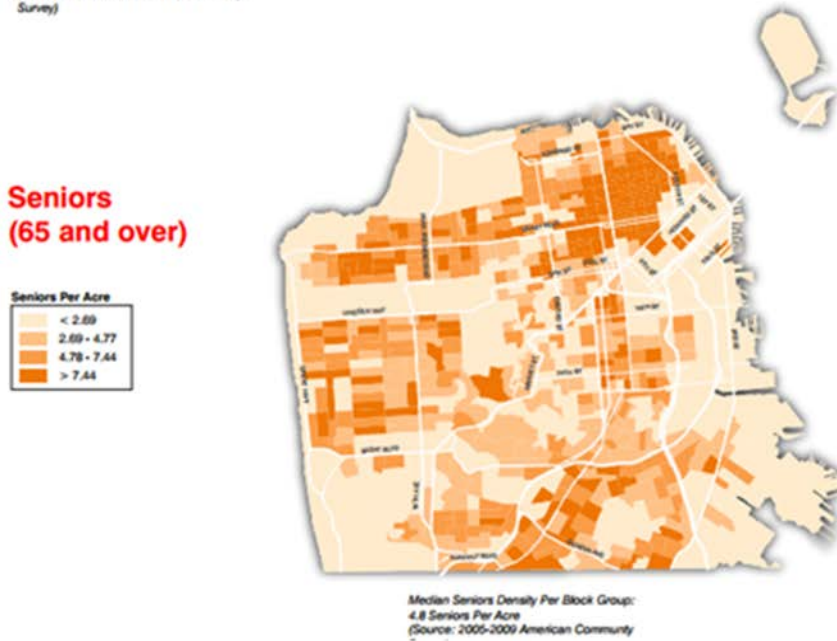
High Needs Areas



High Needs Areas

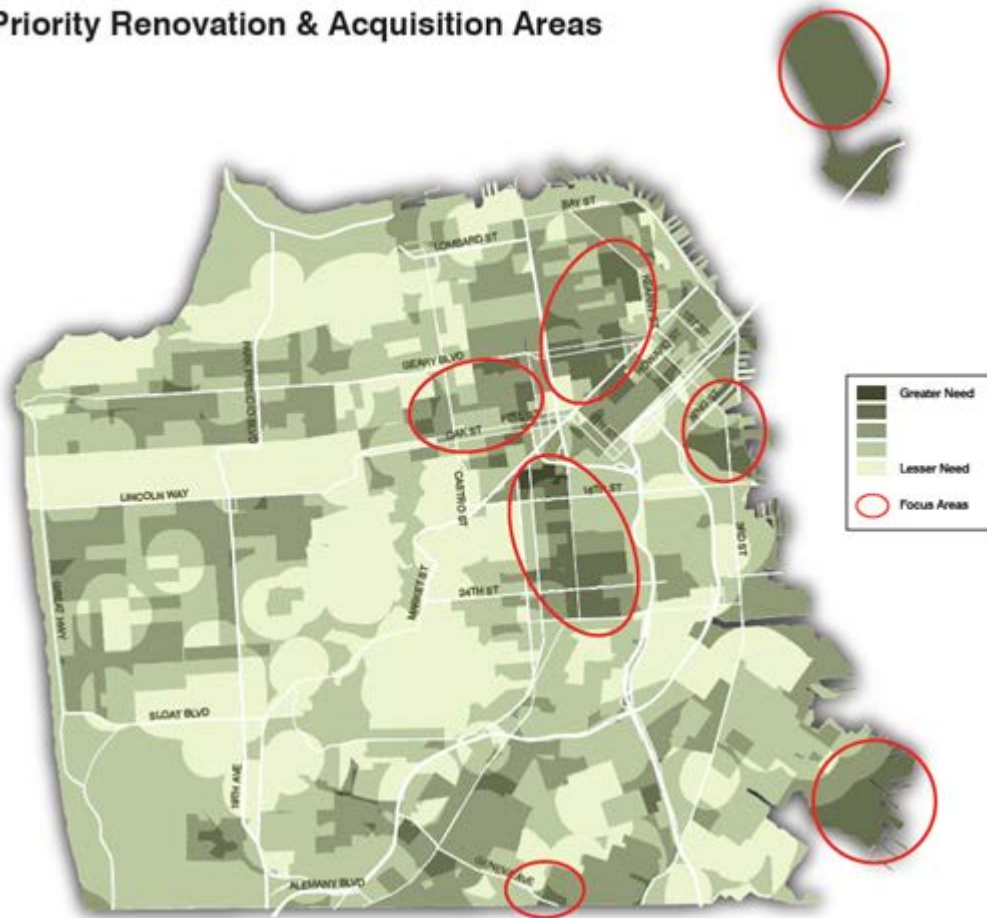


Seniors (65 and over)



**Exhibit 6: “Priority Renovation & Acquisition Areas”
Identified in the Recreation and Open Space Element (ROSE) of the City’s General Plan**

Priority Renovation & Acquisition Areas



*This map was made by the San Francisco Planning Department and extracted from the ROSE in the City’s General Plan.

The Priority Renovation & Acquisition Areas map is an aggregation of all Acquisition Policy criteria that determine high needs as well as areas with open space deficiencies and Area Plans. To create this map, the Planning Department applied the methodology found in Appendix A to each census tract. Each census tract was awarded points based on the extent to which it met the following high needs criteria: (1) population density, (2) children four and younger, (3) seniors 65 and over, (4) youth ages 5 to 13, and (5) household income. Each criterion was given equal weight as shown in the methodology.

Exhibit 6 also incorporates points that were awarded by the Planning Department to census tracts that were located within an Area Plan and census tracts that were not located within a reasonable walking distance to open space and playgrounds (the latter are classified as areas with a distribution deficiency). These criteria were given less weight than the high needs criteria. Exhibit 7, which is also included in the ROSE shows where there are gaps in open space, which are the areas outside of the red buffer regions.

The areas with the highest number of points were shaded the darkest green in Exhibit 6 and considered areas of greater need as calculated by the Planning Department. According to Planning Department staff who created the map, circled focus areas were meant to draw attention to where there is a concentration of high needs areas, but not where the City should specifically dedicate resources, as

there are other areas on the map that are high needs but are not located in the focus areas. The focus areas do not necessarily represent RPD's areas of highest priority for property acquisitions.

**Exhibit 7 – Open Space Deficient Area Maps
Identified in the Recreation and Open Space Element (ROSE) of the City's General Plan**

Walkability

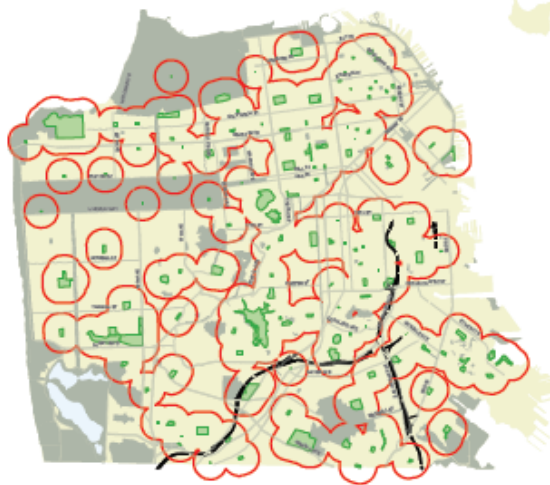
Active Use / Sports Fields
0.5 MILE BUFFER



Passive Use / Tranquil Spaces
0.5 MILE BUFFER



Playgrounds
0.25 MILE BUFFER



*These maps were made by the San Francisco Planning Department and extracted from the Recreation and Open Space Element in the City's General Plan

If a property is classified by RPD staff on the Property Acquisition Worksheet as “Desirable,” “More Desirable,” or “Most Desirable” based on the RPD Acquisition Policy Standards, the proposed property is transferred to the Property Acquisition Roster (see Appendix C). The RPD Acquisition Roster contains the list of sites that RPD staff is actively considering acquiring and is used to track the details and the status of properties that are candidates for acquisition and to compare the relative strengths and characteristics of various sites.

Once RPD staff adds a property to the Acquisition Roster, the property is presented to PROSAC for review. The Committee reviews RPD’s evaluation of the proposed acquisition and, along with providing other feedback, may support its addition to the Acquisition Roster or recommend removing it. PROSAC’s recommendation is advisory only and may or may not be consistent with the final decision by the RPD Commission and/or Board of Supervisors regarding the acquisition.

It is important to note, that just because a property is included on the Acquisition Roster, it does not mean it will necessarily be acquired. RPD staff noted that there are a number of factors that influence whether a property may be acquired including: (1) the willingness of the owner to sell at fair market price; (2) support and organizing by local neighborhood residents or other stakeholders; (3) the availability of internal and external funding sources to assist with acquisition, development or maintenance of the property.

3. Findings

Finding #1: RPD has not prepared comprehensive or updated Strategic, Capital or Operational Plans as required by the Park Code.

Strategic Plan

Strategic plans are important tools that reaffirm a department’s mission, establish priorities, set short-term and long-term goals and guides decisions about where to direct scarce resources. RPD’s last strategic plan was composed in 2002 and since then the department, as well as the City, has undergone significant changes. An updated Strategic Plan is necessary to reflect these changes, particularly with respect to RPD’s goals and objectives. An updated Strategic Plan will help RPD and its over 750 employees better understand their role within the department, the department’s goals and the strategies for meeting these goals.

As community liaisons, PROSAC’s input into the Strategic Plan would be a valuable resource particularly for defining the Department’s goals. PROSAC’s involvement would ensure that the goals in the Strategic Plan reflect the community’s needs. Moreover, a Strategic Plan would provide PROSAC with a clear understanding of the Department’s long-term and short-term goals, objectives and strategies to accomplish such goals. This would enable PROSAC to assist RPD with achieving these goals and making sure RPD’s activities are on track with said goals.

Capital Plan

Rather than preparing its own Five-Year Capital Plan, the Recreation and Park Department participates in the city’s Ten-Year Capital Plan, which is updated every two years, and discloses bond-funded capital projects in its bond plans. The Citywide Ten-Year Capital Plan includes RPD’s identified capital needs in four categories: 1) renewals, 2) enhancements, 3) deferred projects, and 4) emerging needs, and identifies potential capital funding sources including General Fund, Open Space Fund, General Obligation Bonds, gifts and grants. The Citywide Ten-Year Capital Plan satisfies most of the requirements outlined in the Park Code for the Five-Year Capital Plan with the exception of proposing

specific properties to be acquired for open space, which the Park Code requires to be part of RPD's capital plan. RPD does maintain a listing of properties for potential acquisition in their separate Acquisition Roster but the Roster information has not been included in either the Ten-Year Capital Plan or the Department's bond plans.

The proposed properties for acquisition should be included in the Department's Capital Planning documents: the Ten-Year Capital Plan and/or the bond plans. This would make the acquisition process more transparent so that the public, the Commission and PROSAC are all aware of all of the properties that are being considered, relative to RPD's other capital projects, prior to RPD staff requesting approval for a particular acquisition.

Operational Plan

RPD does not prepare comprehensive Operational Plans as required in the Park Code. Such a document is needed to ensure that the services that RPD staff is providing are being delivered efficiently and that the services that *are* being provided are responsive to the community's needs which are identified by RPD through recreation program enrollment data, surveys, evaluation programs and feedback from the Community Recreation Councils. Incorporating performance metrics into the Operational Plan, including the metrics set forth in Section 13.02 of the Park Code, would give RPD a way to link budget and performance, measure their progress and continually improve across all services areas. A comprehensive Operational Plan would provide PROSAC with an official source document and a useful tool to refer to when advising on operational issues and a better understanding of RPD's operational goals. Also, similar to the other plans, PROSAC's feedback on the Operation Plan would be valuable in that they can convey the community's concerns regarding all of RPD's operations.

Finding #2: There are inconsistencies between the property acquisition criteria in RPD's Acquisition Policy compared to that in the San Francisco Park Code.

Article 13, Section 13.02 of the San Francisco Park Code states that the following three criteria should be considered, among other things, when acquiring a property, in this order: (1) acquire property in neighborhoods designated as "high needs" in the Recreation and Open Space Element of the City's General Plan; (2) acquire open space in neighborhoods that are experiencing a significant increase in residential population and that have few open space or recreational resources; and (3) acquire significant natural areas that are not otherwise protected from degradation or development. However, when comparing RPD's 2011 Acquisition Policy criteria used to evaluate potential properties to be acquired with the criteria and priorities stated in Section 13.02 of the San Francisco Park Code, there are several inconsistencies.

1. ***Policy Standard 1 in RPD’s Acquisition Policy allows for RPD to acquire properties that are not in high needs areas (areas with a conglomeration of high density and high percentages of children, youth, seniors, and households with low incomes), even though high needs is the sole top priority for property acquisitions delineated in the Park Code.***

Exhibit 8: Comparison of Acquisition Policy and SF Park Code

Park Code Criteria (criteria in priority order)	RPD Acquisition Policy Standards (criteria in priority order)
1. Acquisition of open space, facilities and property in "high need areas", defined in the Recreation and Open Space Element of the City's General Plan as places where there is a conglomeration of high density and high percentages of children, youth, seniors, and households with low incomes.	1. Acquire open space in locations with high needs, which includes areas covered in City Area Plans ⁸ , or areas with “distribution deficiencies” (areas that do not have open space within one-half mile or children’s playgrounds within one-fourth mile). This allows for RPD to give highest priority to properties in areas other than high needs, in contradiction of the priorities specified in the City Park Code.
2. Acquisition of open space, facilities and other real property in neighborhoods that are experiencing a significant increase in residential population and that have few open space or recreational resources.	<i>RPD’s Acquisition Policy gives priority to properties in neighborhoods for which Area Plans have been prepared by the Planning Department. These neighborhoods may be subject to significant development and be where growth is planned, but are not necessarily realizing significant increases in residential population, as required by the Park Code.</i>
3. Acquisition of significant natural areas that are not otherwise protected from degradation or development.	<i>Some overlap with the broader Acquisition Policy Standard #3 below.</i>
<i>Not part of Park Code criteria.</i>	2. Acquire properties that have identified funding for the purchase, development, and support maintenance of new acquisitions.
<i>Some overlap with the more narrow Park Code criterion #2 above.</i>	3. Acquire properties that encourage a wide variety of potential recreational and open space uses.

Source: Park Code Article 13; Recreation and Park Department Acquisition Policy

⁸ Area Plans are components of the City’s General Plan adopted by the Board of Supervisors that provide detailed land use and planning information and regulations for specific neighborhoods and geographic areas.

According to Policy Standard 1 of RPD's Acquisition Policy, when RPD staff evaluates a property, the proposed property only needs to meet the high needs *or* the distribution deficiency standard to be able to satisfy Policy Standard 1 of the Acquisition Policy. This means that a property could *not* meet one of the two top criteria defined in the Park Code and still be classified as "Most Desirable" on the Property Acquisition Roster.

The Park Code states that Criteria 1 through 3 should be considered "in the order" set forth in the Park Code which lists acquiring properties in high needs areas first and acquiring properties in areas with few open space resources second. RPD's Acquisition Policy and Roster should be modified to give greater weight to potential properties in high needs areas above other criteria, consistent with the Park Code.

Furthermore, RPD's Acquisition Policy includes neighborhoods with an Area Plan as high needs but this is not consistent with the high needs definition in the ROSE.⁹ Areas in which the Planning Department has developed Area Plans are subject to significant development and where the Planning Department is planning for future growth; however, neighborhoods with an Area Plan may not meet the high needs criteria. Further, Area Plans in some cases cover areas subject to development, but this does not necessarily mean that significant increases in residential population will occur (e.g., the downtown area plan).

2. The San Francisco Park Code does not include the availability of funding for the purchase, development or maintenance of the space as a priority for selecting properties for acquisition though that is a key Policy Standard in RPD's Acquisition Policy.

This criterion for the evaluation of potential properties was added by the task force that updated RPD's Acquisition Policy in 2011. According to RPD staff, Policy 2 is necessary to ensure that a dialogue among policy makers and the public about how a proposed property's acquisition, development and maintenance could be funded is initiated early on in the process. This is to prevent an acquired property from remaining vacant due to inadequate funding for development or maintenance. This RPD Policy Standard, while an understandable consideration from RPD's perspective, is not a priority consideration set forth in Section 13.02 of the Park Code.

Although, the availability of funding or the ability to leverage funding is an added benefit to a potential property acquisition, including it as an evaluative measure is not consistent with the criteria and priorities set forth in the Park Code. The criteria mentioned in Section 13.02 of the Park Code was included to ensure that properties were acquired to create parks where parks were most needed, not for properties where funding was available or could be leveraged. Policy Standard 2 could result in inequitable acquisitions across communities as some communities in the City may have a stronger ability or more resources to organize and fundraise, while other communities may lack this capacity. By favoring property acquisitions in areas that can secure outside funding, Policy 2 could result in acquisitions overlooking the intended purpose of the Open Space Acquisition Fund defined in the Park Code, which is to acquire properties for parks in high needs areas and areas that lack open space.

According to RPD staff, community members had approached RPD regarding the Noe Valley Town Square acquisition in 2010 when the owner announced it would be selling the property. One of the reasons the Noe Valley Town Square acquisition gained momentum in 2013 and was proposed to be acquired before other properties on the Acquisition Roster was due to the community's support and

⁹ High needs areas as defined in the Recreation and Open Space Element of the City's General Plan are places where there is a conglomeration of high density and high percentages of children, youth, seniors, and households with low incomes.

success in raising funds to offset the development cost of the property. Other factors identified by RPD include available funding from a State grant for development costs, a willing seller who wanted to keep the property as public open space and a completed appraisal process. While acquisition of this property appears to be a successful effort obtaining a property for a new park in an area with distribution deficiencies, its acquisition was not consistent with the top priorities and acquisition criteria in the City's Park Code.

However, the Department points out that funding other than the Open Space Acquisition Fund, such as the Eastern Neighborhoods Development Impact Fees used for the 17th and Folsom property acquisition, or grants, can also be used for high needs neighborhoods that may not have the capacity to raise private funds. While this may be the case in this instance, there is no assurance that such grant funding will be available for each acquisition made by RPD. While the ability of the neighborhood residents to raise funds for acquisition and maintenance was a key factor supporting the Noe Valley Town Square park, RPD staff points out that the Department is actively working at present to acquire a property at 900 Innes, for which no neighborhood-based or other outside funding has been identified.

It should be noted that the cost of developing and maintaining a park is significant to RPD and fiscal matters clearly must be considered in deciding whether or not to acquire a property. However, since the Park Code places acquisition of areas in high needs areas as the top priority, the Budget and Legislative Analyst believes that RPD should consider a different approach to property acquisition to include identifying the properties in high priority areas first, then putting its resources into structuring a financing package second. If a property is identified in a high needs area, but funding available from Department sources is insufficient and the community cannot leverage needed funding, RPD staff should engage that community and its stakeholders and assist them with organizing to help raise private money if needed. Moreover, RPD staff may be able to identify funding sources such as grants or request that additional General Fund monies be appropriated for the development and maintenance of parks in high needs areas.

3. Policy 3 in RPD's Acquisition Policy allows for RPD to prioritize properties for acquisition that have a variety of recreational uses, as opposed to prioritizing the acquisition of properties that protect significant natural areas as required by the Park Code.

Park Code Criterion 3 prioritizes acquiring a *type* of open space, specifically a significant natural area that is not protected from development. Policy Standard 3 of RPD's Acquisition Policy does not prioritize significant natural areas but instead emphasizes the function that a proposed property could offer and if it provides multiple recreational uses. Although RPD's Policy Standard 3 includes natural resources protection as a type of use; it is one of four potential uses and is not adequately prioritized to meet the intent of the Park Code. RPD staff noted that in many instances natural areas are acquired through jurisdictional transfer which does not require Open Space Acquisition Funds.

Finding #3: A well-defined process is not in place for RDP to identify open space in high needs areas.

To date RPD's Open Space Acquisition Fund's acquisition process has been highly community-driven. In most cases, properties that are evaluated and added to RPD's Acquisition Roster have been suggested by community members, so the roster reflects those areas of the City where residents have organized and requested that RPD consider a particular property.

As can be seen from the map below, which aggregates high needs areas, distribution deficient areas and areas within an Area Plan, the properties that have been acquired using the Open Space Acquisition Fund were not located directly in areas where there is a conglomeration of high needs factors; however, several sites were located nearby these areas.¹⁰

Exhibit 9: Open Space Acquisition Fund Property Acquisitions Compared to High Needs/Distribution Deficient Areas since FY 2000-01

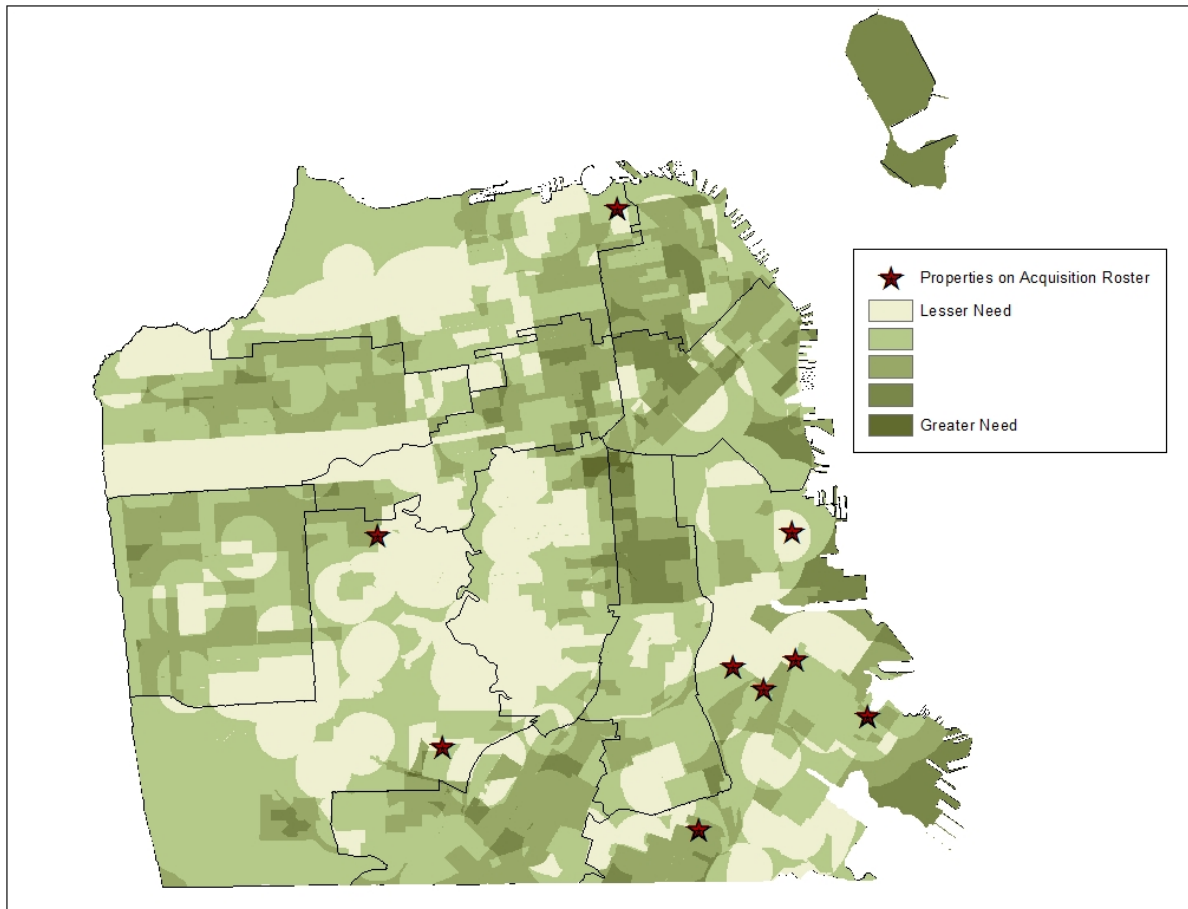


*This map was made by the Budget and Legislative Analyst using data from the San Francisco Planning Department.

Furthermore, none of the properties that are currently on the Acquisition Roster are located directly in areas where there is a conglomeration of high density and a high percentages of children, youth, seniors, and households with low incomes, as shown in the map below. RPD staff noted that several of the sites on the map are on the Acquisition Roster due to the presence of natural resources, which is an acquisition criterion in the Park Code; however this criterion it is not a variable in this map.

¹⁰The map does not include the property at 17th and Folsom, which RPD is attempting to acquire, since Open Space Acquisition Funds would not be used for that property.

Exhibit 10: Properties Currently Listed on RPD's Acquisition Roster



*This map was made by the Budget and Legislative Analyst using data from the San Francisco Planning Department.

According to Section 13.02 of the Park Code, the criterion that should be considered first when identifying a property for acquisition is that the property is located in a neighborhood designated as a “high needs area” pursuant to the ROSE in the City’s General Plan. The fact that none of properties acquired since 2000 using Open Space Funds Acquisition Funds and none of the properties currently being considered by RPD staff for acquisition are located in areas where there is a conglomeration of high density and high percentages of children, youth, seniors, and households with low incomes indicate that the current process for identifying properties for acquisition is insufficient for identifying open space in high needs areas. A more proactive process, led by RPD staff that engages communities in high needs areas should be implemented.

Though RPD’s acquisition in 2011 of the property at 17th and Folsom is in a high needs area and was identified through a joint effort with the Planning Department as part of the development of the Eastern Neighborhood Plans, Open Space Acquisition Funds were not used for this property. During the development of neighborhood plans¹¹, the Planning Department solicits community feedback through a series of community meetings and identifies zones in neighborhood plan areas where new parks and

¹¹ Area plans are commonly referred to as neighborhood plans which are plans for a specific area of the City that has been adopted by the Board of Supervisors as part of the General Plan.

open space should be located. Some, but not all neighborhood area plans are necessarily in high needs areas. RPD staff should continue to work with the Planning Department to locate potential properties for acquisition as part of the neighborhood planning process.

It is also important to highlight that in recent months, RPD staff members have begun working with communities in various neighborhoods to identify potential sites for acquisition in high needs areas. For example, RPD staff are currently working to identify potential new park sites in Supervisorial District 6 (Tenderloin and South of Market), much of which is designated as a high needs area, and plan to identify one or more sites in Supervisorial District 6 to add to the RPD Acquisition Roster in the next few months.

Policy Options for Consideration by the Board of Supervisors

To address the above findings, the Budget and Legislative Analyst has developed the following policy options for consideration by the Board of Supervisors.

RPD's Strategic, Capital or Operational Plans

To address RPD compliance with its Park Code planning requirements and to ensure that PROSAC fulfills its duties established in the Park Code, the Board of Supervisors could request that RPD management:

1. Direct RPD staff to include the specific properties that are being considered for acquisition in the City's Ten-Year Capital Plan and in any Department-prepared bond plans.
2. Direct RPD staff to develop a Five-Year Strategic Plan, to be updated annually, by the end of FY 2013-14 which would be brought to the Recreation and Park Commission each year for approval and forwarded to the Board of Supervisors.
3. Direct RPD staff to develop a Five-Year Operational Plan, including all Department services areas, to be updated annually, by the end of FY 2014-15 which would be brought to the Recreation and Park Commission for approval.
4. Request that PROSAC provide input and written comments to RPD for each plan.

RPD's Property Acquisition Policy

5. *To address inconsistencies between the property acquisition criteria in the City Park Code and RPD's Acquisition Policy, the Board of Supervisors could request that RPD management amend its Acquisition Policy to make it consistent with the criteria and priorities in Section 13.02 of the Park Code or present possible amendments to the Park Code to address the following matters:*
 - a) RPD management should discontinue giving equal weight in the Department's Acquisition Policy to properties in high needs areas and those in areas with distribution deficiencies. To be consistent with the Park Code, properties should be defined by RPD as "most desirable" only when they are in high needs areas, as defined by the City's General Plan to be areas with a *conglomeration* of high density and a high percentage of children, youth, seniors and low-income households.
 - b) RPD should amend its Acquisition Policy Standard 1 by removing locations within an Area Plan from the high needs area definition since this is not consistent with the Park Code definition of high needs.

- c) RPD management should establish a second priority in its Acquisition Policy on areas undergoing significant residential population growth with few park or open space properties, after high needs areas are considered, consistent with the Park Code criteria.
- d) RPD should amend its Acquisition Policy to clarify that properties should not be given priority based on the availability of funding for the purchase, development and maintenance of the property, but that RPD first place top priority on identifying and acquiring properties in high needs areas and then should endeavor to secure funding for such properties from sources such as the Open Space Acquisition Fund and private sources.
- e) Properties that protect significant natural resources should be considered a higher priority than properties that offer multiple recreational uses, consistent with the Park Code.
- f) RPD management should provide the Board of Supervisors with possible amendments to either the Park Code acquisition criteria, where they can demonstrate that some of the criteria are no longer applicable to the property acquisition process or marketplace, and/or to the Department's Acquisition Policy where RPD can demonstrate that certain other elements should be included in addition to the Park Code criteria.

Identify Open Space in High Needs Areas

- 6. To address the need for identifying properties for parks and open space use in high needs areas, the Board of Supervisors could request that RPD develop a formal process for review by the Board of Supervisors that can be systematically implemented in which RPD staff proactively identifies open space in high needs areas for property acquisition. This process could include hosting community meetings in high needs areas, consulting with park and recreation *related community groups and stakeholders in high needs areas, assisting with fundraising capacity-building in neighborhoods that cannot raise funds, meeting with Supervisors with high needs areas in their district, meeting with PROSAC members that represent districts with high needs areas, meeting with the Real Estate Department to discuss possible acquisitions, and continuing to work with the City's Planning Department during the development of their neighborhood plans to identify potential properties for acquisition in high needs areas.*
- 7. The Board of Supervisors could request that RPD report to PROSAC each meeting on the progress of potential acquisitions and develop an annual report that details RPD staffs' efforts in identifying open space in high needs areas, the progress that has been made to date, how potential funding could be secured if there is none, the potential setbacks to acquisition and proposed solutions. This report should be brought to the Recreation and Parks Commission for approval.

Open Space Acquisition Fund Management and Interest Earnings

- 8. *To address the issue that the Open Space Acquisition Fund has not been earning interest since it was established,* the Board of Supervisors could request that RPD and the Controller's Office allow the Open Space Acquisition Fund to accrue its own interest pursuant to Section 16.107 of the City Charter.

Appendix A

High Needs Methodology Developed by the Planning Department for the Recreation and Open Space Element of the City' General Plan

Population Density (People per Acre) Median is 35.17. Double the median is considered the break point and then the two highest levels are based on a natural split in the data.

Criteria	Score
Less than 70.40	1
Between 70.41 and 88.00	2
More than 88.01	3

Children Four and Younger (Children per Acre) Median is 1.82. Double the median is considered the break point and then the two highest levels are based on a natural split in the data.

Criteria	Score
Less than 3.60	1
Between 3.61 and 4.00	2
More than 4.01	3

Seniors Sixty-Five and Over (Seniors per Acre) Median is 4.81. Double the median is considered the break point and then the two highest levels are based on a natural split in the data.

Criteria	Score
Less than 9.60	1
Between 9.61 and 12.00	2
More than 12.01	3

Youth Ages Five to Thirteen (Youth per Acre) Median is 2.57. Double the median is considered the break point and then the two highest levels are based on a natural split in the data.

Criteria	Score
Less than 4.60	1
Between 4.61 and 6.40	2
More than 6.41	3

Household Income (Dollars per Year) Household Median Income is \$73,886. Very low-income is less than .5 of the median. Low-income is .5-.8 of Median. Greater than .8 of Median is Low income. Note: We will be revising this to be as follows: Household Median Income is \$73,886. Very-low income is less than .5 Median Income. Low-income is .5-.8. Moderate income is .8 to 1.2 of Median. Above 1.2 is not considered a high need.

Criteria	Score
More than \$58,400	1
Between \$36,500 and \$58,399	2
Less than \$36,499	3

Active Use/Sports Field. Active Use/Sports Field space can be a ½ mile walk as it's a destination space.

Criteria	Score
Within one-half mile	0
Not within one-half mile	1

Passive Use/Tranquil Spaces. Passive Use/Tranquil space can be a ½ mile walk as it's a destination space.

Criteria	Score
Within one-half mile	0
Not within one-half mile	1

Playgrounds. Playgrounds should be within $\frac{1}{4}$ mile as they need to be closer walking distance.

Criteria	Score
Within one-quarter mile	0
Not within one-quarter mile	1

Within Growth Area (designated Plan area)

Criteria	Score
Outside Plan area	0
Within Plan area	1

Appendix B

PROSAC Findings	Important Attributes & Notes From Site Info Sheet	PROJECT INFORMATION			Does Not Meet Policy Goals	POLICY GOALS 1-3								
		Property Description and Site Location			NO RECOMMENDATION	DESIRABLE			MORE DESIRABLE		MOST DESIRABLE			
		Property Size	Address / Block and Lot	Project Title	Property Does Not Meet RPD Acquisition Policy Goals 1-3	Special Attributes (Scenic Views, Accessibility to Water)	Natural Resources Protection	Active Recreation	Passive Recreation	Leverages other Funding for Maintenance	Leverages other Funding for Construction	Leverages Other Funding for Acquisition	Located within an Open Space Deficient Area	Located within a High Hands Area

PROPERTY EVALUATION WORKSHEET

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Appendix C

RECREATION and PARK DEPARTMENT ACQUISITION ROSTER

PROJECT INFORMATION	POLICY GOALS 1-3			
	Property Description and Site	DESIRABLE	MORE DESIRABLE	MOST DESIRABLE
		Located within or Serves a High Needs Area Located within a Designation Gap Averages Other Funding for Acquisition Averages Other Funding for Construction Averages Other Funding for Maintenance	Active Recreation Natural Resources Protection Special Attributes (Scenic Views, Accessibility to Views)	Passive Recreation Pigeon Recreation Action Recreation Natural Resources Protection Special Attributes (Scenic Views, Accessibility to Views)
Property Size 26,866 sf / 0.89 acres TBD TBD 82,000 +/- sf / 2.11 acres 8,200 sf / 0.23 acres 172,800 sf / 3.95 acres 82,704 sf / 1.9 acres 4,680 sf / 0.14 acres 7,200 sf / 0.18 acres 0.25 acres / 1E, 629 sq ft.	Address / Block and Lot 20th Street Hwy, Tennessee and Winona St Block 4107, Lot 008 3180, Lot 001 Projects surrounding 900 Linn Avenue Block 4965, Lot 11, 06, 11, 34, Block 6238, Lot 12, 33, 36, 37, Block 6247, Lots 11, 12, 30, 33, 34, 35 6201, Lots 8 & 37, Block 3302, Lots 2, 3 & 45, Block 6208, Lots 19, 22 & 28, 31, Block 5125, Lots 13, 15 & 33, Block 6238, Lot 12, 33, 36, 37, Block 6247, Lots 11, 12, 30, 33, 34, 35	Project Title M. Scott School Bibbs Park Reservoir Iola Basin (800 Trees Area) Madison Valley Gateway Saly & Phila Transfer Francis St. Reservoir Tin & Linton Park, Patches Open Space Extension Bag and Hudson New Valley Town Square	Case Priority to Transit: Existing Site Features and existing historic building likely provide with recreation opportunities and challenges: Within Central Wildcatford Area Plan Case Priority to Transit: When the Bibbs Park Station Area Plan Historic Resources located on site, Former Industrial Uses on site may require clean up, adjacent to PPD Properties. Part of local and regional trail network owned. Existing alignment, Within Region, Historic Fort Area Park & Iola Basin Salaries Park, in discussion. Investigation of property and status in progress; 3 different owners. DPW owned, Priority to track. Existing recreational site currently managed by PPD. Adjacent to elevated portion of 20th Street; PPD previously acquired property owned by DPW. Elyview Hunters Fort Area Plan. PUD owned. Adjacent to PPD property. Scenic views of the Bay. Resources to east on site. SHSD owned, partial views. Case Priority to Transit. Surrounding area staged. Adjacent streets pose potential hazards. On study corridor for cross town trail. Adjacent to existing PPD Property. Provides scenic views, Natural Area, Within Elyview Hunters Park Area Plan. Adjacent value less than existing price. Case Priority to Transit, between 3 streets - 1 very busy. Adjacent value less than existing price. Within Elyview Hunters Park Area Plan. Strong community gathered has leveraged funds for construction and maintenance. Possible PPD grant may also contribute to acquisition.	Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter June 2011 Approved Reiter Jan 2013