

BOARD of SUPERVISORS



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September 29, 2015

File No. 150940

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On September 22, 2015, Supervisor Farrell introduced the following proposed Charter Amendment for the June 7, 2016, Election:

File No. 150940 Charter Amendment - Park, Recreation and Open Space Fund

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to require an annual baseline appropriation for the Park, Recreation and Open Space Fund based on City spending for park and recreation purposes in FY2015-2016, and modify the Recreation and Park Department's planning obligations, at an election to be held on June 7, 2016.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink that reads "Alisa Somera".

By: Alisa Somera, Committee Clerk
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner
Jeanie Poling, Environmental Planner

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

1 [Charter Amendment - Park, Recreation and Open Space Fund]

2
3 **Describing and setting forth a proposal to the voters to amend the Charter of the City and**
4 **County of San Francisco to require an annual baseline appropriation for the Park,**
5 **Recreation and Open Space Fund based on City spending for park and recreation purposes**
6 **in FY2015-2016, and modify the Recreation and Park Department's planning obligations,**
7 **at an election to be held on June 7, 2016.**

8
9 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City
10 and County, at an election to be held on June 7, 2016, a proposal to amend the Charter of the
11 City and County by revising Section 16.107, to read as follows:

12 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
13 **Additions** are *single-underline italics Times New Roman font*.
14 **Deletions** are *strike-through italics Times New Roman font*.
15 **Asterisks (* * * *)** indicate the omission of unchanged Charter
16 subsections.

17 **SEC. 16.107. PARK, RECREATION AND OPEN SPACE FUND.**

18 (a) Establishment of Fund. There is hereby established the Park, Recreation and Open
19 Space Fund ("Fund") to be administered by the Recreation and Park Department ("Department")
20 as directed by the Recreation and Park Commission ("Commission"). Monies *in the Fund*
21 *therein* shall be expended or used solely by the Department, subject to the budgetary and fiscal
22 provisions of the Charter, to provide *enhanced* park and recreational services and facilities.

23 (b) Annual Set-aside. The City will continue to set aside from the annual tax levy, for a
24 period of thirty years starting with the fiscal year 2000-2001, an amount equivalent to an annual
25 tax of two and one-half cents (\$0.025) for each *one-hundred dollars* ~~(\$100)~~ assessed valuation.
Beginning in fiscal year 2016-2017, revenues from the set-aside, together with interest, shall be

1 deposited into the Park, Recreation and Open Space Fund. Revenues ~~obtained thereby from the~~
2 set-aside shall be in addition to the baseline appropriation required by subsection (c), and not in
3 place of, any sums normally budgeted for the Department and, together with interest, shall be
4 deposited into the Park, Recreation and Open Space Fund.

5 The Controller shall set aside and maintain such an amount, together with any interest
6 earned thereon, in the Fund, and any amount unspent or uncommitted at the end of the fiscal year
7 shall be carried forward to the next fiscal year and, subject to the budgetary and fiscal limitations
8 of this Charter, shall be appropriated then or thereafter for the purposes specified in this
9 Section 16.107.

10 (c) Baseline Maintenance of Effort. The annual set-aside shall be used exclusively to
11 increase the aggregate City appropriations to and expenditures by the Recreation and Park
12 Department for Department purposes. To this end, beginning in fiscal year 2016-2017 and
13 thereafter through fiscal year 2030-2031, the City shall not reduce the baseline general fund
14 support amount appropriated to the Department below the amount appropriated in fiscal
15 year 2015-2016, as calculated by the Controller, except that the baseline amount shall be
16 adjusted as follows:

17 (1) Each year in fiscal years 2016-2017 through 2025-2026, the City shall
18 increase the baseline appropriation by \$3 million over the prior year.

19 (2) Each year in fiscal years 2026-2027 through 2030-2031, the City shall adjust
20 the baseline by the percentage increase or decrease in aggregate City discretionary revenues, as
21 determined by the Controller, based on calculations consistent from year to year. In determining
22 aggregate City discretionary revenues, the Controller shall only include revenues received by
23 the City which are unrestricted and may be used at the option of the Mayor and the Board of
24 Supervisors for any lawful City purpose. The Controller is authorized to increase or reduce
25

1 budgetary appropriations as required by this subsection (c) to align the baseline amount to the
2 amount required by formula based on actual revenues received during the fiscal year.

3 (3) The City may suspend growth in the baseline funding pursuant to subsections
4 (c)(1) and (c)(2) in fiscal year 2016-2017 if the City's projected budget deficit for that year at
5 the time of the Joint Report or Update to the Five Year Plan as prepared jointly by the
6 Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst exceeds
7 \$200 million. For fiscal year 2017-2018 through fiscal year 2030-2031, the City may suspend
8 growth in baseline funding pursuant to subsections (c)(1) and (c)(2) for any year in which the
9 projected budget deficit at the time of the Joint Report or Update to the Five Year Plan as
10 prepared jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors'
11 Budget Analyst exceeds \$200 million adjusted annually by changes in aggregate City
12 discretionary revenues.

13 (4) The City shall not increase Departmental appropriations for services of other
14 City departments or agencies, except for departments or agencies for whose services the
15 Department appropriated funds in fiscal year 2015-2016 or for new requested services from
16 departments or agencies not provided to the Department in that year.

17 (5) At the end of the fiscal year, any excess general fund Departmental revenue
18 shall be reserved to be used for one-time Departmental expenditures. "General fund
19 Departmental revenue" is defined as all revenues credited to the Department's general fund
20 budget other than the baseline contribution defined in subsection (c).

21 ~~(c) Enhanced Revenue and Efficiency Incentives for the Department. It is the policy of~~
22 ~~the City and County of San Francisco to give the Department greater incentives to improve~~
23 ~~operational efficiencies and to increase revenue. Increases in revenues and savings shall be~~
24 ~~dedicated as follows:~~

1 1. ~~Actual net increases in Department-generated revenues, compared to the~~
2 ~~previous fiscal year, shall be dedicated to capital and/or facility maintenance improvements to~~
3 ~~park and recreational facilities; and,~~

4 2. ~~New revenues from outside sources, such as grant or foundation support, shall~~
5 ~~be used only for enhancement of park and recreational programs, including, but not limited to,~~
6 ~~capital and/or facility maintenance improvements; and~~

7 3. ~~Overall Department expenditure savings shall be retained by the Department~~
8 ~~to be dedicated to one-time expenditures.~~

9 (d) The City shall implement its efforts to increase revenues in a manner consistent with
10 the City's policy of charging City residents a lower fee than that charged nonresidents for the use
11 and enjoyment of Department property.

12 (e) ~~(d)~~ Revenue Bond Authority. Notwithstanding the limitations set forth in
13 Sections 9.107, 9.108, and 9.109 of this Charter, the Commission may request, and upon
14 recommendation of the Mayor the Board of Supervisors may authorize, the issuance of revenue
15 bonds or other evidences of indebtedness, or the incurrence of other obligations, secured by the
16 Park, Recreation and Open Space Fund for acquisition, construction, reconstruction,
17 rehabilitation and/or improvement of real property and/or facilities and for the purchase of
18 equipment.

19 (f) ~~(e)~~ Fund Expenditures on Commission Property. Any real property acquired with
20 monies from the Fund, including the proceeds of obligations issued pursuant to subsection (e)
21 ~~(d)~~, above, shall be placed under the jurisdiction of the Commission within the meaning of
22 Section 4.113. Fund expenditures to improve, construct, reconstruct or rehabilitate real property
23 shall be limited to property under the jurisdiction of the Commission or property under the
24 jurisdiction of another City department or public agency and subject to an agreement with the
25 Department for its use, management and maintenance.

1 (g) ~~(f)~~ Use and Allocation of the Fund. Each year, the Commission shall adopt a budget
2 for the allocation and expenditure of the Fund in compliance with the budget and fiscal
3 provisions of the Charter, ~~which shall be adopted by the Commission only after a written~~
4 ~~determination by the Planning Department of conformity with the City's General Plan.~~

5 The annual budget for allocation of the Fund that is adopted by the Commission and
6 submitted by the Mayor to the Board of Supervisors shall include:

7 (1-) Allocations for after-school recreation programs, urban forestry, community
8 gardens, volunteer programs, and a significant natural areas management program in the amounts
9 allocated for each of those programs from the Park and Open Space Fund in the Department's
10 fiscal year 2015-2016 ~~1999-2000~~ budget, to the extent that such programs are not so funded in
11 the Department's operating budget or in the budget of another City department.

12 (2-) An allocation necessary to ensure that 3% of the monies to be deposited in
13 the Fund during the upcoming fiscal year pursuant to subsection (b), above, be available at the
14 start of the fiscal year as an undesignated contingency reserve.

15 (3-) An allocation of not less than 5% of the monies to be deposited in the Fund
16 during the upcoming fiscal year pursuant to subsection (b), above. These monies shall be
17 dedicated to the acquisition of real property identified in the Capital Plan discussed in
18 subsection (h)(2) ~~(g)~~, below. Any portion of these monies that remains unspent or uncommitted
19 at the end of any fiscal year shall be carried forward, with interest thereon, to the next fiscal year
20 for the purposes set forth herein. ~~The 5% allocation need not be included in the budget~~
21 ~~submitted to the Board of Supervisors for an upcoming fiscal year to the extent that the total City~~
22 ~~expenditure for acquisition of property to be placed under the jurisdiction of the Commission for~~
23 ~~the period commencing with fiscal year 2000-2001 2000-01 and ending with the close of the~~
24 ~~immediately preceding fiscal year exceeds an amount equal to 5% of the total amount~~
25 ~~appropriated, or to be appropriated, to the Fund for the period commencing with fiscal~~

1 ~~year 2000-2001-2000-01 and ending with the close of the upcoming fiscal year. Starting in fiscal~~
2 ~~year 2016-2017 and in any year thereafter through fiscal year 2030-2031, the Commission may~~
3 ~~use the property acquisition allocation under this subsection (g)(3) for the planning and~~
4 ~~construction of properties added to the Commission's jurisdiction through the Fund.~~

5 Prior to the adoption of the annual budget by the Recreation and Park Commission, the
6 Department, in conjunction with the Citizens Parks, Recreation, and Open Space Advisory
7 Committee discussed in subsection (i) ~~(h)~~, below, shall conduct two public hearings in the
8 evenings or on weekends to permit the public to comment on the Department's full budget and
9 programming allocations.

10 ~~(h)~~ ~~(g)~~ Planning and Reporting Measures. The Commission shall adopt several
11 long-term plans that include, but are not limited to, the following:

12 ~~(1-)~~ Strategic Plan. By January 1, 2017, and every five years thereafter
13 ~~December 1, 2000~~, the Department shall prepare, for Commission consideration and approval, a
14 five-year Strategic Plan, ~~to be updated annually~~, that establishes or reaffirms the mission, vision,
15 goals and objectives for the Department. The Department will use this Strategic Plan to guide its
16 work over each five-year period. Every two years after the approval of a Strategic Plan, the
17 Department will report to the Commission on the Department's progress under the Plan and
18 subject to the Commission's approval, shall amend the Plan as appropriate. This Strategic
19 Plan will be used to guide the Department's work over the next five years.

20 ~~(2-)~~ Capital Plan. The Department shall cooperate in the development of the
21 City's Capital Expenditure Plan under Administrative Code 3.20, as amended, or any successor
22 legislation. Before the Department submits its capital priorities for consideration as part of the
23 Capital Expenditure Plan, the Department shall propose a plan, including development,
24 renovation, replacement and maintenance of capital assets and acquisitions, to the Parks,
25 Recreation, and Open Space Advisory Committee discussed in subsection (i) for review and to

1 the Commission for approval. The Capital Expenditure Plan shall address irrigation, water
2 conservation, and urban forestry, on park lands.

3 ~~By December 1, 2000, the Department shall prepare, for Commission~~
4 ~~consideration and approval, a five-year Capital Plan, to be updated annually, for the~~
5 ~~development, renovation, replacement and maintenance of capital assets, and the acquisition of~~
6 ~~real property. In its Capital Plan the Department shall propose specific properties to be~~
7 ~~acquired for open space, recreation facilities, significant natural areas, and other recreational~~
8 ~~purposes and shall prioritize capital and maintenance improvements and provide budgets~~
9 ~~associated with such improvements. Capital and acquisition projects will be designated by the~~
10 ~~Department based upon needs identified by the Department and the community. Capital projects~~
11 ~~will include the planning, design and construction of projects that rehabilitate, restore or~~
12 ~~replace existing facilities or that develop new facilities. Acquisition projects will include, but~~
13 ~~will not be limited to, purchase, lease, exchange, eminent domain, license or any other vehicle~~
14 ~~giving the City a right, whether revocable or not, to use real property, or any interest therein, or~~
15 ~~any improvement or development rights thereon, for recreational purposes, including, but not~~
16 ~~limited to, protection of natural resources, development of community gardens and development~~
17 ~~of urban trails, provided that, notwithstanding anything herein to the contrary, no acquisition of~~
18 ~~less than fee simple title may be for a term of less than ten years.~~

19 (3-) Operational Plan. By February 1, 2017, and for each annual or biennial
20 budgetary cycle thereafter, as determined under Charter Section 9.101, the Department shall
21 prepare, for Commission consideration and approval, an Operational Plan. The Department
22 shall base the Operational Plan on the then-current Strategic Plan, and the Operational Plan
23 shall be in addition to the Department's budget. The Department shall include in the
24 Operational Plan a statement of the objectives and initiatives within the Strategic Plan that the
25 Department plans to undertake and/or accomplish during the next budgetary period, including

1 performance indicators and targets. Each Operational Plan shall include an assessment of the
2 Department's progress on the previous Operational Plan. Following Commission approval, the
3 Department shall submit the Operational Plan to the Mayor and the Board of Supervisors, as
4 part of the Department's justification for requested resources.

5 The Department shall appropriate, as a separate line item, funds required for
6 preparation, monitoring, and evaluation of the plans required under this subsection (h).

7 ~~By December 1, 2001, the Department shall prepare, for Commission~~
8 ~~consideration and approval, a five-year Operational Plan, to be updated annually, detailing~~
9 ~~proposed improvements to the Department's services and responsiveness to customer needs. The~~
10 ~~annual Operational Plan will serve as a tool for improving the operational efficiency of the~~
11 ~~Department and will include measurable performance standards for the Department. The~~
12 ~~Department shall prepare the initial Operational Plan after conducting a performance audit of~~
13 ~~Departmental operations. Thereafter, the Department will conduct periodic performance audits.~~

14 The Commission shall establish a community input process, which shall may include the
15 Parks, Recreation, and Open Space Citizens Advisory Committee discussed in section (i) ~~(h)~~,
16 below, through which citizens of the City and County of San Francisco will provide assistance to
17 the Commission as it develops criteria and establishes the plans required by this subsection.
18 Prior to the adoption of any Strategic Plan each five-year plan, the Department shall conduct at
19 least five hearings in locations distributed geographically throughout the City to receive and to
20 consider the public's comments upon the plan. The Commission shall ensure that at least two of
21 these hearings are held in the evenings or on weekends for the public's convenience.

22 ~~The Department shall report regularly annually, as a part of the City's budget process, to~~
23 ~~the Mayor and to the Board of Supervisors, on the status of the plans and on the status of~~
24 ~~Department goals, objectives and capital project timelines for the current fiscal year, as well as~~
25 ~~provide reports on performance measures required by this Section.~~

1 In the fourth year of each Strategic Plan under subsection (h)(1), the Controller's City
2 Services Auditor shall conduct a performance audit of the Department to assess the
3 Department's progress under the Strategic Plan and to inform the development of the
4 Department's next Strategic Plan. The audit shall include an analysis of the Department's
5 compliance with the planning and reporting measures in this subsection (h). The costs of the
6 audit may be charged to the baseline established in subsection (c).

7 If the audit finds that the Department has not complied with the requirements in this
8 subsection (h), the Board of Supervisors may place up to 5% of the baseline appropriation under
9 subsection (c) for the next fiscal year on reserve, pending subsequent release of the reserve by
10 Board action upon finding progress toward these requirements. The preceding sentence is not
11 intended to modify the Board's authority under the fiscal and budgetary provisions of the
12 Charter.

13 The Commission may modify any deadlines contained in this subsection (h) by resolution
14 adopted by a two-thirds' vote of its members, and a resolution recommended by the Mayor and
15 approved by the Board of Supervisors.

16 (i) ~~(h)~~ Parks, Recreation, and Open Space Citizens Advisory Committee. The Board of
17 Supervisors shall establish, by ordinance, a Parks, Recreation, and Open Space Citizens
18 Advisory Committee, such as the committee established in Administrative Code Section 13.01,
19 as amended, or any successor legislation.

20 (i) ~~Environmental and Design Guidelines.~~ The Commission shall adopt written
21 environmental and design guidelines for new facilities, parks, and open spaces and the
22 renovation or rehabilitation of existing facilities, parks, and open spaces. These guidelines shall
23 be consistent with any applicable standards of the Art and Planning Commissions.

24 (j) Capital Projects. Notwithstanding the provisions of Section 3.104 of this Charter, the
25 Commission shall have the authority to prepare and approve the plans, specifications and

1 estimates for all contracts and orders, and to award, execute and manage all contracts and orders,
2 for capital projects on real property under its jurisdiction or management. Capital projects
3 supported by the Fund, other than those projects identified by the Department as long-term
4 projects, must be fully constructed within three years of the initial budget allocation for those
5 projects. Long-term projects must be fully constructed within five years of the initial budget
6 allocation. Any exceptions to this provision must be authorized by a two-thirds vote of the
7 Commission.

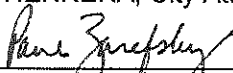
8 ~~The Recreation and Park Department and the Department of Public Works ("DPW")~~
9 ~~shall establish a committee to develop a written, capital implementation program, for the~~
10 ~~consideration of both Departments, that will govern DPW's involvement in capital projects~~
11 ~~undertaken by the Recreation and Park Department. In developing this program, the committee~~
12 ~~shall consider the Capital Plan discussed in subsection (g), above, staffing levels in both~~
13 ~~Departments, and the availability of other resources.~~

14 ~~(f) Unspent Funds. All unspent funds in the Park and Open Space Fund on June 30,~~
15 ~~2000 shall continue to be held for the use and benefit of the Department. These monies shall be~~
16 ~~expended in a manner consistent with the general purposes for which they were originally~~
17 ~~appropriated.~~

18 (k) In addition to the requirements set forth by this Section 16.107, all expenditures from
19 the Fund shall be subject to the budget and fiscal provisions of the Charter.

21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By:


24 PAUL ZAREFSKY
Deputy City Attorney

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LEGISLATIVE DIGEST

[Charter Amendment - Park, Recreation and Open Space Fund]

Describing and setting forth a proposal to the voters to amend the Charter of the City and County of San Francisco to require an annual baseline appropriation for the Park, Recreation and Open Space Fund based on City spending for park and recreation purposes in FY2015-2016, and modify the Recreation and Park Department's planning obligations, at an election to be held on June 7, 2016.

Existing Law

The voters adopted the current Park, Recreation and Open Space Fund ("Fund") in March, 2000. Each year, the City pays into the Fund a portion of the property tax equal to two and one-half cents for each \$100 of assessed valuation. The Fund and the set-aside will expire at the end of fiscal year 2029-2030. The set-aside is in addition to, and not in place of, any sums normally budgeted for the Recreation and Park Department ("Department"), but the Charter does not specify how the "normally budgeted" level of spending is to be calculated or require the City to appropriate a particular amount to the Department in addition to the set-aside.

The Recreation and Park Commission ("Commission") must annually adopt five-year strategic, capital, and operating plans for the Fund. The annual budget for the Fund must include allocations for after-school recreation programs, urban forestry, community gardens, volunteer programs, and a significant natural areas management program, in the amounts allocated for each of those programs from the Fund in the Department's fiscal year 1999-2000 budget, subject to certain exceptions. The annual budget for the Fund must allocate at least 5 percent of the annual property tax set-aside for acquisition of real property identified in the capital plan, with certain exceptions.

Amendments to Current Law

The proposal is a Charter amendment that would make a number of changes to the Fund.

The proposal would add a requirement that beginning in fiscal year 2016-2017 the City would annually appropriate a "baseline amount" to the Department measured by the amount of general fund support appropriated to the Department in fiscal year 2015-2016 and increased annually by \$3 million for fiscal years 2016-2017 through 2025-2026. In fiscal years 2026-2027 through 2030-2031 this proposal would adjust the baseline annually by the percentage increase or decrease in aggregate City discretionary revenues, as determined by the Controller.

The proposal would add an allowance for growth in the baseline to be suspended for any year in which the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst project a budget deficit of \$200 million or more in the upcoming fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan. The proposal would

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require that the \$200 million benchmark be adjusted annually by the percentage change in aggregate City discretionary revenue.

The proposal would limit the City's ability to increase the Department's appropriations for services of other City departments except for departments whose services the Department appropriated funds for in fiscal year 2015-2016 or for new requested services from departments or agencies not provided to the Department in fiscal year 2015-2016.

The proposal would require that any excess general fund Department revenue at the end of the fiscal year be reserved for one-time Departmental expenditures.

The proposal would remove the existing requirement that Department expenditure savings and new revenue from outside sources be used only for enhancement of park and recreational programs, including, but not limited to, capital and/or facility maintenance improvements and other one-time expenditures.

The proposal would require the Department to propose a Capital Plan to inform the City's Capital Expenditure Plan and include plans addressing the development, renovation, replacement and maintenance of capital assets and acquisitions as part of the Capital Plan.

The proposal would require the Recreation and Park Commission to adopt for each budget cycle an Operational Plan. The proposal would require that the Operational Plan be based on the current Strategic Plan and include a statement of the objectives and initiatives within the Strategic Plan that the Department plans to undertake and/or accomplish during the budgetary period, including performance indicators and targets.

The proposal would also require that the budget for the Fund include a separate line item for preparation, monitoring, and evaluation of the Department's Strategic, Capital, and Operational Plans.

The proposal would authorize the Commission, starting in fiscal year 2016-2017, to spend up to 5% of the property acquisition allocation for the planning and construction of properties added to the Commission's jurisdiction through the Fund.

And, the proposal would add a requirement that beginning in fiscal year 2020-21, and every third year thereafter, the Controller's City Services Audit Unit conduct a performance audit of the Department's adherence to its Strategic Plan. The costs of the audit would be charged to the Fund.