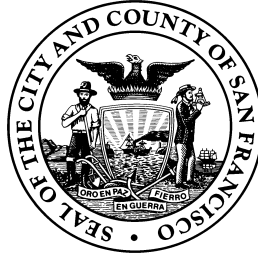


BOARD of SUPERVISORS



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January 22, 2016

**File No. 150940**

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

Dear Ms. Jones:

On September 22, 2015, Supervisor Farrell introduced, and the Rules Committee amended on January 21, 2016, the following proposed Charter Amendment for the June 7, 2016, Election:

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

Charter Amendment (Fourth 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, extend the annual set-aside and the baseline appropriation for 15 years to FY2045-2046, and modify the Recreation and Park Department's planning obligations to include equity analysis and Board of Supervisors review, 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

By: Derek Evans, 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, extend the annual set-aside and the baseline appropriation for 15 years to**  
7 **FY2045-2046, and modify the Recreation and Park Department’s planning obligations to**  
8 **include equity analysis and Board of Supervisors review, at an election to be held on**  
9 **June 7, 2016.**

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

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

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

20 (a) Establishment of Fund. There is hereby established the Park, Recreation and Open  
21 Space Fund ("Fund") to be administered by the Recreation and Park Department ("Department")  
22 as directed by the Recreation and Park Commission ("Commission"). Monies *in the*  
23 ~~*Fund therein*~~ shall be expended or used solely by the Department, subject to the budgetary and  
24 fiscal provisions of the Charter, to provide ~~*enhanced*~~ park and recreational services and  
25 facilities. *The Department embraces socio-economic and geographic equity as a guiding principle and commits to expending the funds across its open space and recreational programs*

1 to provide park and recreational access to all of San Francisco's diverse neighborhoods and  
2 communities.

3 (b) Annual Set-aside. The City will continue to set aside from the annual tax levy, for a  
4 period of ~~forty-five~~ ~~thirty~~ years starting with the fiscal year 2000-2001 and through and including  
5 fiscal year 2045-2046, an amount equivalent to an annual tax of two and one-half cents (\$0.025)  
6 for each ~~one hundred dollars~~ (\$100) assessed valuation. Beginning in fiscal year 2016-2017,  
7 revenues from the set-aside, together with interest, shall be deposited into the Park, Recreation  
8 and Open Space Fund. Revenues ~~obtained thereby~~ from the set-aside shall be in addition to the  
9 baseline appropriation required by subsection (c), and not in place of, any sums normally  
10 budgeted for the Department and, together with interest, shall be deposited into the Park,  
11 Recreation and Open Space Fund.

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

17 (c) Baseline Maintenance of Effort. The annual set-aside shall be used exclusively to  
18 increase the aggregate City appropriations to and expenditures by the Recreation and Park  
19 Department for Department purposes. To this end, beginning in fiscal year 2016-2017 and  
20 thereafter through fiscal year 2045-2046, the City shall not reduce the baseline general fund  
21 support amount appropriated to the Department below the amount appropriated in fiscal  
22 year 2015-2016, as calculated by the Controller, except that the baseline amount shall be  
23 adjusted as follows:

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

1                   (2) Each year in fiscal years 2026-2027 through 2045-2046, the City shall adjust  
2 the baseline by the percentage increase or decrease in aggregate City discretionary revenues, as  
3 determined by the Controller, based on calculations consistent from year to year. In determining  
4 aggregate City discretionary revenues, the Controller shall only include revenues received by  
5 the City which are unrestricted and may be used at the option of the Mayor and the Board of  
6 Supervisors for any lawful City purpose. The Controller is authorized to increase or reduce  
7 budgetary appropriations as required by this subsection (c) to align the baseline amount to the  
8 amount required by formula based on actual revenues received during the fiscal year.

9                   (3) The City may suspend growth in the baseline funding pursuant to  
10 subsection (c)(1) in fiscal year 2016-2017 if the City's projected budget deficit for that year at  
11 the time of the Joint Report or Update to the Five Year Financial Plan as prepared jointly by the  
12 Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst exceeds  
13 \$200 million. For fiscal year 2017-2018 through fiscal year 2045-2046, the City may suspend  
14 growth in baseline funding pursuant to subsections (c)(1) and (c)(2) when the projected budget  
15 deficit for the upcoming fiscal year at the time of the Joint Report or Update to the Five Year  
16 Financial Plan as prepared jointly by the Controller, the Mayor's Budget Director, and the  
17 Board of Supervisors' Budget Analyst exceeds \$200 million adjusted annually by changes in  
18 aggregate City discretionary revenues.

19                   (4) Monies from the baseline appropriation required by this subsection (c) shall  
20 not be appropriated or expended for services provided to the Recreation and Park Department  
21 by other City departments and agencies unless: (A) the City department or agency charged the  
22 Recreation and Park Department for that service in fiscal year 2015-2016 and the amount the  
23 Recreation and Park Department paid the City department or agency for that service was  
24 included in the baseline amount for fiscal year 2015-2016, although increases in the cost of such  
25

1 services may be paid out of the baseline appropriation, or (B) the Recreation and Park  
2 Department requests or agrees to a new service from a City department or agency.

3 (5) At the end of the fiscal year 2015-2016 and every year thereafter, any excess  
4 general fund Departmental revenue, including any Department expenditure savings or revenue  
5 surpluses deposited prior to fiscal year 2015-2016, shall be reserved to be used for one-time  
6 Departmental expenditures. "General fund Departmental revenue" is defined as all revenues  
7 credited to the Department's general fund budget other than the baseline contribution defined in  
8 subsection (c).

9 ~~(e) Enhanced Revenue and Efficiency Incentives for the Department. It is the policy of~~  
10 ~~the City and County of San Francisco to give the Department greater incentives to improve~~  
11 ~~operational efficiencies and to increase revenue. Increases in revenues and savings shall be~~  
12 ~~dedicated as follows:~~

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

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

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

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

24 (e) ~~(d)~~ Revenue Bond Authority. Notwithstanding the limitations set forth in  
25 Sections 9.107, 9.108, and 9.109 of this Charter, the Commission may request, and upon

1 recommendation of the Mayor the Board of Supervisors may authorize, the issuance of revenue  
2 bonds or other evidences of indebtedness, or the incurrence of other obligations, secured by the  
3 Park, Recreation and Open Space Fund for acquisition, construction, reconstruction,  
4 rehabilitation and/or improvement of real property and/or facilities and for the purchase of  
5 equipment.

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

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

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

19 ~~(1-)~~ Allocations for after-school recreation programs, urban forestry, community  
20 gardens, volunteer programs, and a significant natural areas management program in the amounts  
21 allocated for each of those programs from the Park and Open Space Fund in the Department's  
22 fiscal year 2015-2016 ~~1999-2000~~ budget, to the extent that such programs are not so funded in  
23 the Department's operating budget or in the budget of another City department.

24 ~~(2-)~~ An allocation necessary to ensure that 3% of the monies to be deposited in  
25 the Fund during the upcoming fiscal year pursuant to subsection (b), above, be available at the

1 start of the fiscal year as an undesignated contingency reserve. No later than September 1, 2017,  
2 the Commission shall adopt a policy for expenditures from the contingency reserve. Thereafter,  
3 the Commission shall submit a report to the Mayor and the Board of Supervisors on any  
4 expenditures from the contingency reserve during the previous budget cycle along with its  
5 proposed budget for allocation of the Fund.

6 (3-) An allocation of not less than 5% of the monies to be deposited in the Fund  
7 during the upcoming fiscal year pursuant to subsection (b), above. These monies shall be  
8 dedicated to the acquisition of real property identified in the Capital Expenditure Plan discussed  
9 in subsection (h)(3) (g), below. Any portion of these monies that remains unspent or  
10 uncommitted at the end of any fiscal year shall be carried forward, with interest thereon, to the  
11 next fiscal year for the purposes set forth herein. ~~The 5% allocation need not be included in the~~  
12 ~~budget submitted to the Board of Supervisors for an upcoming fiscal year to the extent that the~~  
13 ~~total City expenditure for acquisition of property to be placed under the jurisdiction of the~~  
14 ~~Commission for the period commencing with fiscal year 2000-2001 2000-01 and ending with the~~  
15 ~~close of the immediately preceding fiscal year exceeds an amount equal to 5% of the total~~  
16 ~~amount appropriated, or to be appropriated, to the Fund for the period commencing with fiscal~~  
17 ~~year 2000-2001 2000-01 and ending with the close of the upcoming fiscal year.~~

18 (4) An allocation, as a separate line item, of funds required for preparation,  
19 monitoring, and evaluation of the plans required under subsection (h).

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

1           The Board of Supervisors shall consider and apply the Planning and Reporting  
2 Measures, including equity metrics, required in subsection (h) when reviewing and approving  
3 the Department's budget.

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

6           (1) Equity Metrics. The Department shall develop, and the Commission shall  
7 adopt, a set of equity metrics to be used to establish a baseline of existing Recreation and Park  
8 services and resources in low-income neighborhoods and disadvantaged communities, compared  
9 to services and resources available in the City as a whole. Following Commission approval, the  
10 Department shall submit its Equity Metrics to the Mayor and the Board of Supervisors.

11           (2) ~~Strategic Plan. By February 1, 2017, and every five years~~  
12 thereafter ~~December 1, 2000~~, the Department shall prepare, for Commission consideration and  
13 approval, a five-year Strategic Plan, ~~to be updated annually~~, that establishes or reaffirms the  
14 mission, vision, goals and objectives for the Department. The Strategic Plan shall include an  
15 equity analysis of Recreation and Park services and resources, using the equity metrics adopted  
16 under subsection (h)(1), and shall include strategies to mitigate any equity deficiencies identified  
17 in the Plan.

18           The Department shall submit the proposed Strategic Plan to the Parks,  
19 Recreation, and Open Space Advisory Committee for its review and comment before submitting  
20 the Plan to the Commission for its approval. Following Commission approval of the Strategic  
21 Plan, the Department shall submit the Strategic Plan to the Mayor and the Board of Supervisors.  
22 The Board of Supervisors shall consider and by resolution express its approval or disapproval of  
23 the Plan, but may not modify the Plan. If the Board expresses its disapproval of the Plan or  
24 makes recommendations regarding the Plan to the Department, the Department may modify and  
25 resubmit the Plan.



1           The Department will use the approved Strategic Plan to guide its work over each  
2 five-year period. Every two years after the approval of a Strategic Plan, the Department shall  
3 report to the Commission on the Department's progress under the Plan and, subject to the  
4 Commission's approval, may amend the Plan as appropriate. Following Commission approval  
5 of any amendments to the Strategic Plan, the Department may submit the amended Strategic  
6 Plan to the Mayor and the Board of Supervisors. ~~This Strategic Plan will be used to guide the~~  
7 ~~Department's work over the next five years.~~

8           (3) ~~2-~~ Capital Expenditure Plan. By January 15, 2017 and for each annual or  
9 biennial budgetary cycle thereafter, as determined under Charter Section 9.101, the Department  
10 shall prepare, for Commission consideration and approval, an annual Capital Expenditure Plan  
11 that addresses the development, renovation, replacement and maintenance of capital assets, and  
12 the acquisition of real property projected during the life of the Department's five-year Strategic  
13 Plan. The Capital Expenditure Plan shall include an equity analysis of Recreation and Park  
14 capital expenditures, using the equity metrics adopted under subsection (h)(1), and shall include  
15 strategies to mitigate any equity deficiencies identified in the Plan. The Capital Expenditure  
16 Plan shall further address irrigation, water conservation, and urban forestry on park lands.

17           The Department shall submit the proposed Capital Expenditure Plan to the Parks,  
18 Recreation, and Open Space Advisory Committee for its review and comment before submitting  
19 the Plan to the Commission for its approval. Following Commission approval, the Department  
20 shall submit the Capital Expenditure Plan to the Mayor and the Board of Supervisors. The  
21 Board of Supervisors shall consider and by resolution express its approval or disapproval of the  
22 Plan, but may not modify the Plan. If the Board expresses its disapproval of the Plan or makes  
23 recommendations regarding the Plan to the Department, the Department may modify and  
24 resubmit the Plan.

1                    The Department shall further cooperate in the development of the City's Capital  
2 Expenditure Plan under Administrative Code Section 3.20, as amended, or any successor  
3 legislation.

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

20                    (4) 3- Operational Plan. By February 1, 2017, and for each annual or biennial  
21 budgetary cycle thereafter, as determined under Charter Section 9.101, the Department shall  
22 prepare, for Commission consideration and approval, an Operational Plan. The Department  
23 shall base the Operational Plan on the then-current Strategic Plan, and the Operational Plan  
24 shall be in addition to the Department's budget. The Department shall include in the  
25 Operational Plan a statement of the objectives and initiatives within the Strategic Plan that the

1 Department plans to undertake and/or accomplish during the next budgetary period, including  
2 performance indicators and targets. The Operational Plan shall include an equity analysis of  
3 Recreation and Park services and resources, using the equity metrics adopted under  
4 subsection (h)(1). Each Operational Plan shall further include an assessment of the  
5 Department's progress on the previous Operational Plan.

6 The Department shall submit the proposed Operational Plan to the Parks,  
7 Recreation, and Open Space Advisory Committee for its review and comment before submitting  
8 the Plan to the Commission for its approval. Following Commission approval, the Department  
9 shall submit the Operational Plan to the Mayor and the Board of Supervisors.

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

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

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

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

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

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

20           (i) ~~(h)~~ Parks, Recreation, and Open Space ~~Citizens~~ Advisory Committee. The Board of  
21 Supervisors shall establish, by ordinance, a Parks, Recreation, and Open Space ~~Citizens~~  
22 Advisory Committee, such as the committee established in Park Code Section 13.01, as  
23 amended, or any successor legislation.

24           (j) Equity Fund. The City shall establish an Equity Fund to accept and expend private  
25 gifts, grants, and donations received by the Department and intended to support initiatives and

1 programs addressing unmet program and capital needs identified in the equity analyses required  
2 under subsection (h).

3 (k) (i) Environmental and Design Guidelines. The Department Commission  
4 shall maintain ~~adopt~~ written environmental and design guidelines for new facilities, parks, and  
5 open spaces and the renovation or rehabilitation of existing facilities, parks, and open  
6 spaces. ~~These guidelines shall be consistent with any applicable standards of the Art and~~  
7 ~~Planning Commissions.~~

8 (L) (j) Capital Projects. Notwithstanding the provisions of Section 3.104 of this Charter,  
9 the Commission shall have the authority to prepare and approve the plans, specifications and  
10 estimates for all contracts and orders, and to award, execute and manage all contracts and orders,  
11 for capital projects on real property under its jurisdiction or management. Capital projects  
12 supported by the Fund, other than those projects identified by the Department as long-term  
13 projects, must be fully constructed within three years of the initial budget allocation for those  
14 projects. Long-term projects must be fully constructed within five years of the initial budget  
15 allocation. Any exceptions to this provision must be authorized by a two-thirds vote of the  
16 Commission.

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

23 (k) ~~Unspent Funds. All unspent funds in the Park and Open Space Fund on June 30,~~  
24 ~~2000 shall continue to be held for the use and benefit of the Department. These monies shall be~~

1 ~~expended in a manner consistent with the general purposes for which they were originally~~  
2 ~~appropriated.~~

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

5 (n) This Section 16.107 shall expire by operation of law at the end of fiscal  
6 year 2045-2046 and the City Attorney shall cause it to be removed from future editions of the  
7 Charter unless the Section is extended by the voters.

8 APPROVED AS TO FORM:  
9 DENNIS J. HERRERA, City Attorney

10  
11 By: \_\_\_\_\_  
12 THOMAS J. OWEN  
13 Deputy City Attorney

14 n:\legana\as2015\1500695\01075941.docx

**LEGISLATIVE DIGEST**

(Fourth Draft, dated 1/21/2016)

[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, extend the annual set-aside and the baseline appropriation for 15 years to FY2045-206, and modify the Recreation and Park Department’s planning obligations to include equity analysis and Board of Supervisors review, 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 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 Fund will expire at the end of fiscal year 2030-2031.

The Recreation and Park Commission (“Commission”) must annually adopt five-year strategic, capital, and operating plans for the Fund.

Amendments to Current Law

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

The proposal would extend the Fund, which now has a 30-year term, for an additional 15 years. The Fund, including the set-aside and the baseline appropriation (explained below), would now have a 45-year term and expire at the end of fiscal year 2045-2046.

The proposal would add a requirement that beginning in fiscal year 2016-2017 the City 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. The City would increase that baseline amount annually by \$3 million for fiscal years 2016-2017 through 2025-2026. And beginning in fiscal year 2026-2027, the Controller would adjust the baseline each year by the percentage increase or decrease in aggregate City discretionary revenues.

The City could suspend growth in the baseline for any year in which the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst projected a budget deficit of \$200 million or more in the succeeding fiscal year.

The proposal would require that any excess general fund Department revenue at the end of the fiscal year, including any Departmental expenditure savings and revenue surpluses deposited prior to fiscal year 2015-2016, 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 cooperate with the development of the City's Capital Expenditure Plan, as well as continue to develop a separate Capital Expenditure Plan for the Department for each budgetary cycle.

The proposal would require the Commission to adopt an Operational Plan for each budgetary cycle. The Commission would base the Operational Plan 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 require that all of the Department's Strategic, Capital Expenditure, and Operational Plans include an equity analysis, based on metrics comparing existing Recreation and Park services and resources in low-income neighborhoods and disadvantaged communities with services and resources available in the City as a whole. The equity analyses in the Strategic and Capital Expenditures Plans would have to include strategies to mitigate any equity deficiencies identified in the plans.

The proposal would require the Board of Supervisors to conduct a hearing on the Strategic and Capital Expenditure Plans adopted by the Department, and adopt a resolution expressing the Board's approval or disapproval of the Plans. The Board would not have the power to adopt, reject, or modify the plans. The Department could revise and resubmit the plans after receiving the Board's input.

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

And, the proposal would add a requirement that in the fourth year of each Strategic Plan, the Controller's City Services Audit Unit conduct a performance audit of the Department's progress under the Strategic Plan, and an analysis of the Department's compliance with the planning and reporting requirements of the Fund. The costs of the audit would be charged to the Fund. If the audit concluded that the Department was not in compliance, the Board of Supervisors could place up to 5% of the baseline appropriation for the next fiscal year on reserve until the Board found that the Department was making progress on meeting the requirements.



\* \* \*

*The Fourth Draft, dated 1/21/2016, differs from the Third Draft on file, dated 1/14/2016, in the following ways:*

*The Fourth Draft would extend term of the Fund, including the set-aside and the baseline appropriation, by 15 years. The current 30-year term would become 45 years, and the Fund would expire at the end of fiscal year 2045-2046, instead of at the end of fiscal year 2030-2031.*

*The Fourth Draft would require that the equity analyses in the Strategic and Capital Expenditures Plans adopted by the Department include strategies to mitigate any equity deficiencies identified in the plans.*

*And the Fourth Draft would require the Board of Supervisors to conduct a hearing on the Strategic and Capital Expenditure Plans adopted by the Department, and adopt a resolution expressing the Board's approval or disapproval of the Plans. The Board would not have the power to adopt, reject, or modify the plans. The Department could revise and resubmit the plans after receiving the Board's input.*