

From: [Montejano, Jess \(BOS\)](#)
To: [Carr, Barbara \(REG\)](#)
Cc: [Farrell, Mark \(BOS\)](#); [Kelly, Margaux \(BOS\)](#); [White, Joshua \(CAT\)](#); [Owen, Thomas \(CAT\)](#)
Subject: Sup. Farrell's June 16 Parks Funding Charter Amendment at Ballot Simplification Committee
Date: Thursday, February 25, 2016 10:27:54 AM
Attachments: [REC Baseline Benefit All Costs.xls](#)

Ms. Carr –

Hope that all is well, and thanks for all of your work on the Ballot Simplification Committee. I wanted to send over some documents that help add some context to the purpose of Supervisor Farrell's initiative that was just placed on the ballot.

We believe that a key point to the ballot question is how much new funding our Charter Amendment (if approved by the voters) would guarantee to Rec/Park over a 30-year period – which is just over a billion dollars – \$1.3 billion to be exact. You can see the financial projections that the Mayor's budget office put together to get to that overall number attached.

Also, here is a link to some recent analysis from the Parks Alliance that shows the lack of growth of General Fund support to Rec/Park and more context on the Open Space Fund:
<http://www.sfbos.org/Modules/ShowDocument.aspx?documentid=53402>.

Phil Ginsburg and his Department's CFO will be on hand to answer any questions, as well as our office as well.

Please don't hesitate to reach back out if you have any questions, or if we can provide any more information regarding our Charter Amendment.

Thanks,

Jess

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New Set Aside					General Fund Support WITHOUT Set Aside	
Year	GFS Baseline	Cumulative			(Base + CPI) &	
		Baseline Increase	Baseline Increase		(FY16-17 Base + CPI)	diff. GFS baseline
FY 2015-16	64.2					
FY 2016-17	67.2	3.0	3.0		59.0	8.2
FY 2017-18	70.2	3.0	6.0		60.5	9.7
FY 2018-19	73.2	3.0	9.0		62.0	11.2
FY 2019-20	76.2	3.0	12.0		63.5	12.6
FY 2020-21	79.2	3.0	15.0		65.1	14.0
FY 2021-22	82.2	3.0	18.0		66.8	15.4
FY 2022-23	85.2	3.0	21.0		68.4	16.7
FY 2023-24	88.2	3.0	24.0		70.1	18.0
FY 2024-25	91.2	3.0	27.0		71.9	19.3
FY 2025-26	94.2	3.0	30.0		73.7	20.5
FY 2026-27	97.6	3.5	33.5		75.5	22.1
FY 2027-28	101.3	3.6	37.1		77.4	23.8
FY 2028-29	105.0	3.7	40.8		79.3	25.7
FY 2029-30	108.9	3.9	44.7		81.3	27.6
FY 2030-31	112.9	4.0	48.8		83.4	29.5
FY 2031-32	117.1	4.2	52.9		85.4	31.6
FY 2032-33	121.4	4.3	57.3		87.6	33.8
FY 2033-34	125.9	4.5	61.8		89.8	36.1
FY 2034-35	130.6	4.7	66.4		92.0	38.6
FY 2035-36	135.4	4.8	71.3		94.3	41.1
FY 2036-37	140.4	5.0	76.3		96.7	43.7
FY 2037-38	145.6	5.2	81.5		99.1	46.5
FY 2038-39	151.0	5.4	86.8		101.6	49.4
FY 2039-40	156.6	5.6	92.4		104.1	52.5
FY 2040-41	162.4	5.8	98.2		106.7	55.7
FY 2041-42	168.4	6.0	104.2		109.4	59.0
FY 2042-43	174.6	6.2	110.5		112.1	62.5
FY 2043-44	181.1	6.5	116.9		114.9	66.2
FY 2044-45	187.8	6.7	123.6		117.8	70.0
FY 2045-46	194.7	6.9	130.6		120.7	74.0
						1,035
Baseline assumptions:						
\$3M growth for first ten years & ADR (3.7%) in out years						
WITHOUT setaside assumptions						
FY 16-17 base budget \$57.8M, includes \$6M of capital. Adding \$1M in capital to get to \$59M to represent RPD's average capital allocation of \$7M over the last 6 years.						



Still Seeking GREEN



Research Brief | July 2015

In 2000, San Francisco voters overwhelmingly supported a park spending measure that was supposed to fund parks over the long term. It hasn't quite worked out as promised.

Just as they need workforce housing, transit and sewer lines, cities need trees, grass and green spaces for their residents to thrive. San Franciscans have always known that our parks and open spaces are essential to our quality of life and have consistently urged our political leaders to grasp that connection.

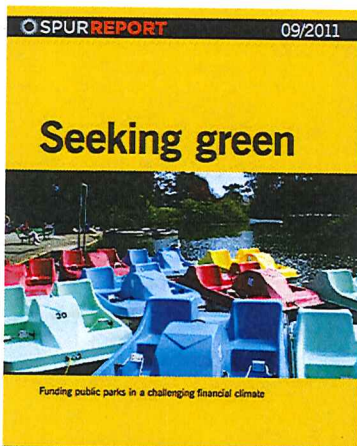
In March of 2000, the **Open Space Fund**, an overhaul of the way San Francisco funds its parks, appeared on the ballot. In the voter guide, statements from members of the Board of Supervisors, Congresswoman Nancy Pelosi, and leaders from all over San Francisco assured voters that voting yes on the measure would ensure equitable access to parks citywide, and “provide all residents with safe and clean parks and new open spaces.” The measure passed overwhelmingly with **89 percent** of the total vote.

Understanding the Open Space Fund

The Park, Recreation and Open Space Fund (referred to as the “Open Space Fund”) is a property tax set aside passed by an overwhelming margin (89 percent voting yes) in March 2000. It works by setting aside 2.5 cents of tax due on every \$100 of property value into an account earmarked for parks.

So, for example, for a property worth \$500,000, the Open Space Fund set aside would generate \$125 of property tax revenue for parks. In fiscal 2015-16, the Open Space Fund set aside is expected to generate \$47.8 million for the Department.

The Open Space Fund can be used by the Recreation and Park Department for anything under its jurisdiction, with a few exceptions, most notably the acquisition of new parks. The Fund sunsets in 2032, unless its term is extended by the voters.



 **Download from spur.org**

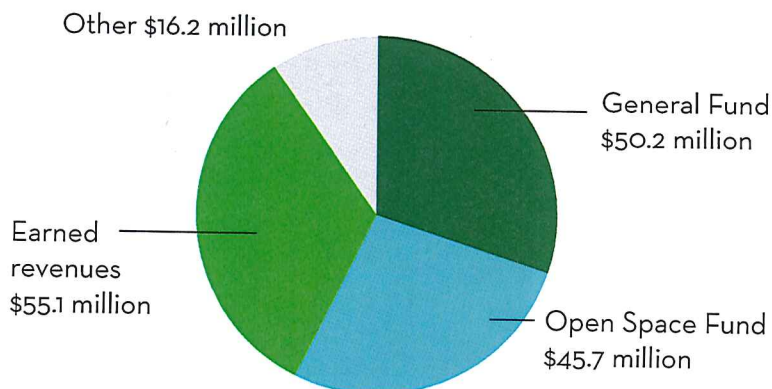
Fast forward to September 2011: SPUR published *Seeking Green*, a report based on the work of a task force that reads like a who's who of San Francisco park leaders (including Recreation and Park Commission President Mark Buell and now-President of the Board of Supervisors London Breed). *Seeking Green's* central premise was that the Recreation and Park Department (RPD) was suffering from a structural funding crisis, and it suggested several key policy changes to address that crisis, including:

- Increasing public funding of the city's park system, adding almost \$70 million in new revenue
- Increasing philanthropic dollars to support park operations as well as capital projects.
- Increasing earned revenue.

Some of the report's specific recommendations have been accomplished. RPD has increased earned revenue to the point that last year, income from leases and special event permits was its largest single revenue

Continued on page 3

RPD Revenues, by source Total 2014-15 budget: \$163.2 million



Open Space Acquisition Fund

Each year, five percent of the revenue from the Open Space Fund is earmarked for the acquisition of new parks (about \$2.4 million in 2015-16).

In 2014, the Board of Supervisors authorized several new acquisitions using funds from the Open Space Acquisition Fund. After those acquisitions are completed, the balance of the Acquisition Fund is expected to be \$21 million, reaching \$38 million by 2032 if there are no further acquisitions.

Planning and Oversight Requirements

The Charter requires RPD to prepare and annually update three important plans: a Strategic Plan, a Capital Plan, and an Operational Plan. RPD was also required to establish a citizen's advisory committee, which is now known as the Parks, Recreation and Open Space Advisory Committee (PROSAC). PROSAC has 23 members, with 22 appointed by members of the the Board of Supervisors (two appointments per Supervisor) and one appointed by the Mayor.

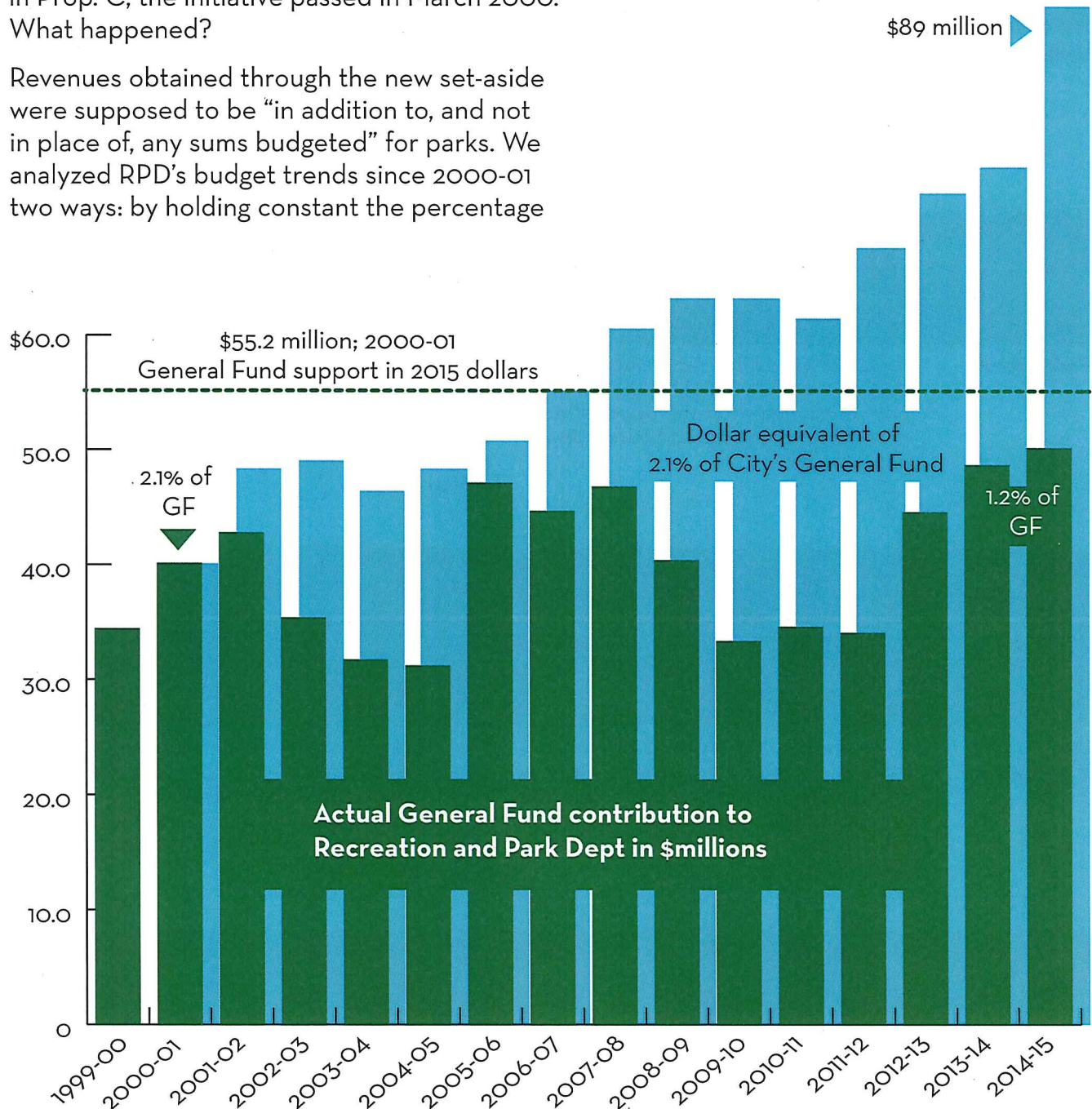
source; parks now have one strong philanthropic partner in the San Francisco Parks Alliance after the merger of smaller organizations.

But funding remains a problem. A Parks Alliance analysis has found that city funding for parks has never lived up to the promises made in Prop. C, the initiative passed in March 2000. What happened?

Revenues obtained through the new set-aside were supposed to be “in addition to, and not in place of, any sums budgeted” for parks. We analyzed RPD’s budget trends since 2000-01 two ways: by holding constant the percentage

of the city’s General Fund the Department was receiving in 2000-01, or adjusting its 2000-01 allocation for inflation. Either way, funding for parks has not kept pace,

Continued on page 5



How much does the Recreation and Park Department really need?

Seeking Green said RPD needed an additional \$30 to \$35 million in 2011, citing needs for additional gardeners, arborists, park patrols and recreation staff. More recent analysis indicates that RPD's priority needs have grown to \$40 million or more. Here are some examples:

AREA	NEED	PRICE TAG
Urban forestry	RPD has only enough arborists to service each of its trees once every 105 years. Healthy trees should be serviced by an arborist every 11 years.	In 2011, <i>Seeking Green</i> recommended that RPD invest more than \$4 million in hiring additional arborists. Now, that cost has risen to \$6 million annually as trees all over the system age and die from lack of treatment.
Recreation/Aquatics	Recreation centers and pools are not open every day, limiting the public's access to these resources.	Opening all pools and recreation centers seven days a week, without any additional programming, would cost an additional \$6 million each year.
Park Patrol	A rash of vandalism—3,600 incidents costing \$1 million annually—and other crimes in parks show the need for additional park rangers, 24 hours a day, 7 days a week.	RPD recommends staffing each of its seven Park Service Areas with at least one Park Patrol officer at any given time. Based on current staffing, this would require adding 80 additional Park Patrol officers at a cost of \$7.5 million annually.
Deferred maintenance	Buildings, paths, and other facilities need regular maintenance and upkeep. When maintenance is deferred—for example, putting off replacing a leaky roof—the asset's life is reduced.	In 2011, <i>Seeking Green</i> put RPD's deferred maintenance needs at \$1.4 billion. Today, the Department estimates these needs exceed \$1.7 billion.
Structural maintenance	In a system as heavily used as San Francisco's parks, things break. Faucets leak, windows need caulking, tree roots break through concrete, and vandals destroy park benches and other amenities.	The structural and facilities maintenance unit takes in 15,000 work orders per year and has a backlog of 5,000 outstanding work orders. If no new work orders come in, it would still take a year and a half to complete the work orders RPD already has.
Planning and oversight	RPD has never completely funded or completed the planning required by law. Without planning, it is difficult to articulate and adequately quantify the Department's needs.	RPD estimates it will cost \$2 million to complete an inventory of all park system assets and determine where the system needs more investment. It also needs to update its systems for hiring and inventory management.

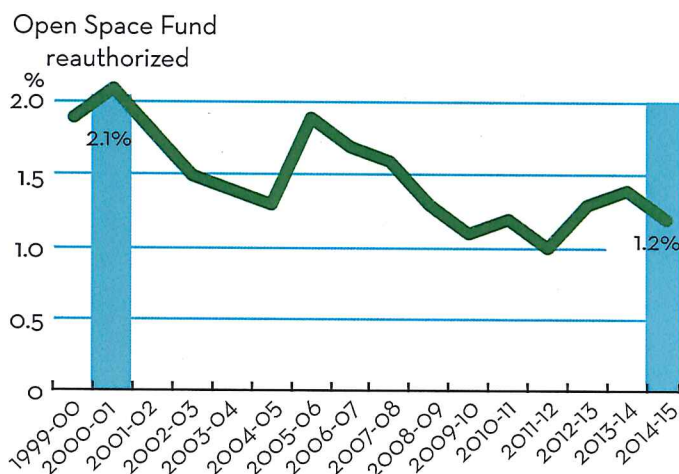
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eroding the impact of the Open Space Fund and the voters' intent.

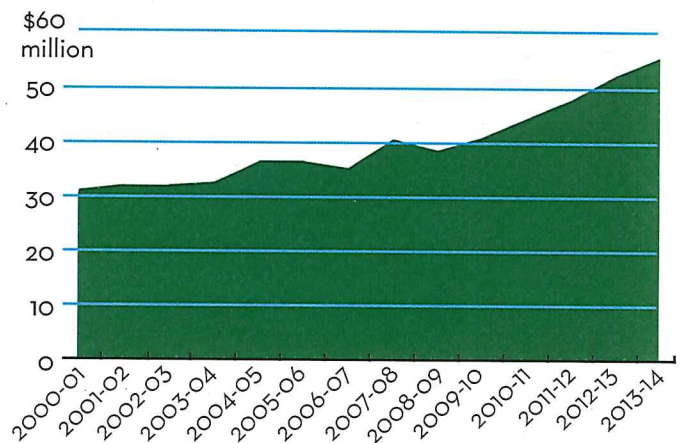
Constant Share of the General Fund: In 2000-01, the fiscal year when Prop. C was approved by the voters, RPD received 2.1 percent of the city's General Fund. Today, that percentage has dropped by nearly half, to 1.2 percent. Over time RPD has *never again* received the percentage of General Fund it was receiving when voters passed Prop. C. Had that 2.1 percent kept constant, RPD would now be receiving \$89 million in General Fund support, rather than \$50 million.

Keeping pace with inflation: The city Charter does not explicitly promise that allocations will keep pace with inflation, but granting cost of living adjustments are a common way of adjusting spending over time. Had RPD's \$40.2 million General Fund allocation in 2000-01 simply kept pace with inflation, the Department would have received \$55 million in 2015-16, and a total of \$111 million more from the General Fund since 2000-01.

RPD's General Fund support as a percentage of the City's overall General Fund



RPD's dependence on earned revenue has increased.



Bottom line: The city's budget process has resulted in less-than-adequate park allocations despite the supplement-not-supplant language in the city Charter.

Solutions

Parks are essential to San Francisco's economy and quality of life. Last year, the Parks Alliance and the Trust for Public Land collaborated on a study that found San Francisco's parks generate almost \$1 billion annually in economic activity. (Download the study at sfparksalliance.org/economicimpact).

What's more, San Francisco's population is expected to grow 28 percent by 2040, so residents need open spaces more than ever. The expected growth in the Open Space Acquisition Fund (see page 2) will not provide enough money to acquire the new parks to serve new residents.

It's time to right-size the Recreation and Park Department budget and prioritize new and existing parks in city spending. This should be

As Density Increases, So Does Need

SF will add 280,000 people and 97,000 units of housing by 2040.



There are currently 13,630 people on wait lists for recreation programs.



Since 2004, 91 percent of new housing built has been buildings with 10 or more units.



On a typical weekend, Dolores Park users generate 7,000 pounds of trash.



done through the Open Space Fund -- a key recommendation in *Seeking Green* as well. The Parks Alliance is working with Supervisor Mark Farrell on a Charter Amendment that would gradually increase funding for park operations and acquisition, and protect that funding in the annual budget process. It would add teeth to the planning requirements that are already in the city Charter, and allow RPD to take a more flexible approach to funding park maintenance.

Of course, any measure increasing funding for parks should not do so at the expense of other key priorities, so our proposal would gradually increase the Open Space Fund over five years to ensure that public safety, housing and transit would retain stable funding. Once the increase is fully realized, the Recreation and Park Department would receive about \$40 million more than it does now--restoring 15 years of cuts and underfunding and establishing a new, sustainable level of funding for our parks, open spaces and recreation.

Unlike other parks departments across the country, San Francisco's Recreation and Park Department is part of a unique city and county government. It competes with social safety-net services provided by the county, as well as local fire, police, libraries, public works and other services provided by the city. Too often, our local leaders have seen parks as amenities, rather than the essential economic and quality of life drivers they are. That misconception has led to a consistent pattern of park cutbacks in hard times that never quite get restored when things improve. It's time to change that pattern.



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from the Parks Alliance:
www.sfparksalliance.org

About this report

Sources: SPUR: *Seeking Green* (2011), Annual Appropriation Ordinances for the City and County of San Francisco, San Francisco Recreation and Park Department, Bureau of Labor Statistics (CPI-U), Plan Bay Area.

Research: Rachel Norton and Kaitlin Fitzmahon, SF Parks Alliance