

## **ATTACHMENT A**

### **Parks and Recreation Department**

#### **Capital Improvements Program Equity Discussion**

##### **Background**

The Parks and Recreation Department oversees over 42,000 acres of developed parks, open space, underwater park, golf courses, and two cemeteries. The park system provides a wide-range of recreational opportunities for San Diego citizens and visitors alike. With 58 recreation centers, 13 aquatic centers, approximately 275 playgrounds in over 9,200 acres of developed parks, as well as over 26,000 acres of open space, three golf complexes, and the 110-acre Mount Hope Cemetery, the Department continually funds capital improvements ranging from roof replacements to playground upgrades to trail enhancements.

The Department's Capital Improvements Program (CIP) plays an important role in providing new facilities and addressing deferred capital of existing facilities. For the Department to provide quality parks and programs, it is important to continually invest in capital improvements to keep park facilities safe and available for recreational activities. This is accomplished by using available capital funding sources eligible for park improvements. Many of these funding sources are constrained to specific geographic locations or park asset types.

##### **Funding Overview**

To accomplish priority park projects, the Department strives to secure funding for projects in part by leveraging available capital funding sources for design with other capital funding sources for construction. As of Fiscal Year 2019, the Department has 203 active capital projects with over \$317 million budgeted from a variety of capital funding sources.

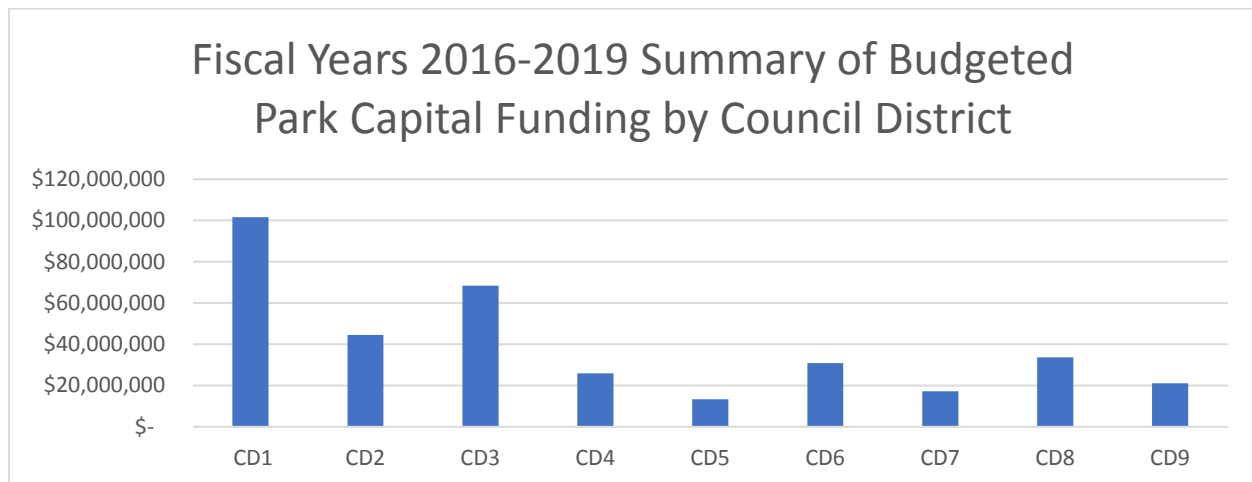
The Department uses a variety of capital funding sources to support park projects:

- Discretionary funds (more flexible for allocation to projects):
  - General Fund
  - Capital Outlay Fund
  - Infrastructure Fund
  - Commercial Paper
- Grants and donations

- Community Development Block Grants
- Proposition 68/California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 Grants
- Location-specific funds
  - Mission Bay Lease Revenues
    - Mission Bay Improvement Fund
    - San Diego Regional Parks Improvement Fund
  - Development Impact Fees and Facility Benefit Assessment
  - Golf Enterprise Fund
  - Maintenance Assessment Districts
  - Antenna Funds

Chart A-1 outlines park capital funding by council district from Fiscal Year 2016 through Fiscal Year 2019. Differences between council districts are generally related to the use of site-specific capital funds for projects in specific communities, since the Department has limited access to discretionary capital funding sources.

**Chart A-1**



### **Discretionary Funds**

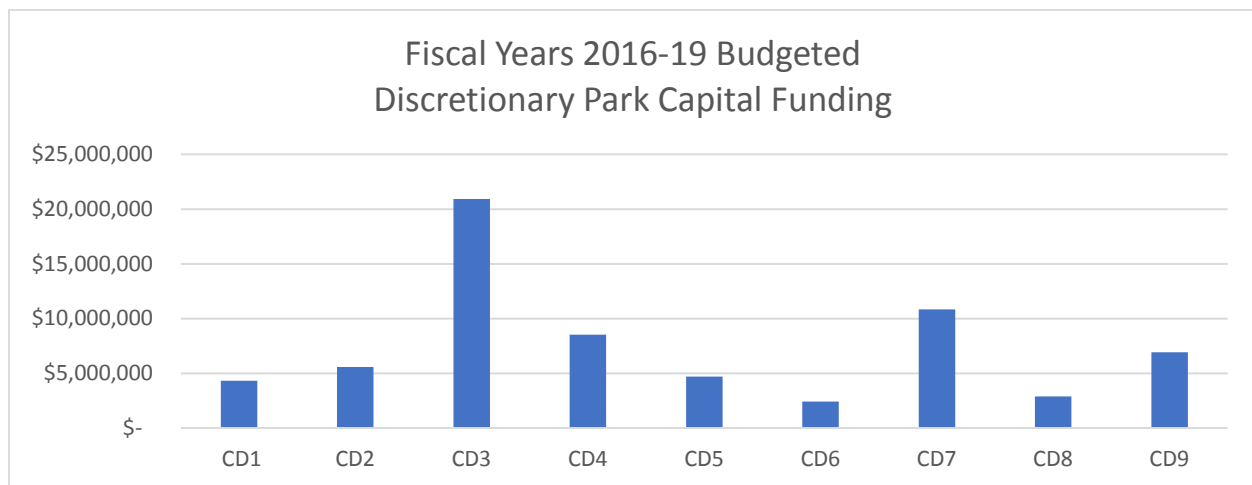
Funds that have flexibility in where they can be allocated have been labeled discretionary funds as described as follows:

- The General Fund is the City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services. Some allocations to the CIP budget are allocated from the operating budget of General Fund departments.

- Capital Outlay Funds are used exclusively for the acquisition, construction, and completion of permanent public improvements or real property; replacement or reconstruction of public facilities; and other improvements of a permanent character.
- The Infrastructure Fund is used exclusively for “the acquisition of real property, construction, reconstruction, rehabilitation, repair, and maintenance of infrastructure,” including the associated financing and personnel costs.
- Commercial paper (formerly deferred capital bonds) is a financing tool available to fund certain eligible capital projects.

Chart A-2 shows budgeted discretionary park capital funds summarized by council district between Fiscal Years 2016 and 2019, and Table A-1 lists projects receiving over \$1,000,000 in discretionary funds. Council District 3 shows the highest total allocation in this period, which is largely due to higher cost park projects such as Balboa Park-Plaza de Panama (which is currently planned for project abandonment), Thompson Medical Library/Eddy Auditorium (Building 8) Rehabilitation, and the Museum of Man Seismic Retrofit.

**Chart A-2**



**Table A-1 – Projects Receiving Discretionary Capital Funds (\$1 million or more)**

<b>Fiscal Year</b>	<b>Project Number</b>	<b>Project Name</b>	<b>Council District</b>	<b>Total Allocation</b>
<b>2016</b>	S13008	Mohnike Adobe and Barn Restoration	5	\$1,450,000
<b>2016</b>	S01071	Southcrest Trails/State Route 252 Corridor Park Development – Phase 2	9	\$2,242,270
<b>2016</b>	S16059	Park de la Cruz Community Center and Gymnasium Building	9	\$1,047,903
<b>2016</b>	S16058	Chollas Community Park Comfort Station	4	\$3,147,274
<b>2016</b>	B16046	Tierrasanta Recreation Center Roof and HVAC	7	\$1,830,480
<b>2017</b>	S14016	East Fortuna Staging Area Field Station Building (Mission Trails Regional Park)	7	\$1,375,373
<b>2017</b>	L17002	Balboa Park Plaza de Panama Project	3	\$9,000,000
<b>2017</b>	B17036	Thompson Medical Library/Eddy Auditorium (Building 8) Rehabilitation	3	\$1,500,000
<b>2018</b>	B17036	Thompson Medical Library/Eddy Auditorium (Building 8) Rehabilitation	3	\$2,258,543
<b>2018</b>	S14016	East Fortuna Staging Area Field Station Building (Mission Trails Regional Park)	7	\$2,411,966
<b>2018</b>	P18002	Ocean Beach Pier Condition Assessment	2	\$3,103,963

### **Grant Funds and Donations**

Some projects are entirely or partially funded by grants and reimbursements from the State and federal government and other agencies. Grant funding includes State and federal grants and grants from proceeds from State bond issuances. This includes Community Development Block Grant (CDBG) funding, which is programmed in accordance with Council Policy 700-02. The Department also plans to compete for Proposition 68 grant funds offered by the State of California (see separate section at end of report for details).

Chart A-3 shows grant funds for park projects by council district between Fiscal Years 2016 and 2019. The Department focuses its grant efforts on disadvantaged communities with park deficiencies and low- and moderate-income areas.

**Chart A-3**

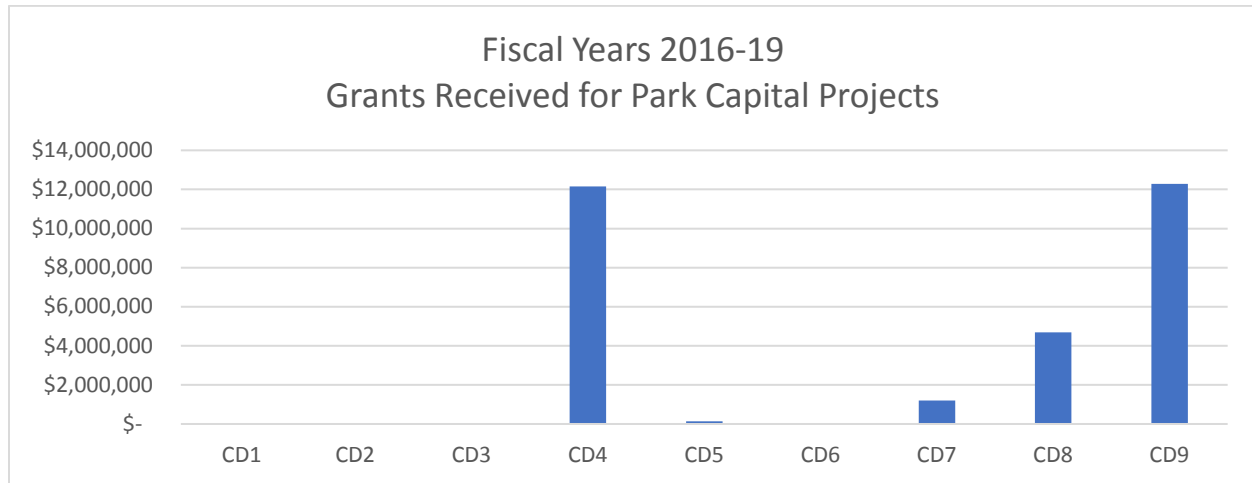


Table A-2 lists park capital projects that have received over \$1,000,000 in grant funds. Council District 4 and Council District 9 have received multiple large award grants that factor in to the differences displayed in Chart 3.

**Table A-2 – Projects Receiving Grant Funds (\$1 million or more)**

Fiscal Year	Project Number	Project Name	Council District	Total Allocation
2016	S13004	Larsen Field Accessibility Improvements Phase II	8	\$ 1,000,000
2016	S15003	Park de la Cruz Neighborhood Park Improvements	9	\$ 2,344,000
2017	S16059	Park de la Cruz Community Center and Gymnasium Building	9	\$ 5,000,000
2017	S16045	Hawk Pocket Park Development	4	\$ 3,910,450
2018	S16020	Memorial Community Park Playground Accessibility Upgrades	8	\$ 1,300,000
2018	S16059	Park de la Cruz Community Center and Gymnasium Building	9	\$ 3,700,000
2018	S15038	Skyline Hills Community Park Accessibility Improvements	4	\$ 1,480,650
2019	S16060	Bay Terraces Senior Center	4	\$ 5,000,000

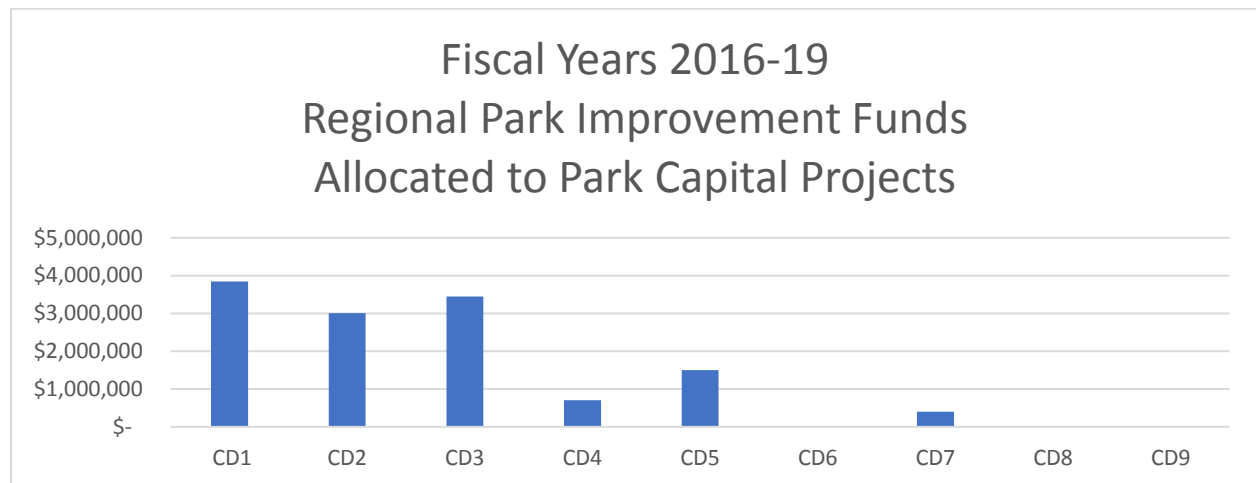
### **Location-Specific Capital Funds: Mission Bay Lease Revenues (Mission Bay Improvement Fund and San Diego Regional Parks Improvement Fund)**

A portion of Mission Bay lease and concession revenue is allocated to the Mission Bay Park and San Diego Regional Parks Improvement Funds in accordance with the San Diego City Charter, Article V, Section 55.2. Projects within the Mission Bay Improvement Fund are defined and prioritized within the charter language and are detailed in the next section (see “Other Location-Specific Capital Funds” below).

The funds in the San Diego Regional Parks Improvement Fund may only be expended for permanent or deferred capital improvements in San Diego’s regional parks. The City of San Diego’s regional parks include Balboa Park, Chicano Park, Chollas Lake Park, Mission Trails Regional Park, Otay River Valley Park, Presidio Park, San Diego River Park, open space parks, and coastal beaches and parks.

Chart A-4 outlines this fund by council district between Fiscal Years 2016 and 2019. Although all council districts have at least a portion of a defined regional park, some council districts have more regional park amenities in need of upgrade than others. Council Districts 1, 2, and 3 have received a significant portion of the funding due to beach access stairs and walkways upgrades, Sunset Cliffs trail improvements, and various Balboa Park facility improvements. Table A-3 lists projects receiving over \$500,000 in Regional Parks Improvement Funds.

**Chart A-4**



**Table A-3 – Projects Receiving San Diego Regional Park Improvement Fund Allocations (\$500,000 or more)**

<b>Fiscal Year</b>	<b>Project Number</b>	<b>Project Name</b>	<b>Council District</b>	<b>Total Allocation</b>
<b>2016</b>	B10089	La Jolla Parkway/Mount Soledad Erosion Control	1	\$544,094
<b>2016</b>	L14005	Sunset Cliffs Park Drainage Improvements	2	\$1,000,000
<b>2016</b>	S13008	Mohnike Adobe and Barn Restoration	5	\$500,000
<b>2016</b>	S15034	Junipero Serra Museum ADA Improvements	3	\$500,000
<b>2017</b>	B17029	100-202 Coast Boulevard Access Stairs	1	\$716,837
<b>2017</b>	B17181	Casa De Balboa Fire Alarm	3	\$804,699
<b>2017</b>	S15035	E.B. Scripps Park Comfort Station Replacement	1	\$700,000
<b>2017</b>	S17000	Balboa Park Bud Kearns Aquatic Complex Improvements	3	\$500,000
<b>2018</b>	S13008	Mohnike Adobe and Barn Restoration	5	\$1,000,000
<b>2018</b>	S15034	Junipero Serra Museum Accessibility Improvements	3	\$500,000
<b>2019</b>	S15035	E.B. Scripps Park Comfort Station Replacement	1	\$1,456,694

### **Other Location-Specific Capital Funds**

Other funding sources are typically constrained to specific geographic locations or asset types. One key set of capital funding sources related to development includes Development Impact Fees (DIF), Facility Benefit Assessment (FBA), old Park Service District (PSD) fees, and developer contributions to support capital projects. These funds are provided to satisfy conditions placed on development and are usually restricted to certain projects, or types of projects, in specific areas as DIF and FBA.

Another capital funding source limited to a specific asset type is the Golf Enterprise Fund, which supports the City's three municipal golf courses: Balboa Park, Mission Bay, and Torrey Pines. These funds receive revenue from the operations of the golf courses, which in turn are used to fund capital projects that improve and/or maintain the condition of the courses.

Maintenance Assessment Districts (MADs) are established to provide property owners with special benefits associated with services above the City's baseline. While MADs normally fund maintenance, certain deferred maintenance and larger efforts may rise to the level of a capital improvement project. While many MAD projects occur within the public rights of way for community landscaping or enhanced street lighting, some MAD projects may occur in City parks provided the project is consistent with the Assessment Engineer's Report.

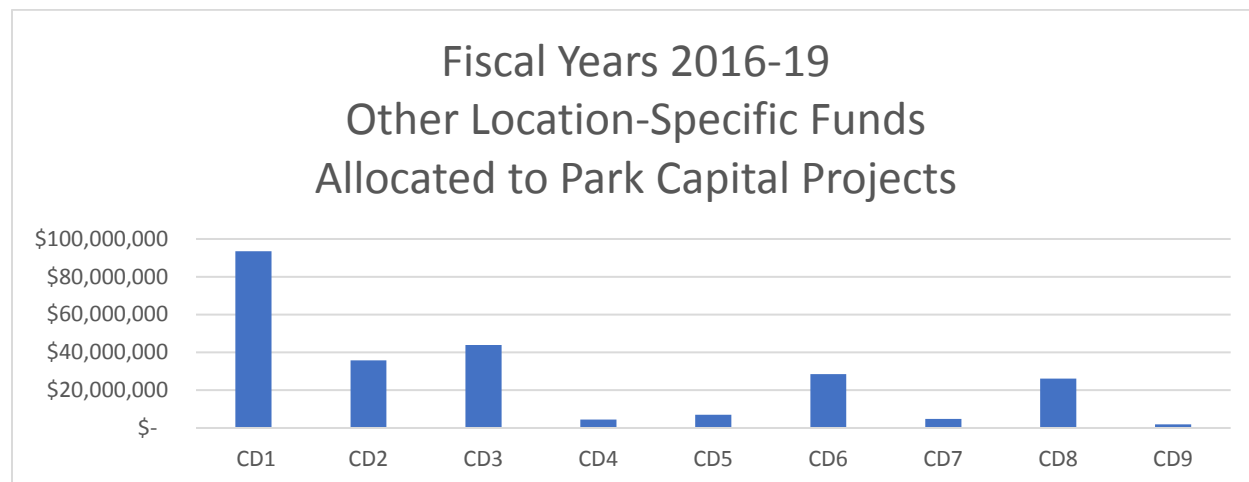
The Department uses antenna funds for improvements at park sites located near wireless communication devices installed by telecommunications companies on City property. A specific antenna fund for Mission Trails Regional Park Fund mainly consists of rent monies from a variety of different communication facility leases on Cowles Mountain. Funds are to be used for capital improvements in Mission Trails Regional Park as approved by the Mission Trails Regional Park Citizens Advisory Committee and Mission Trails Regional Park Task Force.

Since the Mission Bay Improvement Fund is identified for use solely in Council District 2 within the Mission Bay Improvement Zone as defined by City Charter Section 55.2, those capital funds are identified and summarized in this section with the other location-specific capital funds.

Chart A-5 summarizes these capital funding sources by council district between Fiscal Years 2016 and 2019. Table A-4 lists projects receiving over \$1,000,000 in location-specific funds. Council District 1 has the highest total due to the inclusion of more than one reimbursement agreement between the City and a developer for parks (including the recently completed Pacific Highlands Ranch Community Park and Recreation Center), Regional Park Improvement Fund projects for shoreline park projects, and work at Torrey Pines Golf Course in preparation for the 2021 U.S. Open. Council District 3 also has a large funding allocation, which is largely attributable to development impact fees funding multiple Downtown projects, including under-design East Village Green.



**Chart A-5**



**Table A-4 – Projects Receiving Allocations from Other Location-Specific Funds including Development Impact Fees, Golf Enterprise Fund, and Mission Bay Improvement Fund (\$1 million or more)**

Fiscal Year	Project Number	Project Name	Council District	Total Allocation
2016	S00751	Hickman Fields Athletic Area	6	\$2,558,596
2016	S00667	Mira Mesa Community Park Upgrades	6	\$5,455,939
2016	RD12003	Pacific Highlands Ranch Hiking and Biking Trails	1	\$3,577,500
2016	RD16002	Pacific Highlands Ranch Community Park	1	\$13,000,000
2016	S00649	Cesar Solis Community Park	8	\$3,044,414
2016	RD16000	Piazza Famiglia Park	3	\$1,000,000
2016	S16012	East Village Green Phase 1	3	\$20,008,158
2016	S00649	Cesar Solis Community Park	8	\$3,421,614
2017	RD16005	Centrum Neighborhood Park Improvements	6	\$1,000,000
2017	S00751	Hickman Fields Athletic Area	6	\$1,101,098
2017	S16029	Carmel Valley Community Park Turf Upgrades	1	\$1,116,335
2017	L16002	Mira Mesa Community Park Improvements	6	\$4,000,000
2017	S16029	Carmel Valley Community Park Turf Upgrades	1	\$3,157,786

## Attachment A – Parks and Recreation Capital Improvements Program Equity

June 2019

<b>Fiscal Year</b>	<b>Project Number</b>	<b>Project Name</b>	<b>Council District</b>	<b>Total Allocation</b>
<b>2017</b>	S16030	Ocean Air Community Park Turf Upgrades	1	\$6,523,953
<b>2017</b>	S16031	Ocean Air Community Park Comfort Station and Park Improvements	1	\$1,881,793
<b>2017</b>	S16032	Solana Highlands Neighborhood Park Comfort Station Development	1	\$1,650,266
<b>2017</b>	S16034	Carmel del Mar Neighborhood Park Comfort Station Development	1	\$1,902,223
<b>2017</b>	S16037	Carmel Creek Neighborhood Park Improvements	1	\$1,468,923
<b>2017</b>	S16038	Carmel Grove Neighborhood Park Comfort Station and Park Improvements	1	\$1,561,532
<b>2017</b>	S13023	Del Mar Mesa Neighborhood Park Development – Phase II	1	\$1,000,000
<b>2017</b>	RD13001	Uncompleted Pacific Highlands Ranch Hiking and Biking Trails	1	\$2,101,632
<b>2017</b>	RD17000	Completed Pacific Highlands Ranch Hiking and Biking Trails	1	\$1,491,384
<b>2017</b>	S00649	Cesar Solis Community Park	8	\$3,166,520
<b>2018</b>	B10163	Mission Bay Navigational Safety Dredging	2	\$5,100,000
<b>2018</b>	B18079	Mission Bay Park Improvements - Programmatic Environmental Impact Report	2	\$2,500,000
<b>2018</b>	L16002	Mira Mesa Community Park Improvements	6	\$12,136,471
<b>2018</b>	RD16002	Pacific Highlands Ranch Community Park	1	\$1,304,550
<b>2018</b>	RD13001	Uncompleted Pacific Highlands Ranch Hiking and Biking Trails	1	\$2,764,773
<b>2018</b>	RD16002	Pacific Highlands Ranch Community Park	1	\$23,086,351
<b>2018</b>	B18087	Naval Training Center (NTC) Park Building 619 – Recreation Center Conversion	2	\$1,161,329
<b>2018</b>	S15004	Rancho Mission Canyon Park Upgrades	7	\$1,050,000
<b>2018</b>	L18000	Downtown Greenways	3	\$1,000,000

<b>Fiscal Year</b>	<b>Project Number</b>	<b>Project Name</b>	<b>Council District</b>	<b>Total Allocation</b>
<b>2018</b>	S16012	East Village Green Phase I	3	\$10,500,000
<b>2018</b>	S16013	Children's Park Improvements	3	\$4,200,000
<b>2018</b>	S15031	Robert Egger/South Bay Community Park Accessibility Improvements	8	\$1,161,000
<b>2018</b>	S14016	Mission Trails Regional Park – East Fortuna Staging Area Field Station Building	7	\$1,500,000
<b>2018</b>	S00649	Cesar Solis Community Park	8	\$3,233,480
<b>2018</b>	S00999	Riviera Del Sol Neighborhood Park	8	\$7,050,000
<b>2018</b>	B17063	Torrey Pines South Golf Course Improvements	1	\$16,200,000
<b>2018</b>	S11010	Mission Bay Park Golf Course – Irrigation and Electrical Upgrades	2	\$1,500,000
<b>2019</b>	B18079	Mission Bay Park Improvements - Programmatic Environmental Impact Report	2	\$4,500,000
<b>2019</b>	B18229	Mission Bay Park – Bonita Cove West (Maruta Gardner) Playground Improvements	2	\$1,000,000
<b>2019</b>	B18230	Mission Bay Park – Bonita Cove West (Maruta Gardner) Comfort Station Improvements	2	\$1,222,223
<b>2019</b>	B19130	Mission Bay Park – Beautification of Traffic Island Group I	2	\$2,100,000
<b>2019</b>	RD19003	Del Sur Neighborhood Park	5	\$2,278,048

### **Proposition 68**

The Department is preparing to apply for grant funding from the State under the Proposition 68 program. As noted in the title of Proposition 68 (“California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018”), the State seeks to provide park access to all and intends to fund projects in disadvantaged communities.

Proposition 68 has multiple grant opportunities available. The opportunity most suited for the Department currently is under the Office of Grants and Local Services (OGALS). Under the OGALS program, projects must “create or

renovate at least one recreation feature.” Projects must be in a park deficient area with a low-income area. There is a maximum of \$8,000,000 available per application and multiple rounds are anticipated. OGALS scores projects higher if they have design completed with an environmental determination.

A second upcoming Proposition 68 opportunity is the Per Capita Program, which is in development by OGALS currently. Eligible jurisdictions will be allocated a yet-to-be-determined amount of funding to spend on park projects. The Department will monitor this developing program and ensure park projects are ready for application once the process is established.

Finally, several State conservancies (such as the Coastal Conservancy and San Diego River Conservancy) will have additional grant programs that could be available for City park projects. The Department will evaluate these as program guides are issued for each grant and determine which opportunities would make effective grant applications for park projects.

### **Department Goals**

In conclusion, the Department has set goals to continue to improve its park capital program and to ensure all areas of the City receive park improvements. These goals include, but are not limited to:

- Proactively pursue grant opportunities on the federal, State, and local levels, such as the Proposition 68 opportunities, to ensure funding equity.
- Continue advocating for Community Development Block Grant (CDBG) and Proposition 68 funding for projects in low-and moderate-income areas.
- Work with Department of Finance to identify discretionary and location-specific funding opportunities for projects throughout the City.
- Use location-specific and discretionary funding for design to leverage grant and bond opportunities.
- Prioritize capital projects to improve parks in accordance with index scores from the recently completed condition assessments for facilities and park amenities.
- Address and synthesize Citywide needs for park improvements as documented in the condition assessments and needs for new parks in deficient areas in the forthcoming Parks Master Plan (PMP).