



REPORT

THE CITY OF SAN DIEGO TO THE PARKS AND RECREATION BOARD

DATE ISSUED: May 7, 2026

REPORT NO.: 102

ATTENTION: Parks and Recreation Board
Agenda of May 21, 2026

SUBJECT: Proposed Fiscal Year 2027 Recreation Center Fund Budgets, Opportunity Fund Budget and 2025 Come Play Outside Report

SUMMARY

Issue – Should the Parks and Recreation Board recommend approval of:

1. Authorize the Chief Financial Officer to appropriate and expend Recreation Center Funds (RCF) in Fiscal Year 2027 as detailed in Attachment A: Proposed Fiscal Year 2027 Recreation Center Fund Budgets.
2. Make available the estimated Fiscal Year 2026 Recreation Center Fund carry forward to appropriate and expend during Fiscal Year 2027.
3. Authorize the Chief Financial Officer to appropriate the transfer of Opportunity Fund (OF) fees into the identified Recreation Center Funds for Fiscal Year 2027 as detailed in Attachment B: Proposed Opportunity Fund Allocations.
4. Authorize the Chief Financial Officer to expend Recreation Center Funds generated from permit fees, that fall within one of the exceptions to Proposition 26, in any geographic area regardless of where collected to promote equity in Parks and Recreation Department-wide recreation programs.

Department Recommendation – Recommend approval of all items listed above.

Other Recommendations

The following groups reviewed the Fiscal Year 2027 proposed RCF budgets and OF proposals as outlined in the Community Recreation Group Interim Standard Operating Procedures and Council Policy 700-48:

- Community Recreation Groups (CRG)- Fall 2025 and Winter 2026
- Park Talk SD – May 7, 2025

Fiscal Impact

This action would support the appropriation of the RCFs in Fiscal Year 2027 as detailed in Attachment A: Proposed Fiscal Year 2027 Recreation Center Funds Budgets.

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There is no impact to the General Fund with this action.

Water and Energy Conservation Status – N/A

Climate Action Plan (CAP) Impact

Improving equitable access to parks and creating additional recreational programs has beneficially addressed CAP goals, including:

1. Measure 3.5: Climate-Focused Land Use: Support expansion of urban greenspace including park access, open space, and wildlife corridors where appropriate, along streets to encourage outdoor activity, walking, and increase pedestrian access to parks in Communities of Concern.

Strategic/Tactical Equity Plan Impact

Strategic Plan Priority Area: Protect and Enrich Every Neighborhood – Connecting communities to safe public spaces that offer opportunities to learn, grow and thrive. Strategies:

1. Create additional value for visitors and patrons through improved resource coordination and collaboration.
2. Increase access to recreational amenities.
3. Provide access to high-quality programming, events, and shared activities.

Tactical Equity Plan Goals and Objectives:

1. Access to enjoyable fulfilling recreation opportunities for all by reducing impediments to program participation, expanding program offerings, increase awareness of programs through new marketing efforts, and reduce gaps in services between recreation facilities.

Environmental

This activity is not a “project” per the California Environmental Quality Act (CEQA) Statute Section 21065 and CEQA Guidelines Sections 15378(b)(4) and (5) as the approval of the Fiscal Year 2025 Recreation Center Fund Budgets, Opportunity Fund Budget, and 2024 Recreation Equity Report constitute the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and it is also an administrative activity of government that will not result in direct or indirect physical changes in the environment. Thus, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3). The future projects associated with this item will be subject to CEQA review at a future date pursuant to CEQA Guidelines Section 15004, which provides directions to lead agencies on the appropriate timing for environmental review.

BACKGROUND

On December 13, 2017, the City Council approved operational changes to Recreation Councils and the Parks and Recreation Department to ensure compliance with the City Charter and the San Diego Municipal Code. As part of those changes, the Chief Operating Officer established 57 special

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revenue funds known as Recreation Center Funds (RCFs) to receive program and permit fee revenues supporting recreation programs, community events, and facility maintenance.

Since that time, six additional RCFs have been created for new facilities and one fund has been consolidated, resulting in a current total of 62 funds. Administration of these funds was previously handled by Recreation Councils. Community Recreation Groups (CRGs) were also established independently of the former Recreation Councils.

CRGs serve in an advisory capacity by providing recommendations to the City Council, the Parks and Recreation Department, and applicable advisory boards regarding park improvements, recreation programming, and expenditures from Recreation Center Funds in accordance with Interim Standard Operating Procedures.

In 2022, the City Council approved the Opportunity Fund (OF), to enhance equitable access to recreational programming in historically underserved communities through programs like Come Play Outside. Governed by Council Policy 700-48, the Opportunity Fund allows the Department to allocate funds collected in the prior fiscal year to RCFs with limited available balances. This fund is supported by revenues from park use permits, as defined in the Parks and Recreation Department Fee Schedule adopted by City Council on February 14, 2022 (R-313898) and as amended thereafter.

DISCUSSION

Recreation Center Funds (RCFs)

The Department currently administers 62 Recreation Center Funds, including one fund assigned to each recreation center, as well as dedicated funds for Therapeutic Recreation Services and Age Well Services.

The annual budget development process begins in the fall. Department staff prepare draft budgets that are presented to each site's Community Recreation Group for review and recommendation. Where no active CRG exists, staff gather input from patrons participating in programs and visiting the facility. Department analysts, in coordination with the Department of Finance, then prepare final recommended budgets for City Council consideration.

Attachment A includes the proposed Fiscal Year 2027 RCF budgets, detailing projected revenues and planned expenditures for each fund. RCF revenues primarily come from two sources: class registration fees and facility use permits. Class fees represent the bulk of income, with permit fees and donations accounting for the rest. Each year, eligible RCFs also receive supplemental funding from the Opportunity Fund (OF), allowing them to expand programming and host community events.

The amount of funding available through each RCF can vary significantly depending on several factors, including whether services are provided by City staff or by contractors, community willingness and ability to pay for programs, and participant turnout. City-staffed programs are not expected to recover full costs, whereas contractor-led programs are designed to be self-sustaining and therefore fully cost recoverable. Fees collected for contractual programs are used to compensate service providers and support program delivery. This distinction is important when evaluating the Fiscal Year 2027 proposed RCF budgets, which largely reflect expenses related to staff and contractor programs, seasonal events, and maintenance of high-use facilities.

Proposed Fiscal Year 2027 Recreation Center Fund Budgets, Opportunity Fund Budget and 2025 Come Play Outside Report

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Opportunity Fund (OF)

To provide ongoing support for sites with limited resources, the Department created the Opportunity Fund (OF), which offers a sustainable funding source for recreation programs and events. The Department projects that the OF carryforward into FY27 will be roughly \$555,000, a significant increase from the previous year due in part to a 19.5% fee increase implemented on April 1, 2025. Based on increased revenues, the Opportunity Fund Committee recommended increasing the baseline allocation target from \$65,000 to \$85,000, allowing additional Recreation Center Funds to benefit from enhanced budgets for local programming, events, and maintenance. In addition, the Department anticipates a further increase in OF revenues collected in FY27 as a direct result of the Surf Cup lease at the Polo Fields which includes a minimum payment to the OF in the amount of \$100,000. The first payment is anticipated in January 2027 which will be available for the FY28 allocation process.

Site name	OF Score	FY27 Est. Available Funds	Proposed FY27 Budget		OF Funds Allocated	FY27 Grant Funding	FY27 Budget Outlook
Azalea RCF (CD9)	37	\$24,518	\$19,518	+	\$65,482	\$0	\$85,000
Stockton RCF (CD9)	37	\$20,359	\$15,359	+	\$69,641	\$0	\$85,000
Cesar Solis RCF (CD8)	35	\$34,186	\$29,186	+	\$55,814	\$0	\$85,000
Penn RCF (CD4)	34	\$35,472	\$30,472	+	\$54,528	\$0	\$85,000
Willie Henderson RCF (CD4)	34	\$37,790	\$32,790	+	\$52,210	\$0	\$85,000
Colina del Sol RCF (CD9)*	33	\$59,387	\$54,684	+	\$30,316	\$33,000	\$118,000
Park De La Cruz RCF (CD9)*	33	\$13,617	\$12,317	+	\$72,683	\$26,000	\$111,000
Skyline Hills RCF (CD4)	32	\$48,089	\$43,089	+	\$41,911	\$0	\$85,000
Mountain View RCF (CD4)	31	\$52,867	\$47,867	+	\$37,133	\$0	\$85,000
Bay Terraces RCF (CD4)*	30	\$55,167	\$50,176	+	\$34,824	\$26,000	\$111,000
Chollas Lake RCF (CD4)	28	\$69,756	\$64,756	+	\$20,244	\$0	\$85,000
City Heights RCF (CD9)*	27	\$85,039	\$80,039	+	\$4,961	\$27,000	\$112,000
Southcrest RCF (CD8)	26	\$76,071	\$71,071	+	\$13,929	\$0	\$85,000
Encanto RCF (CD4)*	24	\$83,342	\$80,679	+	\$1,323	\$33,000	\$115,002
TOTAL O.F. ALLOCATED FUNDS \$555,000							

*Colina Del Sol, Park De La Cruz, Bay Terraces, City Heights, and Encanto RCF's were allocated Federal HUD grant funding that will be available in FY27 budgets.

Each year, eligible sites are evaluated based on current needs and available resources. To develop the Fiscal Year 2027 allocations, the Department conducted public meetings for input on proposals and convened an evaluation committee consisting of six Department staff members and one philanthropic partner representative.

Using an objective scoring methodology, proposals were evaluated based on:

- Existing fund balance
- Budgetary need
- Community location
- Presence of an aquatic facility

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Higher scores reflected greater need.

The committee also incorporated available RCF fund balances into the allocation review process while preserving an estimated remaining balance of approximately \$5,000 per fund. This practice helps ensure existing resources are utilized prior to receiving Opportunity Fund support and promotes more efficient distribution of available revenues.

Unless otherwise noted in Attachment B, eligible RCFs will receive an Opportunity Fund allocation sufficient to provide an \$85,000 operating budget for recreation programs, community events, and enhanced maintenance services.

Equity Impact

The City's Strategic Plan, Parks Master Plan, Recreation Equity Audit, and Recreation Equity Report all identify disparities in access to parks and recreation opportunities. In response, the Department has pursued additional funding sources, including the Opportunity Fund, to expand equitable programming and reduce barriers in historically underserved communities.

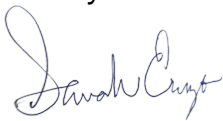
Since July 2021, the Department has secured more than \$9 million in funding from the City, County, San Diego Parks Foundation, and philanthropic partners. These resources have supported more than 3,490 free or low-cost classes and camps in underserved neighborhoods and expanded community offerings such as Movies in the Park and Parks After Dark as outlined in the 2025 Come Play Outside Report.

The Department remains committed to strengthening partnerships and securing future resources that support equitable programming, youth development, employment opportunities, and improved access to parks and recreation services citywide.

ALTERNATIVES

1. Recommend approval of the proposed Fiscal Year 2027 Recreation Center Fund Budgets and Opportunity Fund Budget with conditions;
2. Do not recommend approval of the proposed Fiscal Year 2027 Recreation Center Fund Budgets and Opportunity Fund Budget.

Respectfully submitted,



Sarah Erazo
Deputy Director
Citywide Recreation Services Division

Attachment(s):

- A. Fiscal Year 2027 Proposed Recreation Center Fund Budgets
- B. Fiscal Year 2027 Proposed Opportunity Fund Budget
- C. 2025 Come Play Outside Report

cc: All Council District Offices