

HEALTH, EDUCATION, NEIGHBORHOODS, PARKS, ARTS, AND RIVER COMMITTEE REPORT, ORDINANCE OF INTENTION FIRST CONSIDERATION, and RESOLUTION relative to the 2019-20 Proposition K Assessment.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. RECEIVE and FILE the April 26, 2019 L.A. for Kids Steering Committee report, attached to the Council file.
2. APPROVE the April 30, 2019 L.A. for Kids Steering Committee report.
3. ADOPT the City Engineer's Report for the 2019-20 Proposition K Assessment (Attachment 10 to the April 30, 2019 L.A. for Kids Steering Committee report).
4. PRESENT and ADOPT the accompanying RESOLUTION OF INTENTION to levy an assessment authorized by Proposition K, pursuant to the Landscaping and Lighting Act of 1972 (Attachment 11 to the April 30, 2019 L.A. for Kids Steering Committee report).
5. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION, dated April 29, 2019, to levy an assessment authorized by Proposition K, pursuant to the Landscaping and Lighting Act of 1972 (Attachment 12 to the April 30, 2019 L.A. for Kids Steering Committee report).
6. APPROVE the 2018-19 Proposition K Maintenance funding awards totaling \$5,136,468 as detailed in Attachment 9 to the April 30, 2019 L.A. for Kids Steering Committee report.
7. APPROVE the reprogramming of 2018-19 funding allocations as reflected in Attachment 1 and Attachment 13 to the April 30, 2019 L.A. for Kids Steering Committee report.
8. APPROVE the 2018-19 Proposition K additional specified funding awards totaling \$7,771,080 as reflected in Attachment 15 to the April 30, 2019 L.A. for Kids Steering Committee report.
9. AUTHORIZE the City Engineer to execute or amend grant agreements with Proposition K grantees that are recommended for 2018-19 project allocations(Attachment 1 to the April 30, 2019 L.A. for Kids Steering Committee report), as needed to effectuate the 2018-19 maintenance awards (Attachment 9 to the April 30, 2019 L.A. for Kids Steering Committee report) and reprogramming actions (Attachment 13 to the April 30, 2019 L.A. for Kids Steering Committee report), subject to approval of the City Attorney.
10. AUTHORIZE the Controller to adjust accounts to reflect the 2018-19 maintenance awards (Attachment 9 to the April 30, 2019 L.A. for Kids Steering Committee report), reprogramming actions (Attachment 13 to the April 30, 2019 L.A. for Kids Steering Committee report), and additional specified funding awards (Attachment 15 to the April 30, 2019 L.A. for Kids Steering Committee report) in the following funds, pursuant to instructions to be provided by the City Administrative Officer (CAO):

- a. Proposition K Projects Fund No. 43K
 - b. Proposition K Maintenance Fund No. 43L
 - c. Proposition K Administration Fund No. 43M
11. INSTRUCT the City Clerk to publish notice by MAY 23, 2019, of a public hearing to take place on JUNE 5, 2019, during the regular Council meeting.
12. INSTRUCT the City Clerk to set an agenda item for public hearing on the Council agenda for **JUNE 5, 2019**, to include the following actions:

- a. Acknowledge that the City Council's action is exempt from the California Environmental Quality Act (CEQA) under Article II, Section 2.i of the City's CEQA guidelines, because the underlying project has already been evaluated and processed in accordance with the City CEQA Guidelines, with respect to the projects in List 3 of Attachment 8 of the April 30, 2019 L.A. for Kids Steering Committee report.
- b. Acknowledge that these are projects that may be considered for funding after CEQA compliance; no further action is required at this time with respect to the projects in List 5 of Attachment 8 of the April 30, 2019 L.A. for Kids Steering Committee report.
- c. Present and adopt the Ordinance Confirming the Assessment, as prepared and transmitted by the City Attorney, confirming the assessments and approving the diagram for the District for Fiscal Year (FY) 2019-20.
- d. Instruct the City Engineer to record a Notice of Assessment with the County Recorder.
- e. Approve the 2019-20 Five Year Plan for the L.A. for Kids Program and related schedules, as set forth in Attachments 1, 2, 3, 4, and 7 of the April 30, 2019 L.A. for Kids Steering Committee report.
- f. Approve the 2019-20 allocation of administrative funds up to the following amounts within Proposition K Fund No. 43M:

<u>Department</u>	<u>Amount</u>
PW/Bureau of Engineering	\$214,290
PW/Board/Office of Accounting	136,457
Office of City Administrative Officer	78,000
Office of the Chief Legislative Analyst	<u>33,356</u>
Total: \$462,103	

- g. Instruct the Information Technology Agency (ITA) to prepare the assessment file containing the assessment levy information confirmed by the City Council for FY 2019-20 for each parcel in the Assessment District and make it available to the Bureau of Engineering to verify and transmit to the County.

- h. Authorize the City Engineer to negotiate and execute Proposition K grant agreements with grantees that are recommended for 2019-20 project allocations (Attachment 1 of the April 30, 2019 L.A. for Kids Steering Committee report) except for competitive projects awarded to City departments, subject to approval of the City Attorney.
- i. Authorize the Controller to:
 - i. Set up accounts for the 2019-20 Proposition K assessment in the following Funds pursuant to instructions to be provided by the CAO: Proposition K Projects Fund No. 43K; Proposition K Maintenance Fund No. 43L; and Proposition K Administration Fund No. 43M.
 - ii. Increase the 2019-20 appropriations for the ITA by \$50,000 from Proposition K Fund No. 43K/10, Account No. (TBD) - Information Technology Agency to Fund No. 100/32, Account No. 9350 - Communication Service Request.
 - iii. Transfer cash from Proposition K Fund No. 43K/10 on an as-needed basis upon proper documentation from the ITA and approval by the Bureau of Engineering (BOE) Program Managers and the CAO.
- j. Instruct the City Engineer, CAO, Chief Legislative Analyst, and Board of Public Works, Office of Accounting to submit journal voucher requests supported by the documentation of work order charges for program administrative and project construction management staffing costs to the CAO.
- k. Instruct the Department of General Services (GSD) and the Department of Recreation and Parks (RAP) to submit expenditure reports to the BOE and the CAO on a monthly basis.
- l. Authorize the City Engineer to make technical corrections to the City Engineer's Report to reflect the intent of the Council action.
- m. Authorize the CAO to make funding adjustments and prepare technical adjustments as needed to fully commit annual assessment funds and carry out the intent of the Council action; and, Authorize the Controller to implement those technical adjustments.
- n. Authorize the Controller, pursuant to instructions provided by the CAO, to revert residual funds within Proposition K Funds to the originating Proposition K project accounts for projects completed by the GSD and the RAP as part of ongoing program reconciliation activities.

Fiscal Impact Statement: The L.A. for Kids Steering Committee reports that adoption of an Ordinance and Resolution of Intention to levy the Proposition K: L.A. for Kids Assessment for FY 2019-20 indicates the Council's intention to levy assessments totaling \$25 million to acquire and construct park and recreational facilities. The assessment can only be used for capital improvements, acquisition of land, Proposition K Program administration and maintenance of completed projects. The cost of operating Proposition K projects as they are completed in

future years will be funded by the annual operating budget adopted for City departments and with independent funding for projects operated by external entities.

For FY 2019-20, \$5.6 million in General Fund reimbursements are anticipated for program administration (\$0.46 million), maintenance (\$5.14 million) and project delivery expenses (\$1.3 million). This funding includes both ongoing and one-time revenues that are available from funds remaining for completed Proposition K projects.

The RAP reports an annual fiscal impact of \$8.19 million once active Proposition K projects, currently in various stages of development, become operational over future years. This includes \$4.68 million for maintenance and \$3.51 million for operations (Attachments 5 and 6 of the April 30, 2019 L.A. for Kids Steering Committee report, attached to the Council file). The fiscal impact for completed projects will be partially offset by Proposition K maintenance funding. The proposed 2018-19 maintenance award for RAP projects totals \$4.13 million.

Community Impact Statement: None submitted.

Summary:

On May 8, 2019, the Arts, Parks, and River Committee considered an April 30, 2019 L.A. for Kids Steering Committee (Steering Committee) report, Ordinance, and Resolution relative to the 2019-20 Proposition K Assessment. The report, attached to the Council file, provides background information and includes the recommended 2019-20 expenditure plan and funding earmarks for 2020-21 through 2026-27. Recommendations for current year budget adjustments and award of 2018-19 maintenance and inflation funds are also provided.

After additional discussion and providing an opportunity for public comment, the Committee recommended that Council approve the recommendations contained in the Steering Committee report as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HEALTH, EDUCATION, NEIGHBORHOODS, PARKS, ARTS, AND RIVER COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RYU:	YES
O'FARRELL:	YES
PRICE:	ABSENT
EV	
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-NOT OFFICIAL UNTIL COUNCIL ACTS-