



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 2/15/99
AGENDA ITEM 3
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: City Manager
SUBJECT: Proposition 12: Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000

In the attached correspondence from the President of the Board of Directors of the Hayward Area Recreation and Park District, the City Council is asked to take a position in support of Proposition 12 on the March 7 ballot.

In addition to the material provided by HARD, summary information about the Proposition is also provided. It should be noted that the League of California Cities has endorsed this measure.

If the Council elects to support the measure, a resolution will be prepared modeled after the one submitted by HARD.



Jesús Armas

Attachments:

- Exhibit A - Letter from HARD
- Exhibit B - Summary Information on Proposition 12



HAYWARD AREA RECREATION AND PARK DISTRICT

1099 'E' Street, Hayward, California 94541-5299 • Telephone (510) 881-6700 FAX (510) 881-1716

February 4, 2000

Honorable Roberta Cooper
Mayor
City of Hayward
777 "B" Street
Hayward, California 94541

Dear Mayor Cooper:

As you are aware, Proposition 12, entitled the "Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond," will appear on the Statewide Ballot on March 7, 2000. It is the first park bond measure that has been on the ballot since 1988. The measure seeks authorization for sale of \$2.1 billion in bonds by the State of California to fund state, regional and local parkland projects. A simple majority of votes is required for its passage.

If approved, Proposition 12 will provide \$846 million in direct and competitive grants to local agencies for urban parks, trail and recreation facilities. Of this sum, the Hayward Area Recreation and Park District will receive approximately \$2.0 million in per capita grants and will be eligible for competitive grants in other areas. If the measure passes, much of the per capita funding will go toward capital projects within the City of Hayward.

On January 10, 2000, the Board of Directors of the Hayward Area Recreation and Park District unanimously adopted a resolution in support of Proposition 12 and we would respectfully request that the Hayward City Council also adopt a resolution in support of this important Proposition on the March 7, 2000 Ballot.

Enclosed is a copy of our adopted Resolution and a Fact Sheet on the March 2000 Park Bond, for your information.

Thank you in advance for your attention to this matter.

Sincerely,

Carol A. Pereira
President, Board of Directors
Hayward Area Recreation and Park District.

BOARD OF DIRECTORS

Louis M. Andrade
Minane Jameson
Douglas F. Morrison
Carol A. Pereira
Richard H. Sheridan

GENERAL MANAGER
Wes Asmussen

Enclosures



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 the profession
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FACT SHEET

Prop 12: The March 2000 park bond¹

Gov. Gray Davis signed Proposition 12 (bill AB 18) on September 21 in Los Angeles. Citizens will vote AB 18, the "Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond," on the March 2000 ballot. It requires a simple majority to pass (i.e., 50% + 1). This \$2.1 billion bond act, the largest park bond in U.S. history, includes the following:

Per capita I program \$338 million²
 Provides funds to local jurisdictions for the acquisition, development, rehabilitation or restoration of real property for park purposes—60% of the funds are allocated to cities and districts; with a minimum allocation of \$30,000. 40% is allocated to counties and regional districts. The minimum to regional districts and counties will be \$150,000.

cities/districts: \$6.29 per capita *counties: \$4.00 per capita*

Per capita II program \$50 million
cities/districts: \$2.70 per capita³

Roberti-Z'berg-Harris program \$200 million
 R-Z-H funds (1) rehabilitation or refurbishing performed annually or infrequently; excludes capital improvements and other routine maintenance work; special major maintenance projects include energy efficiency for lands and facilities (i.e., irrigation systems, replacement or repair of indoor facility or resurfacing parking lots. (2) innovative recreation programs that respond to unique and otherwise unmet recreation needs of special urban populations; can fund transportation to facilitate access to programs and facilities. R-Z-H requires a match of 30% of project costs. Funds are distributed on following formula:

69% block grants for urbanized areas		
60% cities and districts		\$3.33 ⁴ per capita
40% counties and regional districts		\$1.75 per capita
14% block grants to heavily urbanized areas		
60% large cities		\$1.86 per capita
40% large counties and regional districts		\$.49 per capita
17% competitive grants		\$33,490,000
88% non-urbanized jurisdictions		
12% urbanized, not including heavily urbanized		

Other funding programs local agencies may compete for funds:

Riparian/river/aquatics habitat	\$10 million	Trails, nonmotorized	\$10 million
Low income/at risk youth	\$100 million	Urban/cultural centers/	\$71.5 million
Regional youth soccer facilities	\$15 million	zoos/wildlife education	
Playground replacement	\$7 million	CA Heritage Fund	\$10 million
Urban forestation proj.	\$10 million	Local Conservation Corps	\$12.5 million
State parks administered by local agencies			\$20 million

The full text of Prop 12 is available on the CPRS website legislative page (www.cprs.org/legislative). Search for the text of AB 18.

9/99

¹ Proposition number tentative, to be confirmed by November 11, 1999

² State Department of Parks & Recreation will administer; less than 1.5% of total allocation is for grant administration.

³ Provides funds to cities and districts with populations of 200,000 or less within urbanized counties with a population greater than 200,000

⁴ The allocations given here are estimates developed by the Department of Parks & Recreation

IN THE BOARD OF DIRECTORS
OF THE
HAYWARD AREA RECREATION AND PARK DISTRICT

Resolution No. R-9900-97

RESOLUTION OF SUPPORT FOR PROPOSITION 12
SAFE NEIGHBORHOOD PARKS, CLEAN WATER, CLEAN AIR, AND COASTAL
PROTECTION BOND ACT OF 2000

WHEREAS, California's state, regional, and local parks serve as recreational, social, and cultural centers for California's communities, providing important venues for youth enrichment and safety; community identity, protection of natural and historic sites, parkland and open space; and

WHEREAS, the state's commitment to state, regional, and local parks has dwindled over the last decade thereby California and its communities have not kept pace with the needed funding for rehabilitation, development, and acquisition; and

WHEREAS, during the same period of diminished funding for state, regional and local parks, California's citizens have increased their visits to state and local parks; and

WHEREAS, California is known for its incredible natural resources of open space, mountains, rivers, coastline, and forests that positively impact the state and local economy; and

WHEREAS, California is largely an urban state where it is projected the state's population will continue to grow by 18 million by 2020; thereby placing more pressure on existing parkland and facilities; and

WHEREAS, California's economy is dependent upon maintaining a high quality of life that includes attractive and safe public park and recreation facilities and services; and

WHEREAS, the last statewide park bond was passed in 1988; and

WHEREAS, Proposition 12, the Safe Neighborhoods Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000, provides \$2.1 billion for state and local park projects to preserve our natural heritage and allow urban areas to expand much needed recreational facilities that serve children, youth, seniors, and families.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Hayward Area Recreation and Park District supports the passage of Proposition 12, the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000, and encourages California voters approve this bond act on March 7, 2000.

Resolution No. R-9900- 97
Resolution of Support for Proposition 12

Page 2.

Dated: January 10, 2000

Introduced by: Andrade

Ayes: Andrade, Jameson, Morrisson, Sheridan

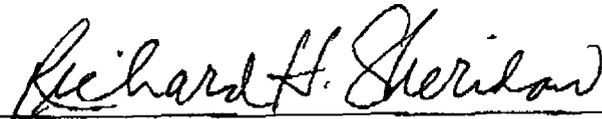
Noes: None

Absent: Pereira

Abstain: None



CAROL A. PEREIRA, President
Board of Directors
(Minane Jameson, Vice-President)



RICHARD H. SHERIDAN, Secretary
Board of Directors

I CERTIFY THAT I AM THE DULY AUTHORIZED INDIVIDUAL EM-
POWERED TO CERTIFY RESOLUTIONS AND THAT THE FOREGOING
IS A TRUE AND CORRECT COPY OF A RESOLUTION ADOPTED BY
THE BOARD OF DIRECTORS OF THE HAYWARD AREA RECREATION
AND PARK DISTRICT ON January 10, 2000


CERTIFICATION CLERK



**Safe Neighborhood Parks, Clean Water,
Clean Air, and Coastal Protection Bond Act of 2000.
(The Villaraigosa-Keeley Act)**

Official Title and Summary Prepared by the Attorney General

**SAFE NEIGHBORHOOD PARKS, CLEAN WATER,
CLEAN AIR, AND COASTAL PROTECTION BOND ACT OF 2000.
(THE VILLARAIGOSA-KEELEY ACT)**

- Provides for a bond issue of two billion one hundred million dollars (\$2,100,000,000) to provide funds to protect land around lakes, rivers, and streams and the coast to improve water quality and ensure clean drinking water; to protect forests and plant trees to improve air quality; to preserve open space and farmland threatened by unplanned development; to protect wildlife habitats; and to repair and improve the safety of state and neighborhood parks.
- Appropriates money from state General Fund to pay off bonds.

**Summary of Legislative Analyst's
Estimate of Net State and Local Government Fiscal Impact:**

- State cost of about \$3.6 billion over 25 years to pay off both the principal (\$2.1 billion) and interest (\$1.5 billion) costs on the bonds. Payments of about \$144 million per year.
- Costs potentially in the tens of millions of dollars annually to state and local governments to operate property bought or improved with these bond funds.

Final Votes Cast by the Legislature on AB 18 (Proposition 12)

Assembly: Ayes 61	Senate: Ayes 31
Noes 15	Noes 3

Analysis by the Legislative Analyst



Background

In past years the state has purchased, protected, and improved recreational areas (such as parks and beaches), cultural areas (such as historic buildings and museums), and natural areas (such as wilderness, trails, wildlife habitat, and the coast). The state also has given money to local governments for similar purposes. In the past 25 years voters have approved about \$1.9 billion of general obligation bonds for these purposes. As of June 1999, all but about \$18 million of the bonds authorized by these previous bond acts had been spent or committed to specific projects.

Proposal

This proposition allows the state to sell \$2.1 billion of general obligation bonds to spend on acquisition, development, and protection of recreational, cultural, and natural areas. General obligation bonds are backed by the state, meaning that the state is required to pay the principal and interest costs on these bonds. General Fund revenues would be used to pay these costs. These revenues come primarily from the state personal and corporate income taxes and the sales tax.

The bond money would be used as shown in Figure 1. As shown in the figure, about \$940 million of the bond money would be granted to local agencies for local recreational, cultural, and natural areas. The remaining \$1.16 billion would be used by the state for recreational, cultural, and natural areas of statewide significance.

Fiscal Effect

Bond Costs. For these bonds, the state would make principal and interest payments from the state's General Fund over a period of about 25 years. If the bonds are sold at an interest rate of 5.5 percent (the current rate for this type of bond), the cost would be about \$3.6 billion to pay off both the principal (\$2.1 billion) and interest (\$1.5 billion). The average payment would be about \$144 million per year.

Operational Costs. The state and local governments that buy or improve property with these bond funds will incur additional costs to operate or manage these properties. These costs may be offset partly by revenues from those properties, such as entrance fees. The net additional costs (statewide) could potentially be in the tens of millions of dollars annually.

Figure 1

Use of Bond Funds Under Proposition 12

(In Millions)

Grants to Local Governments and Nonprofit Groups

To fund recreational areas, with grant amount based on population of the local area (such as a city, county, or park district).	\$ 388.0
For recreational areas primarily in urban areas, as follows:	200.0
• Urban areas—\$138 million.	
• Large urban areas (cities over 300,000 population and county or park districts over 1,000,000 population)—\$28 million.	
• Either urban or rural areas based on need—\$34 million.	
To local agencies for various recreational, cultural, and natural areas.	102.5
For recreational areas, youth centers, and environmental improvement projects benefitting youth in areas of significant poverty.	100.0
For recreational and cultural areas (including zoos and aquariums) in urban areas.	71.5
For farmland protection.	25.0
For soccer and baseball facilities to nonprofit groups that serve disadvantaged youth.	15.0
To San Francisco for improvements at Golden Gate Park.	15.0
For urban forestry programs.	10.0
For playground accessibility improvements using recycled materials.	7.0
To Alameda County for Camp Arroyo.	2.0
For conservation, water recycling, and recreation in Sonoma County.	2.0
For community centers in Galt, Gilroy, and San Benito County.	1.0
For a wild animal rehabilitation center in the San Bernardino Mountains.	1.0
Total, Grants to Local Governments and Nonprofit Groups	\$ 940.0

State Projects

To buy, improve, or renovate recreational areas.	\$ 525.0
To acquire and preserve natural areas.	355.0
To acquire and preserve fish and wildlife habitat.	277.5
To pay the California Conservation Corps for work on projects funded by this proposition.	2.5
Total, State Projects	\$1,160.0
Total, All Bond Funds	\$2,100.0

For text of Proposition 12 see page 90



Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000. (The Villaraigosa-Keeley Act)

Argument in Favor of Proposition 12

Yes on 12 for Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection!

We have a responsibility to preserve our communities' air and water quality, and to make our parks safe for our children and future generations.

YES ON 12 WILL:

- Protect Our Air, Water, Rivers & Beaches from Toxic Pollution
- Provide Kids Safe Places to Play
- Help Keep Kids Off Streets & Out of Gangs
- Protect our Environment & Enhance our Economy

YES ON 12 IS SUPPORTED BY:

- National Audubon Society, National Wildlife Federation
- California Organization of Police and Sheriffs
- National Parks and Conservation Association
- Congress of California Seniors
- League of Women Voters, Sierra Club
- California Chamber of Commerce

STRICT SAFEGUARDS WILL ENSURE ALL FUNDS ARE SPENT AS PROMISED:

- Annual Audits
- Public Hearings
- Citizen Review

YES ON 12 WILL NOT RAISE TAXES because it requires existing tax revenues to be spent efficiently and effectively.

• **ALL CALIFORNIANS BENEFIT:** "Yes on 12 helps California communities make their parks safer for children, families and senior citizens. California's seniors need safe neighborhood parks."

Congress of California Seniors

• **SAFE NEIGHBORHOOD PARKS:** "Yes on 12 will help reduce crime by creating safer recreational areas to keep kids out of gangs, off drugs, and away from violence. Vote Yes on 12 to provide our children safer places to play. Join us in voting Yes on 12."

California Organization of Police and Sheriffs

• **CLEAN WATER:** "We can help keep our water free of pollution and protect our coast, bays, beaches and rivers from toxic waste by

supporting Proposition 12. This measure is vital because it protects the lands that give us clean water."

Clean Water Action

• **CLEAN AIR:** "Yes on 12 will reduce air pollution and improve air quality by planting trees in our communities and by protecting forests, including redwood forests, that purify our air. We will all breathe easier by voting Yes on 12."

Coalition for Clean Air

• **GOOD FOR THE ECONOMY & JOBS:** "California's environment is crucial to our economy. Tourists visit our parks and natural areas bringing millions of dollars to state and local businesses. Our farm economy relies on healthy rivers and streams. By conserving these resources, Yes on 12 helps keep our economy strong and protects businesses and jobs."

California Chamber of Commerce

• **A POSITIVE LEGACY FOR OUR KIDS:** "We need to leave future generations parks, natural lands, clean beaches and a better quality of life! We strongly urge a Yes on Proposition 12!"

League of Women Voters of California

• **WE ALL AGREE—YES ON 12:** Yes on 12 is supported by business, children's groups, environmentalists, labor, religious groups, law enforcement, and senior citizens. Republicans, Democrats, independents, reformers and taxpayer advocates recommend Yes on 12 (See our website at www.parks2000.org).

• **YES ON 12—Protect our air and water from pollution, preserve our coast, rivers and beaches, and provide our children with safe places to play while providing annual public audits and strict fiscal safeguards.**

ROBERT STEPHENS

Chair, National Audubon Society-California

ASSEMBLY SPEAKER ANTONIO VILLARAIGOSA

Chair, Californians for Safe Parks

ALLAN ZAREMBERG

President, California Chamber of Commerce

Rebuttal to Argument in Favor of Proposition 12

THIS INITIATIVE SHOULD HAVE BEEN CALLED THE "SPECIAL-INTEREST-HIDDEN-AGENDA BOND MEASURE," BECAUSE THE BACKERS DON'T WANT YOU TO KNOW WHERE THE MONEY IS REALLY GOING!

They say it's for "Safe Neighborhood Parks," but only a small portion is specifically dedicated to local park facilities—and less than 1% will go toward soccer and baseball fields! What about more "Clean Air"? Less than 1% of the money is dedicated to the Clean Air Improvement Program.

THE TRUTH IS, THE GOVERNMENT WILL USE THE VAST MAJORITY OF THIS MONEY FOR PORK-BARREL SPENDING PROJECTS AND TO BUY MORE LAND FOR INSECTS, RATS AND WEEDS THAT YOUR FAMILY WILL NEVER GET TO SEE OR USE.

Why have so many environmentalist special-interest groups endorsed this bond? Not because it will help your family (it won't), but because this bond will transfer your tax dollars to them to pay their exorbitant salaries and spend on their pet projects!

Speaking of special interests, this bond gives \$15,000,000 to the City of San Francisco and \$30,000,000 to the San Francisco Bay Area Conservancy Program to spend on their local projects. Why should the rest of us be forced to pay for that?

YOUR FAMILY WILL NEVER GET TO SEE OR ENJOY THE PROCEEDS OF THESE BOND FUNDS. BUT YOU WILL HAVE TO PAY FOR THEM—about \$3,738,000,000 over the next 20 years, including fees for lawyers and bankers and the effect of compounded interest. It's just not worth it. Just say NO to Proposition 12!

RAY HAYNES

California Senator

BRETT GRANLUND

California Assemblyman

CARL MCGILL

Chairman, Black Chamber of Commerce of Los Angeles County

**Safe Neighborhood Parks, Clean Water,
Clean Air, and Coastal Protection Bond Act of 2000.
(The Villaraigosa-Keeley Act)**



Argument Against Proposition 12

THE NAME OF THIS BOND IS A HUGE DECEPTION— ONLY A SMALL PORTION OF THE \$2,100,000,000 WILL BE SPENT ON NEIGHBORHOOD PARKS AND PLAYGROUNDS!

The sponsors of this proposition would like you to believe that the bond proceeds will be used to fund neighborhood parks and playgrounds, to enhance your community and your family's quality of life. But in fact, only a small fraction of the money has been specifically allocated for local city and county parks and playgrounds, and less than one-percent will be spent on soccer and baseball fields! So where will the rest of the money go?

The government will use the vast majority of the money to buy more land for insects, rats and weeds. In short, this bond will not benefit your family. Your children will never get to set foot on the land that this bond will purchase, even though they will have to work throughout their adult lives to pay off the bond's debt.

What's wrong with the government using this money to buy more land?

First, there is no shortage of "park" space in California, since more than half of all the land in this state is already owned by the state and federal governments. Most of that land is in remote areas, where you and your family can't enjoy it.

Second, once government buys new land with bond funds, it will have to spend additional taxpayer dollars to manage its new property. Expect to see your taxes go up if this bond passes.

Third, do you remember the raging forest fires that blanketed California with smoke last Fall? Most of the smoke came from fires on government-owned land, where dead and diseased trees were left to rot. If this bond passes, even more land will be owned and neglected by the

government, and left to provide kindling for the next round of forest fire infernos.

Fourth, bond measures are among the most expensive and wasteful financing schemes ever devised. According to the Secretary of State, taxpayers must pay back \$1.78 for every \$1 of bond proceeds, because of fees paid to lawyers and bankers and the effect of compounded interest. **THIS MEANS THAT CALIFORNIA'S TAXPAYERS WILL ULTIMATELY HAVE TO SPEND \$3,738,000,000 TO REPAY THIS \$2,100,000,000 BOND!**

Fifth, Californians are already on the hook for \$36,900,000,000 for bonds previously approved for other projects. California is now so far in debt that Standard & Poor's has assigned our state the third worst credit rating of any state in the country!

Sixth, the State Legislature determined that these projects were NOT sufficiently important to fund, NOT EVEN WITH THE \$12,000,000,000 IN SURPLUS FUNDS THE STATE HAS REALIZED OVER THE PAST FIVE YEARS.

No schools, no roads, nothing for you and me—just more dirt for insects, rats and weeds. This money is literally being flushed down a rat hole.

Vote NO on Proposition 12!

RAY HAYNES
California Senator

BRETT GRANLUND
California Assemblyman

LEWIS K. UHLER
President, The National Tax-Limitation Committee

Rebuttal to Argument Against Proposition 12

The opponents are factually wrong.

- **FACT #1: SAFE NEIGHBORHOOD PARKS**—Proposition 12's largest allocation directs funds to every city and county to make neighborhood parks safer for children and families, and provide youth with positive recreational alternatives to gangs, drugs and violence. Projects will be decided by local community leaders—not by far-away politicians. *That's why California Organization of Police and Sheriffs Supports Proposition 12.*
- **FACT #2: CLEAN AIR & WATER**—Specific programs will plant trees that help purify our air, and conserve lands around our rivers and lakes to help protect our water from pollution. Everyone's health benefits from clean air and water. *That's why Coalitions for Clean Air and Water Support Proposition 12.*
- **FACT #3: PROTECT REDWOOD FORESTS & THE COAST**—Specific programs will preserve ancient redwood forests and threatened coastal lands for future generations to enjoy. It's shameful for opponents to suggest that our redwood trees are "weeds" and our magnificent coast is a "rathole."

- **FACT #4: CLEANUP TOXICS ALONG OUR BEACHES, BAYS & COAST**—Directs funds to help make these areas safer for public use.
- **FACT #5: TOUGH FISCAL SAFEGUARDS—NO NEW TAXES**—Annual audits, public hearings and citizen review will ensure funds are spent as promised. Proposition 12 does not raise taxes—existing state revenues will be used instead. *"These strict safeguards will make sure these funds are spent properly and efficiently." State Treasurer Philip Angelides*
Join the California Chamber of Commerce, Governor Gray Davis and the Audubon Society by voting Yes on 12.

GAIL DRYDEN
President, League of Women Voters of California

JACQUELINE ANTEE
State President, American Association of Retired Persons (AARP)

LARRY McCARTHY
President, California Taxpayers Association

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