



Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Debra Figone
Harry S. Mavrogenes

SUBJECT: SEE BELOW

DATE: April 19, 2010

COUNCIL DISTRICT: 5

SNI AREA: EAST VALLEY/680

**SUBJECT: CITY/AGENCY COOPERATION AGREEMENT REGARDING THE
HILLVIEW PARK PLAY LOT PROJECT**

RECOMMENDATIONS

It is recommended that the City Council and Redevelopment Agency Board take the following actions related to the Hillview Park Play Lot:

- (a) Approval by the City Council and Redevelopment Agency Board of a Cooperation Agreement that will transfer \$200,000 in funds from the City Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5 to the Redevelopment Agency for the Hillview Play Lot Project and provide that the Agency will contribute \$200,000 to a District 5 park improvement in a future fiscal year, subject to the making of findings required under Health and Safety Code Section 33445 prior to the Agency contribution.
- (b) Adoption by the City Council of Appropriation Ordinance amendments to the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5.
 - (1) Establish a Transfer to the San Jose Redevelopment Agency for \$200,000; and,
 - (2) Decrease the Ending Fund Balance by \$200,000.

OUTCOME

Approval will result in a reduction of blight by funding the renovation of a playground that was partially burned due to vandalism and will assist with the infrastructure backlog in the City.

BACKGROUND

On November 20, 2009, a memorandum titled "Mayor's Budget Message Fiscal Year 2009-2010 Redevelopment Agency Capital and Operating Budget and 2010-2015 CIP" (Mayor's Budget Message) was released, which included direction for the City Attorney's Office to analyze the

April 19, 2010

City/Agency Cooperation Agreement Regarding the Hillview Park Play Lot Project

Page 2

legality of using District 5 Construction and Conveyance Tax Funds for a new play structure at Hillview Park that would be repaid in the Agency's FY 2012-13 Budget with Strong Neighborhoods Initiative (SNI) funds.

On February 23, 2010, the City Council/Agency Board approved the Agency's FY 2009-2010 Revised Capital and Operating Budgets and the FY 2010-2015 CIP and related actions which included the Mayor's Message direction.

ANALYSIS

Beginning in April 2009, Redevelopment Agency Staff met with PRNS Park Maintenance and Recreation Staff and the Cassell Neighborhood Association to develop the scope of work for the project that will support the Early Childhood Recreation Program at Hank Lopez Community Center and provide a play structure for children 7-10 years old that will improve visibility for monitoring by community and police after park operation hours. The project will:

- Relocate and reprogram the existing playground equipment for 2-5 year olds;
- Use existing playground footprint to install climbing structures intended for older youth;
- Replace existing chain-link fencing to expand play area footprint with 3-4 foot wrought iron fencing; and,
- Resurface basketball court and remaining black-top to colorful hopscotch games.

To fund this project in the current fiscal year, the proposed Cooperation Agreement calls for a transfer of \$200,000 in funds from the City Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5 to the Redevelopment Agency for the Hillview Play Lot Project and for the Agency to contribute \$200,000 to a District 5 park improvement in a future fiscal year, subject to the making of findings required for the use of Redevelopment funds for public improvements.

As directed in the Mayor's Budget Message, the City Attorney's Office determined that Agency SNI funds could be used in connection with capital expenditures for play lot improvements at Hillview Park as described in the Cooperation Agreement assuming the findings required under Health and Safety Code Section 33445 were made by the City Council prior to any Agency contribution for a park capital improvement project.

This memorandum includes appropriation actions to establish a transfer to the Redevelopment Agency in the Council District 5 Construction and Conveyance Tax Fund offset by a corresponding decrease to the Ending Fund Balance for the construction of the Hillview Park Play Lot project. Under terms of the Cooperation Agreement, in FY 2012-13 the Agency would contribute SNI funds to a District 5 park capital improvement project provided that the findings required under Health and Safety Code Section 33445 were made by the City Council.

Prior to the contribution by the Agency for a District 5 park capital improvement project in FY 2012-13, an evaluation of unmet park infrastructure needs against available funding will be required and the City Council will have adopted a resolution making certain determinations

required by law for Redevelopment Agency funding of a public project. Based on current funding availability and anticipated projects, it is likely that this determination can be made; however, a reevaluation of unmet park infrastructure needs against available funding will be required to make the necessary California Health and Safety Code Section 33445 findings prior to an Agency contribution in FY 2012-13.

EVALUATION AND FOLLOW-UP

The Agency contribution is anticipated in FY 2012-13. An evaluation of unmet park infrastructure needs against available funding will be required and the City Council must have adopted a resolution making certain determinations required by law for Redevelopment Agency funding of a public project prior to the contribution.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

This item does not meet any of the criteria above. This memorandum will be posted to the City's website for the May 4, 2010, City Council Agenda.

POLICY ALTERNATIVES

Alternative #1: Do nothing

Pros: Funding in the amount of \$200,000 will remain in the District 5 Construction and Conveyance Tax Fund.

Cons: Improvements at Hillview Park will not occur.

Reason for not recommending: These improvements are high priority.

COORDINATION

This item has been coordinated with the City Attorney's Office.

COST SUMMARY/IMPLICATIONS

Funding recommendations included in this memorandum will allow for playground improvements at Hillview Park. As this project replaces existing infrastructure, no additional operating and maintenance costs are expected in the General Fund from these park improvements.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	2009-10 Adopted Capital Budget Page	Last Budget Action (date, Ord. No.)
382	8999	Ending Fund Balance	\$1,977,026	V-872	10/20/2009, Ord. No. 28653

CEQA

Exempt, PP10-062.



DEBRA FIGONE
City Manager



HARRY S. MAVROGENES
Executive Director

For questions please contact Matt Cano, PRNS Division Manager, at (408) 535-3580 or Abi Maghamfar, Deputy Executive Director, San Jose Redevelopment Agency, at (408) 795-1891