

# ISSUE BIN ITEMS

## Community Budget Forum

### May 29, 2013

*The following questions were submitted by the public during the Community Budget Forum held on May 29, 2013. The questions and responses have been grouped by subject or by the appropriate City department.*

### ***Police Department***

➤ ***Can there be a revenue source from people booked into jail?***

The police department attempted to collect administrative booking fees when the jail first opened in 1993. Less than 10% of what was billed was collected. Unlike cities such as Irvine, Huntington Beach and Newport Beach the demography proved to be more challenging. After a year and a half the program was discontinued. Staff was spending more on the billing and record keeping processes than the actual amount of revenue that was collected.

The Jail Administrator will revisit the process and see if anything has changed which would allow the program to be successful.

➤ ***Is the City analyzing the benefit of operating the jail?***

The benefits of operating the jail are currently being analyzed and should be completed this summer.

➤ ***Community Policing – need to be sure PD can provide this system***

Community Policing is a philosophy the Santa Ana Police Department has had as a foundation since the 1970's. Often times Community Policing is confused as a system or a strategy. During challenging economic times various strategies within the Community Policing philosophy are more difficult to employ as they can require a significant amount of resources. The police department is committed to community policing and our service delivery is grounded in this philosophy.

➤ ***Parking enforcement – why have enforcement downtown or parking meters? Can there be validation at the lots?***

Parking meters are an important component in regulating on-street parking and are important to managing traffic and mobility in densely populated areas such as the

downtown business district. Failure to enforce parking meters would allow one vehicle to monopolize a parking space and could dissuade other patrons from visiting a business. An increase turnover in on-street parking ensures that spaces are available for customers.

The City offers downtown businesses the ability to purchase parking validations that they can issue to their patrons to validate parking in the parking structures. There is not a validation program for parking meters.

➤ ***Jail subsidy – can the money be used for other programs?***

The operation of the jail is being evaluated. There is no jail subsidy that can be used for any other programs at this time.

➤ ***Can the City fund more prevention programs rather than incarceration or enforcement?***

The police department funds and supports numerous prevention programs. Those programs include but are not limited to Police Explorers, Santa Ana Police & Athletic League, G.R.I.P. (Gang Reduction & Intervention Program), Teen Academy, and Jr. C.O.P. (Children of Pride). The police department continually seeks out funding and opportunities to increase program deliveries.

A balance between programs and enforcement are critical and each brings value to increasing the safety and security of the community.

## ***Planning Department***

➤ ***Is there an advantage from a City revenue standpoint to build more owner-occupied housing over rental housing?***

Property value is typically based on the cost of the land plus the cost of the buildings. Therefore, when property is developed the overall property value increases due to the increased value of the buildings. The on-going revenue these projects generate is reflected in the property taxes.

The property tax rate in California is 1% for both for-sale and for-rent properties. However, the actual amount of tax revenue generated will vary depending on the land value and the building value. Therefore, both for-sale and for-rent projects will increase property tax revenue to the City. Whether there is an advantage to build one instead of the other would depend, generally, on the building value. The more expensive buildings would generate higher property tax revenue.

➤ ***Can the City establish a public art program that would require new developments to provide public art?***

Cities can require developments to provide public art as a part of the project. One local example is the City of Brea. Brea requires new developments with a value over \$1.5 million to incorporate into the project a public art piece that is accessible to the community. The public art is required to be valued at 1% of the market value of the project.

Although there is not a citywide requirement, the City of Santa Ana has incorporated public art requirements as a part of the approvals for several large projects, including projects such as the Skyline Towers, The Marke, CityPlace, Courtyard by Marriott, and the Centre on Seventeenth (Southeast quadrant of Tustin Avenue/17th Street).

## ***Community Development Agency***

➤ ***How can the City attract new businesses through incentives?***

The City currently has several programs to attract new businesses through incentives. The City's Enterprise Zone provides state tax incentives for local companies that locate in Santa Ana's Zone. The Enterprise Zone hiring and sales tax incentives are a major reason businesses are attracted to and stay in Santa Ana. These incentives provide the company relief off their state income taxes when hiring qualified employees. Job training and job placement is a critical component of the economic development program for the City of Santa Ana. These services are accomplished through the City's WORK Center. Businesses are attracted to cities that dedicate a significant amount of resources to assisting a business in hiring and training of their employees. The City is currently developing a new business startup grant program which will also attract new businesses to Community Development Block Grant (CDBG) eligible corridors in Santa Ana.

Enterprise Zone, WORK Center On the Job Training Incentives, WORK Center Hiring incentives, and \$2,000 Business Startup Grants are other incentives the City offers.

➤ ***Can the City help to support local small businesses through economic incentives?***

Retaining and expanding existing business is an effective way of maintaining and expanding the economic base in a built out community. The goal is to have coordinated approach to the business community and act as facilitators between the business community and the City in order to have a "business friendly" environment. The Economic Development Division of the Community Development Agency currently supports local businesses through economic incentives such as the

Enterprise Zone, WORK Center, site selection services, and the City's Foreign Trade Zone.

➤ ***Can a portion of the City's budget be used to solve housing issues and fund organic markets?***

The City currently receives funds which specifically address housing issues. Those funds are utilized to provide rehabilitation loans to homeowners; to provide down payment assistance; to acquire and rehabilitate foreclosed properties for resell to affordable households; and to acquire and rehabilitate multi-family properties. These and other funds have created more than 2,600 covenanted and/or rent restricted units throughout the city.

Currently, there are no funds available for an organic market; however, the City does have a number of community gardens operated through the Parks and Recreation Department. In the coming year, there will be another community garden in Madison Park.

➤ ***What can the City do about housing conditions and the need for more low income, family oriented housing?***

The City currently has more than 2,600 rent restricted units throughout the city, the majority of which are designed for families.

➤ ***Is the City looking at developing large parcels to bring in businesses and, therefore, more funding?***

The City meets with interested developers looking to develop large scale commercial and retail projects. City staff recommends certain parcels, dilapidated shopping centers, and areas in need of redevelopment. Private developers would then have to take the lead in these projects as they would be dealing with the private owners of each individual parcel.

## ***Public Works Agency***

➤ ***What can the City do to add bike lanes? Can we increase educational efforts on how bicyclists and motorists share the road?***

The City has constructed 3.2 miles of Class II Bike Lanes (Dedicated On-Street Lanes) within the last five years and has received funding to add 2.2 more miles. Also, in conjunction with the Update to the Circulation Element and the development of a Pedestrian Master Plan, the City is currently updating its Bikeway Master Plan. As part of the Bikeway Master Plan update, the City is evaluating opportunities to

designate additional Class I and II bikeways, as well as adding Class III Bikeways (Shared Bike Routes) designations throughout the City.

The City also works continuously to educate the public on safe biking and sharing the road. As an example, the Public Works Agency is in the first year of a three-year federally funded "Safe Routes to Schools" educational program, wherein Engineering staff meets with 39 schools, 15 neighborhood associations, and six senior/community centers. The intent of the program is to encourage motorists, bicyclists and pedestrians safely share the road.

Lastly, as was awarded on June 3, 2013 by the City Council, two secured bicycle locker facilities will be installed later this year which will support bicycle mobility. Depending on this amenity's success, more such facilities could be added which to build a robust bicycle infrastructure.

➤ ***Is there a potential to generate a new revenue stream from establishing a composting system in the city?***

The City has an agreement with Waste Management that grants them the rights to all solid wastes, including composting. Waste Management composts the majority of the green waste collected in the City. Comparatively, a very small amount of green waste is recycled as Alternative Daily Cover in the County of Orange landfill system. In return for the rights to process all solid waste, Waste Management pays a 18% program surcharge to the City on all services they provide, including green waste. Currently, the average annual surcharge revenue is \$4.6M.

## ***Parks, Recreation and Community Services***

➤ ***Can we have more skate parks in the City?***

The city currently has a skate park located at Centennial Park. The concept of building a second skate park has had some discussion. However, no decision to proceed has been made at this time.

➤ ***Can we give funding to the Delhi Center?***

The City assisted Delhi Center (non-profit organization) in the preparation of the grant application and construction of the Community Center, under the agreement the non-profit organization would operate and maintain the building. The City currently assists the Delhi Center by maintaining all exterior improvements, such as the parking lot, landscaping, security lighting and equipment outside the Center.

➤ ***Can we connect the library with the schools and reallocate monies to revitalize library system?***

The City has a strong relationship with the School District with a number of joint use agreements on a variety of facilities. Although a library program at three high schools was eliminated several years ago due to budget constraints, the City is continually working with the School District to assist children to succeed academically and personal development. The Library offers Learning Centers that addresses children from elementary to high school. Teen Centers offering tutoring assistance are held at the Library and Jerome Center. Garfield Community Center is currently under construction at Garfield School. The facility will be completed in early 2014 and will offer computer labs and video training programs.

➤ ***Shouldn't the budget reflect youth programs, such as prevention programs, as a priority?***

The City offers a variety of youth programs currently. The library offers a homework center, computer workshop, an after school program, PRIDE clubs, programmed recreational centers and leisure classes to name a few. The Police Department offers the Santa Ana Police Athletic League (SAPAAL), the Santa Ana Police Explorer Program, and The Teen Academy. We would encourage teens to look at the City's website under Youth and Young Adult Services to learn about the various programs the City offers.

➤ ***Can the City provide more entertainment and sports fields?***

The City is working with the school district to improve and open additional sports fields for community use on district property. The City received a \$4.4 million dollar grant to construct a synthetic turf sports field and track, basketball courts, playground and restroom at Willard Intermediate School. The project is currently under construction and scheduled to be completed in winter 2013. The City was also awarded a \$5 million dollar grant to construct a 10,000 square foot Community Center, basketball court, play equipment, running track and renovation of the sports field at Roosevelt/Walker School. Design will begin this year and scheduled for completion in 2015.

Special Events are provided throughout the year by promoters or city staff. Special events include Independence Day celebration, Fiesta Patrias and parade, Cinco de Mayo, Health & Fitness Fair, Talent Show, 7 Carnivals, Walk-a-Thon, various special events at recreation centers, Dia Del Niño, Shakespeare in the Park and various Zoo events.

## ***Finance Department***

➤ ***Is the City fully taxing food carts as source of income?***

The Business Tax Office coordinates the annual business tax license on push carts with the Community Preservation Section of the Planning and Building Agency. This is conducted when the permits for push cart operators are issued. In addition, the City receives from the Franchise Tax Board and State Board of Equalization data files on anyone who is filing business income in Santa Ana.

➤ ***Is there any benefit from Santa Ana/OC Airport to the City?***

No. The Santa Ana (John Wayne) Airport is located on Unincorporated County of Orange land. There is no opportunity to tax anyone conducting business within the airport (County) jurisdiction. The post office is the principal agency that identifies addresses. The Santa Ana identification used for the airport is a post office designation.

➤ ***Has the widening of the streets affected revenue stream due to closing of businesses?***

Unless it is a major retailer, the city does not track business impacts. The City does contract with Muniservices to monitor and track revenue trends. Meetings are conducted quarterly and any adverse trends would be flagged during these sessions.

➤ ***Are federal grants noted in the budget?***

Yes, all grants are identified in budget as well as in the financial statements. The location of the grant in the budget is based on the type of grant and expenditure.

➤ ***Why don't we use black and white copies for handouts at public meetings to cut printer costs?***

In order to ensure understanding of information or data presented, we will look to color as a means to distinguish components of a budget. As such, cost is not the only determining factor when preparing presentation material. Staff determined color would be best in order to ease understanding of what was being presented.

➤ ***Can restricted funds be used for other programs?***

Restricted funds can only be used for its designated purpose. A jurisdiction cannot change its use. Restricted funds are closely monitored and audited by the providing

agency; any deviation would result in the City not receiving future funding or would be required to pay back the funds received.

➤ ***With short time frame, why do a 2-year budget?***

A two year budget provides a basis for long term planning. It by no means restricts the City from making changes to the organization or the services and programs provided. It does, however, allow the City to gauge any negative or positive impacts resulting from decisions made.

## ***City Manager's Office***

➤ ***Appreciate the transparency and open approach to the budget and ensure it continues.***

The City Council, City Manager and staff are committed to ensuring that the process is open and transparent and that the community is informed and has ample opportunities to engage in the process. During the preparation of the 2013-15 two year budget, there will have been a total of 10 public meetings prior to the adoption of the funding plan.

## ***Bowers Museum***

➤ ***Why does the City provide support to the Bowers Museum? Can the City redirect a portion to other programs?***

➤ ***Bowers has a number of programs that are provided free to Santa Ana residents and the City owns the building, so support for this cultural center should continue.***

As both of these views were expressed at the Budget Forum, the following information is provided to explain the relationship between the Bowers Museum and the City:

The City owns the Museum property, buildings, and a small portion of the collection and has an agreement with the Charles Bowers Museum Corporation to operate it. In 1987 the City entered into a city-private partnership with the Bowers Museum Corporation. The intent was to develop a museum district that would create an environment for arts and culture. The mission of the corporation was to maintain an accredited museum that would interest a multi-ethnic region and bring recognition to the City of Santa Ana. During fiscal year 1986-87, the City had 20 full-time positions assigned to the museum.



The 1987 agreement requires the Corporation to operate the Museum and the City to provide operating assistance. The agreement, which has been amended several times since 1987, provides for the continued relationship between the City and the Bowers Museum Corporation through 2026. The City's 2013-14 budget for the Bowers Museum operations is \$1,474,285.

## ***Arts and Cultural Programs***

- ***Can the City help support the needs of the economic engine that is the arts? Individual artists need support programs – i.e., micro loans, opportunity to build public/non-profit partnership.***

The City is in the process of developing a \$2,000 business startup grant program that can be used by artists that start new businesses (storefronts) in Community Development Block Grant (CDBG) eligible areas of the City. This grant can be used to offset business license costs, marketing costs, and other costs of starting up a business.

- ***Can the City provide affordable housing for artists?***

The City has previously funded affordable owner occupied housing in the downtown Artist's Lofts. In addition, artists who are income eligible would be eligible to apply for any of the affordable units that have been created throughout the City.

- ***Can the City establish a Cigarette tax with the proceeds dedicated to the arts?***

The City has established a fee for regulating businesses that distribute tobacco products; however, by law, the revenues from that fee can only be spent on the regulation and enforcement efforts. Under California Revenue and Taxation Code 30111, it appears that only the State may impose a cigarette tax and all cities in California are prohibited from imposing their own tax on the sale of cigarettes.

- ***Can the City establish a public art program that would require new developments to provide public art?***

Cities can require developments to provide public art as a part of the project. One local example is the City of Brea. Brea requires new developments with a value over \$1.5 million to incorporate into the project a public art piece that is accessible to the community. The public art is required to be valued at 1% of the market value of the project.

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