

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Sub-Committee

FROM: Budget and Legislative Analyst



SUBJECT: March 1, 2018 Budget and Finance Sub-Committee Meeting

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<p>Items 1 and 2 Files 18-0057 & 18-0082</p>	<p>Department: Municipal Transportation Agency (MTA)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <p>The proposed legislation would approve: (1) a resolution to terminate the lease agreement between the City and County of San Francisco and the Uptown Parking Corporation for the management of the Sutter Stockton Garage and would authorize the Director of Transportation to execute a Lease Termination Agreement effective February 28, 2018 (File 18-0057); and (2) an ordinance to appropriate \$2,837,223 of San Francisco Municipal Transportation Agency (SFMTA) Sutter Stockton Garage operating and retail rental revenues to the SFMTA Sustainable Streets operating fund for the Sutter Stockton Garage parking management operations in FY 2017-18 (File 18-0082).</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Uptown Parking Corporation (Uptwon) is a non-profit corporation established to issue bonds and construct the Sutter Stockton Garage. The SFMTA has determined that leasing the Sutter Stockton Garage to the Corporation is no longer in the best financial interest of the City, and proposes to terminate the lease with Uptown. Uptown would transfer the title and control of all monies, deposits, and accounts of the Corporation to the SFMTA within five business days of February 28, 2018. • SFMTA would assume agreements that the Uptown Parking Corporation has previously entered into with 31 vendors and 15 subtenants under the proposed lease termination agreement. SFMTA would assume the daily operation of the Garage through its existing agreement for garage operations with Imperial Parking. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • Based on the budget provided by SFMTA, the proposed lease termination would save the SFMTA an estimated \$39,160 annually by discontinuing redundant corporate oversight services, including marketing and legal services. According to SFMTA, SFMTA would realize an estimated \$60,000 in additional annual savings from the reduction of Uptown Parking Corporation staff that are no longer needed, for a total of \$99,160 in estimated annual savings. • The proposed appropriation ordinance would (1) de-appropriate \$2,337,223 from the Sutter Stockton Garage’s operating revenue and \$460,000 from the Garage’s retail rental revenue, and (2) re-appropriate \$1,518,473 to the agreement between SFMTA and Imperial Parking, and \$1,318,750 to Parking Taxes, for a total appropriation of \$2,837,223. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend File 18-0082 to appropriate (a) \$2,837,223 rather than \$7,145,350 in sources, including (i) \$2,377,223 in Operating Revenue, rather than \$6,593,750, and (ii) \$460,000 in Retail Rental Revenue, rather than \$551,600; and \$2,837,223 rather than \$7,145,350 in uses, including, (c) \$1,518,473 in Professional Services, rather than \$5,826,600, and (d) \$1,318,750 in Parking Taxes, which is unchanged. • Approve the proposed resolution (File 18-0057), and the proposed ordinance as amended (File 18-0082). 	

MANDATE STATEMENT

City Charter Section 9.118(c) states that any modification, amendment or termination of a lease that had an initial term of ten years or more, including options to extend, or that had anticipated revenues of \$1 million or more is subject to Board of Supervisors approval.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

The Sutter Stockton Garage (Garage) is a City owned parking garage under the jurisdiction of the San Francisco Municipal Transportation Agency (SFMTA), located at 444 Stockton Street. The Garage has approximately 1,900 parking spaces and provides approximately 29,500 square feet of retail/commercial space, currently leased to 15 tenants, and generates approximately \$14,290,700 in annual gross revenue (see Table 2 below).

The Uptown Parking Corporation is a non-profit 501 (c) 2 entity, dedicated to the operation of the Sutter Stockton and Union Square Garages. The Corporation was formed in 1956 for the sole purpose of assisting the City with the construction of the Sutter Stockton Garage through the sale of Uptown Parking Corporation bonds.¹ In 1959, the City leased the Garage to the Corporation through a lease agreement, which was subsequently replaced with a new lease agreement in 2013. Under the existing lease, the Corporation manages the day-to-day operations of the Garage with oversight and policy direction from the SFMTA. The existing lease included a provision that allows the City to terminate the lease at the Agency's convenience, upon 90 days' notice to the Corporation.

The SFMTA has determined that leasing the Sutter Stockton Garage to the Corporation is no longer in the best financial interest of the City. Since the execution of the 2013 lease, the SFMTA has expanded its capacity for direct garage management through the hiring of staff with technical knowledge, and through changes to policies and procedures for contracting and oversight to make them more efficient. In anticipation of the lease termination, the SFMTA assumed the daily operation of the Garage beginning February 1, 2018 through its existing agreement for garage operations with Imperial Parking². On November 1, 2017, the SFMTA Board of Directors approved a resolution authorizing the Director of Transportation to execute the proposed Lease Termination Agreement.

¹ In July 2012, the Uptown Parking Corporation bonds were fully paid off through the issuance of a revenue bond by the SFMTA.

² A Delaware limited liability corporation

DETAILS OF PROPOSED LEGISLATION

The proposed legislation would approve:

- A resolution to terminate the lease agreement between the City and the Uptown Parking Corporation for the management of the Sutter Stockton Garage, and to authorize the Director of Transportation to execute a Lease Termination Agreement effective February 28, 2018 (File 18-0057); and
- An ordinance to appropriate \$2,837,223 of SFMTA Sutter Stockton Garage operating and retail rental revenues to the SFMTA Sustainable Streets operating fund for the Sutter Stockton Garage parking management operations in FY 2017-18 (File 18-0082).

File 18-0082 appropriates \$7,145,350, rather than the actual amount of \$2,837,223. The proposed ordinance should be amended to appropriate:

(a) \$2,837,223 rather than \$7,145,350 in sources, including (i) \$2,377,223 in Operating Revenue, rather than \$6,593,750, and (ii) \$460,000 in Retail Rental Revenue, rather than \$551,600; and

(b) \$2,837,223 rather than \$7,145,350 in uses, including, (i) \$1,518,473 in Professional Services, rather than \$5,826,600, and (ii) \$1,318,750 in Parking Taxes, which is unchanged.

Details of the Proposed Lease Termination (File 18-0057)

According to Mr. Malone, SFMTA would assume all 15 leases with subtenants and 31 agreements with vendors that the Uptown Parking Corporation has entered into under the proposed lease termination. SFMTA would assume the daily operation of the Garage through its existing agreement for garage operations with Imperial Parking.

The Uptown Parking Corporation would transfer the title and control of all monies, deposits, and accounts of the Corporation to the SFMTA within five business days of February 28, 2018, and would provide an audit report and full accounting of all revenues, accounts, equipment, outstanding debts, and assets within 45 days of February 28, 2018. SFMTA would review the audit and accounting reports and provide comments and corrections within 30 days. Subsequent to any corrective actions which the SFMTA states that the Uptown Parking Corporation must make, SFMTA would hold the Uptown Parking Corporation, its Board Members, and officers harmless.

Under the proposed lease termination agreement, the City would have no obligation to any employee of the Uptown Parking Corporation, with the exception of the Corporate Manager, Mr. Anson Lee, and Corporate Accountant, Mr. Roel Payumo, who will be temporarily retained³ to perform administrative services including correcting the audit and accounting reports, and transferring accounts, books, and records from the Corporation to the SFMTA. According to the lease termination agreement, the City would enter into agreements with Mr. Lee and Mr. Payumo to act as consultants to the SFMTA through March 31, 2018. After March 31, 2018, the City would pay Mr. Lee and/or Mr. Payumo on an hourly basis for their services.

³ Mr. Lee and Mr. Payumo will be retained for no longer than 90 days after the lease termination date.

FISCAL IMPACT

Based on the budget provided by SFMTA, the proposed lease termination would save the SFMTA an estimated \$39,160 annually by discontinuing redundant corporate oversight services, including marketing and legal services, as shown in Table 1 below.

Table 1: Estimated Annual Savings from Proposed Lease Termination

Corporation Expenditures	
Taxes & Licenses Contingent	\$21,000
Marketing	1,800
Tenant Legal	15,760
Miscellaneous	600
Total	\$39,160

According to Mr. Ted Graff, SFMTA Director of Parking, SFMTA estimates additional annual savings of approximately \$60,000 from the reduction of Uptown Parking Corporation staff that are no longer needed⁴—for a total of approximately \$99,160 in annual savings. These savings would be reflected in the SFMTA’s proposed two-year FY 2018-19 and FY 2019-20 budget.

The proposed termination of the Uptown Parking Corporation Lease Agreement is consistent with the analysis and findings of the Controller’s June 2011 audit that questioned the need for continuing to have such leases with non-profit corporations when SFMTA could provide these services on an in-house basis. The Controller’s Office found that “leasing garages to non-profit corporations is unnecessarily costly to the City.”

Under the current lease agreement between the City and the Uptown Parking Corporation, the revenue from parking and other sources totaling \$14,290,700 for FY 2017-18, as shown in Table 2 below, is collected by the Corporation which, in turn, pays for the Sutter Stockton Garage operating expenses; any balance that is left over is paid to the SFMTA. As shown in Table 2 below, in the FY 2017-18 budget, net revenues of \$8,066,255 are paid to the SFMTA.

⁴ 50 percent of the costs for a corporate manager and an accountant

Table 2: The Garages' Expenditures & Revenues for FY 2017-18

Expenditures	
Operating Expenses*	\$3,036,945
Parking Tax	2,637,500
Capital Set-Aside**	<u>550,000</u>
Subtotal Expenditures	6,224,445
Revenue	
Parking Revenue***	13,187,500
Non-Parking Revenue	<u>1,103,200</u>
Subtotal Revenues	14,290,700
Total Balance Paid to SFMTA	\$8,066,255

*Includes personnel costs, utilities, services, supplies, and garage management as well as expenditures related to the Uptown Parking Corporation including corporate management personnel costs, corporate legal fees, trustee fees, and repayment for bonds.

**The Capital Set-Aside will no longer be applicable under the proposed lease termination

***Includes transient and monthly parking.

Details of the Appropriation (File 18-0082)

The proposed appropriation ordinance would (1) de-appropriate \$2,337,223 from the Sutter Stockton Garage's operating revenue and \$460,000 from the Garage's retail rental revenue, and (2) re-appropriate \$1,518,473 to Professional Services and \$1,318,750 to Parking Taxes. The total appropriation of \$2,837,223 is shown in Table 3 below.

Table 3: Sources and Uses of Appropriation

Sources	
Sutter Stockton Garage Operating Revenue	\$2,377,223
Sutter Stockton Garage Retail Rental Revenue	460,000
Total Sources	\$2,837,223
Uses	
Imperial Parking Agreement	\$1,518,473
Parking Taxes	1,318,750
Total Uses	\$2,837,223

The re-appropriation of \$2,837,223 in parking garage revenues is for the six-month period in FY 2017-18 from January 1, 2018 to June 30, 2018. According to Mr. Malone, Sutter Stockton Garage operating revenues and expenditures for FY 2018-19 will be included in the SFMTA's proposed two-year FY 2018-19 and FY 2019-20 budget.

RECOMMENDATIONS

1. Amend File 18-0082 to appropriate (a) \$2,837,223 rather than \$7,145,350 in sources, including (i) \$2,377,223 in Operating Revenue, rather than \$6,593,750, and (ii) \$460,000 in Retail Rental Revenue, rather than \$551,600; and \$2,837,223 rather than \$7,145,350 in uses, including, (c) \$1,518,473 in Professional Services, rather than \$5,826,600, and (d) \$1,318,750 in Parking Taxes, which is unchanged.
2. Approve the proposed resolution (File 18-0057), and the proposed ordinance as amended (File 18-0082).

<p>Items 4 and 5 Files 18-0084 and 18-0085</p>	<p>Department: Public Defender’s Office</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • <u>File 18-0084</u> would amend the Annual Salary Ordinance to add 14 new positions in the Public Defender’s Office to expand the immigration defense unit. • <u>File 18-0085</u> would appropriate \$1,280,468 of General Reserve to the Public Defender’s Office, MOHCD, and the Department of Elections in FY 2017-18. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The Public Defender’s Office currently has four Attorneys, one Legal Assistant, and one Senior Legal Process Clerk dedicated to handle cases in Immigration Court, and proposes to add 14 new positions (eight Attorneys, two Investigators, two Court Alternative Specialists, one Legal Assistant, and one Senior Legal Process Clerk) totaling 20 positions. • The addition of eight Attorneys would allow the immigration defense unit to represent an estimated additional 227 detained immigrants each year. • The Public Defender’s Offices wants to add Investigators and Court Alternative Specialists to provide support to Attorneys and services to detained immigrants. Our recommendation to reduce these positions would mean that the Public Defender’s Office would provide the necessary support and services within existing resources, including through services provided by community-based organizations, which are funded with \$4.2 million in FY 2017-18. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The supplemental appropriation ordinance appropriates \$462,968 in FY 2017-18 to add 14 new positions in the Public Defender’s Office. The annual cost for these positions in FY 2018-19 is \$1,919,289. • The appropriation of approximately \$1.3 million of General Reserve will result in a projected ending reserve balance of \$106.0 million. 	
<p style="text-align: center;">Recommendations</p>	
<ol style="list-style-type: none"> 1. Amend File 18-0084 to reduce the (a) 8177 Attorney from 2.00 FTE to 1.33 FTE; (b) 8142 Public Defender’s Investigator from 0.50 FTE to 0.00 FTE; (c) 8446 Court Alternative Specialist I from 0.50 FTE to 0.00 FTE; (d) 8173 Legal Assistant from 0.25 FTE to 0.10 FTE; and (e) 8108 Senior Legal Process Clerk from 0.25 FTE to 0.00 FTE. 2. Amend File 18-0084 to define the new positions as limited tenure for three years. 3. Amend File 18-0085 to reduce the appropriation by \$248,412, from \$1,280,468 to \$1,032,056. 4. Place (a) \$60,000 in the Public Defender’s budget on Budget and Finance Committee Reserve pending approval of a lease agreement; and (b) \$125,000 in the Department of Elections’ budget on Budget and Finance Committee Reserve pending submittal of a plan for using the funding. 5. Approval of the proposed ordinances, as amended, is a policy matter for the Board of Supervisors, because the ordinances allocate General Fund monies and positions to represent cases in federal Immigration Court, which is a new function for the City. 	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

The San Francisco Immigration Court, which falls under the jurisdiction of the Executive Office for Immigration Review under the U.S. Department of Justice, is the only immigration court in Northern California.

As of February 21, 2018, an estimated 3,726 San Francisco residents have cases pending in Immigration Court, of which 2,574 individuals, or 69 percent, have legal representation. Of the pending cases, 344 cases were filed within the prior 90 days, and 112 individuals in those cases, or 33 percent, have legal representation.¹

An analysis of immigration court records from 2012 to 2015, conducted by the California Coalition for Universal Representation, found that only 5 percent of unrepresented detainees obtained relief (i.e., asylum, cancellation of removal, or termination of case) compared to 35 percent of represented detainees as a result of their proceedings in the San Francisco Immigration Court.

DETAILS OF PROPOSED LEGISLATION

File 18-0084: Annual Salary Ordinance Amendment

The proposed ordinance would amend the Annual Salary Ordinance to add 14 new positions in the Public Defender's Office, equal to 3.50 full-time equivalent (FTE) positions in FY 2017-18, as shown in Table 1 below.

Table 1: Proposed New Positions in the Public Defender's Office

		Number of Positions	FY 2017-18 FTEs
8177	Attorneys	8	2.00
8142	Public Defender's Investigator	2	0.50
8446	Court Alternative Specialist I	2	0.50
8173	Legal Assistant	1	0.25
8108	Senior Legal Process Clerk	1	0.25
Total		14	3.50

¹ TRAC Immigration Project. Individuals in Immigration Court by Their Address: Pending Cases With and Without Attorneys. County Subdivision: San Francisco. Accessed February 21, 2018. <http://trac.syr.edu/phptools/immigration/addressrep/>

File 18-0085: Supplemental Appropriation Ordinance

The proposed ordinance would appropriate \$1,280,468 from the General Reserve in FY 2017-18 to (1) the Public Defender's Office to expand the immigration unit; (2) the Mayor's Office of Housing and Community Development (MOHCD) to fund legal representation and rapid response social services; and (3) the Department of Elections to fund non-citizen voter outreach and education services.

Table 2: Sources and Uses of Funds

Source of Funds	Amount
General Reserve	\$1,280,468
Total Sources	\$1,280,468
Uses of Funds	
<i>Public Defender</i>	
Permanent Salaries and Fringe Benefits	\$462,968
Office Rent	<u>60,000</u>
Subtotal, Public Defender	\$522,968
<i>MOHCD</i>	
Immigration Court Defense	431,250
Social and Legal Services	<u>201,250</u>
Subtotal, MOHCD	\$632,500
<i>Department of Elections</i>	
Non-Citizen Voter Outreach and Education	125,000
Total Uses	\$1,280,468

The Public Defender's Office Legal Unit for Immigration Services

The Public Defender's Office currently has four Attorneys, one Legal Assistant, and one Senior Legal Process Clerk dedicated to handle cases in Immigration Court. The Public Defender's Office implemented the unit dedicated to defense of cases in Immigration Court in May 2017. According to Ms. Angela Auyong, Public Defender Office Manager, the immigration defense unit has accepted approximately 85 new cases of detained immigrants since May 2017 and attorneys carry a caseload of about 8 to 9 active detained cases at a time, or approximately 28 cases annually.

According to Ms. Auyong, the immigration defense unit prioritizes all detained cases with San Francisco ties, including those who work, live, or have close family in the city, or who have been prior clients of the Public Defender's Office. Cases are brought to the attention of the immigration defense unit by (1) direct calls from detainees, (2) referrals from the Immigration Court, or (3) referrals from other public defenders.

The Public Defender's Office is proposing to expand the immigration defense unit with 14 new positions of eight Attorneys, two Public Defender Investigators, two Court Alternative Specialists, one Legal Assistant, and one Senior Legal Process Clerk to handle additional cases of detained immigrants in immigration court. If the Board of Supervisors approves the proposed amendment to the annual salary ordinance and the proposed supplemental appropriation

ordinance, the Public Defender would be able to represent an estimated additional 227 detained immigrants each year based on current caseload.

FISCAL IMPACT

14 New Positions in the Public Defender's Office

The supplemental appropriation ordinance appropriates \$462,968 in FY 2017-18 to add 14 new positions in the Public Defender's Office, as shown in Table 2 above. The estimated annual cost for these 14 new positions in FY 2018-19 is \$1,919,289.

The 14 new positions would result in 20 positions in the Public Defender's Office to handle defense for detained immigrants as shown below:

		Current	Proposed	Total
8177	Attorneys	4	8	12
8142	Public Defender's Investigator		2	2
8446	Court Alternative Specialist I		2	2
8173	Legal Assistant	1	1	2
8108	Senior Legal Process Clerk	1	1	2
Total		6	14	20

The Public Defender's Office has not previously assigned Public Defender's Investigators and Court Alternative Specialists to the unit handling immigrant defense. The job description for the Public Defender's Investigator states that this position is responsible to investigate criminal complaints and assist in the defense of criminal cases in Superior Court. The job description for the Court Alternative Specialist states that this position evaluates the needs of individuals referred to an alternative sentencing program, including community service and rehabilitation. Because the immigrant defense cases are not criminal cases, and alternative sentencing is not specific to the disposition of these cases, the Budget and Legislative Analyst recommends deleting the requested two new Public Defender's Investigators and two new Court Alternative Specialist positions.²

According to the Public Defender's Office, the two Court Alternative Specialist positions are necessary because the detained immigrant population is vulnerable and "likely to have a history of surviving trauma and violence, and have a number of needs to help ease reentry into the community upon release from detention". However, as noted below, the Board of Supervisors previously appropriated \$3,579,630 to community-based organizations in FY 2017-18 to provide immigration-related social and legal services, and the proposed ordinance appropriates an additional \$632,500 to community-based organizations in FY 2017-18 to provide these services, totaling \$4,212,130.

The Public Defender's Office has requested one new Senior Legal Process Clerk, resulting in two Senior Legal Process Clerks for 12 Attorneys, a ratio of 6:1. The department-wide ratio of Senior

² If the two new Court Alternative Specialist positions are not approved, the department-wide ratio of Attorneys to Court Alternative Specialists would increase from 14:1 to 15:1. If the two new Public Defender's Investigator positions are not approved, the department-wide ratio of Attorneys to Public Defender's Investigators would increase from 6:1 to 7:1.

Legal Process Clerks to Attorneys in FY 2017-18 is 21:1. Therefore, the Budget and Legislative Analyst recommends deleting the requested additional Senior Process Clerk position, which would result in a ratio in the immigration defense unit of Senior Legal Process Clerks to Attorneys of 12:1.

Timeline to Hire New Positions

The Attorney positions are at-will positions exempt from the civil service hiring process. In the past, the Public Defender's Office has reported that the department can fill vacant attorney positions within about one month. The Legal Assistant is a civil service position, which typically takes at least three months to fill.

Since the Public Defender's Office cannot begin the hiring process until the requested appropriation is approved by the Board of Supervisors, and approval would occur on March 20, 2018, at the earliest, the Budget and Legislative Analyst assumes that the eight new Attorneys would start in late April 2018, and the recommended Legal Assistant would start in June 2018.

The Budget and Legislative Analyst recommends reducing the proposed supplemental appropriation by \$248,412 to account for the reduction in positions and delays in hiring as follows:

	Salary and Benefits per FTE	Proposed new FTEs in FY 2017-18	Recommended FTEs	FY 2017-18 Salary and Benefits
Attorneys	\$152,831	2.00	1.33	\$203,774
Public Defender's Investigator	118,830	0.50	0.00	--
Court Alternative Specialist I	92,364	0.50	0.00	--
Legal Assistant	107,816	0.25	0.10	10,782
Senior Legal Process Clerk	85,535	0.25	0.00	--
Total Recommended	--	3.50	1.43	\$214,556
Supplemental Appropriation				\$462,968
Reduction				(\$248,412)

Public Defender Office Rent

The supplemental appropriation ordinance would allocate \$60,000 to the Public Defender's Office for office rent for the immigration defense unit. According to Ms. Auyong, the Public Defender's Office does not have space for the additional employees in their current space. As of the date of this report, an available space to lease has not yet been identified, so the Budget and Legislative Analyst recommends placing \$60,000 on Budget and Finance Committee Reserve pending approval of a lease agreement.

MOHCD Grants to Community-Based Organizations for Social and Legal Services

The supplemental appropriation ordinance would appropriate \$632,500 to MOHCD for awarding grant funding to community-based organizations that provide immigration-related social and legal services. According to Mr. Brian Cheu, Director of Community Development at MOHCD, MOHCD would amend two existing grant agreements to award the additional funding because a new competitive procurement process could likely not be completed before the end of the current fiscal year. As shown in Table 3 below, the proposed amendments would

increase the FY 2017-18 grant award to (1) CARECEN by 14 percent and (2) Dolores Street Community Services by 37 percent.

Table 3: Existing and Amended Grant Awards

Grantee	Existing Award FY 2017-18	Proposed Amendment	FY 2017-18 Total	% Change
CARECEN				
<i>Lead agency for the San Francisco Immigration Legal Defense Collaborative</i>	\$3,029,630	\$431,250	\$3,460,880	14%
Dolores Street Community Services				
<i>Lead agency for the San Francisco Immigrant Legal Education Network</i>	\$550,000	\$201,250	\$751,250	37%
Total	\$3,579,630	\$632,500	\$4,212,130	18%

According to the Public Defender's Office, the community-based organizations provide legal representation to approximately 300 detainees.

Mr. Cheu advises that, if the Mayor's Office allocates additional funding for immigration-related social and legal services in the FY 2018-19 budget, MOHCD will issue a Request for Proposals (RFP) for the FY 2018-19 funding.

Department of Elections Non-Citizen Voter Outreach and Education

The supplemental appropriation ordinance includes \$125,000 for non-citizen voter outreach and education services related to the passage of Proposition N in November 2016, which will allow non-citizens who have children in the San Francisco Unified School District to vote in local school board elections.

The Department of Elections does not yet have a plan for using the supplemental appropriation. Therefore, the Budget and Legislative Analyst recommends placing \$125,000 on Budget and Finance Committee Reserve pending submittal to the Budget and Finance Committee of a plan for using the funding.

POLICY CONSIDERATION

General Reserve

Administrative Code Section 10.60(b) provides for a General Reserve of 2.5 percent of General Fund revenues in FY 2018-19. According to the FY 2017-18 Six-Month Budget Status Report, prepared by the Controller's Office in February 2018, the proposed uses of approximately \$1.3 million of General Reserve for immigration-related legal services will result in a projected ending reserve balance of \$106.0 million, which will be carried forward to FY 2018-19.

Federal Immigration Policy

Detention and deportation of non-citizens depends on federal immigration policy, which is beyond the purview of the City and could change under a different federal administration. Therefore, the Budget and Legislative Analyst recommends that the new positions in the Public

Defender's Office are limited tenure for three years so that the Board of Supervisors may re-evaluate whether there is still a need for representation of detained cases in 2021.

State Grant Funding

According to Ms. Melissa Whitehouse, Mayor's Budget Director, the Mayor's Budget Office is currently in the process of trying to obtain state funding for Public Defender's Office salary and benefit costs since the San Francisco Immigration Court serves all of Northern California. As of the date of this report, it is not known to what extent the costs of the immigration defense unit at the Public Defender's Office could be offset by state funding.

RECOMMENDATIONS

1. Amend the proposed ordinance (File 18-0084) to reduce the (a) 8177 Attorney from 2.00 FTE to 1.33 FTE; (b) 8142 Public Defender's Investigator from 0.50 FTE to 0.00 FTE; (c) 8446 Court Alternative Specialist I from 0.50 FTE to 0.00 FTE; (d) 8173 Legal Assistant from 0.25 FTE to 0.10 FTE; and (e) 8108 Senior Legal Process Clerk from 0.25 FTE to 0.00 FTE.
2. Amend the proposed ordinance (File 18-0084) to define the new positions as limited tenure for three years.
3. Amend the proposed ordinance (File 18-0085) to reduce the appropriation by \$248,412, from \$1,280,468 to \$1,032,056.
4. Place (a) \$60,000 in the Public Defender's budget on Budget and Finance Committee Reserve pending approval of a lease agreement; and (b) \$125,000 in the Department of Elections' budget on Budget and Finance Committee Reserve pending submittal to the Budget and Finance Committee of a plan for using the funding.
5. Approval of the proposed ordinances, as amended, is a policy matter for the Board of Supervisors, because the ordinances allocate General Fund monies and positions to represent cases in federal Immigration Court, which is a new function for the City.

Item 6 File 18-0116	Department: General Services Agency - Department of Public Works
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance appropriates \$2,500,000 of the prior year’s unassigned General Fund balance to the Department of Public Works (Public Works) to fund Street and Sidewalk Cleaning in FY 2017-18. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Street Environmental Services bureau of Public Works provides street and sidewalk cleaning Citywide. Street Environmental Services has zone teams that provide scheduled street sweeping, steam cleaning, manual cleaning, and litter removal on predetermined routes, as well as response to service requests. There are also crews that focus on hot spots, encampments, alleys, and swing and night shift operations. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed ordinance would appropriate \$2,500,000 from the prior year’s unassigned General Fund balance to Public Works to enhance street cleaning operations. • The a \$1,610,000 to pay for approximately 41,150 hours of temporary labor for street cleaning services, equal to approximately 19.8 full-time equivalent (FTE) positions over the course of one year, an increase of approximately 8 percent from Street Environmental Services current 247.5 budgeted FTE positions. • The proposed ordinance appropriates \$230,000 to community grants, which would be allocated to the Tenderloin Neighborhood Litter Reduction and Workforce Development Grant (TL Clean), which provides street cleaning in the Tenderloin neighborhood. The \$230,000 in funding would allow TL Clean to increase operations from five days per week to seven days per week. • The appropriation would also allocate \$100,000 for street cleaning materials and supplies, and \$560,000 to purchase two RAVO street sweepers. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approval of the proposed ordinance is a policy decision for the Board of Supervisors. 	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

The Street Environmental Services bureau of the Department of Public Works (Public Works) provides street and sidewalk cleaning services citywide. Street Environmental Services has zone teams that provide scheduled street sweeping, steam cleaning, manual cleaning, and litter removal on predetermined routes, as well as response to service requests. There are six zones in the City, each approximately corresponding with two supervisorial districts, with the exception of a zone that approximately covers District 6. There are also crews that focus on hot spots, encampments, alleys, and swing and night shift operations. According to Mr. Bruce Robertson, Public Works Finance Manager, Street Environmental Services has a FY 2017-18 budget of \$64,992,106, and it typically expends its full budget each year.

On January 30, 2018, the Board of Supervisors approved an ordinance appropriating \$300,000 of cigarette litter abatement fees to Public Works to approximately 8,979 hours of temporary salaries for manual street cleaning services (File 17-1282).¹

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$2,500,000 from the prior year's unassigned General Fund balance to Public Works to fund street and sidewalk cleaning. The proposed ordinance would appropriate \$1,610,000 for temporary salaries, \$230,000 for community grants, \$100,000 for materials and supplies, and \$560,000 for equipment.

FISCAL IMPACT

The City's Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2017, identified \$14.4 million in unassigned General Fund monies that are available for future appropriations. The December 21, 2017 Financial Plan Update, prepared jointly by the Controller's Office, Mayor's Office, and Budget and Legislative Analyst's Office, assumed that \$11.9 million would be allocated to balance the FY 2018-19 budget, leaving \$2.5 million unallocated. The proposed ordinance appropriates the \$2.5 million for enhanced street cleaning services, as shown in Table 1 below.

¹ The cigarette litter abatement fee increased on January 1, 2018 from \$0.60 per pack to \$0.75 per pack, resulting in an estimated \$300,000 in increased fee revenues in FY 2017-18 to be allocated to street cleaning services. Increased cigarette litter abatement fee revenues in FY 2018-19 will be used to offset the General Fund contribution to street cleaning services.

Table 1: Spending Plan for Supplemental Appropriation

Staffing	Hourly Wage	Fringe Benefits and Overhead	Full Hourly Cost	Hours	Total Cost
9916 Public Service Aide	\$17.71	120.89%	\$39.31	41,150	\$1,610,000
Community Grants		Additional Days Per Week	Total Additional Days	Total Cost	
TL Clean		2	104	\$230,000	
Materials and Supplies				Total Cost	
Brooms, shovels, pickers, bags, chemicals, uniforms, personal protective equipment				\$100,000	
Equipment			Cost Per Unit	Units	Total Cost
RAVO Street Sweeper			\$280,000	2	\$560,000
Total					\$2,500,000

The proposed ordinance would appropriate funding for approximately 41,150 hours of temporary labor for street cleaning services, equal to the amount of labor provided by approximately 19.8 full-time equivalent (FTE) positions over the course of one year. Street Environmental Services currently has 247.5 budgeted FTE positions, so the supplemental appropriation would increase the bureau's staffing by about 8 percent. According to Mr. Robertson, the Public Service Aide classification is not typically a budgeted position, but it is used for entry level temporary workers to gain experience for higher level positions. Temporary staff would be assigned to the Community Corridors program, which provides sidewalk sweeping and maintenance services along designated routes in commercial corridors citywide.

According to Mr. Robertson, the community grants would be allocated to the Tenderloin Neighborhood Litter Reduction and Workforce Development Grant (TL Clean),² which provides street cleaning in the Tenderloin neighborhood. TL Clean currently operates five days per week, but the \$230,000 in funding would allow it to operate seven days per week. The appropriation would fund additional service for one year, a total of approximately 104 additional days of service.

The proposed ordinance also appropriates \$100,000 for materials and supplies. According to Mr. Robertson, this includes brooms, shovels, pickers, bags, cleaning chemicals, uniforms, and personal protective equipment. The proposed ordinance also appropriates \$560,000 to purchase two RAVO street sweepers. Public Works currently owns four RAVO sweepers, and each has a useful life of about ten years. According to Mr. Robertson, Street Environmental Services currently has sufficient staffing to utilize all six sweepers.

RECOMMENDATION

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

² The original \$650,000 grant for the Tenderloin Neighborhood and Workforce Development Program for litter reduction and workforce development was awarded through a Request for Qualifications process in July 2017.