

File No. 100726

Committee Item No. 3

Board Item No. 22

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 6/9/10

Board of Supervisors Meeting

Date 6/15/10

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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Completed by: Gail Johnson

Date 6/4/10

Completed by: *Yg*

Date 6/10/10

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Redevelopment Agency Interim Budget]

2
3 **Resolution approving an Interim Budget of the Redevelopment Agency of the City and**
4 **County of San Francisco for Fiscal Year 2010-2011.**

5
6 WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the
7 "Agency") is implementing various Redevelopment Plans in the City and County of San
8 Francisco (the "City") in accordance with the Community Redevelopment Law of the State of
9 California (the "Law"); and

10 WHEREAS, Section 33606 of the Law provides for approval of the annual Budget of
11 the Agency by the Legislative Body of the City (the "Board of Supervisors"); and

12
13 WHEREAS, The Agency has submitted to the Board of Supervisors for approval its
14 annual budget for fiscal year 2010-2011 (the "Budget"); now, therefore, be it

15
16 RESOLVED, By the Board of Supervisors of the City and County of San Francisco that
17 it does hereby approve the Interim Budget of the Agency, as such Interim Budget is shown in
18 Exhibit "A" attached hereto and incorporated as if set forth in full herein.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

June 3, 2010

TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst
SUBJECT: June 9, 2010 Budget and Finance Committee Meeting

TABLE OF CONTENTS

| <u>Item</u> | <u>File</u> | <u>Page</u> |
|-------------|-------------|---|
| 1,2,3 & 4 | 10-0700 | Interim Consolidated Budget and Annual Appropriation Ordinance, FYs Ending June 30, 2011, and June 30, 2012 |
| | 10-0702 | Interim Annual Salary Ordinance, FY Ending June 30, 2011 for all Departments, and for FY Ending June 30, 2012, for the San Francisco International Airport, Municipal Transportation Agency, Port Commission, and Public Utilities Commission |
| | 10-0726 | Redevelopment Agency Interim Budget FY 2010-2011 |
| | 10-0728 | Treasure Island Development Authority Interim Budget FY 2010-2011..... 1,2,3 & 4 - 1 |

| | |
|--|-----------------------|
| Items 1, 2, 3, and 4 Files 10-0700, 10- 0702, 10- 0726 and 10- 0728 | Department(s): |
| EXECUTIVE SUMMARY | |

1. The proposed legislation would approve for FY 2010-11: (a) the Interim Annual Appropriation Ordinance (File 10-0700), (b) the Interim Annual Salary Ordinance (File 10-0702), and two resolutions approving (c) an Interim Budget for the Redevelopment Agency (File 10-0726), and an Interim Budget for the Treasure Island Development Authority (TIDA) (File 10-0728).

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for FY 2010-11 on or before June 30, 2010. The purpose of these interim ordinances and resolutions is to provide position and expenditure authorization for the various departments of the City and County during the time that the Budget and Finance Committee of the Board of Supervisors is reviewing the Mayor's recommended budget for FY 2010-11.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the FY 2010-11 proposed budget recommendations of the Mayor. Therefore, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed FY 2010-11 budget. An analysis of departmental programs and program revisions, together with the Budget and Legislative Analyst's recommendations will be submitted in budget reports for the Budget and Finance Committee's budget hearings scheduled from June 16 through 28, 2010.

4. The two proposed resolutions (Item 3, File 10-0726 and Item 4, File 10-0728), approving an Interim Budget for the Redevelopment Agency and TIDA, provide authority for the Redevelopment Agency and TIDA to function under the State Community Redevelopment Law for the period from July 1, 2010 until the FY 2010-11 budgets for the Redevelopment Agency and TIDA are finally approved by the Board of Supervisors, as required by Section 33607 of State Redevelopment law. Approval of these two proposed resolutions would not constitute final approval of (a) any new positions, programs, capital improvements and equipment for the Redevelopment Agency and TIDA or (b) Tax Allocation Bonds for the Redevelopment Agency for 2010-2011.

5. As a general policy, in previous years, the Board of Supervisors has not approved new positions, programs, capital improvements and equipment during the interim budget period without detailed review unless the Budget and Finance Committee and the full Board authorizes exceptions requested by the Mayor's Office. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, programs, capital

improvements and equipment during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until October 1 of each fiscal year.

6. The Administrative Provisions of the Interim Annual Appropriation Ordinance states that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision.

7. In certain cases, specific exceptions requested by the Mayor's Office to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue or cost savings or prevent major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases, for example, could result in cost savings. Although the Mayor's Office has stated that two new positions have been included in the interim budget, as of the writing of this report, the Mayor's Office has not provided the Budget and Legislative Analyst with specific requests for exceptions to the Annual Appropriation Ordinance and the Annual Salary Ordinance.

8. According to Ms. Monique Zmuda, Deputy Controller, the Controller has not submitted revisions to the Administrative Provisions of the Interim Annual Appropriation Ordinance (AAO). Ms. Zmuda states that the Controller has submitted proposed revisions to the Administrative Provisions of the final Annual Appropriation Ordinance to the Budget and Finance Committee for approval.

9. The Department of Human Resources has recommended a new Section 1.1B.F of the Administrative Provisions of the Interim Annual Salary Ordinance (ASO) to add:

"Consistent with the Annual Appropriations Ordinance Section 11.2, Professional Service Contracts, the Human Resources Director is authorized to add positions funded in accordance with that section."

Under this provision, funds appropriated for professional service contracts may be transferred to pay for City salaries rather than private contractors on the recommendation of the department head and with the approval of the Director of Human Resources and the Mayor. The Controller must certify that transferring such funds from professional service contracts to salaries would not increase the cost of government.

According to Mr. Ted Yamasaki of the Department of Human Resources, this provision has been added to the FY 2010-11 Annual Salary Ordinance to provide position authority to City departments to perform services in-house rather than with private contractors.

10. Generally, in past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have been routinely approved by the Board of Supervisors, excluding exceptions for new positions, programs, capital improvements and equipment.

11. In accordance with the FY 2010-11 Budget Calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are anticipated to be passed on first reading at the June 15, 2010 meeting of the Board of Supervisors. Final passage of these ordinances is anticipated for June 22, 2010.

12. The Budget and Legislative Analyst has previously been advised by Ms. Adams of the City Attorney's Office that the Board of Supervisors is required to approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance (and therefore the Interim Budget). Ms. Adams has further advised the Budget and Legislative Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, the Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

The Controller has advised the Budget and Legislative Analyst that he concurs with the opinion of Ms. Adams. The Controller would cease to issue any further City and County warrants unless the Board of Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30.

Exceptions to the FY 2010-11 Interim Budget

As noted above, although the Mayor's Office has stated that two new positions have been included in the interim budget, as of the writing of this report, the Mayor's Office has not provided the Budget and Legislative Analyst with specific requests for exceptions to the Annual Appropriation Ordinance and the Annual Salary Ordinance. Therefore, the Budget and Legislative Analyst considers approval of the Annual Appropriation Ordinance (File 10-0700) and Annual Salary Ordinance (File 10-0702) to be a policy matter for the Board of Supervisors.

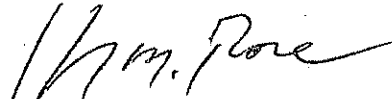
The Budget and Legislative Analyst recommends that, if such exceptions are submitted, the Budget and Finance Committee should consider all of the Mayor's requested exceptions to the Interim Budget during the scheduled applicable June departmental budget review hearings, pending a report from the Budget and Legislative Analyst pertaining to the justification for any new positions, programs, capital improvements and equipment, in order to provide the Committee with specific analysis and recommendations on such requested new positions, programs, program expansions capital improvements and equipment.

Recommendations

Recommendations

1. Approval of Item 1, File 10-0700, the Interim Annual Appropriation Ordinance, and Item 2, File 10- 0702, the Interim Annual Salary Ordinance, are policy matters for the Board of Supervisors.

2. Approve Item 3, File 10-0726, the Interim Budget for the Redevelopment Agency and Item 4, File 10-0728, the Interim Budget for the Treasure Island Development Authority.



Harvey M. Rose

cc: Supervisor Avalos
Supervisor Mirkarimi
Supervisor Elsbernd
Supervisor Maxwell
Supervisor Campos
President Chiu
Supervisor Alioto-Pier
Supervisor Chu
Supervisor Daly
Supervisor Dufty
Supervisor Mar
Clerk of the Board
Cheryl Adams
Controller
Greg Wagner

Office of the Mayor
City & County of San Francisco



Gavin Newsom

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *PK* Mayor Gavin Newsom *ST*
RE: Redevelopment Agency Interim Budget
DATE: June 1, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is the resolution approving an Interim Budget of the Redevelopment Agency of the City and County of San Francisco for Fiscal Year 2010-2011.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

BY _____ *rc*
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RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

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26

San Francisco Redevelopment Agency
 Summary of Funding Sources and Uses
 (Dollars in Thousands)

| | Approved Budget <u>FY 09/10</u> | Proposed Budget <u>FY 10/11</u> |
|--------------------------------|---------------------------------------|---------------------------------------|
| Total Sources of Funds | \$ 155,438 | \$ 165,731 |
| Total Uses of Funds | 238,188 | 225,908 |
| Deficit | <u>(82,750)</u> | <u>(60,177)</u> |
| Personnel Costs | 16,945 | 17,107 |
| Administrative Costs | 3,665 | 4,188 |
| Gross Tax Increment Request | 95,601 | 109,679 |
| AB1290 Pass-Through to City | 7,850 | 10,667 |
| Net SFRA Tax Increment Request | <u>87,751</u> | <u>99,012</u> |
| Total General Fund Impact | <u>\$ 54,196</u> | <u>\$ 62,177</u> |
| Personnel Count(FTE) | 111.5 | 111.5 |

San Francisco Redevelopment Agency
 Summary of Funding Sources and Uses
 (Dollars in Thousands)

| <u>Sources</u> | Approved Budget <u>FY 09/10</u> | Proposed Budget <u>FY 10/11</u> |
|--|---------------------------------------|---------------------------------------|
| Property Sales | \$1,074 | \$1,155 |
| Rentals/Leases | 17,984 | 14,878 |
| Prior Year Earn./Savings | 11,217 | 7,554 |
| Developer Contribution | 18,354 | 12,550 |
| Grants | 13,964 | 25,857 |
| Other | 3,570 | 4,164 |
| Tax Increment (for O/S Obligations) | 89,275 | 99,574 |
| Total Sources | 155,438 | 165,731 |
| <u>Uses</u> | | |
| Legal | 23 | 43 |
| Studies & Misc. Items (1) | 125 | 410 |
| Planning | 4,051 | 1,042 |
| Public Improvements (2) | 19,170 | 24,201 |
| Arch./Eng. Design & Review | 575 | 290 |
| Property Maintenance | 10,871 | 13,277 |
| Housing Production & Assist. | 79,312 | 46,621 |
| Job Training/Assist. | 1,450 | 1,360 |
| Business Development | 3,979 | 4,375 |
| Other | 15,784 | 12,297 |
| Pass-Through Obligations | 19,878 | 13,001 |
| Debt Service | 62,361 | 87,696 |
| Subtotal: Work Program Uses | 217,579 | 204,613 |
| Personnel Costs | 16,945 | 17,107 |
| Administrative Costs | 3,665 | 4,188 |
| Total Uses | 238,188 | 225,908 |
| SERAF | 28,733 | 6,000 |
| Surplus(Deficit) | (111,483) | (66,177) |
| <u>Other Funding Sources:</u> | | |
| Funds Reprogrammed from Housing and Economic Development | 4,233 | - |
| Tax Increment(pay-as-you-go) | 6,326 | 10,105 |
| Tax Inc. Bond Proceeds | 100,925 | 56,073 |
| Total Sources Less Uses | 0 | 0 |
| <hr/> | | |
| Tax Increment: | | |
| Additional Tax Inc. Request | 6,326 | 10,105 |
| Plus: Tax Inc. for Prior Obligations | 89,275 | 99,574 |
| Gross Tax Increment Request | 95,601 | 109,679 |
| AB1290 Pass-Through to City | 7,850 | 10,667 |
| NET SFRA Tax Inc.Request | 87,751 | 99,012 |
| Total General Fund Impact | \$54,196 | \$62,177 |
| Personnel Count(FTE) | 111.5 | 111.5 |

(1) Includes econ./marketing/planning/toxic studies/inspection services, etc.
 (2) Mission Bay number may increase with additional bond issuance request.

