

[Requiring Board of Supervisors approval of spending plans for specified Proposition 1B funds.]

Ordinance amending the San Francisco Administrative Code by amending Section 10.170-1 to require departments to develop spending plans for the use of any funds received by the City and County under California Government Code Section 8879.23(I), the Local Streets and Road Improvement, Congestion Relief and Traffic Safety Account of 2006, to require departments to obtain approval by the Board of Supervisors of these spending plans prior to appropriation of the funds, to report back to the Board of Supervisors at six-month intervals following appropriation of the funds, and requiring the Controller to conduct an audit of the funds on a biannual basis.

Note: Additions are *single-underline italics Times New Roman*; deletions are ~~*strikethrough italics Times New Roman*~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code is hereby amended by adding a new subsection (i) to Section 10.170-1, to read as follows:

SEC. 10.170-1. GRANT FUNDS--ACCEPTANCE AND EXPENDITURE.

The acceptance and expenditure of federal, State, or other grant funds is subject to the approval by resolution of the Board of Supervisors, or by ordinance as required under subsection (b), in the following manner:

(a) Any department, board, or commission that requests the approval to accept and expend grant funds by the Board of Supervisors shall submit the following documents to the Board prior to its consideration:

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1 (1) A proposed resolution approving the acceptance and expenditure of grant funds,
2 or a proposed ordinance as required under subsection (b), signed by the department head,
3 the Mayor or his or her designee, and the Controller;

4 (2) A completed "Grant Information Form." The Clerk of the Board shall prepare the
5 form; it shall include a disability access checklist, indirect cost recovery, and other information
6 as the Board of Supervisors may require;

7 (3) A copy of the grant application;

8 (4) A letter of intent to award the grant or acknowledgment of grant award from the
9 granting agency;

10 (5) A cover letter to the Clerk of the Board of Supervisors substantially conforming to
11 the specifications of the Clerk of the Board.

12 (b) **Grant Funded Positions.** No position funded by a grant shall be authorized or
13 filled unless the classification, duration, and number of positions to be funded by the grant are
14 specifically set forth in an ordinance approving acceptance and expenditure, which ordinance
15 shall also contain appropriate amendments to the annual salary ordinance to reflect the
16 positions proposed to be funded through the grant.

17 (c) **Recurring Grants.** Grants that provide funding to departments or programs of
18 the City and County in a recurring manner or continue funding from one year to the next shall
19 be included in the annual budget submission by the department.

20 The departmental budget submission shall also include a budget detail, explanations
21 and substantiations of the grant funding. If it is not possible for the department to include
22 recurring grant funds in its annual departmental budget submission, the acceptance and
23 expenditure of a recurring grant shall follow the procedure set forth in paragraph (a) of this
24 Section.

1 (d) **Indirect Costs.** Every grant budget shall contain provisions for the
2 reimbursement of indirect costs. Such indirect costs provisions shall reimburse the City and
3 County from grant funds for administrative services that are necessary for the administration
4 and performance of the project or program. Every department, office, board or commission
5 shall establish a rate for such indirect costs that is approved by the Controller and fixed in
6 accordance with a directive issued by the Controller. The indirect cost rate shall be included in
7 the grant budget that is submitted to the Board of Supervisors and in the authorizing
8 resolution.

9 The receipt and expenditure of grant funds shall not be approved by the Board of
10 Supervisors unless the Controller has certified that provisions for appropriate indirect cost
11 reimbursement is included in the grant budget.

12 If indirect costs are not allowed by the funding agency, or for other reasons indirect
13 costs cannot be included in the budget, these reasons shall be stated in the authorizing
14 resolution. Upon approving acceptance and expenditure, the Board of Supervisors may waive
15 the requirement for the inclusion of reimbursement of indirect costs.

16 (e) **Grant Budget.** Every department, board, commission, agency, or office
17 submitting a budget for a grant of public funds to the Board of Supervisors pursuant to this
18 Section shall submit such budget in a format that conforms to and provides the detail
19 substantiation that is required of similar appropriations in the annual budget for the City and
20 County. The mission and goals statement, which is required as part of the annual budget, is
21 not required by this Section for submittal of a grant budget.

22 (f) **Grant Budget - Revision.** A department, agency, or office may reallocate or
23 transfer funds of line item expenditures within an approved grant budget, if such reallocations
24 or transfers are within the total of the approved budget and are allowed by the granting
25 agency. If any line item of a federal or State grant is modified or increased by more than 15

1 percent, copies of documentation of such modification or increase which are transmitted to
2 federal or State agencies shall also be transmitted to the Board of Supervisors.

3 (g) **Grant - Draw Down of Funds.** Departments, agencies, boards, and
4 commissions shall promptly draw down grant funds from a federal, State, or other funding
5 agency and deposit such funds in the Treasury of the City and County of San Francisco to
6 minimize the displacement of City funds that support grant activities.

7 (h) **Grant - Transportation Authority.** The provisions of this Section shall not be
8 applicable to applications for or expenditure of funds from the San Francisco County
9 Transportation Authority. The Controller shall prescribe rules for the acceptance and
10 expenditure of such funds.

11 (i) **Certain Transportation Funds (Proposition 1B Funds).** The voters of California adopted
12 Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of
13 2006, at the November 7, 2006 California General Election. Under the Proposition, the State will
14 appropriate two billion dollars (\$2,000,000,000) into the Local Streets and Road Improvement,
15 Congestion Relief, and Traffic Safety Account of 2006 ("Proposition 1B Local Street and Road
16 Improvement Funds"). These funds will be distributed to cities and counties for improvements to
17 transportation facilities that will assist in reducing local traffic congestion and further deterioration,
18 improving traffic flows, or increasing traffic safety that may include , but not be limited to, street and
19 highway pavement, maintenance, rehabilitation, installation, construction and reconstruction of
20 necessary associated facilities such as drainage and traffic control devices, or the maintenance,
21 rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit
22 systems, safety projects to reduce fatalities, or as a local match to obtain state or federal transportation
23 funds for similar purposes. The Proposition requires that the funds distributed to the City be deposited
24 in a local account that is designated for the receipt of state funds allocated for local streets and roads.

1 (1) The Board of Supervisors finds that while there are a range of projects involving various
2 City departments that could benefit from the Proposition 1B Local Street and Road Improvement
3 Funds, implementing a coordinated planning process for use of those funds will help ensure the
4 effective and efficient expenditure of funds in a manner that will maximize the benefit to the City and its
5 residents.

6 (2) The Board of Supervisors further finds that given the range of projects and the Citywide
7 impact of transportation-related projects, it is appropriate for the Board to review proposed
8 expenditures of Proposition 1B Local Street and Road Improvement Funds, and to be kept apprised of
9 the progress on projects that are receiving Proposition 1B Local Street and Road Improvement Funds.

10 (3) The Board of Supervisors shall not to appropriate any Proposition 1B Local Street and
11 Road Improvement Funds, as referenced above, until the Board has received from the department or
12 departments requesting the appropriations a specific and detailed spending plan for the funds. The
13 Spending Plan (the "Plan") shall set forth projects, programs and other improvements to be funded
14 over the next ten years (10) years by Proposition 1B Local Street and Road Improvement Funds, and
15 shall include a budget, scope, and schedule, as well as any other information requested by the Board.
16 The Plan should also address the relative need or urgency, cost effectiveness, and fair geographic
17 distribution of resources, taking into account the various needs of San Francisco's neighborhoods. The
18 Plan shall be coordinated with other relevant City agencies including the Planning Department and the
19 Municipal Transportation Agency, as well as the San Francisco Transportation Authority. The Plan
20 should identify attempts to leverage or match Proposition 1B Local Street and Road Improvement
21 Funds with funding from other sources, including any other state or federal funds. No City Department
22 shall expend or encumber any Proposition 1B Local Street and Road Improvement Funds without
23 approval from the Board of Supervisors pursuant to this ordinance. Any Proposition 1B Local Street
24 and Road Improvement Funds received by the City and County of San Francisco will be deposited into
25 a local account named "The Proposition 1B Local Account," and shall remain in such account until

1 the Board of Supervisors approves a department's specific spending plan. Under no circumstances will
2 Proposition 1B Local Street and Road Improvement Funds be mixed with other funds prior to the
3 approval of the spending plans as outlined in this paragraph. Proposition 1B Local Street and Road
4 Improvement Funds can be appropriated as part of the annual budget process only if the requirements
5 of this paragraph are met. The Board of Supervisors further encourages any department seeking such
6 an appropriation to consult and work with its commission if any, the public, and the Board on the
7 development of such spending plans.

8 (4) Any department that receives an appropriation of Proposition 1B Local Street and Road
9 Improvement Funds shall report back to the Board of Supervisors beginning six months from the date
10 of the appropriation, and at six-month intervals thereafter until the appropriation has been spent. The
11 report required by this Section shall state the amount of Proposition 1B Local Street and Road
12 Improvement Funds expended as of the reporting date and shall describe the progress on the project,
13 the projected date of completion, and such additional information as the Board may require as a
14 condition of the appropriation.

15 (5) The Controller shall perform an audit every two years of all Proposition 1B Local Street
16 and Road Improvement Funds that are allocated, whether expended or not, to determine what projects
17 were actually funded. Any Department receiving Proposition 1B Local Street and Road Improvement
18 Funds shall cooperate with the Controller's Office in the performance of the audit.

19
20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: 
23 DAVID A. GREENBURG
24 Deputy City Attorney
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 070316

Date Passed:

Ordinance amending the San Francisco Administrative Code by amending Section 10.170-1 to require departments to develop spending plans for the use of any funds received by the City and County under California Government Code Section 8879.23(l), the Local Streets and Road Improvement, Congestion Relief and Traffic Safety Account of 2006, to require departments to obtain approval by the Board of Supervisors of these spending plans prior to appropriation of the funds, to report back to the Board of Supervisors at six-month intervals following appropriation of the funds, and requiring the Controller to conduct an audit of the funds on a biannual basis.

April 17, 2007 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

April 24, 2007 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Daly, Dufty, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval, Ammiano

File No. 070316

I hereby certify that the foregoing Ordinance was FINALLY PASSED on April 24, 2007 by the Board of Supervisors of the City and County of San Francisco.



Kay Gulbengay
Interim Clerk of the Board

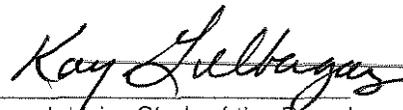
MAY 04 2007

Date Approved

Mayor Gavin Newsom

Date: May 4, 2007

I hereby certify that the foregoing ordinance, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.



Interim Clerk of the Board

File No.
070316