

File No. 161346

Committee Item No. 6
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date February 16, 2017

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date February 10, 2017
Completed by: Linda Wong Date _____

1 [De-Appropriation - General Fund Expenditure Budget - Various Departments for Funding
2 Services at the Department of Homelessness and Supportive Housing and General City
3 Responsibilities - FYs 2016-2017 and 2017-2018 - \$38,057,546]

4 Ordinance de-appropriating \$38,057,546 of salary and benefit expenditures in Adult
5 Probation, the Asian Art Museum, the Assessor/Recorder, the City Attorney, the Office
6 of Economic and Workforce Development, the City Administrator, the Department of
7 Public Works, the Department of Technology, the Health Service System, the Human
8 Rights Commission, the Human Services Agency, the Juvenile Probation Department,
9 the Law Library, the Department of Public Health, the Commission on the Status of
10 Women, and the Treasurer/Tax Collector, and \$1,698,298 of overtime in the Police
11 Department in FY2016-2017 to fund services at the Department of Homelessness and
12 Supportive Housing and General City Responsibilities in FYs 2016-2017 and 2017-2018.

13
14 Note: Additions are *single-underline italics Times New Roman*;
15 deletions are *strikethrough italics Times New Roman*.
16 Board amendment additions are double underlined.
17 Board amendment deletions are ~~strikethrough normal~~.

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

19 Section 1. The uses of funding outlined below are herein de-appropriated to reflect reductions
20 to expenditures at various departments in FY2016-2017.
21
22
23
24
25

1 **USES De-Appropriation**

2

Fund	Index/Project Code	Subobject	Description	Amount
3 1G AGF AAA	Various	Various	Salaries & Benefit ; 4 Overtime	\$38,057,546
5				
6 Total USES De-Appropriation				<u><u>\$38,057,546</u></u>

7

8

9 Section 2. The \$6,500,000 of the de-appropriation outlined above are herein available for
10 appropriation in FY2016-17, and the \$31,557,546 of the de-appropriation outlined above are
11 herein available in General Fund Fund Balance for appropriation in FY2017-18.

12

13 Section 3. The uses of funding outlined below are herein appropriated in subobject 02700
14 Professional & Specialized Services to reflect the projected uses of funding to support
15 services at the Department of Homelessness and Supportive Housing in FY2016-2017.

16

17 **USES Appropriation FY2016-17**

18

Fund	Index/Project Code	Subobject	Description	Amount
19 1G AGF AAA	Various	02700	Professional & 20 Specialized Services	\$6,500,000
21				
22 Total USES Appropriation				<u><u>\$6,500,000</u></u>

1 Section 4. The uses of funding outlined below are herein appropriated in subobject 02700
 2 Professional & Specialized Services and 098GR General Reserve to reflect the projected
 3 uses of funding to support services at the Department of Homelessness and Supportive
 4 Housing and General City Responsibilities in FY2017-2018.

5
 6 **USES Appropriation FY2017-18**

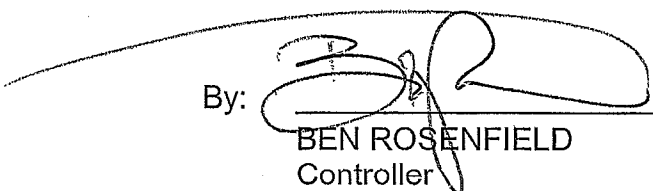
7 Fund	Index/Project Code	Subobject	Description	Amount
8 1G AGF AAA	Various	02700	Professional & 9 Specialized Services	\$19,850,000
11 1G AGF AAA	XXXXXX	098xx	Reserve for City 12 Services	\$11,707,546
14 Total USES Appropriation				\$31,557,546

15
 16 Section 5. The Controller is authorized to record transfers between funds and adjust the
 17 accounting treatment of sources and uses appropriated in this ordinance as necessary to
 18 conform with Generally Accepted Accounting Principles.

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

FUNDS AVAILABLE
 BEN ROSENFELD, Controller

22
 23 By: 
 24 BUCK DELVENTHAL
 Deputy City Attorney

By: 
 BEN ROSENFELD
 Controller

<p>Item 6 File 16-1346</p>	<p>Department: [Select Board, Commission, or Department]</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> The proposed ordinance would (1) de-appropriate \$38,057,546 of surplus General Fund salary and benefit expenditures and overtime in FY 2016-17, and (2) appropriate \$38,057,546 to the Department of Homelessness and Supportive Housing and General Reserve in FY 2016-17 and 2017-18. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> The Department of Homelessness and Supportive Housing FY 2016-17 and FY 2017-18 budgets included expenditures for navigation centers, supportive housing, housing subsidies, and service contracts that were to be funded by the proposed 0.75 cent sales tax increase. These expenditures were placed on Budget and Finance Committee reserve, pending approval by the voters of the proposed sales tax increase in November 2016. After the failure of the sales tax increase, the Budget and Finance Committee approved \$6,486,776 in Property Transfer Tax and MediCal waiver revenues to pay for these programs and services in FY 2016-17. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> The ordinance would appropriate \$6,486,776 in projected General Fund salary and fringe benefit expenditures savings in FY 2016-17 in lieu of Property Transfer Tax and MediCal waiver revenues to pay for navigation centers, supportive housing, housing subsidies, and service contracts in FY 2016-17. The ordinance would also appropriate \$11,847,000 to these programs and services in the Department of Homelessness and Supportive Housing budget in FY 2017-18 and \$11,720,770 to the General Reserve in FY 2017-18. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> The proposed ordinance appropriates \$26,333,776 in <i>one-time</i> FY 2016-17 General Fund surplus to navigation centers, supportive housing and housing subsidy programs, and homelessness service contracts in the FY 2016-17 and FY 2017-18 budgets. The City will need to identify <i>ongoing</i> sources of funds after FY 2017-18 to continue funding these programs and services. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> Amend the proposed ordinance to state that \$38,057,546 in projected General Fund surplus in FY 2016-17 will be de-appropriated from various City departments based on projections developed by the Controller for the Six Month Budget Status Report. Amend the proposed ordinance to state that (a) \$6,486,776 (rather than \$6,500,000) is appropriated in FY 2016-17, (b) \$19,847,000 (rather than \$19,850,000) is appropriated in FY 2017-18 to the Department of Homelessness and Supportive Housing, and (c) \$11,720,770 (rather than \$11,707,546) is appropriated in FY 2017-18 to the General Reserve. Approve the proposed ordinance as amended. 	

MANDATE STATEMENT

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

BACKGROUND

The Department of Homelessness and Supportive Housing's budget included expenditures of \$12,129,400 in FY 2016-17 and \$50,214,200 in FY 2017-18 that were to be funded by the proposed 0.75 cent sales tax on the November 2016 ballot. These expenditures were placed on Budget and Finance Committee reserve pending the outcome of the November 2016 election. However, the sales tax measure failed to pass.

The Mayor's Office subsequently identified \$6,486,776 in increased Property Transfer Tax and MediCal waiver¹ revenues to partially fund FY 2016-17 Department of Homelessness and Supportive Housing expenditures on Budget and Finance Committee reserve. As a result, on December 14, 2016, the Budget and Finance Committee approved File 16-1335, which released \$6,486,776 from the Budget and Finance Committee reserve for FY 2016-17.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would (1) de-appropriate \$38,057,546 of surplus General Fund salary and benefit expenditures and overtime in FY 2016-17 and (2) appropriate \$38,057,546 to the Department of Homelessness and Supportive Housing and General Reserve in FY 2016-17 and 2017-18, as shown in Table 1 below.

Table 1: De-Appropriation and Appropriation of \$38,057,546

De-Appropriation	FY 2016-17	FY 2017-18	Total
General Fund Salaries and Fringe Benefits and Overtime	\$36,359,248		\$38,057,546
Total De-Appropriation	\$38,057,546	\$0	\$38,057,546
Appropriation			
Homelessness and Supportive Housing	\$6,486,776	\$19,847,000	\$26,333,776
General Reserve		11,720,770	11,720,770
Total Appropriation	\$6,486,776	\$31,570,770	\$38,057,546

¹ Increased Real Property Transfer Tax revenues are due to the approval by the voters of Proposition W in November 2016, increasing the transfer tax rate on property sales of more than \$5 million. An increase in MediCal Waiver funding to the Department of Public Health in FY 2016-17 frees up General Fund revenues previously appropriated in the Department's FY 2016-17 budget.

FISCAL IMPACT**De-Appropriation**

The proposed ordinance de-appropriates \$38,057,546 in General Fund surplus salaries and fringe benefits and overtime in the FY 2016-17 budgets of various City departments.

According to the Controller's Six Month Budget Status Report, City departments' projected General Fund surplus in FY 2016-17 is \$81.7 million. The proposed ordinance should be amended to state that \$38,057,546 in projected General Fund surplus in FY 2016-17 will be de-appropriated from various City departments based on projections developed by the Controller for the Six Month Budget Status Report.

Appropriation of Funds

As noted above, the Budget and Finance Committee approved the release in December 2016 of \$6,486,776, appropriated in the Department of Homelessness and Supportive Housing FY 2016-17 budget for navigation centers, supportive housing and housing subsidy programs, and homelessness service contract increases. These expenditures of \$6,486,776 were originally to be funded by the 0.75 cent sales tax submitted to the voters on the November 2016 ballot and were placed on Budget and Finance Committee reserve pending the outcome of the November 2016 election. When the 0.75 cent sales tax was not approved by the voters, the Budget and Finance Committee approved the use of \$6,486,776 in Property Transfer Tax and MediCal waiver revenues to fund these programs and services in FY 2016-17.

The proposed ordinance would appropriate \$6,486,776 in surplus General Fund salaries and fringe benefits, rather than Property Transfer Tax and MediCal waiver revenues, to fund these programs services in FY 2016-17, as shown in Table 2 below. In addition, the proposed ordinance would appropriate \$19,847,000 in the Department of Homelessness and Supportive Housing FY 2017-18 budget to fund these programs and services, and a pilot program for Emergency Medical Services and the Homeless Outreach Team (HOT), as shown in Table 2 below. The total appropriation to the Department of Homelessness and Supportive Housing in FY 2016-17 and FY 2017-18 is \$26,333,776.

Table 2: Department of Homelessness and Supportive Housing Appropriation

	FY 2016-17	FY 2017-18	Total
Navigation Centers			
Currently Open	\$600,000	\$2,000,000	\$2,600,000
In process FY2016-17 (Central Waterfront)	1,301,194	2,500,000	3,801,194
In process FY2017-18 (SOMA)	0	2,500,000	2,500,000
Supportive Housing			
Currently Open	110,000	3,220,000	3,330,000
In process 2016-17	210,000	2,340,000	2,550,000
Housing Subsidies			
Backfill HUD reduction to housing providers	0	689,468	689,468
Rapid Rehousing for Families	0	1,400,000	1,400,000
TAY Housing Rental Subsidies	640,369	315,000	955,369
Senior and Disabled Rental Subsidies	747,000	747,000	1,494,000
HOT team/ EMS6 Partnership Pilot Continuation	0	200,000	200,000
PATH beds (emergency hotel unit)	0	100,000	100,000
Homelessness service contract increases	2,878,213	3,835,532	6,713,745
Total	\$6,486,776	\$19,847,000	\$26,333,776

The total appropriation under the proposed ordinance is \$38,057,546, of which \$26,336,776 is appropriated to the Department of Homelessness and Supportive Housing in FY 2016-17 and FY 2017-18. The balance of \$11,720,770 is allocated to the General Reserve in FY 2017-18.

The proposed ordinance should be amended to state that (a) \$6,486,776 (rather than \$650,000,000) is appropriated in FY 2016-17, (b) \$19,847,000 (rather than \$19,850,000) is appropriated in FY 2017-18 to the Department of Homelessness and Supportive Housing, and (c) \$11,720,770 (rather than \$11,707,546) is appropriated in FY 2017-18 to the General Reserve.

POLICY CONSIDERATION

The Budget and Legislative Analyst recommends approval of the proposed ordinance because the Board of Supervisors previously appropriated funds for the navigation centers, supportive housing, housing subsidies and service contracts in the Department of Homelessness and Supportive Housing budget in FY 2016-17 and FY 2017-18. The proposed ordinance appropriates \$26,333,776 in *one-time* FY 2016-17 General Fund surplus to replace the 0.75 cent sales tax revenues that were originally intended to fund these programs and services. The City will need to identify *ongoing* sources of funds after FY 2017-18 to continue funding the navigation centers, supportive housing and housing subsidy programs, and homelessness service contract increases funded by the subject ordinance in FY 2016-17 and FY 2017-18.

RECOMMENDATIONS

1. Amend the proposed ordinance to state that \$38,057,546 in projected General Fund surplus in FY 2016-17 will be de-appropriated from various City departments based on projections developed by the Controller for the Six Month Budget Status Report.
2. Amend the proposed ordinance to state that (a) \$6,486,776 (rather than \$6,500,000) is appropriated in FY 2016-17, (b) \$19,847,000 (rather than \$19,850,000) is appropriated in FY 2017-18 to the Department of Homelessness and Supportive Housing, and (c) \$11,720,770 (rather than \$11,707,546) is appropriated in FY 2017-18 to the General Reserve.
3. Approve the proposed ordinance as amended.

Print Form

RECEIVED
12/13/16 @ 6:37pm
[Signature]
Time stamp
or meeting date

Introduction Form

By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Supervisors John Avalos

Subject:

Ordinance - De-Appropriation – \$38,057,546 of General Fund Expenditure Budget at Various Departments for funding services at the Department of Homelessness and Supportive Housing and General City Responsibilities in Fiscal Year 2016-17 and Fiscal Year 2017-18.

The text is listed below or attached:

[Empty box for text listing]

Signature of Sponsoring Supervisor:

A handwritten signature in black ink, appearing to read "John", written over a horizontal line.

For Clerk's Use Only:

Wong, Linda (BOS)

From: Pagoulatos, Nickolas (BOS)
Sent: Friday, January 13, 2017 2:54 PM
To: BOS-Legislative Services
Subject: Fwd: Adding Supervisor Fewer As Primary Sponsor

Hello Everyone,

Supervisor Fewer would like to be added as the primary sponsor for the following files:

161288,
161289,
161346 and
170004

Please let me know if you have any questions. Thank you!

Sent from my iPhone