

File No. 100726

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 6/9/10

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input 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 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                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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Completed by: Gail Johnson

Date 6/4/10

Completed by: \_\_\_\_\_

Date \_\_\_\_\_

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 RESOLVED, By the Board of Supervisors of the City and County of San Francisco that  
16 it does hereby approve the Interim Budget of the Agency, as such Interim Budget is shown in  
17 Exhibit "A" attached hereto and incorporated as if set forth in full herein.  
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21  
22  
23  
24  
25



**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**

<b>Item</b>	<b>File</b>	<b>Page</b>
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

<b>Items 1, 2, 3, and 4</b> <b>Files 10-0700, 10- 0702, 10- 0726 and 10- 0728</b>	<b>Department(s):</b>
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### **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





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

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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.

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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)

	Approved Budget FY 09/10	Proposed Budget FY 10/11
<u>Sources</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/>		
<u>Tax Increment:</u>		
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
<hr/>		
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.

Sources	SB 2113		SB 2113		SB 2113		SB 2113		SB 2113		SB 2113		SB 2113		SB 2113		SB 2113		SB 2113		
	YBC	Art Ctr & Gardens Operation	South Beach Harbor	W.A-2	India Basin	South of Market	City Wide Housing	H.P. Shipyard (Phase I)	(Phase II)	Golden Gateway	Mission(I) Bay South	Mission(I) Bay North	Vis. Valley	Bayview (Area B)	Hunters Point	Transbay Terminal	Mid Market	Agency Total			
Property Sales	1,500	7,244	630	3,286	-	-	1,822	213	-	-	-	-	-	182	-	-	-	1,155	-	-	
Rentals/Leases	4,493	134	-	-	-	800	87	-	-	-	-	-	-	-	-	-	-	-	-	14,878	
Prior Year Earnings/Savings	200	-	-	-	-	-	-	2,996	6,255	-	-	-	-	-	-	-	-	-	-	7,554	
Developer Contributions	-	-	-	-	-	1,600	11,378	4,450	-	-	7,200	-	-	1,109	-	-	-	-	-	12,550	
Grants	-	1,600	-	-	-	-	2,216	337	-	-	747	-	-	-	-	-	-	-	-	25,857	
Other	-	-	60	-	-	2,693	-	-	-	-	9,416	-	-	-	-	-	-	-	-	4,164	
Tax Increment(Committed) (2)	27,055	17,789	12,511	561	561	5,093	15,503	7,996	6,255	13,774	8,331	10,163	642	2,865	571	4,008	424	99,574	-	-	
Total Sources	33,247	8,978	18,519	3,346	12,511	561	5,093	15,503	7,996	6,255	15,612	10,163	642	4,156	571	4,508	424	165,731	-	-	
Uses																					
Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43
Studies & Misc. Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Planning	-	-	-	-	-	-	-	-	-	-	96	24	60	100	-	-	-	-	-	-	410
Public Improvements	1,600	1,734	-	-	-	100	-	-	-	-	-	-	-	-	-	-	-	-	-	664	
Arch/Eng Design & Review	-	-	-	-	-	2,400	-	-	-	-	7,200	-	-	80	1,287	-	-	-	-	-	1,042
Property Maintenance	500	6,898	730	1,324	-	200	-	-	-	-	-	-	-	35	255	-	-	-	-	290	
Housing Produc. & Assist.(2)	285	-	-	-	-	-	-	3,550	-	-	-	-	-	75	-	-	-	-	-	13,277	
Job Training/Assist.	160	-	-	-	-	250	-	-	-	-	3,784	-	-	-	-	-	-	-	-	46,621	
Business Development	-	-	-	-	-	1,750	-	-	-	-	-	-	-	-	-	-	-	-	-	1,360	
Other	3,000	346	-	-	-	-	-	1,450	-	-	-	-	-	-	-	-	-	-	-	590	
Pass-Through Obligations	1,596	-	-	-	-	185	-	2,374	5,505	-	-	-	-	-	-	-	-	-	-	4,375	
Debt Service (2)	26,631	-	2,431	-	760	931	-	-	-	606	2,185	2,218	7	580	-	-	-	-	-	12,297	
Personnel Costs	1,128	8,978	17,461	2,235	12,511	561	7,578	37,014	7,374	5,505	15,006	4,841	6,636	2,152	571	21,308	954	204,613	-	87,696	
Administrative Costs	455	-	218	174	115	167	1,846	-	-	-	165	231	200	1,058	-	-	-	-	-	17,107	
Total Uses	35,354	8,978	18,519	3,346	12,861	616	8,529	46,280	7,996	6,255	16,105	19,245	642	8,145	626	22,894	954	225,908	-	4,188	
Surplus(Shortfall)	(2,107)	0	0	0	(350)	(55)	(3,436)	(30,777)	0	0	(493)	(0)	(6,000)	(3,989)	(56)	(18,386)	(530)	(66,177)	-	6,000	
Deficit Funded With:																					
City General Fund Loan (All of Vis. Valley Budget & 160K for Bayview HP planning)																					10,105
Tax Inc.(pay-as-you-go) to fund portions of Admin/Prsnl budget and Bayview HP (Area B) and SOM work programs:																					56,073
Tax Inc Bond Proceeds																					10,105
Additional Tax Increment (T.I.) Request																					109,579
Plus: T.I. to Service Prior Debt, Developer Pass-Throughs, & State Mandated Pass-Throughs																					10,667
Total T.I. Request FY 2010/11																					99,012
Less: AB1290 Pass-Through to City																					62,177
Net SFRA Tax Increment Request																					
General Fund Contribution(56.69% of total T.I. Request & "general fund" request)																					

(1) Pursuant to the Tax Increment Pledge Agreement between the Agency and developer, Agency is obligated to finance Mission Bay public improvements with proceeds from sale of tax allocation bonds.

(2) Tax increment revenue and Debt Service assume issuance of in FY 2010 of \$28M bonds to partially fund the SERAF Payment. The Impact on Tax Increment is not expected to exceed \$3.58M

(3) SERAF Payment from Mission Bay North is proposed but subject to agreement among the City, SFRA and Developer.