

File No. 110270

Committee Item No. 3

Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: June 27, 2011

Board of Supervisors Meeting

Date: 7/19/11

Cmte Board

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| <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 & Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input 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 |
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OTHER

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Completed by: Victor Young

Date: June 23, 2011

Completed by: Victor Young

Date: 7-7-11

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

1 [Redevelopment Agency Budget and Bonds in an Amount Not to Exceed \$84,000,000 -
2 FY2011-2012]

3 **Resolution approving the budget of the Redevelopment Agency of the City and County**
4 **of San Francisco for FY2011-2012 and approving the Issuance by the Redevelopment**
5 **Agency of bonds in an aggregate principal amount of not to exceed \$84,000,000 to**
6 **finance a portion of redevelopment activities described in such approved budget for**
7 **FY2011-2012.**

8
9 WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the
10 "Agency") is implementing various Redevelopment Plans in the City and County of San
11 Francisco (the "City") in accordance with the Community Redevelopment Law of the State of
12 California, California Health and Safety Code section 33000 et seq. (the "Law"); and

13
14 WHEREAS, Section 33606 of the Law provides for approval of the annual Budget of the
15 Agency by the Legislative Body of the City (the "Board of Supervisors"); and

16
17 WHEREAS, The Agency has submitted its annual budget for fiscal year 2011-2012 (the
18 "Budget") to the Board of Supervisors for approval; and

19
20 WHEREAS, The Agency has developed a financing program for the purposes of
21 financing a portion of its Budget which will require the Agency to enter into loans and/or to
22 issue and to refund, as necessary, or to cause to be loaned and/or issued and/or refunded on
23 its behalf by a public finance authority, tax allocation bonds, notes, or other evidence of
24 indebtedness (such loans, bonds, notes or other evidence of indebtedness being referred to
25 as the "Bonds") in an aggregate principal amount of not to exceed \$ 84,000,000 (a portion of
the proceeds of which may be used to reimburse the Agency for amounts spent under its
Budget prior to the issuance of the Bonds) and which will be repaid from and secured by the

1 taxes allocated to and paid to the Agency pursuant to the Law (and in particular but not limited
2 to Sections 33670 - 33674) and Section 16 of Article XVI of the California Constitution; and

3 WHEREAS, The Law provides that the issuance of the Bonds is subject to the approval
4 of the Board of Supervisors; and

5 WHEREAS, The Agency hereby requests that such approval be granted, and the Board
6 of Supervisors is agreeable to doing so, based on the terms and conditions contained in this
7 resolution; and

8 WHEREAS, The Agency and the City and County of San Francisco (the "City") entered
9 into the Mission Bay North Tax Increment Allocation Pledge Agreement and the Mission Bay
10 South Tax Increment Allocation Pledge Agreement, each dated as of November 16, 1998, for
11 the purpose of providing to said project areas tax increment based not on estimated property
12 values but on actual tax increment; and

13 WHEREAS, The Agency and the City and the Transbay Joint Powers Authority (the
14 "TJPA") entered into the Transbay Redevelopment Project Tax Increment Allocation and
15 Sales Proceeds Pledge Agreement dated as of January 31, 2008 for the purpose of financing
16 development of the Transbay Terminal Project, such financing including, but not limited to, the
17 irrevocable pledge of all Net Tax Increment, as defined in said agreement, to the TJPA; and

18 WHEREAS, the Board of Supervisors has adopted Ordinances No. 15-05 and Ordinance
19 No. 115-007, to enable the Agency to receive tax increment revenues for the exclusive
20 purpose of financing affordable housing activities within and without the redevelopment
21 project areas located in the City and County of San Francisco, in order to replace a portion of
22 the estimated 7,000 housing units removed by the Agency's pre-1976 urban renewal
23 activities, and wishes to ensure that the Agency has sufficient funds to carry out such
24 affordable housing activities as described in the Budget; now, therefore, be it
25

1 RESOLVED, By the Board of Supervisors of the City and County of San Francisco
2 pursuant to Health and Safety Code section 33334.2, subdivision (g), that it hereby finds and
3 declares that the Agency's affordable housing activities and replacement of affordable
4 housing within the redevelopment project areas located within the City and County of San
5 Francisco and in other parts of the City and County of San Francisco, as described in the
6 Agency's Budget, are of benefit to the adopted redevelopment project areas; and be it

7 FURTHER RESOLVED, By the Board of Supervisors of the City and County of San
8 Francisco that it does hereby approve the Budget of the Agency for fiscal year 2011-2012,
9 which Budget is incorporated herein and made a part hereof; and, be it

10 FURTHER RESOLVED, That the Agency report annually to the Board of Supervisors on
11 the percent completion for each of the project areas currently underway with the submission
12 of future annual budgets; and, be it

13 FURTHER RESOLVED, That the issuance of the Bonds by the Agency is approved in
14 the principal amount of not to exceed \$84,000,000, for the purpose of financing a portion of
15 the Agency's Budget and to reimburse the Agency for amounts spent under its Budget prior to
16 the issuance of the Bonds; and the Agency is also authorized to refund such Bonds if the sale
17 of such refunding Bonds produces a minimum net debt service savings (net of reserve fund
18 earnings and other offsets) of at least 3% of the par value of Bonds that are refunded or that
19 achieves a more favorable debt to debt service coverage ratio; and, be it

20 FURTHER RESOLVED, That the Controller is hereby authorized and directed to make
21 adjustments to the Agency's tax increment draw, as set forth in the Redevelopment Agency's
22 fiscal year 2008-2009 Budget, related to the Mission Bay North Redevelopment Project
23 adopted October 26, 1998 and Mission Bay South Redevelopment Project adopted November
24 2, 1998 for the purpose of providing to said project areas tax increment based not on
25 estimated property values but on actual tax increment recorded, as administered under the

1 Teeter Plan, including the net impact of all roll corrections, as required by each Project Area's
2 respective Tax Increment Allocation Pledge Agreement, each dated November 16, 1998 and
3 as approved by the City and Agency; and, be it

4 FURTHER RESOLVED, That the Controller is hereby authorized and directed, to the
5 extent certain State-Owned Parcels generate net tax increment, to make adjustments to the
6 Agency's tax increment draw, as set forth in the Redevelopment Agency's fiscal year 2008-
7 2009 Budget, pursuant to the Transbay Redevelopment Project Tax Increment Allocation and
8 Sales Proceeds Pledge Agreement dated as of April 14, 2006 for the purpose of providing to
9 the TJPA Net Tax Increment, as defined in said agreement, based not on estimated property
10 values but on actual Net Tax Increment recorded, as administered under the Teeter Plan,
11 including the net impact of all roll corrections.

**complete copy of document
located in File NO. 110270

SAN FRANCISCO REDEVELOPMENT AGENCY

Proposed Budget for Fiscal Year 2011/12

by the

Redevelopment Agency Commission

Date: May 24, 2011

**San Francisco Redevelopment Agency
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BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$286,617,000 budget for FY 2011-12 is \$12,933,000 or 4.3 percent less than the original FY 2010-11 budget of \$299,550,000.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 113.5 FTEs, which is 3.0 FTEs more than the 110.5 FTEs in the original FY 2010-11 budget. This represents a 2.7 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's Property Tax increment revenues, proposed to be \$125,274,000 in FY 2011-12, are an increase of \$20,430,000, or 19.5 percent, compared to FY 2010-11 Property Tax increment revenues of \$104,844,000. Other Departmental revenues are proposed to be \$66,650,000 in FY 2011-12, which represents a decrease of \$68,000, or 0.1 percent less than the Department's FY 2010-11 other revenues of \$66,718,000.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$642,947 in FY 2011-12. The General Fund impact of these reductions is \$302,185.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

| | FY 2010-11 Budget | FY 2011-12 Proposed | Increase/ (Decrease) | Percent |
|----------------------------------------|----------------------|------------------------|-------------------------|----------------|
| <u>Total Sources of Funds</u> | | | | |
| Property Sales, Rentals and Leases | \$16,033,000 | \$17,734,000 | \$1,701,000 | 10.6% |
| Developer Contributions | 13,071,000 | 11,882,000 | (1,189,000) | (9.1%) |
| Other | 37,614,000 | 37,034,000 | (580,000) | (1.5%) |
| Property Tax Increment | <u>104,844,000</u> | <u>125,274,000</u> | <u>20,430,000</u> | 19.5% |
| Total Sources of Funds | 171,562,000 | 191,924,000 | 20,362,000 | 11.9% |
| <u>Total Uses of Funds</u> | | | | |
| <u>Work Program Uses</u> | | | | |
| Debt Service | 87,696,000 | 100,630,000 | 12,934,000 | 14.7% |
| Public Improvements | 74,201,000 | 38,004,000 | (36,197,000) | (48.8%) |
| Housing Production and Assistance | 66,209,000 | 56,055,000 | (10,154,000) | (15.3%) |
| Property Maintenance | 13,277,000 | 10,302,000 | (2,975,000) | (22.4%) |
| Business Development | 4,375,000 | 1,588,000 | (2,787,000) | (63.7%) |
| Pass-Through Obligations | 11,072,000 | 24,226,000 | 13,154,000 | 118.8% |
| Job Training | 1,360,000 | 1,147,000 | (213,000) | (15.7%) |
| Other | 14,232,000 | 32,807,000 | 18,575,000 | 130.5% |
| Subtotal Work Program Uses | <u>272,422,000</u> | <u>264,759,000</u> | <u>(7,663,000)</u> | <u>(2.8%)</u> |
| Personnel Costs | 17,127,000 | 17,750,000 | 623,000 | 3.6% |
| Administrative Costs | 4,001,000 | 4,108,000 | 107,000 | 2.7% |
| Total Uses | <u>293,550,000</u> | <u>286,617,000</u> | <u>(6,933,000)</u> | <u>(2.4%)</u> |
| Educational Revenue Augmentation Funds | 6,000,000 | 0 | (6,000,000) | (100.0%) |
| | 299,550,000 | 286,617,000 | (12,933,000) | (4.3%) |
| Deficit | (127,988,000) | (94,693,000) | 33,295,000 | (26.0%) |
| <u>Other Funding Sources</u> | | | | |
| Other Property Tax Increment | 9,424,000 | 11,195,000 | 1,771,000 | 18.8% |
| Tax Increment Bond Proceeds | 118,564,000 | 83,498,000 | (35,066,000) | (29.6%) |
| Subtotal, Other Funding Sources | <u>127,988,000</u> | <u>94,693,000</u> | <u>(33,295,000)</u> | <u>(10.8%)</u> |
| Net Sources Less Uses | \$0 | \$0 | \$0 | 0.0% |

The Department's proposed FY 2011-12 budget has decreased by \$12,933,000 due to decreases in public improvement projects, housing production and assistance, property maintenance expenditures, business development, job training and deletion of Educational Revenue Augmentation Funds (ERAF) transfers¹:

The Redevelopment Agency's budget includes expenditures for project areas, the Citywide Housing Program, and Administration and Personnel as described below.

¹ Under State law, local governments in FY 2010-11 were required to shift an allocation of property tax revenues to local schools, to meet educational funding requirements under Proposition 98. The Redevelopment Agencies share of this shift was \$6 million. This shift is not required in FY 2011-12, according to the Department.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

Redevelopment Project Areas:

A Project Area is a designated redevelopment area, which has been approved by the Board of Supervisors. As shown in the table below, there are 10 existing Project Areas² for which the Redevelopment Agency's proposed budget for FY 2011-12 provides \$222,473,000 in project areas funding, which is \$53,390,000, or 31.58 percent higher than the approved budget of \$169,083,000 for FY 2010-11. Changes to individual projects programs are as follows:

| Project Area Budgets, Current and Proposed | | | | |
|---------------------------------------------------|-------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|
| | Project Area* | Approved Budget FY 2010-11 | Proposed Budget FY 2011-12 | Proposed Increase (Decrease) |
| 1 | Bayview Hunters Point Area B | \$6,815,000 | \$7,137,000 | \$322,000 |
| | <i>Golden Gateway</i> | 15,513,000 | 19,121,000 | 3,608,000 |
| | <i>Hunters Point (Area "A")</i> | 571,000 | 733,000 | 162,000 |
| 2 | Hunters Point Shipyard (Phase I) | 7,374,000 | 4,321,000 | (3,053,000) |
| | Hunters Point Shipyard (Phase II) | 5,505,000 | 24,510,000 | 19,005,000 |
| | <i>India Basin</i> | 561,000 | 511,000 | (50,000) |
| 3 | Mid Market | 954,000 | 0 | (954,000) |
| 4 | Mission Bay North | 9,416,000 | 34,103,000 | 24,687,000 |
| 5 | Mission Bay South | 18,106,000 | 46,420,000 | 28,314,000 |
| 6 | South Beach Harbor | 2,235,000 | 2,511,000 | 276,000 |
| | <i>Rincon Point- South Beach</i> | 17,461,000 | 17,923,000 | 462,000 |
| 7 | South of Market | 7,578,000 | 4,518,000 | (3,060,000) |
| 8 | Transbay Terminal | 21,308,000 | 10,564,000 | (10,744,000) |
| | <i>Western Addition</i> | 12,495,000 | 12,617,000 | 122,000 |
| 9 | Visitacion Valley | 442,000 | 0 | (442,000) |
| 10 | Yerba Buena Center | 33,771,000 | 28,607,000 | (5,164,000) |
| | Yerba Buena Gardens & Center for the Arts | 8,978,000 | 8,877,000 | (101,000) |
| | Total | \$169,083,000 | \$222,473,000 | \$53,390,000 |

*Numbered Areas are Active Project Areas. Italicized Project Areas are expired project areas that have been extended under SB 2113, as discussed below.

² South Beach Harbor is a part of Rincon Point-South Beach project, and Yerba Buena Gardens & Center for the Arts is a part of the Yerba Buena Center project. In addition, five project areas are expired, non-current project areas, but have been extended under SB 2113, which authorizes the Redevelopment Agency to continue to borrow funds exclusively for Low and Moderate Income Housing Fund activities until January 1, 2014, or until the Agency replaces all of the housing units demolished prior to the requirement for replacement housing obligations in redevelopment areas. The extended project areas are: Golden Gateway, Hunters Point (Area "A"), India Basin, Rincon Point-South Beach and Western Addition.

RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12

DEPARTMENT: RED – REDEVELOPMENT

As shown in the table above, the following Project Areas' budgets are increasing:

Bayview Hunters Point Area B

The \$322,000 increase includes a substantial increase in funding with for the Bayview Hunters Point Revolving Loan Program and predevelopment study funding for the Southeast Health Center project, counterbalanced by reduced funding for public improvements and employment and workforce development programs. There is also a slight increase in statutory pass-through payments.

Golden Gateway

The \$3,608,000 increase is related to increased debt service costs and pass-through obligations.

Hunters Point (Area "A")

The \$162,000 increase is due to increased debt service costs.

Hunters Point Shipyard (Phase II)

The \$19,005,000 increase is due to increases in developer reimbursable costs, including hazardous material survey/investigations of remaining U.S. Navy Buildings and transportation project planning.

Mission Bay North

The \$24,687,000 increase is due to increased spending for public improvements, housing production and assistance, debt service and pass-through obligations. The Department reports that the spending for public improvements and housing is related to previously completed projects for which reimbursement is now being received.

Mission Bay South

The \$28,314,000 increase is related to public improvements, including construction of Park 10 and Mission Bay Circle and Drive, and the first segment of Longbridge Street and other roadway projects, as well as other infrastructure improvements to serve the new University of California, San Francisco hospital. It also relates to increased housing development, including construction of 150 units of very low- and low-income family rental housing.

South Beach Harbor

The \$276,000 increase is primarily related to debt service costs and property management costs.

Rincon Point-South Beach

The \$462,000 increase is related to pass-through obligations and debt service.

Western Addition

The \$122,000 increase is related to pass-through obligations and debt service.

RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12

DEPARTMENT: RED – REDEVELOPMENT

Additionally as shown in the table above, the following Project Areas' budgets are decreasing:

Hunters Point Shipyard (Phase I)

The \$3,053,000 decrease is primarily due to reduced property management costs due to completion of hazardous abatement survey and investigation work.

India Basin

The 50,000 decrease is due to reduced debt service costs.

Mid Market

The \$954,000 increase was due to the completion of activities in preparation for the potential establishment of this redevelopment project area, including an historic building and district survey, preparation of environmental documents, and community outreach activities.

South of Market

The \$3,060,000 decrease primarily relates to reduced public improvement costs due to completion of alley improvement projects, and to reduced economic revitalization costs related to the Sixth Street Economic Revitalization, police substation and Sixth Street business services projects.

Transbay Terminal

The \$10,744,000 decrease is primarily due to reduced public improvement costs due to the completion of sidewalk, open space and art enrichment projects.

Visitacion Valley

The \$442,000 decrease is due to completion of several projects, including an Open Space and Streetscape Master Plan, planning work related to the Schlage Lock site, environmental site investigation for the proposed Blanken Park, and development of a façade improvement program on Leland Avenue.

Yerba Buena Center

The \$5,164,000 decrease is related to reduced public improvements costs, reduced job training and placement funding, and reduced property management costs.

Yerba Buena Gardens and Center for the Arts

The \$101,000 decrease is due to reduced public improvements costs for capital repair and maintenance.

Citywide Housing Programs:

The Agency has a Citywide Tax Increment Program to finance the production of new low- and moderate-income housing and the preservation of existing Section 8 housing in all parts of the City, reflecting the requirement of State law that a portion of redevelopment revenue is required to be spent on affordable housing programs. The Agency also oversees a federally-funded housing program for persons with AIDS, and also has programs to develop and rehabilitate affordable housing in redevelopment project areas as part of the Agency's obligation to alleviate blight. The Agency in FY 2004-05 began implementing Senate Bill 2113, State legislation authorizing the Agency to use additional tax increment capacity from project areas that would otherwise expire for the sole purpose of

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

replacing low-income housing lost in the early years of the City's redevelopment program. Implementation of this law significantly expands the Agency's Housing Program.

For FY 2011-12, proposed housing program expenditures total \$42,286,000, an increase of \$5,272,000, or 14.24 percent, over the \$37,014,000 budget approved in FY 2010-11. The increase primarily relates to increased housing production activity, including funding predevelopment costs related to 457 units of very low income housing to serve various types of City residents in the Bayview-Hunters Point, Mission Bay South and South of Market areas, and funding Phase I of a project incorporating public housing replacement, new low-income rental housing and low and moderate income first-time homeownership housing in Bayview Hunters Point Zone 1.

Administrative Budget

The proposed Administrative Budget for FY 2011-12 is \$4,108,000. This represents an increase of \$107,000, or 2.7 percent, from the FY 2010-11 Administrative Budget of \$4,001,000. This increase is primarily due to:

- An increase in self-insurance retention costs, due to several pending legal settlements involving the Agency.
- An increase in Temps and Recruitment costs, related to increased costs for identifying and contacting residents displaced from prior housing by redevelopment projects, for the purpose of providing them certificates of preference for Agency low-income housing.
- An increase in miscellaneous costs.
- An increase in equipment leasing costs.

DEPARTMENT PERSONNEL SUMMARY:

The number of Net Operating full-time equivalent positions (FTE) budgeted for FY 2011-12 is 113.5 FTEs, which is 3.0 FTEs more than the 110.5 FTEs in the original FY 2010-11 budget. This represents a 2.7 percent increase in FTEs from the original FY 2010-11 budget. The increase in FTEs is the result of:

- Addition of a Senior Project Area Manager, an Assistant Project Manager and a Staff Associate IV for the Hunters Point Shipyard Project Area. According to the Department, all three positions are currently vacant, and the recruiting process for them was put on hold because of the Governor's proposal to terminate all redevelopment areas in California. According to the Department, developers in the project area are responsible for reimbursing costs for these positions.

DEPARTMENT REVENUES:

Department revenues have increased by \$20,362,000 or 11.9 percent. General Fund impact of the Department has increased by \$12,563,000 or 19.4 percent, \$64,801,000 in FY 2010-11 to \$77,364,000 in FY 2011-12. General Fund impact refers to Property Tax revenues that under State redevelopment law would normally be retained within redevelopment project areas as redevelopment Property Tax increment, but are instead passed through to the General Fund. Specific changes in the Department's FY 2011-12 revenues include:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

- An increase in Property Tax Increment revenues that is needed to meet existing Agency obligations to pay debt service on tax increment bonds previously issued.
- An increase in various miscellaneous project-specific revenues, including a federal loan for transportation improvements related to the Hunters Point Shipyard project, and money for bond financing fees, parking fees and interest payments related to the City's housing program.
- An decrease in grant revenues.
- A decrease in use of reserves from prior-year earnings.

LEGISLATION:

File 11-0270 is a resolution approving the FY 2011-12 Budget of the Redevelopment Agency. The resolution would also approve the issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$84,000,000.

RECOMMENDATIONS:

1. Am end the Redevelopment Agency's proposed FY 2011-12 budget (File No. 10-0270) in accordance with the Budget Analyst's recommended reductions totaling \$642,947, of which \$302,185 or 47 percent are General Fund reductions, as shown on the following pages.
2. Approve the Redevelopment Agency budget, as amended, and approve the proposed issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$84,000,000 (File No. 11-0270).

RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12

RED - Redevelopment Agency

| Object Title | FY 2011-2012 | | | | FY 2012-2013 (for estimate purposes only) | | | | |
|--------------------------------|--------------------------------------------------------------------------------------|-----|----------------------|-----------------|-------------------------------------------|----|----------------------|-----------------|----------|
| | FTE | | Amount | | FTE | | Amount | | |
| | From | To | From | To | From | To | From | To | |
| Development Services | | | | | | | | | |
| Facilities Maintenance Worker | 1.0 | 0.0 | \$57,327 | \$0 | | | \$60,670 | \$0 | \$60,670 |
| Mandatory Fringe Benefits | | | \$30,383 | \$0 | | | \$32,155 | \$0 | \$32,155 |
| | | | <i>Total Savings</i> | <i>\$87,710</i> | | | <i>Total Savings</i> | <i>\$92,825</i> | |
| | Position has been vacant six months, with workload redistributed to remaining staff. | | | | | | | | |
| | Ongoing reduction. | | | | | | | | |
| Contract Compliance | | | | | | | | | |
| Contract Compliance Specialist | 0.5 | 0.0 | \$43,290 | \$0 | | | \$45,814 | \$0 | \$45,814 |
| Mandatory Fringe Benefits | | | \$22,944 | \$0 | | | \$24,282 | \$0 | \$24,282 |
| | | | <i>Total Savings</i> | <i>\$66,234</i> | | | <i>Total Savings</i> | <i>\$70,096</i> | |
| | Position has been vacant six months, with workload redistributed to remaining staff. | | | | | | | | |
| | Ongoing reduction. | | | | | | | | |
| Administration | | | | | | | | | |
| Telephones | | | \$64,700 | \$60,000 | | | \$64,700 | \$60,000 | \$4,700 |
| | Reduce based on historical expenditures. | | | | | | | | |
| | Ongoing reduction. | | | | | | | | |
| Payroll Services | | | \$68,000 | \$32,000 | | | \$68,000 | \$32,000 | \$36,000 |
| | Reduce based on historical expenditures. | | | | | | | | |
| | Ongoing reduction. | | | | | | | | |
| Staff Training | | | \$41,600 | \$36,500 | | | \$41,600 | \$36,500 | \$5,100 |
| | Reduce based on historical expenditures. | | | | | | | | |
| | Ongoing reduction. | | | | | | | | |
| Temps & Recruitment Costs | | | \$207,575 | \$175,000 | | | \$207,175 | \$175,000 | \$32,175 |
| | Reduce based on historical expenditures. | | | | | | | | |
| | Ongoing reduction. | | | | | | | | |

RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12

RED - Redevelopment Agency

| Object Title | FY 2011-2012 | | | | FY 2012-2013 (for estimate purposes only) | | | | | |
|--------------------------------------------------|------------------------------------------|----|-----------|-----------|-------------------------------------------|----|-----------|-----------|-----------|----|
| | FTE | | Amount | | FTE | | Amount | | Savings | GF |
| | From | To | From | To | From | To | From | To | | |
| Postage and Express | | | \$71,890 | \$25,000 | | | \$71,890 | \$25,000 | \$46,890 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Purchase Machines/ Equipment/Furniture | | | \$77,400 | \$25,000 | | | \$77,400 | \$25,000 | \$52,400 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Maintenance for Machines/ Equipment/Furniture | | | \$277,718 | \$200,000 | | | \$277,718 | \$200,000 | \$77,718 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Travel-Local | | | \$18,660 | \$10,000 | | | \$18,660 | \$10,000 | \$8,660 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Travel-Out of Town | | | \$17,700 | \$14,000 | | | \$17,700 | \$14,000 | \$3,700 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Conference & etc. | | | \$33,750 | \$15,000 | | | \$33,750 | \$15,000 | \$18,750 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Miscellaneous Expenses | | | \$273,160 | \$130,000 | | | \$273,160 | \$130,000 | \$143,160 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Office Supplies | | | \$118,650 | \$70,000 | | | \$118,650 | \$70,000 | \$48,650 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Supplies-Mimeo/Printing/Photo | | | \$27,700 | \$17,000 | | | \$27,700 | \$17,000 | \$10,700 | |
| | Reduce based on historical expenditures. | | | | | | | | | |

GF = General Fund
IT = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

| Object Title | FY 2011-2012 | | | | FY 2012-2013 (for estimate purposes only) | | | | | |
|--------------|--------------|----|--------|----|-------------------------------------------|----|--------|----|---------|----|
| | FTE | | Amount | | FTE | | Amount | | Savings | GF |
| | From | To | From | To | From | To | From | To | | |
| | | | | | | | | | | |

FY 2011-2012
Total Recommended Reductions

| | One-Time | Ongoing | Total |
|-------------------------|------------|------------------|------------------|
| General Fund Impact | \$0 | \$302,185 | \$302,185 |
| Non-General Fund Impact | \$0 | \$340,762 | \$340,762 |
| Total | \$0 | \$642,947 | \$642,947 |

Estimated FY 2012-2013 Impact
Total Recommended Reductions

| | |
|-------------------------|------------------|
| General Fund Impact | \$306,216 |
| Non-General Fund Impact | \$345,308 |
| Total | \$651,524 |

BUDGET REVIEW EXECUTIVE SUMMARY

Budget Changes

The department's proposed \$286,617,000 budget for FY 2011-12 is \$12,933,000 or 4.3 percent less than the original FY 2010-11 budget of \$299,550,000.

Personnel Changes

The number of full-time equivalent positions (FTE) budgeted for FY 2011-12 is 113.5 FTEs, which is 3.0 FTEs more than the 110.5 FTEs in the original FY 2010-11 budget. This represents a 2.7 percent increase in FTEs from the original FY 2010-11 budget.

Revenue Changes

The Department's Property Tax increment revenues, proposed to be \$125,274,000 in FY 2011-12, are an increase of \$20,430,000, or 19.5 percent, compared to FY 2010-11 Property Tax increment revenues of \$104,844,000. Other Departmental revenues are proposed to be \$66,650,000 in FY 2011-12, which represents a decrease of \$68,000, or 0.1 percent less than the Department's FY 2010-11 other revenues of \$66,718,000.

RECOMMENDATIONS

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$642,947 in FY 2011-12. The General Fund impact of these reductions is \$302,185.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

SUMMARY OF PROGRAM EXPENDITURES:

| | FY 2010-11 Budget | FY 2011-12 Proposed | Increase/ (Decrease) | Percent |
|----------------------------------------|----------------------|------------------------|-------------------------|----------|
| <u>Total Sources of Funds</u> | | | | |
| Property Sales, Rentals and Leases | \$16,033,000 | \$17,734,000 | \$1,701,000 | 10.6% |
| Developer Contributions | 13,071,000 | 11,882,000 | (1,189,000) | (9.1%) |
| Other | 37,614,000 | 37,034,000 | (580,000) | (1.5%) |
| Property Tax Increment | <u>104,844,000</u> | <u>125,274,000</u> | <u>20,430,000</u> | 19.5% |
| Total Sources of Funds | 171,562,000 | 191,924,000 | 20,362,000 | 11.9% |
| <u>Total Uses of Funds</u> | | | | |
| <u>Work Program Uses</u> | | | | |
| Debt Service | 87,696,000 | 100,630,000 | 12,934,000 | 14.7% |
| Public Improvements | 74,201,000 | 38,004,000 | (36,197,000) | (48.8%) |
| Housing Production and Assistance | 66,209,000 | 56,055,000 | (10,154,000) | (15.3%) |
| Property Maintenance | 13,277,000 | 10,302,000 | (2,975,000) | (22.4%) |
| Business Development | 4,375,000 | 1,588,000 | (2,787,000) | (63.7%) |
| Pass-Through Obligations | 11,072,000 | 24,226,000 | 13,154,000 | 118.8% |
| Job Training | 1,360,000 | 1,147,000 | (213,000) | (15.7%) |
| Other | 14,232,000 | 32,807,000 | 18,575,000 | 130.5% |
| Subtotal Work Program Uses | <u>272,422,000</u> | <u>264,759,000</u> | <u>(7,663,000)</u> | (2.8%) |
| Personnel Costs | 17,127,000 | 17,750,000 | 623,000 | 3.6% |
| Administrative Costs | 4,001,000 | 4,108,000 | 107,000 | 2.7% |
| Total Uses | <u>293,550,000</u> | <u>286,617,000</u> | <u>(6,933,000)</u> | (2.4%) |
| Educational Revenue Augmentation Funds | 6,000,000 | 0 | (6,000,000) | (100.0%) |
| | <u>299,550,000</u> | <u>286,617,000</u> | <u>(12,933,000)</u> | (4.3%) |
| Deficit | (127,988,000) | (94,693,000) | 33,295,000 | (26.0%) |
| <u>Other Funding Sources</u> | | | | |
| Other Property Tax Increment | 9,424,000 | 11,195,000 | 1,771,000 | 18.8% |
| Tax Increment Bond Proceeds | 118,564,000 | 83,498,000 | (35,066,000) | (29.6%) |
| Subtotal, Other Funding Sources | <u>127,988,000</u> | <u>94,693,000</u> | <u>(33,295,000)</u> | (10.8%) |
| Net Sources Less Uses | \$0 | \$0 | \$0 | 0.0% |

The Department's proposed FY 2011-12 budget has decreased by \$12,933,000 due to decreases in public improvement projects, housing production and assistance, property maintenance expenditures, business development, job training and deletion of Educational Revenue Augmentation Funds (ERAF) transfers:

The Redevelopment Agency's budget includes expenditures for project areas, the Citywide Housing Program, and Administration and Personnel as described below.

¹ Under State law, local governments in FY 2010-11 were required to shift an allocation of property tax revenues to local schools, to meet educational funding requirements under Proposition 98. The Redevelopment Agencies share of this shift was \$6 million. This shift is not required in FY 2011-12, according to the Department.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

Redevelopment Project Areas:

A Project Area is a designated redevelopment area, which has been approved by the Board of Supervisors. As shown in the table below, there are 10 existing Project Areas² for which the Redevelopment Agency's proposed budget for FY 2011-12 provides \$222,473,000 in project areas funding, which is \$53,390,000, or 31.58 percent higher than the approved budget of \$169,083,000 for FY 2010-11. Changes to individual projects programs are as follows:

| Project Area Budgets, Current and Proposed | | | | |
|---------------------------------------------------|-------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|
| | Project Area * | Approved Budget FY 2010-11 | Proposed Budget FY 2011-12 | Proposed Increase (Decrease) |
| 1 | Bayview Hunters Point Area B | \$6,815,000 | \$7,137,000 | \$322,000 |
| | <i>Golden Gateway</i> | 15,513,000 | 19,121,000 | 3,608,000 |
| | <i>Hunters Point (Area "A")</i> | 571,000 | 733,000 | 162,000 |
| 2 | Hunters Point Shipyard (Phase I) | 7,374,000 | 4,321,000 | (3,053,000) |
| | Hunters Point Shipyard (Phase II) | 5,505,000 | 24,510,000 | 19,005,000 |
| | <i>India Basin</i> | 561,000 | 511,000 | (50,000) |
| 3 | Mid Market | 954,000 | 0 | (954,000) |
| 4 | Mission Bay North | 9,416,000 | 34,103,000 | 24,687,000 |
| 5 | Mission Bay South | 18,106,000 | 46,420,000 | 28,314,000 |
| 6 | South Beach Harbor | 2,235,000 | 2,511,000 | 276,000 |
| | <i>Rincon Point- South Beach</i> | 17,461,000 | 17,923,000 | 462,000 |
| 7 | South of Market | 7,578,000 | 4,518,000 | (3,060,000) |
| 8 | Transbay Terminal | 21,308,000 | 10,564,000 | (10,744,000) |
| | <i>Western Addition</i> | 12,495,000 | 12,617,000 | 122,000 |
| 9 | Visitacion Valley | 442,000 | 0 | (442,000) |
| 10 | Yerba Buena Center | 33,771,000 | 28,607,000 | (5,164,000) |
| | Yerba Buena Gardens & Center for the Arts | 8,978,000 | 8,877,000 | (101,000) |
| | Total | \$169,083,000 | \$222,473,000 | \$53,390,000 |

**Numbered Areas are Active Project Areas. Italicized Project Areas are expired project areas that have been extended under SB 2113, as discussed below.*

² South Beach Harbor is a part of Rincon Point-South Beach project, and Yerba Buena Gardens & Center for the Arts is a part of the Yerba Buena Center project. In addition, five project areas are expired, non-current project areas, but have been extended under SB 2113, which authorizes the Redevelopment Agency to continue to borrow funds exclusively for Low and Moderate Income Housing Fund activities until January 1, 2014, or until the Agency replaces all of the housing units demolished prior to the requirement for replacement housing obligations in redevelopment areas. The extended project areas are: Golden Gateway, Hunters Point (Area "A"), India Basin, Rincon Point-South Beach and Western Addition.

RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12

DEPARTMENT: RED – REDEVELOPMENT

As shown in the table above, the following Project Areas' budgets are increasing:

Bayview Hunters Point Area B

The \$322,000 increase includes a substantial increase in funding with for the Bayview Hunters Point Revolving Loan Program and predevelopment study funding for the Southeast Health Center project, counterbalanced by reduced funding for public improvements and employment and workforce development programs. There is also a slight increase in statutory pass-through payments.

Golden Gateway

The \$3,608,000 increase is related to increased debt service costs and pass-through obligations.

Hunters Point (Area "A")

The \$162,000 increase is due to increased debt service costs.

Hunters Point Shipyard (Phase II)

The \$19,005,000 increase is due to increases in developer reimbursable costs, including hazardous material survey/investigations of remaining U.S. Navy Buildings and transportation project planning.

Mission Bay North

The \$24,687,000 increase is due to increased spending for public improvements, housing production and assistance, debt service and pass-through obligations. The Department reports that the spending for public improvements and housing is related to previously completed projects for which reimbursement is now being received.

Mission Bay South

The \$28,314,000 increase is related to public improvements, including construction of Park 10 and Mission Bay Circle and Drive, and the first segment of Longbridge Street and other roadway projects, as well as other infrastructure improvements to serve the new University of California, San Francisco hospital. It also relates to increased housing development, including construction of 150 units of very low- and low-income family rental housing.

South Beach Harbor

The \$276,000 increase is primarily related to debt service costs and property management costs.

Rincon Point-South Beach

The \$462,000 increase is related to pass-through obligations and debt service.

Western Addition

The \$122,000 increase is related to pass-through obligations and debt service.

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

Additionally as shown in the table above, the following Project Areas' budgets are decreasing:

Hunters Point Shipyard (Phase I)

The \$3,053,000 decrease is primarily due to reduced property management costs due to completion of hazardous abatement survey and investigation work.

India Basin

The 50,000 decrease is due to reduced debt service costs.

Mid Market

The \$954,000 increase was due to the completion of activities in preparation for the potential establishment of this redevelopment project area, including an historic building and district survey, preparation of environmental documents, and community outreach activities.

South of Market

The \$3,060,000 decrease primarily relates to reduced public improvement costs due to completion of alley improvement projects, and to reduced economic revitalization costs related to the Sixth Street Economic Revitalization, police substation and Sixth Street business services projects.

Transbay Terminal

The \$10,744,000 decrease is primarily due to reduced public improvement costs due to the completion of sidewalk, open space and art enrichment projects.

Visitacion Valley

The \$442,000 decrease is due to completion of several projects, including an Open Space and Streetscape Master Plan, planning work related to the Schlage Lock site, environmental site investigation for the proposed Blanken Park, and development of a façade improvement program on Leland Avenue.

Yerba Buena Center

The \$5,164,000 decrease is related to reduced public improvements costs, reduced job training and placement funding, and reduced property management costs.

Yerba Buena Gardens and Center for the Arts

The \$101,000 decrease is due to reduced public improvements costs for capital repair and maintenance.

Citywide Housing Programs:

The Agency has a Citywide Tax Increment Program to finance the production of new low- and moderate-income housing and the preservation of existing Section 8 housing in all parts of the City, reflecting the requirement of State law that a portion of redevelopment revenue is required to be spent on affordable housing programs. The Agency also oversees a federally-funded housing program for persons with AIDS, and also has programs to develop and rehabilitate affordable housing in redevelopment project areas as part of the Agency's obligation to alleviate blight. The Agency in FY 2004-05 began implementing Senate Bill 2113, State legislation authorizing the Agency to use additional tax increment capacity from project areas that would otherwise expire for the sole purpose of

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

replacing low-income housing lost in the early years of the City's redevelopment program. Implementation of this law significantly expands the Agency's Housing Program.

For FY 2011-12, proposed housing program expenditures total \$42,286,000, an increase of \$5,272,000, or 14.24 percent, over the \$37,014,000 budget approved in FY 2010-11. The increase primarily relates to increased housing production activity, including funding predevelopment costs related to 457 units of very low income housing to serve various types of City residents in the Bayview-Hunters Point, Mission Bay South and South of Market areas, and funding Phase I of a project incorporating public housing replacement, new low-income rental housing and low and moderate income first-time homeownership housing in Bayview Hunters Point Zone 1.

Administrative Budget

The proposed Administrative Budget for FY 2011-12 is \$4,108,000. This represents an increase of \$107,000, or 2.7 percent, from the FY 2010-11 Administrative Budget of \$4,001,000. This increase is primarily due to:

- An increase in self-insurance retention costs, due to several pending legal settlements involving the Agency.
- An increase in Temps and Recruitment costs, related to increased costs for identifying and contacting residents displaced from prior housing by redevelopment projects, for the purpose of providing them certificates of preference for Agency low-income housing.
- An increase in miscellaneous costs.
- An increase in equipment leasing costs.

DEPARTMENT PERSONNEL SUMMARY:

The number of Net Operating full-time equivalent positions (FTE) budgeted for FY 2011-12 is 113.5 FTEs, which is 3.0 FTEs more than the 110.5 FTEs in the original FY 2010-11 budget. This represents a 2.7 percent increase in FTEs from the original FY 2010-11 budget. The increase in FTEs is the result of:

- Addition of a Senior Project Area Manager, an Assistant Project Manager and a Staff Associate IV for the Hunters Point Shipyard Project Area. According to the Department, all three positions are currently vacant, and the recruiting process for them was put on hold because of the Governor's proposal to terminate all redevelopment areas in California. According to the Department, developers in the project area are responsible for reimbursing costs for these positions.

DEPARTMENT REVENUES:

Department revenues have increased by \$20,362,000 or 11.9 percent. General Fund impact of the Department has increased by \$12,563,000 or 19.4 percent, \$64,801,000 in FY 2010-11 to \$77,364,000 in FY 2011-12. General Fund impact refers to Property Tax revenues that under State redevelopment law would normally be retained within redevelopment project areas as redevelopment Property Tax increment, but are instead passed through to the General Fund. Specific changes in the Department's FY 2011-12 revenues include:

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

DEPARTMENT: RED – REDEVELOPMENT

- An increase in Property Tax Increment revenues that is needed to meet existing Agency obligations to pay debt service on tax increment bonds previously issued.
- An increase in various miscellaneous project-specific revenues, including a federal loan for transportation improvements related to the Hunters Point Shipyard project, and money for bond financing fees, parking fees and interest payments related to the City's housing program.
- An decrease in grant revenues.
- A decrease in use of reserves from prior-year earnings.

LEGISLATION:

File 11-0270 is a resolution approving the FY 2011-12 Budget of the Redevelopment Agency. The resolution would also approve the issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$84,000,000.

RECOMMENDATIONS:

1. Amend the Redevelopment Agency's proposed FY 2011-12 budget (File No. 10-0270) in accordance with the Budget Analyst's recommended reductions totaling \$642,947, of which \$302,185 or 47 percent are General Fund reductions, as shown on the following pages.
2. Approve the Redevelopment Agency budget, as amended, and approve the proposed issuance of San Francisco Redevelopment Agency bonds not to exceed amount of \$84,000,000 (File No. 11-0270).

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

| Object Title | FY 2011-2012 | | | | FY 2012-2013 (for estimate purposes only) | | | | | |
|--------------------------------|--------------|-----|--------------------------------------------------------------------------------------|-----------------|-------------------------------------------|----|----------------------|-----------------|----------|--|
| | FTE | | Amount | | FTE | | Amount | | GF | |
| | From | To | From | To | From | To | From | To | | |
| Development Services | | | | | | | | | | |
| Facilities Maintenance Worker | 1.0 | 0.0 | \$57,327 | \$0 | | | \$60,670 | \$0 | \$60,670 | |
| Mandatory Fringe Benefits | | | \$30,383 | \$0 | | | \$32,155 | \$0 | \$32,155 | |
| | | | <i>Total Savings</i> | <i>\$87,710</i> | | | <i>Total Savings</i> | <i>\$92,825</i> | | |
| | | | Position has been vacant six months, with workload redistributed to remaining staff. | | | | | | | |
| | | | Ongoing reduction. | | | | | | | |
| Contract Compliance | | | | | | | | | | |
| Contract Compliance Specialist | 0.5 | 0.0 | \$43,290 | \$0 | | | \$45,814 | \$0 | \$45,814 | |
| Mandatory Fringe Benefits | | | \$22,944 | \$0 | | | \$24,282 | \$0 | \$24,282 | |
| | | | <i>Total Savings</i> | <i>\$66,234</i> | | | <i>Total Savings</i> | <i>\$70,096</i> | | |
| | | | Position has been vacant six months, with workload redistributed to remaining staff. | | | | | | | |
| | | | Ongoing reduction. | | | | | | | |
| Administration | | | | | | | | | | |
| Telephones | | | \$64,700 | \$60,000 | | | \$64,700 | \$60,000 | \$4,700 | |
| | | | Reduce based on historical expenditures. | | | | | | | |
| | | | Ongoing reduction. | | | | | | | |
| Payroll Services | | | \$68,000 | \$32,000 | | | \$68,000 | \$32,000 | \$36,000 | |
| | | | Reduce based on historical expenditures. | | | | | | | |
| | | | Ongoing reduction. | | | | | | | |
| Staff Training | | | \$41,600 | \$36,500 | | | \$41,600 | \$36,500 | \$5,100 | |
| | | | Reduce based on historical expenditures. | | | | | | | |
| | | | Ongoing reduction. | | | | | | | |
| Temps & Recruitment Costs | | | \$207,575 | \$175,000 | | | \$207,175 | \$175,000 | \$32,175 | |
| | | | Reduce based on historical expenditures. | | | | | | | |
| | | | Ongoing reduction. | | | | | | | |

GF = General Fund
IT = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

| Object Title | FY 2011-2012 | | | | FY 2012-2013 (for estimate purposes only) | | | | GF | |
|--------------------------------------------------|------------------------------------------|----|-----------|-----------|-------------------------------------------|----|-----------|-----------|-----------|--|
| | FTE | | Amount | | FTE | | Amount | | | |
| | From | To | From | To | From | To | From | To | | |
| Postage and Express | | | \$71,890 | \$25,000 | \$46,890 | x | \$71,890 | \$25,000 | \$46,890 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Purchase Machines/ Equipment/Furniture | | | \$77,400 | \$25,000 | \$52,400 | x | \$77,400 | \$25,000 | \$52,400 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Maintenance for Machines/ Equipment/Furniture | | | \$277,718 | \$200,000 | \$77,718 | x | \$277,718 | \$200,000 | \$77,718 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Travel-Local | | | \$18,660 | \$10,000 | \$8,660 | x | \$18,660 | \$10,000 | \$8,660 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Travel-Out of Town | | | \$17,700 | \$14,000 | \$3,700 | x | \$17,700 | \$14,000 | \$3,700 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Conference & etc. | | | \$33,750 | \$15,000 | \$18,750 | x | \$33,750 | \$15,000 | \$18,750 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Miscellaneous Expenses | | | \$273,160 | \$130,000 | \$143,160 | x | \$273,160 | \$130,000 | \$143,160 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Office Supplies | | | \$118,650 | \$70,000 | \$48,650 | x | \$118,650 | \$70,000 | \$48,650 | |
| | Reduce based on historical expenditures. | | | | | | | | | |
| Supplies-Mimeo/Printing/Photo | | | \$27,700 | \$17,000 | \$10,700 | x | \$27,700 | \$17,000 | \$10,700 | |
| | Reduce based on historical expenditures. | | | | | | | | | |

GF = General Fund
IT = One Time

**RECOMMENDATIONS OF THE BUDGET AND LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS, FISCAL YEAR 2011-12**

RED - Redevelopment Agency

| Object Title | FY 2011-2012 | | | | FY 2012-2013 (for estimate purposes only) | | | | | |
|--------------|--------------|----|--------|----|-------------------------------------------|----|--------|----|---------|----|
| | FTE | | Amount | | FTE | | Amount | | Savings | GF |
| | From | To | From | To | From | To | From | To | | |
| | | | | | | | | | | |

**Estimated FY 2012-2013 Impact
Total Recommended Reductions**

| | |
|-------------------------|------------------|
| General Fund Impact | \$306,216 |
| Non-General Fund Impact | \$345,308 |
| Total | \$651,524 |

**FY 2011-2012
Total Recommended Reductions**

| | | |
|-------------------------|------------|------------------|
| One-Time | Ongoing | Total |
| General Fund Impact | \$0 | \$302,185 |
| Non-General Fund Impact | \$0 | \$340,762 |
| Total | \$0 | \$642,947 |

GF = General Fund
IT = One Time