

File No. 101252

Committee Item No. 4
Board Item No. 21

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: October 20, 2010

Board of Supervisors Meeting

Date October 26, 2010

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Ethics Form 126
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form (for hearings)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

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Completed by: Victor Young

Date: October 15, 2010

Completed by: Victor Young

Date: 10/29/10

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

1 [Amendment to the Redevelopment Agency Budget - Not to Exceed \$520,743]

2
3 **Resolution approving an amendment to the budget of the Redevelopment Agency of**
4 **the City and County of San Francisco for FY2010-2011 by authorizing expenditures in**
5 **an amount not to exceed \$520,743 for personnel positions associated with the**
6 **implementation of the Candlestick Point - Hunters Point Shipyard Phase 2 Project.**

7
8 WHEREAS, On June 3, 2010 the San Francisco Redevelopment Agency Commission
9 certified the final Environmental Impact Report for the Candlestick Point – Hunters Point
10 Shipyard Phase 2 Project (the "Project") and approved related transactional and land use
11 documents and recommended approval by the Board of Supervisors of amendments to the
12 Bayview Hunters Point and Hunters Point Shipyard Redevelopment Plans; and,

13 WHEREAS, On July 13, 2010 by motion no. M10-110 the Board of Supervisors
14 affirmed the certification of the Project's Environmental Impact Report; and

15 WHEREAS, On July 27, 2010 and August 3, 2010, the Board of Supervisors adopted
16 CEQA Findings and took various approval actions in furtherance of the Project, including the
17 approval of the applicable redevelopment plan amendments, a tax increment and pledge
18 agreement, real property transfer agreements, an interagency cooperation agreement, and
19 amendments to certain City codes; and,

20 WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the
21 "Agency") is implementing the Project in accordance with the California Community
22 Redevelopment Law Health and Safety Code section 33000 et. Seq. (the "Law"); and,

23 WHEREAS, Section 33606 of the Law provides for approval of the annual budget of
24 the Agency, and any amendments to the budget, by the legislative body of the City; and,

25
Mayor Gavin Newsom
BOARD OF SUPERVISORS

1 WHEREAS, The Agency wishes to amend its Budget for FY2010-2011 to expend
2 \$520,743 for personnel positions needed to manage the implementation of the Project and
3 Redevelopment Plans in accordance with the Law; a copy of which is located in Board File
4 No. 101252 (the "Budget Amendment"); and,

5 WHEREAS, Such expenditures shall be used for the purpose described in the
6 memorandum accompanying the June 15, 2010 Agency agenda item no. 4(k), a copy of
7 which is located in Board File No. 101252; now, therefore, be it

8 RESOLVED, The Board of Supervisors hereby approves the Budget Amendment.
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MEMORANDUM**TO:** Agency Commissioners**FROM:** Fred Blackwell, Executive Director**SUBJECT:** Approving proposed changes to the Budget for the period July 1, 2010 through June 30, 2011 and, authorizing the Executive Director to submit the Budget to the Mayor's Office and the Board of Supervisors.**EXECUTIVE SUMMARY**

At its May 4, 2010 meeting, the Commission approved, per Resolution No. 46-2010, a fiscal year 2010-11 budget ("Budget") and authorized its submission to the Mayor's Budget Office. At that meeting, Agency staff informed the Commission of the fiscal challenges facing the City and County of San Francisco ("City") and the likelihood that the Agency would have to make additional changes to the Budget. Since the Commission's approval of the budget, Agency staff has been in discussions with the Mayor's Budget Office about possible amendments to the Budget. These amendments are now before the Commission for its consideration and approval.

DISCUSSION

The California Community Redevelopment Law ("CRL") requires the Agency Commission to adopt an annual budget that contains the following: all of the activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Law; the Agency's proposed expenditures; the proposed indebtedness that the Agency will incur; the Agency's anticipated revenues; the Agency's upcoming work program and goals; and an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program. Cal. Health & Safety Code § 33606. The CRL also requires that "[w]hen the legislative body is not the redevelopment agency, the legislative body shall approve the annual budget and amendments of the annual budget of the agency." *Id.* Pursuant to this requirement, the Board of Supervisors ("Board") must approve the Agency's budget.

On May 4, 2010, the Agency Commission approved the Budget and transmitted it to the Mayor's Budget Office for review prior to submission to the Board. As noted in the Agency resolution approving the Budget, the Executive Director will seek Agency Commission review of any substantial changes that the Mayor's Budget Office proposes.

Several modifications were made to the draft budget presented to the Commission at the meeting of May 4, 2010. These additional changes to the Agency's budget has reduced the General Fund impact of our budget from \$63.32 million as set forth in the May 4, 2010

budget to \$62.17 million as submitted on May 30, 2009. Below highlights the most significant changes:

- 1) Inclusion of \$3.0 million of tax increment for HOPE SF;
- 2) Inclusion of \$5.0 million of bond proceeds to fund projects previously funded by the Hotel Tax allocation in the Mayor's Office of Housing.
- 3) Redirecting tax increment to provide funding of \$1.6 million for operating subsidies for homeless projects through work orders with Department of Health and Department of Human Services;
- 4) Reduction of pay as you go increment from \$11.8 to \$10.1 resulting from negotiations to reduce tax increment; reduction to be finance through debt issuance

Furthermore, the expenditure of Agency funds for these activities (as well as all other items in the Budget) will require additional Agency authorizations in the forms of contracts, loan agreements, letter agreements, and other documents. These authorizations will follow Agency policy and procedures and will include Commission approval of those matters involving \$50,000 or more.

In addition to the above changes resulting from negotiations with the Mayor's Budget Office, the Agency is also proposing an alternative budget amount for Personnel Positions ("Alternative Budget") that the Board of Supervisors will consider at a later date when it considers approval of the actions related to the Candlestick Point – Hunters Point Shipyard Phase II Project ("Project") that the Agency Commission approved on June 3, 2010. Implementation of the Project requires additional Agency staff. To that end, the Agency will be including the following positions totaling \$520,743 including salaries, taxes and fringe in the Alternative Budget.

a. Senior Project Manager	\$131,430
b. Assistant Project Manager	\$107,858
c. Staff Associate IV	\$107,874

The Agency will not submit the Alternative Budget until the Board of Supervisors schedules approval of the various actions related to the Project, e.g. the amendments to the Redevelopment Plans for the Bayview Hunters Point and the Hunters Point Shipyard Project Areas.

Accordingly, the Agency will initially submit the Budget, as set forth herein in Attachment 1 (which does not include the additional Project staffing) for the Board of Supervisors' review and approval. Subsequently, the Agency will submit the Alternative Budget, as set forth in Attachment 2 (which includes the additional Project staffing) at the same time that the Board of Supervisor considers the Project itself.

Approval of the proposed changes to the Budget is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and

15378(b)(5). The proposed action will not change conditions in any redevelopment project or survey area or at any affordable housing site, will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA.

Originated by: Amy Lee, Deputy Executive Director, Finance and Administration

Fred Blackwell
Executive Director

Attachments:

(1) (Alternative Budget) Budget for Fiscal Year 2010-11, Revised May 21, 2010

(2) Budget for Fiscal Year 2010-11, to be submitted to BOS on August __, 2010

RESOLUTION NO. 84-2010

Adopted June 15, 2010

**APPROVING PROPOSED CHANGES TO THE BUDGET FOR
THE PERIOD JULY 1, 2010 THROUGH JUNE 30, 2011,
INCLUDING AN ALTERNATIVE BUDGET,
AND AUTHORIZING THE EXECUTIVE DIRECTOR
TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE AND
THE BOARD OF SUPERVISORS**

BASIS FOR RESOLUTION

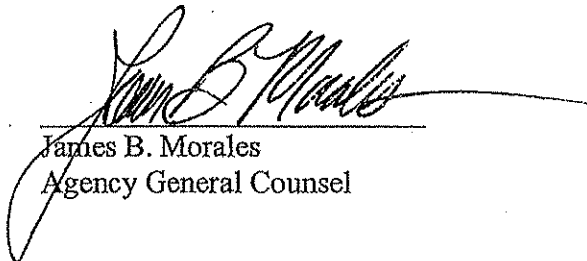
1. In accordance with the California Community Redevelopment Law ("Law"), the Redevelopment Agency of the City and County of San Francisco ("Agency") is required to establish and adopt a budget ("Budget") for fiscal year ("FY") 2009-10. Cal. Health and Safety Code § 33606.
2. Section 33606 of the Law requires that the Agency adopt an annual budget containing the following: all of the activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Law; the Agency's proposed expenditures; the proposed indebtedness that the Agency will incur; the Agency's anticipated revenues; the Agency's upcoming work program and goals; and an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.
3. Section 33606 of the Law provides for approval of the annual Budget of the Agency and of any amendments to the Budget by the Board of Supervisors of the City and County of San Francisco ("Board").
4. On May 4, 2010, the Agency Commission approved, per Resolution No. 46-2010, the Budget and authorized its submission to the Mayor's Budget Office.
5. Since the Commission's approval of the Budget, Agency staff has been in discussions with the Mayor's Budget Office about possible amendments to the Budget in an effort to address the fiscal challenges facing the City and County of San Francisco ("City") and the Agency.
6. The Mayor's Budget Office and Agency staff have now agreed, subject to Agency Commission approval, upon several material changes to the Budget that would accomplish the following: add \$1.6 million of tax increment funding for operating subsidies for permanently affordable housing previously funded through the Department of Health and Department of Human Services; add \$8.0 million for projects that would have been previously funded through the Mayor's Office of Housing, of which \$3.0 million will utilize pay as you go tax increment from Transbay and the remaining \$5.0 million will be funded through bond proceeds.

7. In addition, Agency staff is seeking approval of an alternative budget ("Alternative Budget") in the event that the Board of Supervisors approves the actions related to the Candlestick Point - Hunters Point Shipyard Phase 2 Project ("Project"). If the Agency begins to implement the Project in FY 2010-2011, the Agency will need additional staffing, including a Senior Project Manager, Assistant Project Manager, and Staff Associate position, and thus has prepared the Alternative Budget to include these positions. The Agency will transmit the Alternative Budget to the Board of Supervisors when it considers the actions related to the Project. The Alternative Budget will not be part of the proposed Budget that the Agency initially transmits to the Board of Supervisors for its consideration along with the other budgets of the various departments of the City.
8. If the Board approves the Budget (and subsequently, the Alternative Budget), the Agency Commission will authorize, at later dates, the expenditures for specific activities that the Budget (and the Alternative Budget) include. These authorizations will occur through approvals of contracts, letter agreements with City Departments, and other transactions.
9. Approval of the proposed changes to the Budget and of the Alternative Budget is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and 15378(b)(5). The proposed action will not change conditions in any redevelopment project or survey area or at any affordable housing site, will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that its proposed Budget, as amended, and its Alternative Budget, for the period July 1, 2010 through June 30, 2011 are adopted and the Executive Director is authorized to transmit initially the proposed Budget, and to transmit subsequently the Alternative Budget, to the Board of Supervisors.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

Attachment: Exhibit 1

Attachment 1

San Francisco Redevelopment Agency

Budget Amendment For Fiscal Year 2010-2011

Excerpts of San Francisco Redevelopment Budget for Fiscal Year 2010-11, as approved by Resolution 84-2010 by the Agency Commission on June 15, 2010 to be submitted to the Board of Supervisors related to its approval of actions related to the Candlestick Point – Hunters Point Shipyard Phase II Project.

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	\$ 166,120
Total Uses of Funds	238,188	225,610
Deficit	<u>(82,750)</u>	<u>(59,490)</u>
Personnel Costs	16,945	17,127
Administrative Costs	3,665	4,001
Gross Tax Increment Request	95,601	108,867
AB1290 Pass-Through to City	7,850	10,553
Net SFRA Tax Increment Request	<u>87,751</u>	<u>98,314</u>
Total General Fund Impact	<u>\$ 54,196</u>	<u>\$ 61,717</u>
Personnel Count(FTE)	110.0	114.5

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	13,071
Grants	13,964	25,857
Other	3,570	4,164
Tax Increment (for O/S Obligations)	89,275	99,443
Total Sources	155,438	166,120
<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	12,447
Pass-Through Obligations	19,878	12,720
Debt Service	62,361	87,696
Subtotal: Work Program Uses	217,579	204,482
Personnel Costs	16,945	17,127
Administrative Costs	3,665	4,001
Total Uses	238,188	225,610
SERAF	28,733	6,000
Surplus(Deficit)	(111,483)	(65,490)
<u>Other Funding Sources:</u>		
Funds Reprogrammed from Housing and Economic Developr	4,233	-
Tax Increment(pay-as-you-go)	6,326	9,424
Tax Inc. Bond Proceeds	100,925	56,066
Total Sources Less Uses	0	0
<u>Tax Increment:</u>		
Additional Tax Inc. Request	6,326	9,424
Plus: Tax Inc. for Prior Obligations	89,275	99,443
Gross Tax Increment Request	95,601	108,867
AB1290 Pass-Through to City	7,850	10,553
NET SFRA Tax Inc.Request	87,751	98,314
Total General Fund Impact	\$54,196	\$61,717
Personnel Count(FTE)	110.0	114.5

(1) Includes econ./marketing/planning/toxic studies/inspection services, etc.

(2) Mission Bay number may increase with additional bond issuance request.

(Thousands of Dollars)

[illegible]

Personnel Positions and Salaries for FY 2010/11

	FTE	FY 10/11 Salary
Executive Director	1	\$ 208,051
Commission Secretary	1	97,713
Executive Assistant to Executive Director	1	97,713
Administrative Secretary	0.5	35,880
Staff Associate IV	0	-
LEGAL		
Agency General Counsel	1	169,806
Deputy General Counsel	1	161,720
Deputy General Counsel	1	161,720
Senior Attorney	1	139,451
Senior Attorney	1	139,451
Senior Legal Secretary	1	83,235
Administrative Secretary	0.5	35,880
COMMUNITY & ECONOMIC DEVELOPMENT		
Deputy Executive Director	1	168,246
Exec Sec/Mgmt Asst III	1	82,004
PROJECT AREA PLANNING/DEVELOPMENT		
Supervisor Sr. Proj. Mgr	1	148,443
Proj. Mgr/Special Projects	1	119,055
Snr. Proj. Area Mgr/SOMA, Transbay	1	131,430
Project Areas/Bayview HP	1	119,055
Act. Staff Associate VI	1	131,430
Associate Planner	1	89,751
Staff Associate V	1	119,055
Senior Planner	1	114,140
Proj. Mgr. Mission Bay	1	119,055
Snr. Proj. Area Mgr	1	131,430
Staff Associate IV	1	107,874
Assistant Project Mgr-	1	107,858
Assistant Project Mgr-	1	107,858
Assistant Project Mgr-	1	107,858
Assistant Project Mgr-	1	107,858
Assistant Project Mgr-	1	107,858
Management Asst II	1	71,396
Management Asst II	1	71,396
Management Asst II	1	71,396
Senior Office Assistant	1	60,372
HUNTERS POINT SHIPYARD		
Proj Mgr/Shipyards	1	119,055
Assistant Project Mgr-	1	107,858
Assistant Project Mgr-	1	107,858
ARCHITECTURE/ENGINEERING		
(Acting) Architectural & Engineering Supervis	0	-
Senior Architect	0	-

Personnel Positions and Salaries for FY 2010/11

		FY 10/11
	<u>FTE</u>	<u>Salary</u>
Architect	1	119,080
Architectural Associate	1	102,674
Architectural Associate	0	
Senior Civil Engineer	1	138,086
Senior Civil Engineer	1	138,086
DEVELOPMENT SERVICES		
Development Services Manager	1	131,430
Senior Development Specialist	1	119,055
Senior Development Specialist	1	119,055
Senior Development Specialist	0	119,055
Development Specialist	1	107,858
Development Specialist	1	107,858
Development Specialist	1	107,858
Assistant Development Specialist	1	88,524
Mgmt Asst II	1	71,396
PROPERTY MANAGEMENT		
Property Management Supervisor	1	119,055
Property Management Specialist	0	-
Facilities Maintenance Worker	1	57,327
Facilities Maintenance Worker	1	57,327
CONTRACT COMPLIANCE		
Contract Compliance Supervisor	1	122,044
Contract Compliance Specialist III	1	113,318
Contract Administration Specialist	0	-
Contract Compliance Specialist I	1	86,580
Contract Compliance Specialist I	0.5	43,290
Senior Community Services Representative	1	90,064
Contract Compliance Specialist I to II	1	99,949
Contract Compliance Specialist I to II	1	99,949
Administrative Secretary to mgmt III	1	82,004
Office Assistant I	1	49,556
HOUSING		
Deputy Executive Director, Housing	1	168,246
Sr. Development Specialist (Supervisory)	1	125,082
Sr. Development Specialist (Supervisory)	1	125,082
Sr. Development Specialist (Supervisory)	1	125,082
Development Specialist -	0.6	\$ 64,715
Housing Construction Specialist	1	119,055
Development Specialist	1	107,858
Development Specialist	1	107,858
Development Specialist	1	107,858
Development Specialist	1	107,858
Development Specialist	1	107,858
Development Specialist	1	107,858
Development Specialist	1	107,858

Personnel Positions and Salaries for FY 2010/11

	<u>FTE</u>	<u>FY 10/11 Salary</u>
Development Specialist	0.8	86,286
Development Specialist	1	107,858
Accountant III	1	96,044
Assistant Development Specialist	1	88,524
Management Assistant III	1	82,004
Management Assistant II	1	71,396
Executive Secretary	1	75,407
Administrative Secretary	1	71,760
Financial Systems Accountant	0.6	60,394
Office Assistant I	1	49,557
ANCE, ACCOUNTING, & ADMINISTRATION		
Deputy Executive Director	1	168,246
Senior Financial Analyst	1	125,684
Management Asst III	1	82,004
ACCOUNTING		
Accounting Supervisor	1	125,684
Financial System Accountant	1	100,657
Accountant III	1	96,044
Accountant III	1	96,044
Accountant III	1	96,044
Accountant I	1	67,964
Senior Office Assistant	1	60,380
HUMAN RESOURCES		
HR Manager	1	131,430
Management Asst III	1	82,004
INFORMATION SERVICES		
Information Systems Supervisor	1	125,684
Senior Programmer Analyst	1	92,565
ADMINISTRATIVE SERVICES		
Administrative Services Manager	1	119,626
Support Services Supervisor	1	75,407
Senior Office Assistant	1	60,380
Senior Office Assistant	1	60,380
CENTRAL RECORDS		
Records and Information Supervisor	1	86,996
Management Asst I	1	62,816
Records Specialist I	1	54,678
Records Specialist II	1	60,380
SOUTH BEACH HARBOR		
Harbor Master	1	98,144
Public Affairs Officer	0	-
Management Assistant III	1	82,004
Assistant Harbormaster	1	71,396
Senior Harbor Attendant	1	64,688
Harbor Attendant	1	58,614

Personnel Positions and Salaries for FY 2010/11

		FY 10/11
	<u>FTE</u>	<u>Salary</u>
Harbor Attendant	1	58,614
Senior Office Assistant	1	60,380
Harbor Security Officer	1	48,108
Harbor Security Officer	1	48,108
Harbor Office Assistant	1	53,102
Salaries/Permanent Positions	112.5	11,496,440
Plus: Payroll Taxes & Benefits	50.0%	5,748,220
Subtotal: Salaries, Taxes, & Benefits		17,244,660
Less: Salary Savings	2.0%	229,929
Funded Salaries, Taxes, & Benefits		17,014,731
Plus Limited Term Assignment/Temporary Positions:		
Records Specialist I	0	
Senior Planner	0.5	57,070
Harbor Attendant	1	58,614
Development Specialist -	0	
Management Asst II	0	-
Associate Planner	0	-
Assistant Project Mgr-	0.5	53,929
Plus: LTA Payroll Taxes & Benfits		136,845
Subtotal: LTA Salaries, Taxes, & Benefits		306,458
Plus: Contribution to fund OPEB Liability		200,000
Plus: Reserve for Retirements Payouts		100,000
Grand Total Funded Salaries, Taxes, & Benefits		17,621,189
PERSONNEL COUNT(FTE)	114.5	

