

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

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TO: Budget and Finance Sub-Committee
FROM: Budget and Legislative Analyst 
SUBJECT: March 23, 2016 Budget and Finance Sub-Committee Meeting

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Item 2 File: 15-0732	Department: Department of Building Inspection (DBI)
EXECUTIVE SUMMARY	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • Ordinance to (a) add Chapter 11D to the Building Code to require any existing building with public accommodations to either have all primary entries into the building accessible by persons with disabilities, or receive a determination of equivalent facilitation, technical feasibility, or unreasonable hardship; (b) establish a Disability Access Compliance Unit within DBI; (c) establish a fee to offset the costs of the program; (d) amend Administrative Code Chapter 38 to require building owners to give notice of the mandatory Building Code primary entry and path of travel accessibility requirements in new or amended public accommodation leases; (e) affirm the Planning Department's California Environmental Quality Act determination; (f) make findings of local conditions under the California Health and Safety Code; and (g) direct the Clerk of the Board of Supervisors to forward this legislation to the California Building Standards Commission upon final passage. <p>Key Points</p> <ul style="list-style-type: none"> • The California Building Code ranks an accessible entrance as the element that should be given the highest priority in making disability access improvements to a building. • DBI will create specific compliance checklists for primary entries and routes into buildings, which would be completed and submitted by property owner's architects or engineers to DBI for review. Each building would be assigned to one of four compliance categories, with specific schedules for compliance and completion of the required accessibility work. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • In addition to one existing DBI Certified Access Specialist Inspector, DBI anticipates hiring two full-time staff plus incurring operating expenses for a total cost of \$321,631 in the first year for the new Disability Access Compliance Unit. • DBI will charge a \$96.72 administrative fee to property owners when they submit their checklists for review to DBI. Based on approximately 3,500 buildings per year, DBI will generate \$336,000 annually from administrative fees. If the owner is required to complete specified work, the owner must obtain a building permit, at current DBI permit fee rates. <p>Recommendations</p> <ul style="list-style-type: none"> • Amend the ordinance to (a) add six additional months to the compliance schedules for the time required to obtain building permits and (b) delete language that specifies that all mandated work must be completed within 18 months of the date an application for a building permit is required to be filed unless an extension of time is granted. • Approval of the ordinance, as amended, is a policy decision for the Board of Supervisors. 	

MANDATE STATEMENT

Chapter 38 of the City's Administrative Code, enacted in September of 2012, requires that building owners, before leasing space to a small business for use as a public accommodation, must either (1) ensure that existing public restrooms, ground floor entrances and ground floor exists are accessible, if accessibility is required and readily achievable, or (2) provide written notice to the prospective tenant that the property may not currently meet all construction-related accessibility standards.

The stated purpose of these Chapter 38 requirements is to (1) ensure that small businesses that operate public accommodations comply with applicable disability access laws, (2) ensure clear communication between landlords and small business tenants regarding their respective responsibilities for disability access improvements, and (3) protect small business tenants from unforeseen expenses and liabilities arising out of required disability access improvements.

BACKGROUND

The Federal Americans with Disabilities Act (ADA) requires that goods or services provided to the public by private entities be accessible to persons with disabilities and mandates that architectural barriers be removed from the building to provide accessibility if barrier removal is readily achievable. Chapter 11B of the California Building Code does not require existing buildings be modified to conform to existing disability access requirements unless there is an application for a building permit. However, California Health and Safety Code Section 17958.7 authorizes the City to enact more restrictive requirements than the California Building Code if the Board of Supervisors makes a finding that any modifications to the State law are reasonably necessary due to climatic, geological or topographical conditions.

Section 11B-202.4 of the California Building Code ranks an accessible entrance as the accessibility element that should be given the highest priority in making disability access improvements to a building. Because of San Francisco's hilly topography, narrow streets and sidewalks and built environment, there are many buildings in the City that provide goods or services to the public that have either inaccessible front entries, inaccessible access routes into the building, or both.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would

(a) Amend the San Francisco Building Code to add Chapter 11D to require any existing privately-owned building providing goods or services to the public¹ to either have all primary entries into the building accessible by persons with disabilities, or to receive from the City a determination of equivalent facilitation, technical feasibility, or unreasonable hardship;

¹ Buildings constructed with building or site permits filed on or after January 1, 2002 are presumed to be accessible to persons with disabilities and would be exempt, with written notice of exemption from the owner.

(b) Establish a Disability Access Compliance Unit within the Department of Building Inspection (DBI);

(c) Establish a fee to offset the costs of the proposed Disability Access Compliance Unit and program in DBI;

(d) Amend Chapter 38 of the City Administrative Code to require a building owner to give notice of the mandatory Building Code primary entry and path of travel accessibility requirements in any new or amended public accommodation lease;

(e) Affirm the Planning Department's California Environmental Quality Act (CEQA) determination;

(f) Make findings of local conditions under the California Health and Safety Code; and

(g) Direct the Clerk of the Board of Supervisors to forward the subject ordinance to the California Building Standards Commission upon final passage.

Findings of Local Condition under the California Health and Safety Code

As noted above, California Health and Safety Code Section 17958.7 allows the City to enact more restrictive requirements than the California Building Code, if the Board of Supervisors makes a finding that any modifications to the State law are reasonably necessary due to climatic, geological or topographical conditions. The proposed ordinance finds that a combination of sloping streets, narrow sidewalks and older stock of small, multi-use buildings with narrow facades that were constructed to property lines and/or abut sidewalks has resulted in a large number of San Francisco buildings that provide services to the public have steps to the front entrance and other elements that do not comply with federal and state disability access requirements.

In addition, although Chapter 38 of the City's Administrative Code was enacted in 2012, the proposed ordinance states that building owners often do not make disability access improvements, but rather require their tenants to assume the responsibility for complying with City Code requirements. However, disability access improvements often are not financially feasible for small businesses with short-term leases. Therefore, the Building Code's assumption under Chapter 38 that disability access and other building improvements will be made over time do not, in fact, always occur. The proposed ordinance would amend Chapter 38 of the City's Administrative Code to require private owners of buildings providing access to the public to give notice of the mandatory Building Code primary entry and path of travel accessibility requirements in any new or amended public accommodation lease.

Compliance Checklist and Categories

Under the proposed ordinance, DBI would create a specific compliance checklist for primary entries and routes into buildings, which would be required to be completed by the property owner's architect or engineer. The completed checklist, including supplemental documentation, would be submitted to DBI, for review. Each building would be assigned to one of the following four compliance categories, based on the specific descriptions in the proposed ordinance:

Category 1: Primary entries and accessible entrance routes comply with the requirements of this ordinance;

Category 2: No steps to primary entries and one or more elements of primary entries or accessible entrance routes do not comply with requirements in this ordinance;

Category 3: One step to primary entries and one or more elements of the primary entries or accessible entrance routes do not comply with requirements in this ordinance; and

Category 4: Building has primary entries with more than one step and one or more elements of the primary entries and/or accessible entrance routes do not comply with minimum requirements in this ordinance.

Compliance Schedules

In accordance with the proposed ordinance, each of the four compliance categories have specific schedules for the owners of such buildings to (a) submit all required compliance checklists and specify compliance options to DBI, (b) file applications for required building permits to do any mandatory upgrades, and (c) obtain the required building permits, as shown in Table 1 below.

**Table 1: Compliance Schedules
(months from the effective date of this ordinance)**

Category	Submit Compliance Checklist and Option	File Applications for building permits	Obtain required building permits
Category 1	12	NA	NA
Category 2	12	15	27
Category 3	24	27	39
Category 4	30	33	45

The compliance schedules for Categories 2, 3 and 4 to obtain the required building permits shown in Table 1 above reflect an additional six months of time, as compared to the number of months reflected in the current ordinance. This additional six months of time is being requested by the Planning Department to allow sufficient time to complete their necessary reviews. Therefore, the proposed ordinance should be amended to reflect the compliance schedules shown in Table 1 above.

The proposed ordinance also specifies that all mandated work must be completed within 18 months of the date an application for a building permit is required to be filed, unless an extension of time is granted. Mr. Richard Halloran, Manager of Technical Services and ADA Coordinator at DBI advises that each building permit specifies the amount of time required to complete improvements. Given the extension of six months for obtaining the required building permits noted above, and that each building permit specifies time requirements for completing improvements, the language mandating completion of work within 18 months of the permit filing date should be deleted. The City Attorney will be submitting a revised ordinance to reflect these changes as well as minor other changes.

Under the proposed ordinance, DBI would be able to grant one extension for no more than six months. Further extensions of time would be subject to the Access Appeals Commission.² However, no extensions could exceed beyond six years of the effective date of this ordinance. This ordinance would become effective 30 days after enactment.

Alternative Procedures

Under this ordinance, existing privately-owned buildings providing goods or services to the public must either comply with the specified public entry accessibility requirements or receive a determination of equivalent facilitation, technical infeasibility, or unreasonable hardship from DBI. According to Mr. Halloran, equivalent facilitation is an alternative means of compliance that offers the same degree of accessibility while allowing independent use by disabled persons. Technical feasibility is a determination that a project cannot be completed because it would involve alteration of part of the main support structure of the building or because of legal constraints such as lease infringement or obstruction of required exit widths. Unreasonable hardship would be determined by DBI by weighing five factors that are outlined in the Building Code and finding that the project is disproportional in cost, which is a finding that must be ratified by the Access Appeals Commission.

Disability Access Compliance Unit

A new Disability Access Compliance Unit would be created within DBI to enforce the provisions of this ordinance, which will include developing informational material, providing outreach, public information, pre-screening procedures, and administrative guidelines, maintaining records, reviewing checklists, documents and permits, and completing progress reports. The Disability Access Compliance Unit will also include representatives of other City agencies, such as the Planning Department and Department of Public Works, with review authority over the permits necessary to comply with these provisions, as well as the Office of Small Business and the Mayor's Office on Disability. The ordinance specifies that this Disability Access Compliance Unit will have at least one Certified Access Specialist Program (CASp) Inspector³ and other employees as the Director of DBI deems appropriate.

Administrative Fees

DBI may charge the owner of each property that is subject to these provisions an administrative fee, based on the DBI's standard hourly rates in the Building Code, to compensate DBI for the cost to implement and enforce this disability access improvement program. This administrative fee is currently \$96.72 per hour.

Violation Abatement Actions

If the owner of a building under this ordinance fails to undertake or complete the required actions within the timeframe required, the Director of DBI is authorized to remedy the

² Section 105A.3.1 of the Administrative Code provides that an Access Appeals Commission, composed of five members is responsible for hearing written appeals, to approve or disapprove DBI interpretations of the disability access and adaptability requirements of the Code.

³ The Certified Access Specialist Program was instituted in 2008, by the State Architect's Office to provide a higher level of certified professional knowledge regarding accessibility requirements. Currently, DBI has three Certified Access Specialists.

violation, in accordance with Section 102A of the Building Code, which are DBI’s code enforcement provisions.

Determinations, Approvals and Notification

The Planning Department has determined that the proposed ordinance is not subject to CEQA because the legislation is not defined as a project because it does not result in a physical change in the environment.

On February 17, 2016, the Building Inspection Commission approved the proposed amendments to the Building Code and referred it to the Board of Supervisors for approval.

If the proposed ordinance is approved by the Board of Supervisors, the Clerk of the Board of Supervisors is directed to forward this ordinance to the State Building Standards Commission, as required by the California Health and Safety Code.

Annual Reporting to Board of Supervisors

Within one year, and each year thereafter, DBI shall submit a report in writing to the Board of Supervisors on the effectiveness of this disability access improvement program and including any recommendations for amendments.

FISCAL IMPACT

Mr. Halloran advises that he is currently a Certified Access Specialist Inspector and would be part of the new Disability Access Compliance Unit. In addition, DBI anticipates hiring two full-time staff to fill existing vacant positions. These two staff positions plus additional operating expenses are estimated to cost \$321,631 in the first year as summarized in Table 2 below.

Table 2: Disability Access Compliance Unit

Expense Categories	First Year Costs
6331 Building Inspector	\$166,522
6321 Permit Tech III	89,109
Training, Exams, Materials and Supplies	<u>66,000</u>
Total	\$321,631

Subject to annual cost of living adjustments, Mr. Halloran notes that ongoing annual costs are likely to be similar, but DBI will need to reassess staffing depending on the number of buildings that require accessibility compliance as well as code enforcement process requirements for non-responsive building owners.

As noted above, DBI will charge an administrative fee to compensate DBI for the cost to implement and enforce this disability access improvement program. This administrative fee would be based on a one-time fee of \$96.72 per hour, which would be charged to the owner of the property when they submit their checklist for review to DBI. In addition, if the owner is required to complete specified work, the owner would be charged the cost to obtain a building permit, which is assessed based on the valuation of the improvements to be completed, at current DBI permit fee rates.

Mr. Halloran estimates that based on approximately 3,500 buildings per year, DBI would generate approximately \$336,000 annually from the administrative fees, which are anticipated to cover the annual cost of \$321,631 shown in Table 2 above. If DBI does not generate this level of revenue, Ms. Taras Madison Deputy Director of Finance and Administration at DBI advises that DBI would be able to cover any shortfall within DBI's existing annual budget Mr. Halloran also notes that if the administrative fees do not fully cover the costs of this new program, DBI will request future amendments to the Code to increase this fee.

As noted above, if the owner of a building fails to undertake or complete the required actions within the timeframe required, DBI is authorized to abate the violation. DBI cannot estimate the number of potential violations of these provisions, but, does not anticipate a large number of violations will occur. However, DBI may recoup its costs for such violations that require a large amount of DBI staff time, once such violations go to DBI Director hearing.

As noted above, no extensions of the compliance schedule can exceed beyond six years of the effective date of this ordinance. Therefore, DBI anticipates that this disability access program would be completed after six years. However, as some building owners will fail to complete the required improvements within the six year timeframe, noncompliance code enforcement of such properties would likely continue after six years.

RECOMMENDATIONS

1. Amend the proposed ordinance to (a) add six additional months to the compliance schedules for the time required to obtain building permits, as shown in Table 1 above, and (b) delete language that specifies that all mandated work must be completed within 18 months of the date an application for a building permit is required to be filed unless an extension of time is granted.
2. Approval of the proposed ordinance, as amended, is a policy decision for the Board of Supervisors.

Item 3 File 16-0189	Department: Public Works
EXECUTIVE SUMMARY	
Legislative Objectives	
<ul style="list-style-type: none"> The proposed resolution authorizes the Director of Public Works to execute agreements with the California Department of Transportation (CalTrans) for the Department of Public Works (DPW) to receive \$18,369,975 in federal Highway Bridge Replacement and Rehabilitation Program funds. These funds would be applied to DPW's Third Street Bridge Rehabilitation Project. 	
Key Points	
<ul style="list-style-type: none"> The Third Street Bridge (also known as Lefty O'Doul Bridge) is a drawbridge connecting the China Basin and Mission Bay neighborhoods adjacent to AT&T Park. The California Department of Transportation (Caltrans) recommended capital repairs to the Third Street Bridge in 2014. Capital repairs to the Third Street Bridge are included in the City's 10-year Capital Plan, 2016 to 2025. The Board of Supervisors previously appropriated the \$18,369,975 in federal Highway Bridge Replacement and Rehabilitation Program funds in DPW's FY 2015-16 and FY 2016-17 budgets to Third Street Bridge structural repairs. These funds were placed on Controller's Reserve pending receipt of the federal Highway Bridge Replacement and Rehabilitation Program funds. 	
Fiscal Impact	
<ul style="list-style-type: none"> The total budget for the Third Street Bridge Rehabilitation Project is \$25,683,636, as shown in the table below. Of the \$25,683,636, \$20,669,975 was previously appropriated by the Board of Supervisors and \$5,013,661 will be requested by DPW in the FY 2016-17 budget. The \$18,369,975 in federal Highway Bridge Replacement and Rehabilitation Program funds requires City matching funds of \$2,300,000, which were previously appropriated by the Board of Supervisors in DPW's FY 2015-16 and FY 2016-17 budget. 	
Recommendation	
<ul style="list-style-type: none"> Approve the proposed resolution 	

MANDATE STATEMENT

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of \$1 million or more, or (ii) have anticipated revenues of \$1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

The Third Street Bridge (also known as Lefty O'Doul Bridge) is a drawbridge connecting the China Basin and Mission Bay neighborhoods adjacent to AT&T Park. The bridge was originally constructed in 1933.

The California Department of Transportation (Caltrans) recommended capital repairs to the Third Street Bridge in 2014. Recommended repairs consist of (1) removing surface and pack rust; (2) repairing damaged and buckled steel members, damaged welds, the concrete counterweight, the piles supporting the ancillary bridge structures, and the fender pile system; and (3) painting and recoating the bridge. Capital repairs to the Third Street Bridge are scheduled for 2017 and 2018.

Capital repairs to the Third Street Bridge are included in the City's 10-year Capital Plan, 2016 to 2025.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the Director of Public Works to execute agreements with the California Department of Transportation (CalTrans) for the Department of Public Works (DPW) to receive \$18,369,975 in federal Highway Bridge Replacement and Rehabilitation Program funds. These funds would be applied to DPW's Third Street Bridge Rehabilitation Project.

The Board of Supervisors previously appropriated the \$18,369,975 in federal Highway Bridge Replacement and Rehabilitation Program funds in DPW's FY 2015-16 and FY 2016-17 budgets to Third Street Bridge structural repairs. These funds were placed on Controller's Reserve pending receipt of the federal Highway Bridge Replacement and Rehabilitation Program funds.

FISCAL IMPACT

The total budget for the Third Street Bridge Rehabilitation Project is \$25,683,636, as shown in the table below. Of the \$25,683,636, \$20,669,975 was previously appropriated by the Board of Supervisors and \$5,013,661 will be requested by DPW in the FY 2016-17 budget.

Table: Sources and Uses of Funds for the Third Street Bridge Rehabilitation Budget

Sources of Funds	
<u>Previously Appropriated</u>	
Federal Highway Bridge Replacement and Rehabilitation Program (subject of this report)	\$18,369,975
City General Fund	2,300,000
Subtotal, Appropriated Funds	20,669,975
<u>Appropriation to be Requested in FY 2016-17</u>	
Federal Highway Bridge Replacement and Rehabilitation Program ^a	4,367,748
City General Fund	645,913
Subtotal, Appropriation to be Requested in FY 2016-17	5,013,661
Total Sources	\$25,683,636
Uses of Funds	
Preliminary Engineering	\$3,729,212
Right of Way Easements	350,000
Construction Engineering	1,604,424
Construction	20,000,000
Total Uses	\$25,683,636

Source: DPW

^a DPW applied for \$4,367,748 in Federal Highway Bridge Replacement and Rehabilitation Program in January 2016 and was notified of award of these funds in February 2016.

According to Ms. Rachel Alonso, DPW Transportation Finance Analyst, the \$18,369,975 in federal Highway Bridge Replacement and Rehabilitation Program funds requires City matching funds of \$2,300,000, which were previously appropriated from General Fund revenues by the Board of Supervisors in DPW's FY 2015-16 and FY 2016-17 budget.

RECOMMENDATION

Approve the proposed resolution.

Item 4 File 16-0147	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would retroactively authorize the second amendment to the contract between the City and County of San Francisco and the California Department of Health Care Services for Department of Public Health (DPH) to accept State funding for substance abuse disorder services. The amendment increases the allocation of State funds to DPH in FY 2015-16 by a net amount of \$7,215,023, from \$11,083,342 to \$18,298,365, thereby increasing the total contract not-to-exceed amount by \$7,215,023, from \$40,371,901 to \$47,586,924. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • In February 2015, the Board of Supervisors approved the contract between DPH and DHCS, authorizing DPH to accept funding from DHCS for substance abuse services. The agreement was for three years, retroactive to July 1, 2014 through June 30, 2017, for an amount of \$33,250,026. Of the \$33,250,026, \$11,083,342 was the allocation of funds in FY 2014-15. In September 2015, the Board of Supervisors approved an amendment to the contract which retroactively increased the allocation of funds in FY 2014-15 by \$7,121,875, from \$11,083,342 to \$18,205,217, thereby increasing the total contract not-to-exceed amount by \$7,121,875 from \$33,250,026 to \$40,371,901. • Increased funding under the proposed amendment is primarily related to the federal and State share of Drug-Medi-Cal services, due to the expansion of eligibility for Medi-Cal, a public health insurance program for low-income Californians, which went into effect in 2014 under the Affordable Care Act. The federal government pays for 100 percent of the services provided to the new Medi-Cal beneficiaries, and DPH is reimbursed for the services by DHCS. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • DPH's total FY 2015-16 budget for substance abuse disorder services is \$68,671,040, including the \$18,298,365 from DHCS under the subject contract. • Funding to support the DHCS contract is subject to appropriation by the State and federal governments, and is not guaranteed for any future years. Any reductions to these amounts by the State and federal governments would require supplemental funding from the City's General Fund or a reduction in substance abuse services. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of \$1 million or more, or (ii) have anticipated revenues of \$1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

Under California State law, San Francisco is reimbursed by the California Department of Health Care Services (DHCS) for some of the County's costs to provide substance abuse services. In order to receive this reimbursement, the City and County of San Francisco (City) must enter into a multi-year contract with the State for substance abuse disorder services. This contract is a combined agreement that includes (a) pass-through funding from the State and federal governments for Drug Medi-Cal services, and (b) the federal Substance Abuse Prevention and Treatment (SAPT) block grant.

The Department of Public Health (DPH) Community Behavioral Health Services currently funds approximately 100 different substance abuse treatment and prevention programs provided by 45 non-profit organizations. The City negotiates with the State to determine rates for different types of substance abuse services, and these rates are then incorporated into the multi-year contract between the State and the City.

In February 2015, the Board of Supervisors approved the contract between DPH and DHCS, authorizing DPH to accept funding from DHCS for substance abuse services. The agreement was for three years, retroactive to July 1, 2014 through June 30, 2017, for an amount of \$33,250,026. Of the \$33,250,026, \$11,083,342 was the allocation of funds in FY 2014-15. In September 2015, the Board of Supervisors approved an amendment to the contract which retroactively increased the allocation of funds in FY 2014-15 by \$7,121,875, from \$11,083,342 to \$18,205,217, thereby increasing the total contract not-to-exceed amount by \$7,121,875 from \$33,250,026 to \$40,371,901.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively authorize the second amendment to the contract between the City and DHCS for DPH to accept State funding for substance abuse disorder services. The amendment increases the allocation of State funds to DPH in FY 2015-16 by a net amount of \$7,215,023, from \$11,083,342 to \$18,298,365, thereby increasing the total contract not-to-exceed amount by \$7,215,023, from \$40,371,901 to \$47,586,924.

The increased funding is primarily related to the federal and State share of Drug-Medi-Cal services, due to the expansion of eligibility for Medi-Cal, a public health insurance program for low-income Californians, which went into effect in 2014 under the Affordable Care Act. The federal government pays for 100 percent of the services provided to the new Medi-Cal beneficiaries, and DPH is reimbursed for the services by DHCS.

In addition, the proposed amendment reduces funding for the HIV set aside funded by the federal Substance Abuse Prevention and Treatment (SAPT) Block Grant based on the federal

formula for these funds.¹ Table 1 below shows the changes in funding under the proposed amendment.

Table 1: Changes in Funding for FY 2015-16 for the DHCS Substance Abuse Disorder Services Contract

Funding Source	Original Contract	Proposed Amendment	Change
Drug Medi-Cal Federal Share			
Non-Perinatal Federal Share	\$673,803	\$7,795,678	\$7,121,875
Perinatal Federal Share	70,659	70,659	-
<i>Subtotal</i>	<i>\$744,462</i>	<i>\$7,866,337</i>	<i>\$7,121,875</i>
Drug Medi-Cal California Share			
Drug Medi-Cal State General Fund	\$490,930	\$793,479	\$302,549
<i>Subtotal</i>	<i>\$490,930</i>	<i>\$793,479</i>	<i>302,549</i>
SAPT Block Grant			
Discretionary	\$5,598,040	\$5,598,511	\$471
Prevention Set-Aside	2,184,472	2,184,472	-
HIV Set Aside	1,363,953	1,154,552	(209,401)
Adolescent/Youth	368,182	367,824	(358)
Perinatal	303,303	303,190	(113)
Friday Night Live/Club Live	30,000	30,000	-
<i>Subtotal</i>	<i>\$9,847,950</i>	<i>\$9,638,549</i>	<i>(\$209,401)</i>
Grand Total	\$11,083,342	\$18,298,365	\$7,215,023

DPH would continue to subcontract with community-based non-profit organizations to deliver substance abuse disorder services through this amended contract. The following services would be delivered through this amended contract:

1. Outpatient drug-free treatment;
2. Narcotic replacement therapy;
3. Naltrexone treatment;
4. Intensive Outpatient Treatment; and
5. Perinatal Residential Substance Abuse Services.

The proposed resolution also allows DPH to approve future amendments to the subject contract for less than 10 percent of the contracted amount, or for approximately up to \$4,758,692, without further Board of Supervisors approval. The Board of Supervisors previously authorized DPH to approve future amendments to the contract for less than 10 percent of the contracted amount without further Board of Supervisors approval when the Board of Supervisors approved the first amendment to the contract in September 2015 (File 15-0785).

¹ The allocation for HIV Set Aside has been reduced because San Francisco now represents a smaller percentage of the State's new cases compared to previous years. According to Mr. Jim Stillwell, Analyst at DPH, the State of California no longer meets the criteria which require an allocation of funds to be used specifically for HIV services.

The contract is being amended for retroactivity to reflect the fact that the State is encumbering additional funds for this contract after July 1, 2014, the original start date of the contract.

FISCAL IMPACT

DPH's total FY 2015-16 budget for substance abuse disorder services is \$68,671,040, including the \$18,298,365 from DHCS under the subject contract. Table 2 below shows total sources of funds for DPH FY 2015-16 substance abuse disorder services.

Table 2: Source of Funds for DPH Substance Abuse Disorder Services FY 2015-16

Funding Source	Amount
DHCS Contract (Subject of Proposed Resolution)	
Federal SAPT Block Grant	\$9,638,549
Drug Medi-Cal Federal Share	7,866,337
Drug Medi-Cal California State General Fund	793,479
<i>Subtotal, DHCS Contract (see Table 1)</i>	<i>\$18,298,365</i>
Other State and Federal Funds	
Public Safety Realignment Funds	\$9,261,468
Grant and Project Funds	1,125,453
<i>Subtotal, Other State and Federal Funds</i>	<i>\$10,386,921</i>
City and County of San Francisco Funds	
City General Fund	\$37,210,159
Work Order Funds	2,775,595
<i>Subtotal, City and County of San Francisco Funds</i>	<i>\$39,985,754</i>
Total Substance Abuse Disorder Services Funds	\$68,671,040

Funding to support the DHCS contract is subject to appropriation by the State and federal governments, and is not guaranteed for any future years. Any reductions to these amounts by the State and federal governments would require supplemental funding from the City's General Fund or a reduction in substance abuse services.

RECOMMENDATION

Approve the proposed resolution.

Item 5 File 16-0221	Department: Recreation and Park Department
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance appropriates \$739,671 in Eastern Neighborhoods Impact fee revenues to the 17th and Folsom Streets Park Project. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Eastern Neighborhoods Impact Fee is a development impact fee approved by the Board of Supervisors in 2010. Planning Code Section 423.5 allocates 47.5 percent of fees from residential development and 6 percent of fees from commercial development to recreation and open space projects. • The proposed 17th and Folsom Streets Park Project is a priority project in the Eastern Neighborhoods. The Park will consist of a community garden, wildlife habitat and water conservation demonstration garden, children’s play area, adult fitness equipment area and other amenities. The 17th and Folsom Streets Park Project is expected to be completed in 2016. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The Planning Department estimates \$22,800,000 in Eastern Neighborhoods Impact Fee revenues in FY 2015-16 of which \$20,500,000 has been allocated to eligible projects and \$1,300,000 is unallocated. The Recreation and Park Department is requesting appropriation of \$739,671 in unallocated fee revenues to fund completion of the 17th and Folsom Streets Park Project. • Sources of funds for the 17th and Folsom Street Park Project are \$6,752,425 and uses of funds are \$7,492,096, resulting in a funding shortfall of \$739,671. The proposed appropriation of \$739,671 in Eastern Neighborhoods Impact Fee revenues will offset the shortfall. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed ordinance. 	

MANDATE STATEMENT

Charter Section 9.105 provides that amendments to the appropriation ordinance, subject to the Controller certifying the availability of funds, are subject to Board of Supervisors approval.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance appropriates \$739,671 in Eastern Neighborhoods Impact fee revenues to the 17th and Folsom Streets Park Project.

The Eastern Neighborhoods Impact Fee is a development impact fee, charged to developers of commercial and residential properties in the Eastern Neighborhoods Plan Area, and approved by the Board of Supervisors in 2010. Planning Code Section 423 established the Eastern Neighborhood Impact Fee to address the need for open space and other public infrastructure due to development of commercial and residential property in the Eastern Neighborhoods. The development impact fee ranges from \$8 to \$16 per gross square foot for residential development and from \$6 to \$16 per gross square foot for commercial development.

Planning Code Section 423.5 established the Eastern Neighborhoods Community Improvement Fund into which all Eastern Neighborhood Impact Fee revenues are deposited. Planning Code Section 423.5 allocates 47.5 percent of fees from residential development and 6 percent of fees from commercial development to recreation and open space projects. Eastern Neighborhoods Community Improvement Fund expenditures are subject to Board of Supervisors approval.

According to the January 2016 Annual Report of the Interagency Plan Implementation Committee (IPIC)¹, the 17th and Folsom Streets Park Project is a priority project in the Eastern Neighborhoods Plan Area. The 17th and Folsom Streets Park is an approximate 0.8 acre site bordered by Shotwell, Folsom, and 17th Streets. The Park will consist of a community garden, wildlife habitat and water conservation demonstration garden, children's play area, adult fitness equipment area and other amenities. The 17th and Folsom Streets Park Project is expected to be completed in 2016.

FISCAL IMPACT

The Planning Department estimates \$22,800,000 in Eastern Neighborhoods Impact Fee revenues in FY 2015-16 of which \$20,500,000 has been allocated to eligible projects and \$2,300,000 is unallocated. The Eastern Neighborhoods Community Improvement Fund unallocated fund balance, including the \$2,300,000 in unallocated revenues in FY 2015-16, is \$5,078,000, as shown in Table 1 below. Appropriation of \$739,671 to the 17th and Folsom Streets Park Project would result in an unallocated fund balance of \$4,338,329.

¹ IPIC is comprised of representatives from various City departments who are responsible for implementing capital improvements for specific area plans, including the Eastern Neighborhoods Area Plan.

Table 1: Eastern Neighborhoods Community Improvement Unallocated Fund Balance

	Current Fund Balance	Requested Appropriation	Fund Balance after Appropriation
Complete Streets Projects	\$1,705,000		\$1,705,000
Recreation and Open Space Projects	3,373,000	(739,671)	2,633,329
Total	\$5,078,000	(\$739,671)	\$4,338,329

Source: Planning Department

The Recreation and Park Department is requesting appropriation of \$739,671 in unallocated fee revenues to fund completion of the 17th and Folsom Streets Park Project. According to Ms. Dawn Kamalanathan, Director, Recreation and Park Capital Planning Division, the project is over-budget due to the escalation in costs resulting from the two-year delay caused by the San Francisco Public Utilities Commission's evaluation of the site as a water cistern location.

As shown in Table 2 below, sources of funds for the 17th and Folsom Street Park Project are \$6,752,425, previously appropriated by the Board of Supervisors, and uses of funds are \$7,492,096, resulting in a funding shortfall of \$739,671. The proposed appropriation of \$739,671 in Eastern Neighborhoods Impact Fee revenues will offset the shortfall.

Table 2: Sources and Uses of Funds for the 17th and Folsom Streets Park Project

Sources of Funds	
Eastern Neighborhoods Impact Fees	2,420,000
Proposition 84 Grant	2,700,000
Housing-Related Parks Grant	500,000
Lease Revenue Bond	478,304
Open Space Funds	54,121
SFPUC - Cost of Delay	200,000
SFPUC - Hazardous Materials Remediation	400,000
Total Sources	6,752,425
Uses of Funds	
Site Acquisition	\$2,271,850
<i>Planning and Construction</i>	
Planning, Design, Permitting and Other Costs	\$1,032,425
Project Management	70,000
Construction Contract	3,083,051
Construction Contingency (10%)	308,305
Other Construction and Amenities	194,730
Construction Management and Inspection	371,786
Monitoring and Oversight for Soils Remediation	159,949
Subtotal, Planning and Construction	\$5,220,246
Total Uses	\$7,492,096
Shortfall	(\$739,671)

Source: Recreation and Park Department

RECOMMENDATION

Approve the proposed ordinance.