

File No. 170175

Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee Date March 2, 2017

Board of Supervisors Meeting Date _____

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Completed by: Linda Wong Date February 24, 2017
Completed by: Linda Wong Date _____

Item 3 File 17-0175	Department: Department of the Environment
EXECUTIVE SUMMARY	
Legislative Objectives	
<ul style="list-style-type: none"> • The Department of the Environment is requesting the release of \$110,026 on Budget and Finance Committee reserve. 	
Key Points	
<ul style="list-style-type: none"> • As part of the FY 1998-99 State budget, the California Public Utilities Commission (CPUC) awarded \$13,000,000 of grant funds to San Francisco to address environmental issues caused by the former PG&E Hunters Point Power Plant and Potrero Power Plant. • Over the past 17 years, since the approval of the \$13,000,000 of grant funds, the Budget and Finance Committee approved seven releases of reserved funds totaling \$12,889,974, leaving a remaining \$110,026 balance currently on reserve. • These funds were used for community, technical and nonprofit agencies for (a) locally-grown produce and food security, (b) health benefits, (c) toxics and air quality improvement, (d) reduced reliance on fossil-fueled power plants, and (e) economic development and employment opportunities in the southeast area of the City. The grant also funded staff in the Department to support and monitor the awarded funds. 	
Fiscal Impact	
<ul style="list-style-type: none"> • The Department of the Environment will allocate the requested \$110,026 to fund salary and fringe benefit expenses for 0.60 FTE positions working on Environmental Justice programs in the Department of the Environment, including (a) \$39,998 for 0.20 FTE 5644 Senior Environmental Specialist and (b) \$70,028 for 0.40 FTE 5642 Environmental Specialist. • This release will provide funding for staff through FY 2017-18. After FY 2017-18, the Department cannot project available revenue sources to continue funding these positions. • The Department of the Environment received approximately \$3 million of additional funding and approximately \$725,000 of in-kind support from other sources by leveraging the original \$13,000,000 of State grant funds over the extended 17-year grant period. 	
Recommendation	
<ul style="list-style-type: none"> • Approve the requested release of \$110,026 on Budget and Finance Committee reserve. 	

MANDATE STATEMENT

Administrative Code Section 3.3(e) provides for the committee of the Board of Supervisors having jurisdiction over the budget (Budget and Finance Committee) to place funds on reserve. These funds may be released by the Budget and Finance Committee.

BACKGROUND

As part of the FY 1998-99 State budget, the California Public Utilities Commission (CPUC) awarded \$13,000,000 of grant funds to San Francisco to address environmental issues caused by the former PG&E Hunters Point Power Plant and Potrero Power Plant. Recognizing that residents of adjacent neighborhoods were disproportionately harmed by the two electric power generation plants in their communities, this State environmental justice program grant was intended to address energy and environmental and related public health concerns. In FY 1998-99, the Board of Supervisors appropriated these grant funds and placed the entire \$13,000,000 on Budget and Finance Committee reserve, pending the submission of budget and program details by the City's Department of the Environment.

In April 2001, the Department of the Environment working with the Office of Economic and Workforce Development submitted an Environmental Justice Program to the Board of Supervisors, which addressed environmental pollution, health and energy concerns in the southeastern areas of the City. Specifically, the Environmental Justice Program identified the need to support energy efficiency, brownfields cleanup, health-related issues and support for community non-profit organizations serving the Potrero Hill and Bayview Hunters Point neighborhoods.

Over the past 17 years, since the approval of the \$13,000,000 of grant funds in FY 1998-99, the Budget and Finance Committee has approved seven releases of reserved funds totaling \$12,889,974, as summarized in Table 1 below.

Table 1: Board of Supervisors Approved Releases of Reserved Funds from \$13,000,000

File No.	Approval Date	Amount Released	Remaining Balance
Original Grant	FY 1998-99	\$13,000,000	
1)01-0257	5/9/2001	\$9,615,121	\$3,384,879
2) 03-0085	2/2/2003	342,186	3,042,693
3) 03-1516	10/1/2003	576,544	2,466,149
4) 08-0579	6/4/2008	813,488	1,652,661
5) 09-0496	6/3/2009	793,264	859,397
6) 10-0696	11/10/2010	308,709	550,688
7) 15-0016	3/4/2015	<u>440,662</u>	110,026
Total		\$12,889,974	

The released funds have primarily been used to fund community groups, technical organizations and nonprofit agencies that (a) provide locally-grown produce and food security, (b) improve health benefits and outcomes, (c) minimize toxics and improve indoor and outdoor air quality, (d) reduce electrical demand and the City’s reliance on fossil-fueled power plants, and (e) promote economic development and employment in environmental and related fields through education and job training in the southeast area of the City. The grant was also used to fund staff positions in the Department of the Environment to support and monitor the awarded funds. As shown in Table 1 above, there is a current remaining balance of \$110,026 on reserve.

DETAILS OF PROPOSED LEGISLATION

The Department of the Environment is requesting the release of the final \$110,026 on Budget and Finance Committee reserve.

FISCAL IMPACT

The Department of the Environment will allocate the requested \$110,026 to fund salary and benefit expenses for portions of two positions working on the Environmental Justice programs in the Department of the Environment, as shown in Table 2 below.

Table 2: Requested Release of Reserved Funds

	Amount
Salary and Benefits	
5644 Senior Environmental Specialist (.20 FTE)	\$39,998
5642 Environmental Specialist (.40 FTE)	70,028
Total (.60 FTE)	\$110,026

According to Mr. Joseph Salem, Manager of Finance and Administration at the Department of the Environment, the remaining \$110,026 grant funds will provide partial funding for these two positions through FY 2017-18; these two positions are responsible for managing several environmental justice programs¹, which are also funded with Recology impound account and other Department grant funds. After FY 2017-18, the Department cannot project available revenue sources to continue funding these positions. The Department of the Environment does not currently receive any direct General Fund revenues.

¹ The environmental justice programs currently include (a) reducing toxic pesticides and household chemicals in low-income housing development sites, including the Rental Assistance Demonstration and HOPE SF housing sites, (b) conducting assessments of brownfield properties on the Bayview Hunters Point shoreline to support development of the Blue Greenway and the 900 Innes Avenue site for the India Basin Shoreline Park, (c) reducing illegal dumping of used motor oil and abandoned materials in the Bayview Hunters Point community through education, outreach and increased enforcement, (d) coordinating with government agencies and nonprofit groups to address pollution issues through the Bayview Hunters Point Environmental Justice Task Force, and (d) providing grant management services for community garden projects to promote food security.

Overall Uses of Grant Funds

Of the total \$13,000,000 State grant received in FY 1998-99, \$9,147,741 or 70.4% was awarded to nonprofit community groups and another \$1,231,359 or 9.5% was awarded to technical contractors, both private and nonprofit. Ms. Anne Eng, the Environmental Justice Program Manager for the Department of the Environment advises that all of these awards were based on competitive Request for Proposals (RFP), conducted at various times over the grant period. Another \$2,423,381 or 18.6% of the overall \$13,000,000 grant was used for City salaries and fringe benefit expenses.

Extended Time for Grant

As noted above, this \$13,000,000 State grant was awarded to the City in FY 1998-99, or over 17 years ago. According to Ms. Eng and Mr. Salem, and as shown in Table 1 above, the Department of the Environment requested \$9,615,121 in 2001 and awarded significantly larger grants to various nonprofit organizations initially. However, over the subsequent years, the Department awarded smaller grants from this ongoing State grant and was able to use the remaining State environmental justice grant funds to leverage and obtain funding from other sources for additional environmental justice programs. Ms. Eng reported that the Department received approximately \$3 million of additional funding and approximately \$725,000 of in-kind support from other sources by leveraging the original \$13,000,000 of State grant funds over the extended period.

RECOMMENDATION

Approve the requested release of \$110,026 on Budget and Finance Committee reserve.



SF Environment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco

ORIG: Leg Clerk



C: CoB,
B+F
Chair
B+F
Clerk

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Edwin M. Lee
Mayor

Deborah O. Raphael
Director

February 8, 2017

MEMORANDUM

To: Angela Calvillo, Budget and Legislative Analyst's Office

From: Joe Salem, Budget and Finance Manager
Anne Eng, Environmental Justice Program Manager

Subject: Request for Release from Reserve of Environmental Justice Funds

San Francisco Department of the Environment is currently administering an Environmental Justice (EJ) grant program. This EJ grant program was originally supported by \$13,000,000 in funds that were appropriated in 1998 by the State through the California Public Utilities Commission (CPUC). During the past 14 years, the Board has approved releases of funding from reserve to support the Department's EJ program operations. The Department is requesting the release of the remaining balance from reserve, in the amount of \$110,026 (index code 220007).

As of February 8, 2017, index code 220007 shows that the Department has spent \$12,917,033 from the CPUC funds. The total combined balance of encumbrances for current grant awards is \$159,301 and a balance of \$83,666 which is being used to support current EJ program costs.

The amount remaining on reserve is \$110,026. If this release is approved, there will not be any funds remaining on reserve in this account (220007). EJ program costs for FY 2016-17 are being paid by a combination of sources including EJ funds (index code 220007), the impound account and grants from governmental agencies.

EJ funds released from reserve will be used to cover the EJ program's staffing expenses. These funds will not be disbursed to new EJ grant awards through a competitive grant process.

SF Department of the Environment has three employees working in the EJ program who work on a variety of EJ projects and services. We are allocating .60 FTE to the EJ grant funds subject to the release and remaining personnel costs are covered by other funding sources. EJ program staff work on a variety of projects, including:

- Support the City's efforts to develop the Blue Greenway, an open space waterfront corridor along the Southeastern shoreline. The Department is conducting brownfield site assessments at 900 Innes Avenue for expansion of the India Basin Shoreline Park, in a collaborative partnership with SF Recreation and Parks Department. The Department is conducting an assessment of the Yosemite Slough upland area, in support of a restoration and park development effort involving State Parks

and Literacy for Environment Justice. As part of our Blue Greenway services, we manage contractual technical services of an environmental firm, AECOM (formerly URS Corporation), and this work is supported by a federal brownfields grant from US EPA.

- Reduce toxic pesticides and promote integrated pest management (IPM) at affordable housing sites throughout San Francisco, including Rental Assistance Demonstration (RAD) sites transferred from SF Housing Authority to affordable housing developers, and HOPE SF sites. This work involves providing IPM training and inspection services, as part of the tenant relocation process administered by the Mayor's Office of Housing and Community Development. We also promote IPM in multifamily buildings at two affordable housing sites in Chinatown, as part of a Bay Area regional project funded by a State grant from the Cal. Department of Pesticide Regulation.
- Work in partnership with SF Departments of Public Works and Public Health, District Attorney's office, Recology and non-profit groups to address illegal dumping in Bayview Hunters Point, particularly on dead-end streets in Bayview's industrialized areas near the waterfront. This work involves installing surveillance cameras to identify violators, coordinating cleanup services with City and Recology staff, volunteers and non-profit groups, and providing training to local residents and responding to complaints about illegal dumping.
- Support the Bayview Hunters Point Environmental Justice Task Force which is a collaborative partnership involving several government agencies, non-profit groups and local residents to address environmental concerns in the Southeast area. The Task Force meets on a monthly basis and addresses a wide range of issues, including illegal dumping, noise and odor complaints, and pollution from various sites.
- Administer addbacks from the Board of Supervisors and work order funds and provide grant management services to non-profit groups, including San Francisco Parks Alliance, People Organizing to Demand Economic and Environmental Rights (PODER), among others.

The Department's EJ Program expenses covered by this request for a release (index code 220007) is as follows:

ENVIRONMENTAL JUSTICE	FY 2016-17 EJ 220007
SALARIES/BENEFITS	\$ 110,026
OVERHEAD	0
CITY GRANT PROGRAMS	0
PROFESSIONAL SERVICE	0
TRAINING	0
LOCAL FIELD EXP	0
PRINTING	0
FOOD	0
OTHER MATERIALS & SUPPLIES	0
CITY ATTORNEY	0
TOTAL	\$ 110,026

a. Environmental Justice Program Salary and Benefit costs for FY 2016-17

Job Classification	Title	FTE	Salary and Benefits
5644	Senior Environmental Specialist	.20	\$ 39,998
5642	Environmental Specialist	.40	\$ 70,028
	Total		\$ 110,026

