MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Authorizing the Executive Director to Enter into a Memorandum of Understanding between the San Francisco Office of Community Investment and Infrastructure and the City and County of San Francisco, through its City Administrator’s Office, for an amount not to exceed $1,479,500 for Fiscal Year 2012-13 and an amount not to exceed $1,578,000 for Fiscal Year 2013-14

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure as Successor to the San Francisco Redevelopment Agency (“OCII”) staff seeks to enter into a Memorandum of Understanding (“MOU”) with the City Administrator’s Office of the City and County of San Francisco for management and administrative services, mailing services, Office of Labor Standards and Enforcement investigation services, insurance and risk management services, and One South Van Ness rent and property management services (pursuant to the existing lease). The MOU covers Fiscal Year 2012-13 (retroactively) for an amount not to exceed $1,479,500 and Fiscal Year 2013-14, for an amount not to exceed $1,578,000. The MOU services are allowable within Redevelopment Dissolution Law and the proposed amounts are consistent with amounts contained in the approved Fiscal Year 2012-13 OCII budget and the proposed Fiscal Year 2013-14 OCII budget, and with the administrative allowances included in Department of Finance-approved ROPS II, ROPS III and ROPS 13-14A.

DISCUSSION

After dissolution of the former Redevelopment Agency on February 1, 2012, the City and County of San Francisco provided that unrepresented employees of the former San Francisco Redevelopment Agency (SFRA) would be separated from their old positions and become employees of the City Administrator’s Office, including the Executive Director, two Deputy Directors, the General Counsel, and the Human Resources Manager. After Redevelopment dissolution law was amended by AB 1484 in June 2012 to establish that the Successor Agencies to Redevelopment Agencies should be independent from their sponsoring organizations, the City Administrator continued to be the employer of record for three management employees (i.e. the Executive Director and two Deputy Directors) and to provide human resources staff support to OCII. The City Administrator’s Office also runs the City’s Department of Real Estate which
owns the building at One South Van Ness where OCII offices are located and provides mail service to that building.

The City Administrator's Office also contains the City's Office of Risk Management which obtains insurance coverage for the City and County of San Francisco. Prior to its dissolution, the SFRA obtained insurance coverage through the Bay Cities Joint Powers Insurance Authority (BCJPIA) and the Employment Risk Management Authority (ERMA). After dissolution of the SFRA on February 1, 2012 when the Successor Agency became part of the City and County of San Francisco, BCJPIA and ERMA indicated they would no longer provide coverage, and the City Office of Risk Management obtained coverage for OCII through the City's plans. Since OCII is now a separate agency from the City, OCII is exploring whether it has the option to rejoin BCJPIA and ERMA, but while this issue is unresolved, will continue to obtain insurance coverage through the City.

The Memorandum of Understanding (MOU) provides retroactive documentation of the services that have been provided by the City Administrator's Office during the current Fiscal Year 2012-13 and provides a plan for Fiscal Year 2013-14. These services include:

- Payroll and human resources support for executive management serving the OCII hired through the City Administrator's Office, including the Executive Director and two Deputy Directors.
- Human resource management support for OCII, including support for labor negotiations during FY 2012-13. The support level is estimated at 1 FTE for FY 2012-13 and 0.5 FTE for FY 2013-14.
- Services from the Office of Labor Standards Enforcement including prevailing wage investigations.
- Property, general liability and employment practices liability insurance and risk management consulting services provided through the Office of Risk Management.
- Mailing and reproduction services.
- Department of Real Estate property management services for OCII office space and shared space in the City-owned building at 1 South Van Ness, 5th floor at a rate in FY 2013-14 of $1.88/square foot/month, for the 19,553 square foot of office space occupied by or allocated to OCII, pursuant to the existing lease.
- Subject to conformance with labor Memoranda of Agreement, the City Administrator's Office may hire additional staff to support the work of OCII by mutual agreement.

The MOU acknowledges that OCII is exploring whether it can join the BCJPIA and ERMA, and provides that, should OCII obtain insurance through BCJPIA, the City Administrator's Office will credit OCII for the unused portion of any insurance premiums and risk management consulting services paid through the City.

The services are allowable under Redevelopment Dissolution Law pursuant to Health and Safety §34177.3(b), which authorizes successor agencies to create enforceable obligations for operations, including hiring staff, acquiring necessary professional administrative services and
procuring insurance. Enforceable obligations are defined to include “contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition, and agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.” Cal. Health & Safety Code § 34171 (d)(1)(F).

The not-to-exceed budgets in this MOU are consistent with amounts contained in the approved Fiscal Year 2012-13 OCII budget and the proposed Fiscal Year 2013-14 OCII budget, and with the administrative allowances included in Department of Finance-approved ROPS II, ROPS III and ROPS 13-14A.

Staff requests and seeks the Commission’s authorization and approval of a Memorandum of Understanding with the City Administrator’s Office for an amount not to exceed $1,479,500 for Fiscal Year 2012-13 and $1,578,000 for Fiscal Year 2013-14.

(Originated by Leo Levenson, Deputy Director, Finance and Administration)

Tiffany Bohee
Executive Director