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 Controller, for an amount not to exceed $500,000 for Fiscal Year 2012-13 and an amount not to exceed $315,000 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") through the Controller’s Office of the City and County of San Francisco to provide specialized services to OCII to perform audit support and accounting support for OCII as it transitions into the City’s Financial Management Information System ("FAMIS") and complies with Redevelopment Dissolution Law. The MOU covers Fiscal Year 2012-13 (retroactively) for an amount not to exceed $500,000 and Fiscal Year 2013-14, for an amount not to exceed $315,000. 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

The transition to the City’s financial accounting system requires the need for audit support and accounting support to OCII’s financial information into the City’s FAMIS system and its compliance with Redevelopment Dissolution Law requiring, among other things, a detailed analysis of housing and non-housing funds that existed on June 1, 2012 and that are potentially available for distribution to taxing entities. For Fiscal Year 2012-13, the MOU reflects services provided retroactive to July 1, 2012 pursuant to discussions between the parties, including the Low and Moderate Income Housing Fund and Other Funds Agreed-Upon-Procedures (AUP) reviews and the associated audits of restricted funds submitted to the State Department of Finance.
Services to be provided by the Controller’s Office include, but are not limited to:

- Procurement of independent audit and agreed-upon-procedure audit services to support OCII’s required financial audits and other procedural work required by or in response to requests for information from the State Department of Finance.
- Accounting support during the transition of the OCII’s financial information from its legacy system into the City’s Financial Accounting and Management Information System (FAMIS).
- Post audit services similar in scope to post audits provided to City Departments. The specific scope of the post audit will be determined later through agreement with the OCII Deputy Director for Finance and Administration.

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 “[c]ontracts 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 San Francisco Controller’s Office to perform audit and accounting support for an amount not to exceed $500,000 for Fiscal Year 2012-13 and $315,000 for Fiscal Year 2013-14.

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

[Signature]
Tiffany Bohee
Executive Director