



THE CITY OF SAN DIEGO

DATE: June 5, 2009

TO: Honorable Chair and Members of the Redevelopment Agency

FROM: Janice Weinrick, Deputy Executive Director

SUBJECT: Supplemental Information - Redevelopment Agency FY 2010 Budget

At the Agency's budget hearing of May 7, Boardmember Gloria requested a breakdown and comparison of the administrative budget allocations for the City Heights and North Park Redevelopment Project Areas for Fiscal Years 2009 and 2010. Additionally, Agency Boardmember Emerald requested a listing of the Agency's consultant contracts and clarification on how resources are allocated in the budget. The requested information has been prepared by staff and is included in this report.

ADMINISTRATIVE BUDGET ALLOCATIONS

The Administrative Budget for the project areas managed by the City Redevelopment Division is displayed on page 16 of the City Redevelopment Budget and is broken down into three major components:

1. The costs of the City Redevelopment Division, i.e. primarily the salaries and wages of the Redevelopment Division staff and other basic overhead costs such as rent, telecommunications, computer / IT, office supplies, and photocopy/reproduction costs. These costs represent the budget of the City Redevelopment Division and are contained within the City's budget as a component of the City Planning & Community Investment Department.
2. Costs borne directly by the Agency, primarily insurance, professional development and travel, and the Agency's membership dues with the California Redevelopment Association.
3. City charges to the Agency for services provided to the Agency by the City. These charges cover services provided to the Agency by the City Attorney's Office, the City Comptroller's Office and other City Departments. A detail of these charges is provided on page 18 of the City Redevelopment Budget.

In keeping with the intention of Redevelopment legislation (Ref. Health and Safety Code Section 33334.3) that the amount of money from the low and moderate income housing funds spent for planning and general administration not be disproportionate to the amount actually spent for the cost of production the agency has allocated the cost of only one of the Division's proposed 30 staff members to the Low and Moderate Income Housing



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City Planning & Community Investment

Funds. As such, of the Agency's proposed Administration Budget of \$4.9 million, only \$115,326 is allocated to be funded by Low and Moderate Income Housing funds. The balance of the administrative budget is funded by non-housing sources, primarily non-housing tax increment. This point addresses the question on the allocation of resources raised by Agency Boardmember Emerald at the May 7 hearing. Relatively few administrative expenses are charged to the low and moderate income housing fund *not* because housing is not a priority of the Agency, *rather* the Agency is purposely limiting the staffing and administrative charges to the housing funds to maximize the use of the housing funds on direct, i.e. "brick and mortar" expenses.

Distribution of Administrative Charges among the Project Areas

Though the City Redevelopment Division manages 11 of the Agency's 17 project areas, the division is organized as a single administrative unit. From an organizational standpoint, there are not 11 administrative budgets, rather there is one administrative budget with costs spread across the 11 project areas. This configuration provides the Agency with maximum flexibility to shift resources and assignments based on emerging needs across the project areas and creates critical organizational synergy. For budget purposes the Agency spreads the administrative cost across the project areas with costs generally allocated in proportion to the assignments of the Division's direct project staff. Clearly budget allocations (and hence staffing allocations) are also limited to the revenue resources of the project areas as redevelopment law generally prohibits expenses of one project area to be borne by another project area. Table 1 of the attachment displays the tax increment revenue assumptions, the direct project area staffing assumptions, and the respective administrative cost allocations for the FY 10 City Redevelopment Budget.

As can be seen from Table 1, staffing allocations and administrative charges are generally closely correlated with the project areas tax increment revenue. There are some exceptions such as Barrio Logan where the staffing (and hence cost) allocation is somewhat greater than its relative tax increment share. Conversely North Bay's staffing and allocations are somewhat smaller in relation to its proportion of tax increment revenue. The budget allocations reflect management's effort to optimize the balance between project area revenue and project area staffing requirements.

Project Area Staffing

Table 1 displays the direct staffing allocation for each project area. The direct staffing consists of the Project Managers, Assistant Project Managers, and Redevelopment Coordinators (Senior level supervisors). The detail of these allocations and a comparison between Fiscal Years 2009 and 2010 is provided in Table 2.

Agency Administration Staffing

In addition to direct project area staffing, the Agency has a management and administrative unit to cover functions of management, finance, procurement, and legislative recording. The staffing detail of this unit is provided in Table 3.

Project Area Administrative Detail

Tables 4 and 5 have been prepared at the request of Agency Boardmember Gloria to facilitate a comparison of the administrative allocations for FY 2009 and FY 2010 for the City Heights and North Park Redevelopment Project Areas. While the tables provide useful insight into the administrative cost structure of the project areas, it is important to emphasize that the City Redevelopment organization operates as a single administrative unit and utilizes the resources collectively across the project areas to conduct the organization's business.

CONSULTANT CONTRACTS

The Redevelopment Division utilizes specialized consultants on an "as needed" basis in the course of implementing redevelopment projects and activities. These consultants generally fall into the categories of:

- Appraisal Services (property acquisition, fixtures and equipment, land valuation)
- Economic & Feasibility Studies & Analysis (special studies, proforma analysis)
- Environmental Services: (Phase I/II environ. testing, analysis and reporting, EIR)
- Financial Services: (bond and debt financing, forensic audits, insurance, fiscal analysis)
- Special Legal Counsel (Redevelopment law, transaction structure, bankruptcy, environment clean-up and responsibility)

The Redevelopment Division issues requests for qualifications with the goal of selecting a number of on-call consultants in the fields of appraisal, economic and environmental consultants. This provides opportunities for more firms to gain greater experience in the specialty area of redevelopment. Depending upon the projected level of need for specific consultant services, on-call consultant contracts are established or a list of qualified consultants is created. The request for qualification documents are structured accordingly. On-call consulting contracts provide a scope of services that the firm can provide and funds are encumbered annually from the project areas projected to require services. Each of the contracts is sized upon the Agency's anticipated level and scope of need and the specialty of the selected consultant.

In fields where we are uncertain as to the amount of work that will be required over the term of the contract, qualified firms are placed on a qualified consultant's list and are

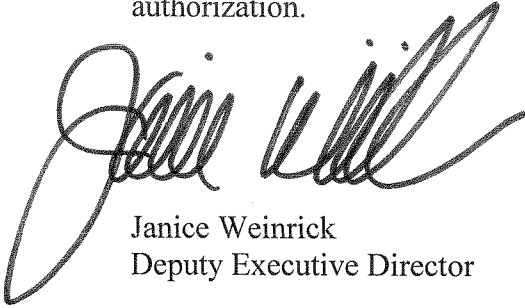
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called upon to submit specific proposals based upon a defined scope of work. A contract for the specific work is then prepared and executed following a thorough analysis of the proposals received.

Table 6 of the attachment lists the current consultant contracts utilized by the Redevelopment Division and reflects the names of the firms by consulting category, specialties, the total contract limit for the term of the contract and the Agency authorization.

A handwritten signature in black ink, appearing to read 'Janice Weinrick', written in a cursive style.

Janice Weinrick
Deputy Executive Director

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Attachment: City Redevelopment Tables 1-6

ATTACHMENT

CITY REDVELOPMENT TABLES
(SUPPLEMENTAL BUDGET INFORMATION)

TABLE 1
COMPARISON OF PROJECT AREA TAX INCREMENT, STAFFING ALLOCATIONS, AND ADMINISTRATIVE COST ALLOCATIONS
FISCAL YEAR 2010 PROPOSED BUDGET

Project Area	Tax Increment		Direct Staffing		Allocation to Non-Housing Funds		Allocation to Housing Funds		Total	%
	Revenue	% of Total	Allocation (FTE)	% of Total	Housing Funds	%	Housing Funds	%		
	\$				\$		\$			
Barrio Logan	\$ 663,000	1.41%	1.35	8.16%	\$ 368,030	7.68%	\$ 9,549	8.28%	\$ 377,579	7.69%
City Heights	\$ 13,977,900	29.76%	4.20	25.38%	\$ 1,223,508	25.53%	\$ 28,525	24.73%	\$ 1,252,033	25.51%
College Community	\$ 1,098,200	2.34%	0.65	3.93%	\$ 252,123	5.26%	\$ 4,775	4.14%	\$ 256,898	5.23%
College Grove	\$ 694,500	1.48%	0.25	1.51%	\$ 72,575	1.51%	\$ 1,836	1.59%	\$ 74,411	1.52%
Crossroads	\$ 4,131,600	8.80%	1.30	7.85%	\$ 474,784	9.91%	\$ 8,692	7.54%	\$ 483,476	9.85%
Grantville	\$ 992,500	2.11%	1.45	8.76%	\$ 395,049	8.24%	\$ 10,161	8.81%	\$ 405,210	8.26%
Linda Vista	\$ 80,900	0.17%	0.05	0.30%	\$ 39,426	0.82%	\$ 367	0.32%	\$ 39,793	0.81%
NTC	\$ 3,873,400	8.25%	1.25	7.55%	\$ 363,319	7.58%	\$ 9,182	7.96%	\$ 372,501	7.59%
North Bay	\$ 8,328,500	17.73%	1.57	9.49%	\$ 406,805	8.49%	\$ 10,823	9.38%	\$ 417,628	8.51%
North Park	\$ 7,401,000	15.76%	2.10	12.69%	\$ 568,846	11.87%	\$ 15,058	13.06%	\$ 583,904	11.90%
San Ysidro	\$ 5,725,800	12.19%	2.38	14.38%	\$ 628,814	13.12%	\$ 16,365	14.19%	\$ 645,179	13.14%
Total	\$ 46,967,300	100.00%	16.55	100.00%	\$ 4,793,279	100.00%	\$ 115,326	100.00%	\$ 4,908,605	100.00%

FY 10 Administrative Cost Allocation

Table 2
City Redevelopment Project Area Staff Allocations

Project Area	Fiscal Year 2009				Fiscal Year 2010			
	Staffing Allocation (Full Time Equivalent Positions)				Staffing Allocation (Full Time Equivalent Positions)			
	Project Manager	Assistant Project Manager	Redevelopment Coordinator	Staffing Total	Project Manager	Assistant Project Manager	Redevelopment Coordinator	Staffing Total
Barrio Logan	1.00	0.24	0.05	1.29	1.00	0.30	0.05	1.35
City Heights	2.30	1.50	0.50	4.30	2.30	1.45	0.45	4.20
College Community	0.40	0.00	0.25	0.65	0.40	0.05	0.20	0.65
College Grove	0.20	0.00	0.05	0.25	0.20	0.00	0.05	0.25
Crossroads	1.75	0.30	0.40	2.45	1.00	0.20	0.10	1.30
Grantville	0.25	0.00	0.10	0.35	1.00	0.00	0.45	1.45
Linda Vista	0.05	0.00	0.00	0.05	0.05	0.00	0.00	0.05
NTC	0.95	0.00	0.30	1.25	0.95	0.00	0.30	1.25
North Bay	1.00	1.10	0.47	2.57	0.00	1.10	0.47	1.57
North Park	0.80	1.00	0.25	2.05	0.80	1.00	0.30	2.10
San Ysidro	1.00	0.86	0.48	2.34	1.00	0.90	0.48	2.38
Total	9.70	5.00	2.85	17.55	8.70	5.00	2.85	16.55

Note: The North Bay project manager position has been allocated to the Barrio Logan Community Plan Update. These expenses are reimbursed by the Centre City Redevelopment Project Area. FY 2010 total project area staffing including this position is 17.55 FTE.

**Table 3
City Redevelopment Administration Staffing**

Fiscal Year 2009

General Administration

<u>Working Title</u>	<u>Positions (FTE)</u>	<u>Notes</u>
Deputy Executive Director	1.00	
Community Development Coordinator	0.15	Finance
Supervising Analyst (Finance)	1.00	
Associate Analyst (Finance)	1.00	Budget
Account Clerk	1.00	
Project Manager	0.30	Contract Management
Information Services Technician	1.00	Eliminated in FY 10
Legislative Recorder	1.00	
Clerical Assistant II	1.00	Legislative records
Clerical Assistant II	1.00	Receptionist
Planning Coordinator	1.00	
Subtotal	9.45	

Low and Moderate Income Housing Administration

Project Manager	1.00	
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Fiscal Year 2010

General Administration

<u>Working Title</u>	<u>Positions (FTE)</u>	<u>Notes</u>
Deputy Executive Director	1.00	
Financial Operations Manager	1.00	New
Supervising Analyst (Business Operations)	1.00	Business Ops / Procurement
Senior Analyst (Finance)	1.00	Bonds/Debt Management
Associate Analyst (Finance)	1.00	Budget
Account Clerk	1.00	
Legislative Recorder	1.00	
Clerical Assistant II	1.00	Legislative records
Clerical Assistant II	1.00	Receptionist
Project Manager	0.30	Contract Management
Redevelopment Coordinator	0.15	Finance
Planning Coordinator	1.00	
Subtotal	10.45	

Low and Moderate Income Housing Administration

Project Manager	1.00	
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TABLE 4

CITY HEIGHTS ADMINISTRATIVE BUDGET ALLOCATIONS

Expenditure Category	FISCAL YEAR 2009	FISCAL YEAR 2010
	City Heights	City Heights
General Administration	\$ 1,138,516	\$ 1,223,508
Admin Allocation - Lo/Mod Housing	\$ 27,268	\$ 28,525
Total	\$ 1,165,784	\$ 1,252,033
Project Area Direct Staffing	FTE	FTE
Project Manager	2.30	2.30
Asst Proj Manager	1.50	1.45
Redev Coordinator	0.50	0.45
Total Direct Staff	4.30	4.20
General Personnel Expense		
Project Area Staff (Salaries and Fringe Benefits)	\$ 487,184	\$ 467,590
Admin Staff (Salaries and Fringe Benefits)	\$ 226,385	\$ 277,443
Intern Program / Overtime	\$ 5,420	\$ 22,840
Vacancy Factor & Adjustment	\$ (69,770)	\$ (13,529)
FY 10 Salary Reduction Estimate	\$ -	\$ (32,979)
Total General Personnel Expense	\$ 649,219	\$ 721,365
Lo/Mod Administration Personnel Expense		
1.00 Lo/Mod Income Housing Manager	\$ 26,983	\$ 28,125
General Non-Personnel Expense		
Rent	\$ 30,658	\$ 29,322
Telephone Services / Voice Network	\$ 3,110	\$ 3,110
Office Supplies / Equipment	\$ 2,894	\$ 2,894
Postage	\$ 1,838	\$ 1,604
Publications	\$ 539	\$ -
Reproduction Expense	\$ 7,628	\$ 5,465
Advertising	\$ 588	\$ 588
Auto Expense (mileage)	\$ 2,400	\$ 2,400
Repairs & Maintenance	\$ 221	\$ 221
Computer Hardware	\$ 2,940	\$ 2,940
IT/Computer Systems/Network Support	\$ 22,811	\$ 20,358
City-Transfers	\$ 1,811	\$ 648
Other	\$ 426	\$ 426
Memberships	\$ 2,916	\$ 2,916
Professional Development	\$ 5,145	\$ 5,156
Associated Travel	\$ 6,125	\$ 6,125
Insurance	\$ 28,382	\$ 28,329
Consultants (excludes project specific consultants)	\$ 1,715	\$ 1,208
Restructuring Contingency	\$ 80,755	\$ -
Less: Lo/Mod NPE	\$ (284)	\$ (400)
Subtotal General Non Personnel Expense	\$ 202,618	\$ 113,311
City Services		
Comptroller	\$ 118,758	\$ 50,706
City Attorney	\$ 79,167	\$ 86,522
City Clerk	\$ 12,782	\$ 13,978
City Treasurer	\$ 2,895	\$ 3,166
Debt Management	\$ 23,154	\$ 25,320
General Government Services	\$ 49,922	\$ 60,331
Neighborhood Code Compliance	\$ -	\$ 131,000
Planning Department	\$ -	\$ 17,809
Subtotal City Services	\$ 286,678	\$ 388,832
Total General Non-Personnel Expense	\$ 489,296	\$ 502,143
Lo/Mod Non Personnel Expense	\$ 284	\$ 400

TABLE 5

NORTH PARK ADMINISTRATIVE BUDGET ALLOCATIONS

Expenditure Category	FISCAL YEAR 2009		FISCAL YEAR 2010	
	North Park		North Park	
General Administration	\$	602,826	\$	568,846
Admin Allocation - Lo/Mod Housing	\$	14,710	\$	15,058
Total	\$	617,536	\$	583,904
Project Area - Direct Staffing	FTE		FTE	
Project Manager		0.80		0.80
Asst Proj Manager		1.00		1.00
Redev Coordinator		0.25		0.30
Total Direct Staff		2.05		2.10
General Personnel Expense				
Project Area Staff (Salaries and Fringe Benefits)	\$	225,603	\$	228,550
Admin Staff (Salaries and Fringe Benefits)	\$	107,928	\$	138,722
Intern Program / Overtime	\$	2,584	\$	11,420
Vacancy Factor & Adjustment	\$	-	\$	(1,829)
FY 10 Salary Reduction Estimate	\$	-	\$	(16,490)
Total General Personnel Expense	\$	336,115	\$	360,373
Lo/Mod Administration Personnel Expense				
1.00 Lo/Mod Income Housing Manager	\$	14,574	\$	14,709
General Non-Personnel Expense				
Rent	\$	17,542	\$	18,779
Telephone Services / Voice Network	\$	1,483	\$	1,565
Office Supplies / Equipment	\$	1,380	\$	1,559
Postage	\$	876	\$	802
Publications	\$	257	\$	-
Reproduction Expense	\$	3,637	\$	4,615
Advertising	\$	280	\$	305
Auto Expense (mileage)	\$	1,144	\$	1,746
Repairs & Maintenance	\$	105	\$	114
Computer Hardware	\$	1,402	\$	2,240
IT/Computer Systems/Network Support	\$	13,070	\$	13,070
City-Transfers	\$	863	\$	423
Other	\$	203	\$	249
Memberships	\$	1,390	\$	1,510
Professional Development	\$	2,453	\$	2,665
Associated Travel	\$	2,920	\$	3,172
Insurance	\$	16,484	\$	16,734
Consultants (excludes project specific consultants)	\$	818	\$	888
Restructuring Contingency	\$	45,883	\$	-
Less: Lo/Mod NPE	\$	(136)	\$	(349)
Subtotal General Non Personnel Expense	\$	112,055	\$	70,086
City Services				
Comptroller	\$	64,067	\$	26,768
City Attorney	\$	42,708	\$	47,954
City Clerk	\$	6,896	\$	7,379
City Treasurer	\$	1,562	\$	1,671
Debt Management	\$	12,491	\$	13,366
General Government Services	\$	26,932	\$	31,849
Neighborhood Code Compliance	\$		\$	-
Planning Department	\$		\$	9,401
Subtotal City Services	\$	154,656	\$	138,388
Total General Non-Personnel Expense	\$	266,711	\$	208,474
Lo/Mod Non Personnel Expense	\$	136	\$	349

TABLE 6
CITY REDEVELOPMENT DIVISION
ON-CALL/AS NEEDED CONSULTANT LIST
June 1, 2009

Consultant	Specialty Service	Contract Expiration	Contract Limit	Authorization
Anderson & Brabant	MAI Appraisal services	June 30, 2009	\$125,000	EX-183, EX-222
Rasmuson Appraisal Services	MAI Appraisal services	June 30, 2011	\$50,000	EX-226
Lipman, Stevens & Carpenter	MAI Appraisal services	June 30, 2009	\$92,000	EX-182
Economic and Feasibility Studies & Analysis				
Bay Area Economics	Economic & Feasibility Studies	March 21, 2010	\$330,000	R-4125
Economics Research Associates	Economic & Feasibility Studies	April 6, 2010	\$570,000	R-4125, EX-244
Keyser Marston & Associates	Economic & Proforma Analysis & Project Area Expansion	March 21, 2010	\$570,000	R-4125
Rosenow Spevacek Group	Economic and Plan Amendment Consultant	December 31, 2009	\$106,330	EX-241
Seifel Consulting Inc.	Economic and Plan Amendment Consultant	March 21, 2010	\$330,000	R-4125
Environmental Services				
Advantage Environmental Consultants	Environmental Consultant	August 1, 2011	\$250,000	EX-224
Rincon Consultants Inc.	Environmental Consultant	September 2, 2011	\$100,000	EX-234
SCS Engineers	Environmental Consultant	September 18, 2011	\$100,000	EX-235
Essentia Management Services	Environmental Consultant	September 4, 2011	\$100,000	EX-233
Financial				
Kitahata and Company	Financial Advisor - bond and debt financing	March 14, 2013	\$245,000	EX-206
David Taussig & Associates	Fiscal Consultant	July 2, 2012	\$110,000	EX-225, EX-232
Alliant Insurance Services	Insurance Broker	June 30, 2009	\$95,000	EX-239
Special Legal Counsel				
Don Detisch	Acquisition and Condemnation	July 6, 2010	\$30,000	EX-193
Radmilla Fulton	Bankruptcy & Foreclosure	June 30, 2010	\$35,000	EX-220, EX-221, EX-258
Opper and Varco	Environmental/Palanco Act	August 2009	\$585,000	R-4322
Kane Ballmer & Berkman (Agency Wide Contract)	Redevelopment Law & transactions	March 31, 2010	\$4,125,000	R-4251, R-4393
Miscellaneous				
Matrix Design Group	Military Base Closure & Boat Channel	August 24, 2009	\$245,501	EX-196
Overland Pacific & Cutler	Relocation Services	June 30, 2009	\$181,575	EX-181
Cook & Schmid	Public Outreach and Strategy Development	December 31, 2011	\$245,000	EX-247