

**County of Santa Clara  
Board of Supervisors  
Supervisorial District Four  
Supervisor Ken Yeager**

**Inventory Item  
#8**



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BOS4-FGOC-060209-2

Prepared by: John Mills  
Chief of Staff

DATE: June 2, 2009

TO: Supervisor Ken Yeager, Chairperson  
Supervisor Dave Cortese, Vice Chair  
Finance & Government Operations Committee

FROM: *Ken Yeager*  
Ken Yeager  
Supervisor, District 4

SUBJECT: Reallocation of one-time funding from the Office of Asset and Economic Development to the State Budget Reserve

**RECOMMENDED ACTION**

Reallocate the \$325,000 in annual one-time funding for the Office of Asset and Economic Development in the County Executive's FY 2010 Recommended Budget to the State Budget Reserve.

**FISCAL IMPLICATIONS**

The State Budget Reserve, currently funded at \$18,896,723 in the County Executive's FY 2010 Recommended Budget, would be augmented to \$19,221,723 if this recommendation is adopted. The one-time funding of \$325,000 for the Office of Asset and Economic Development in the County Executive's FY 2010 Recommended Budget would be liquidated.

## **REASONS FOR RECOMMENDATION**

The County Executive's FY 2010 Recommended Budget indicates that the \$325,000 in one-time funding for the Office of Asset and Economic Development is intended to support development activities and project costs for the Fairgrounds outreach and development planning and construction of an affordable housing project near the Fair Oaks Clinic in Sunnyvale.

The County Executive's Recommended Budget admits that development activity in FY 2010 is anticipated to be slower due to the current economic climate. Furthermore, the withdrawal of Catellus as the selected developer for the redevelopment of the Fairgrounds property leaves any outreach and development planning efforts without focus. Given these conditions, the current level of service of the Office of Asset and Economic Development does not need to continue to be provided.

Furthermore, the State Budget Reserve recommendation was made prior to the release of the May Revision of the Governor's Recommended Budget. Potential impacts to the County of the Governor's recommendations far exceed the \$18,896,723 currently recommended for this reserve.

The proposed transfer of the \$325,000 in one-time funds from the Office of Asset and Economic Development to the State Budget Reserve will bolster the State Budget Reserve and provide the County with additional resources to address anticipated state budget impacts.