

CITY AND COUNTY OF SAN FRANCISCO



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December 10, 2010

**Via U.S. Mail and email**

Renee Domingo, Oakland Representative  
Monica Fields, San Francisco Representative  
Scott Frizzie, CalEMA Representative  
Vicki Hennessy, Chair, San Francisco Representative  
Kirstin Hoffmann, Santa Clara Representative  
Rich Lucia, Alameda Representative  
Teresa Reed, San Jose Representative  
Bay Area UASI Approval Authority  
c/o Laura Phillips, UASI General Manager  
10 Lombard Street  
San Francisco, CA 94111

Re: Allocation of Grant Funds

Dear Approval Authority Representatives:

We write as counsel to the City and County of San Francisco ("San Francisco") in its capacity as fiscal agent for the Bay Area UASI Approval Authority ("Approval Authority"), to assist the Approval Authority in acting in accordance with its authority and responsibilities.

The Approval Authority was created by a Memorandum of Understanding ("MOU") dated July 1, 2007 among San Francisco, the City of Oakland, the City of San Jose, the County of Alameda and the County of Santa Clara. The stated purpose of the Approval Authority is to provide effective direction, governance and coordination of UASI grant programs in the region. MOU ¶1.c. Among other things, the Approval Authority is responsible for establishing funding allocation methodologies, approving grant-funded projects and programs, and making the final decisions on allocation and distribution of grant funds. *Id.* The Approval Authority determines which jurisdictions in the region receive grant funds, the amount of funds allocated, and the projects or programs to be funded. MOU ¶9.a. The UASI Management Team then informs San Francisco of the Approval Authority's grant allocation determinations, and San Francisco, as fiscal agent, enters agreements with subrecipients to disburse funds pursuant to the Approval Authority's direction. MOU ¶9.b.

We are aware that the City of San Jose and the County of Santa Clara have concerns about the disposition of \$6.2 million in UASI grant funds to the region for interoperable communications, for a pilot project that has come to be known as Project Cornerstone. In particular, we understand those jurisdictions have raised questions about whether the distribution

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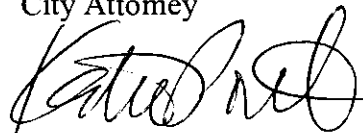
of these funds to Alameda County was done in accordance with the MOU. We further understand that an item related to the disposition of those funds is on the agenda for the Approval Authority's December 13, 2010 meeting.

As you deliberate on this item, please be aware that, under Paragraph 9.a. of the MOU, only the Approval Authority may determine the projects and programs to be funded and which jurisdictions in the region will receive grant funds. If the Approval Authority has not already determined the distribution and allocation of those funds, then the Approval Authority still needs to make that determination. Whatever determination the Approval Authority makes, we urge the Approval Authority to clearly document its determination in writing, including its decision about such matters as: to which jurisdiction(s) the funds are distributed; whether contracts to expend the funds require further approval from the Approval Authority; and any other conditions the Approval Authority wishes to impose on recipient jurisdictions, including any conditions related to any existing agreements related to Project Comerstone.

Going forward, we recommend that the Approval Authority adopt written procedures for making grant allocations and approving contracts funded by grant money. These procedures should make clear that any distribution or allocation of funds requires the explicit approval of the Approval Authority. They should also include express parameters for any authority delegated to the UASI General Manager or any other persons or entities, including requirements for reporting and further approvals. We are aware that the jurisdictions in the region are currently discussing a successor MOU, as well as bylaws for the Approval Authority. We believe those documents provide an opportunity to address these governance and oversight issues.

Very truly yours,

DENNIS J. HERRERA  
City Attorney



Katharine Hobin Porter  
Deputy City Attorney

cc: Brian Doyle, San Jose City Attorney's Office  
Kimberly Rapp, Santa Clara County Counsel Office