



City and County of San Francisco
Meeting Minutes
Budget and Finance Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Matt Haney, Ahsha Safai, Gordon Mar

Clerk: Linda Wong (415) 554-7719

Wednesday, September 8, 2021

10:30 AM

Regular Meeting

Present: 3 - Matt Haney, Ahsha Safai, and Gordon Mar

The Budget and Finance Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Wednesday, September 8, 2021, with Chair Matt Haney presiding. Chair Haney called the meeting to order at 10:32 a.m.

Remote Access to Information and Participation

On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand. Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>.

Members of the public may participate by phone or may submit their comments by email to: linda.wong@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Budget and Finance Committee Meetings begin at 10:30 a.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Haney and Member Mar were noted present. Vice Chair Safai was noted not present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Vice Chair Safai was noted present at 10:35 a.m.

210654 [Park Code - Parking Fees]

Sponsor: Mayor

Ordinance authorizing the Municipal Transportation Agency (SFMTA) to set parking rates at the Kezar Stadium Parking Lot, Golden Gate Park Underground Parking Facility, and Marina Small Craft Harbor in accordance with Park Code provisions that authorize SFMTA rate-setting on park property; making conforming edits to the Park Code; increasing parking rates for berth-holders at the Marina Small Craft Harbor; and affirming the Planning Department's determination under the California Environmental Quality Act.

06/01/21; RECEIVED.

06/01/21; ASSIGNED UNDER 30 DAY RULE to Budget and Appropriations Committee, expires on 7/1/2021.

07/08/21; TRANSFERRED to Budget and Finance Committee.

08/02/21; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

08/02/21; RESPONSE RECEIVED. Response received from the Planning Department stating that this matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

08/29/21; NOTICED. First 10-Day Fee Ad for September 8 2021, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

09/03/21; NOTICED. Second 10-Day Fee Ad for September 8 2021, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

Heard in Committee. Speakers: None.

Chair Haney requested this Ordinance be CONTINUED to the Budget and Finance Committee meeting of September 22, 2021. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210774 [Real Property Lease Extension - BC Capp, LLC - Homeless Resource Center - 165 Capp Street - \$270,685 Annual Base Rent]**Sponsors: Mayor; Ronen**

Resolution authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to exercise a Lease Extension Option for the real property located at 165 Capp Street, with BC Capp, LLC for continued operation of an approximately 6,500 square foot building as a neighborhood drop-in and referral center and administrative offices serving people experiencing homelessness, for an approximately five-year term commencing on September 22, 2021, through September 30, 2026, at the monthly base rent of \$22,557 for a total annual base rent of \$270,685 with no rent payable for the month of October 2021.

(Fiscal Impact)

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/07/21; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speakers: Dylan Schneider (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210813 [Lease Agreement - Pilara Family Foundation - Pier 24 Annex - Minimum Base Rent of \$92,857.40 Per Month]**Sponsor: Mayor**

Resolution authorizing a new lease between the Port of San Francisco and the Pilara Family Foundation for the premises located at Pier 24 Annex on The Embarcadero for a term of approximately three years and ten months to commence following Board approval at a monthly rent of \$92,857.40 with a monthly rent credit of \$87,122.09 in respect of previously completed capital improvements to the property. (Port)

07/13/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Michael Martin (Port); provided an overview and responded to questions raised throughout the discussion. Christopher McCall; spoke in support of the hearing matter.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE on Page 1, Line 13, by replacing 'January' with 'June'. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Chair Haney moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210876 [Accept and Expend Grant - California Department of Housing and Community Development - Housing for Healthy California Program - \$6,798,810]**Sponsor: Mayor**

Resolution authorizing the Mayor's Office of Housing and Community Development (MOHCD), on behalf of the City and County of San Francisco, to execute the Standard Agreement with the California Department of Housing and Community Development (HCD) under the Housing for Healthy California Program for a total award of \$6,798,810 for the period starting on the execution date of the Standard Agreement through June 30, 2024, and authorizing MOHCD to accept and expend the grant of \$6,798,810 for programming approved by HCD.

07/27/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Anne Romero (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210875 [Accept and Expend Grant - California Department of Housing and Community Development - Permanent Local Housing Allocation Program - \$52,308,210]**Sponsor: Mayor**

Resolution authorizing the Mayor's Office of Housing and Community Development (MOHCD), on behalf of the City and County of San Francisco, to execute the annual Standard Agreements with the California Department of Housing and Community Development under the Permanent Local Housing Allocation Program for a total award of \$52,308,210 for the period starting on the execution date of the Standard Agreements through June 30, 2030, and authorizing MOHCD to accept and expend the grant of \$52,308,210 for programming approved by the California Department of Housing and Community Development.

07/27/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Lydia Ely (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210837 [Apply for Grant - Department of Housing and Community Development Infill Infrastructure Program - Balboa Reservoir Project]**Sponsors: Mayor; Melgar**

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to execute a grant application, as defined herein, under the Department of Housing and Community Development Infill Infrastructure ("IIG") Program for the project area located generally north of the Ocean Avenue commercial district, west of City College of San Francisco Ocean Campus, east of the Westbrook Park neighborhood, and south of Archbishop Riordan High School ("Balboa Reservoir"); authorizing the City to assume liability for completion of the project required by the terms of any grant awarded under the IIG Program; and adopting findings under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Administrative Code, Chapter 31.

07/20/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Sara Amaral (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE on Page 1, Line 8, by replacing 'Westbrook Park' with 'Westwood Park'. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to execute a grant application, as defined herein, under the Department of Housing and Community Development Infill Infrastructure ("IIG") Program for the project area located generally north of the Ocean Avenue commercial district, west of City College of San Francisco Ocean Campus, east of the Westwood Park neighborhood, and south of Archbishop Riordan High School ("Balboa Reservoir"); authorizing the City to assume liability for completion of the project required by the terms of any grant awarded under the IIG Program; and adopting findings under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Administrative Code, Chapter 31.

Chair Haney moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210796 [Airport Professional Services Agreement Modification - Vanderlande Industries Inc. - Operate, Maintain and Repair Airport-Owned Passenger Boarding Bridges and Baggage Handling Systems - Not to Exceed \$16,610,647]

Resolution approving Modification No. 3 to Airport Contract No. 50030.01, Vanderlande Industries Inc., to increase the contract amount by \$4,262,816 for a new not to exceed contract amount of \$17,010,647 to operate, maintain, and repair Airport-owned passenger boarding bridges and baggage handling systems in the domestic terminals; and to extend the contract term by one-year from October 1, 2021, through September 30, 2022, pursuant to Charter, Section 9.1189(b), to commence following Board approval. (Airport Commission)
(Fiscal Impact)

07/06/21; RECEIVED FROM DEPARTMENT.

07/20/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); Eva Cheong (Airport Department); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to reduce the not-to-exceed amount by \$400,000, for a total not to exceed \$16,610,647. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution approving Modification No. 3 to Airport Contract No. 50030.01, Vanderlande Industries Inc., to increase the contract amount by \$3,862,816 for a new not to exceed contract amount of \$16,610,647 to operate, maintain, and repair Airport-owned passenger boarding bridges and baggage handling systems in the domestic terminals; and to extend the contract term by one-year from October 1, 2021, through September 30, 2022, pursuant to Charter, Section 9.1189(b), to commence following Board approval. (Airport Commission)
(Fiscal Impact)

Chair Haney moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Chair Haney requested File Nos. 210675, 210676, 210736, and 210164 be called together.

210675 [Lease Agreement - Genesco Partners Joint Ventures #11 - Harvey Milk Terminal 1 Retail Concession - \$365,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Retail Concession Lease No. 11 - Lease No. 20-0046, between Genesco Partners Joint Ventures #11, a joint venture of Genesco, Inc. and Corliss Stone-Littles, LLC, as joint tenants, dba Johnston & Murphy, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of 12 years, and a minimum annual guarantee of \$365,000 for the first year of the Lease, to commence upon Board approval. (Airport Commission)

06/03/21; RECEIVED FROM DEPARTMENT.

06/15/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/07/21; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210676 [Lease Agreement - Culinary Heights Hospitality - Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases 3 and 4 - Lease 13, Lease No. 20-0043 - \$385,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases 3 and 4 - Lease 13, Lease No. 20-0043 between Culinary Heights Hospitality, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of 12 years with one two-year option to extend at the Airport's sole discretion, and a minimum annual guarantee of \$385,000 for the first year of the Lease, to commence upon approval by the Board of Supervisors. (Airport Commission)

06/04/21; RECEIVED FROM DEPARTMENT.

06/15/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/07/21; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210736 [Lease Agreement - ProperFood SFO Airport, LLC - Harvey Milk Terminal 1 Food and Beverage Concession Lease in Phases 3 and 4 - Lease 10, Lease No. 20-0041 - \$275,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Food and Beverage Concession Lease in Phases 3 and 4 - Lease 10, Lease No. 20-0041 between ProperFood SFO Airport, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of 12 years with one two-year option to extend at the Airport's sole discretion, to commence upon approval by the Board of Supervisors, and a minimum annual guarantee of \$275,000 for the first year of the Lease. (Airport Commission)

06/17/21; RECEIVED FROM DEPARTMENT.

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/07/21; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210164 [Lease Agreement - HG SFO Retailers 2017 JV, a joint venture dba Green Apple Books - Harvey Milk Terminal 1 Retail Concession Lease No.12 - \$460,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Retail Concession Lease No. 12 - Lease No. 20-0047, between HG SFO Retailers 2017 JV, a joint venture dba Green Apple Books, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of twelve years, and a minimum annual guarantee of \$460,000 for the first year of the Lease, to commence upon Board approval. (Airport Commission)

02/11/21; RECEIVED FROM DEPARTMENT.

02/23/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Chair Haney requested File Nos. 210742 and 210743 be called together.

210742 [Accept and Expend Grant - Retroactive - John D. and Catherine T. MacArthur Foundation - Safety and Justice Challenge - Amendment to the Annual Salary Ordinance for FYs 2020-2021 and 2021-2022 - \$2,000,000]

Sponsor: Ronen

Ordinance retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$2,000,000 from the John D. and Catherine T. MacArthur Foundation to support San Francisco's participation as an implementation site in the Safety and Justice Challenge, and amending Ordinance No. 166-20 (Annual Salary Ordinance File No. 200568 for Fiscal Years (FYs) 2020-2021 and 2021-2022) to provide for the addition of one grant funded Class 1824 Principal Administrative Analyst position (FTE 1.0) at the Office of the District Attorney for the period of January 1, 2021, through December 31, 2022. (District Attorney)

06/22/21; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/22/2021.

07/07/21; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speaker: Tara Anderson (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210743 [Accept and Expend Grant - Retroactive - U.S. Department of Justice - Justice Reinvestment Initiative - Amendment to Annual Salary Ordinance - FYs 2020-2021 and 2021-2022 - \$1,000,000]

Sponsor: Walton

Ordinance retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$1,000,000 from the U.S. Department of Justice to fund the Justice Reinvestment Initiative; and amending Ordinance No. 166-20 (Annual Salary Ordinance File No. 200568 for Fiscal Years (FYs) 2020-2021 and 2021-2022) to provide for the addition of two grant funded Class 8133 Victim/Witness Investigator III positions (FTE 2.0) in the Office of the District Attorney for the period of October 1, 2020, through September 30, 2023. (District Attorney)

06/22/21; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/22/2021.

07/07/21; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speaker: Tara Anderson (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210828 [Business and Tax Regulations Code - Administrative Provisions]

Ordinance amending the Business and Tax Regulations Code to revise its common administrative provisions and other provisions to implement Proposition F amending the gross receipts tax and repealing the payroll expense tax and Proposition L imposing the overpaid executive gross receipts tax, approved at the November 3, 2020, election, and make clarifying and other nonsubstantive changes. (Treasurer-Tax Collector)

07/19/21; RECEIVED FROM DEPARTMENT.

07/27/21; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 8/19/2021.

08/31/21; REFERRED TO DEPARTMENT. Referred to the Office of Small Business, Office of Early Care and Education, and Office of the Treasurer and Tax Collector for informational purposes.

Heard in Committee. Speaker: Amanda Fried (Office of the Treasurer and Tax Collector); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210838 [Contract Modification - Siemens Mobility, Inc. - Option for 30 Light Rail Vehicles - \$130,409,780 Plus Escalation Costs]

Sponsors: Mayor; Mandelman and Melgar

Resolution approving Modification No. 10 to Municipal Transportation Agency Contract No. 2013-19: Procurement of New Light Rail Vehicles, with Siemens Mobility, Inc., to exercise an option to procure 30 additional light rail vehicles in the amount of \$130,409,780 plus applicable escalation costs, with cancellation provisions through June 2025, with no increase in the total Contract price or in the term of the Contract. (Municipal Transportation Agency)
(Fiscal Impact)

07/20/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Julie Kirschbaum (Municipal Transportation Agency); provided an overview and responded to questions raised throughout the discussion. Irene Bucan; spoke in opposition to the hearing matter.

Vice Chair Safai moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE on Page 3, Lines 5-16, by inserting 'WHEREAS, The LRV4 project is a capital project with a proven track record of State and Federal grant awards; and WHEREAS, Purchasing 30 easier-to-maintain and more reliable Option 2 vehicles saves operating dollars when compared to operating 30 older Breda vehicles; and WHEREAS, The SFMTA has confirmed that no enterprise funding sources for services and operations, such as transit fare revenues, parking fees and fines or other such sources not included in the SFMTA 5-Year Capital Improvement Program operating funds, will be used for the purchase of these LRV4 Option 2 vehicles; and WHEREAS, The SFMTA will provide a written report detailing the sources of funding for the Option 2 vehicles before SFMTA initiates production of Option 2 vehicles, include that report in the legislative file for this item and present that report before the Board of Supervisors; and'. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar
(Fiscal Impact)

Chair Haney moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210551 [Hearing - Technology and Biotechnology Start-Ups]**Sponsor: Haney**

Hearing on the technology and biotechnology sectors in San Francisco, particularly as it relates to new start-up companies and businesses; requesting information on trends in growth and decline of new technology companies, jobs and employment, the impact of remote work and COVID-19 on the sector, efforts that have or can be taken by the City to support technology sector startups in the City; and requesting the Office of Economic and Workforce Development, Controller's Office, Office of Small Business, and Office of Treasurer and Tax Collector to report.

05/11/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/26/21; REFERRED TO DEPARTMENT. Referred to the Office of Economic and Workforce Development, Controller's Office, Office of Small Business, and Office of Treasurer and Tax Collector for informational purposes.

Heard in Committee. Speakers: Ted Egan, Chief Economist (Office of the Controller); Kate Sofis, Director (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion. Eileen Boken; spoke on various concerns relating to the hearing matter.

Chair Haney moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 1:45 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.