



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

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

Members: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, July 24, 2019

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President Norman Yee appointed Supervisor Gordon Mar, replacing Supervisor Rafael Mandelman, to the Budget and Finance Sub-Committee for the meeting of July 24, 2019.

Present: 3 - Sandra Lee Fewer, Catherine Stefani, and Gordon Mar

Excused: 1 - Rafael Mandelman

The Budget and Finance Sub-Committee met in regular session on Wednesday, July 24, 2019, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:06 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Fewer, Vice Chair Stefani, and Member Mar were noted present. Member Mandelman was noted not present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

Supervisor Mandelman Excused from Attendance

Vice Chair Stefani moved that Member Mandelman be excused from attending the Budget and Finance Sub-Committee meeting of July 24, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

REGULAR AGENDA

190732 [Contract Agreement - Retroactive - Bay Area Rapid Transit District - Administration of Capital Funding - BART/Muni Market Street Entrance Modernization Project - Up to \$45,000,000]

Sponsor: Mayor

Resolution retroactively approving an agreement between the City and County of San Francisco and the San Francisco Bay Area Rapid Transit District (BART) regarding administration of capital funding to fund half of the cost of the BART/Muni Market Street Entrance Modernization Project with proceeds from the sale of General Obligation bonds, in an amount not to exceed \$45,000,000 for an agreement term from February 1, 2018, through December 31, 2025. (Municipal Transportation Agency) (Fiscal Impact)

06/25/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

07/17/19; CONTINUED. Heard in Committee. Speakers: Leo Levenson (Municipal Transportation Agency); Mark Dana (Bay Area Rapid Transit District); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Leo Levenson (Municipal Transportation Agency); Carl Holmes, Tim Chan, and Bevan Dufty, President of the Board of Director (Bay Area Rapid Transit District); provided an overview and responded to questions raised throughout the discussion. Speaker; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190766 [Accept and Expend Grant - California State Water Resources Control Board - Baker Beach Green Street Early Implementation Project - Not to Exceed \$3,759,822]

Sponsors: Mayor; Stefani

Resolution authorizing the San Francisco Public Utilities Commission to accept and expend a grant in an amount not to exceed \$3,759,822 from the California State Water Resources Control Board for planning, design, and construction of the Sewer System Improvement Program Baker Beach Green Street Early Implementation Project for the period of November 4, 2017, through March 21, 2022. (Public Utilities Commission) (Fiscal Impact)

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Sarah Bloom (Public Utilities Commission); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190761 [Accept and Expend Grant - California State Senate Bill 1 Local Partnership Program - Sunset and Parkside Streets Pavement Renovation - \$2,340,000]**Sponsors: Mayor; Mar**

Resolution authorizing the acceptance and expenditure of California State Senate Bill 1 Local Partnership Program formulaic funding in the amount of \$2,340,000 for San Francisco Public Works' Sunset and Parkside Streets Pavement Renovation project, for a term to commence following Board approval through June 30, 2023.

(Fiscal Impact)

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Elizabeth Ramos (Public Works); Severin Campbell (Office of the Budget and Legislative Analyst); Paul Morales (Public Works); provided an overview and responded to questions raised throughout the discussion.

Member Mar moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190765 [Multifamily Housing Revenue Bonds - 401 Avenue of the Palms (Maceo May Apartments) - Not to Exceed \$50,000,000]**Sponsors: Mayor; Haney**

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development ("Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$50,000,000 for 401 Avenue of the Palms (Parcel C3.2 of the Treasure Island Master Plan) (Maceo May Apartments); authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$50,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

Chair Fewer requested File Nos. 190758 and 190759 be called together.

190758 [Accept and Expend Grant - Alternative Process County Competitive Allocation Funds - California Department of Housing and Community Development - No Place Like Home Grant Program - \$18,250,554]

Sponsor: Mayor

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to accept and expend the county competitive allocation award in the amount of \$18,250,554, under the California Department of Housing and Community Development No Place Like Home Program, which provides funding for counties to develop multifamily housing specifically for persons with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness, for a term to commence following Board approval.

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190759 [Accept and Expend Grant - Noncompetitive Alternative Process County Designation - California Department of Housing and Community Development - No Place Like Home Grant Program - \$9,519,091]

Sponsor: Mayor

Resolution authorizing and delegating to the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to accept and expend the county noncompetitive allocation award in the amount of \$9,519,091 under the California Department of Housing and Community Development No Place Like Home Program, which provides funding for counties to develop multifamily housing specifically for persons with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness, for a term to commence following Board approval.

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190763 [Authorizing Expenditures - Gift to Compton's District Transgender, Lesbian, Gay, and Bisexual Stabilization Fund - \$300,000]**Sponsors: Mayor; Haney**

Resolution authorizing the Mayor's Office of Housing and Community Development to expend a gift to Compton's District Transgender, Lesbian, Gay, and Bisexual (TLGB) Stabilization Fund dollars in the amount of \$300,000 to support the City's efforts to recognize and support historic and present-day TLGB communities in the Tenderloin neighborhood, for a term of August 1, 2019, through June 30, 2020.

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190764 [Loan Documents - 937 Clay Street, 305 San Carlos Street, 3198-24th Street, 654 Capp Street - Small Sites Program, Preservation and Seismic Safety Program, Downtown Neighborhoods Preservation Fund - Loans for Affordable Housing - Not to Exceed \$37,493,000]**Sponsors: Mayor; Peskin and Ronen**

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute documents relating to loans for the acquisition, rehabilitation, or permanent financing of four project sites pursuant to the Small Sites Program, Preservation and Seismic Safety Program, and Downtown Neighborhoods Preservation Fund, for a total loan amount not to exceed \$37,544,000; confirming the Planning Department's determination under the California Environmental Quality Act; and finding that the Project loans are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Viviana Lopez (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be AMENDED to authorize the Director of the Mayor's Office of Housing and Community Development to execute loan documents for a total loan amount not to exceed \$37,493,000. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute documents relating to loans for the acquisition, rehabilitation, or permanent financing of four project sites pursuant to the Small Sites Program, Preservation and Seismic Safety Program, and Downtown Neighborhoods Preservation Fund, for a total loan amount not to exceed \$37,493,000; confirming the Planning Department's determination under the California Environmental Quality Act; and finding that the project loans are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190743 [Contract Amendment - Keefe Commissary Network, L.L.C. - Jail Commissary Services - Guaranteed Annual Minimum Income \$590,000]

Resolution authorizing the Sheriff's Department to enter into a Third Amendment to the existing contract between Keefe Commissary Network, L.L.C., and the City and County of San Francisco, acting by and through its Sheriff's Department, for jail commissary services, to extend the contract term by six months beginning September 1, 2019, for a total term of September 1, 2014, through February 28, 2020, with no change to the guaranteed annual minimum income of \$590,000. (Sheriff)
07/01/19; RECEIVED FROM DEPARTMENT.

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Crispin Hollings (Sheriff's Department); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190774 [Real Property Acquisition - 1828 Egbert Avenue - San Francisco Self Storage III, LLC - \$67,300,000]**Sponsor: Walton**

Resolution approving and authorizing the Real Estate Division to acquire Real Property located at 1828 Egbert Avenue, from San Francisco Self Storage III, LLC, dba 1828 Egbert Avenue, LLC, for a purchase price of \$67,300,000 subject to future authorization of Certificates of Participation; placing the real property under the jurisdiction of the Real Estate Division for use of storing evidence and moving property from the Hall of Justice and other locations; adopting findings that the acquisition is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute documents, enter into the Leaseback, and make certain modifications and take certain actions in furtherance of the Purchase Agreement and this Resolution, as defined herein. (Real Estate Department)

(Fiscal Impact)

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Andrico Penick, Director (Real Estate Department); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Speaker; spoke on various concerns relating this hearing matter.

Chair Fewer moved that this Resolution be AMENDED on Page 2, Line 22, by adding 'with an option to extend for an additional 3 (three) months,'; on Page 3, Line 8, by adding '(nine months should Seller exercise its option to extend)'; and on Page 4, Lines 11-12, by adding 'FURTHER RESOLVED, That the Director of Property shall report back to the Board of Supervisors in January 2022 on the plan for the City's use of 777 Brannan Street'. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

Resolution approving and authorizing the Real Estate Division to acquire real property located at 1828 Egbert Avenue, from San Francisco Self Storage III, LLC, dba 1828 Egbert Avenue, LLC, for a purchase price of \$67,300,000 subject to future authorization of Certificates of Participation; placing the real property under the jurisdiction of the Real Estate Division for use of storing evidence and moving property from the Hall of Justice and other locations; adopting findings that the acquisition is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute documents, enter into the Leaseback, and make certain modifications and take certain actions in furtherance of the Purchase Agreement and this Resolution, as defined herein. (Real Estate Department)

(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 11:31 a.m.

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