



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: Malia Cohen, Sandra Lee Fewer, Catherine Stefani

Clerk: Linda Wong (415) 554-7719

Thursday, May 10, 2018

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Malia Cohen, Sandra Lee Fewer, and Catherine Stefani

The Budget and Finance Sub-Committee met in regular session on Thursday, May 10, 2018, with Chair Malia Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 10:03 a.m. On the call of the roll, Chair Cohen, Vice Chair Fewer, and Member Stefani were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

180132 [Administrative Code - Criminal Justice System Fees and Penalties]**Sponsors: Breed; Cohen, Tang, Sheehy, Yee, Safai, Fewer, Ronen and Stefani**

Ordinance amending the Administrative Code to abolish fees associated with probation costs, restitution, booking, the Sheriff's Work Alternative Program, the automated county warrant system, the Sheriff's Home Detention Program, and to abolish local penalties associated with alcohol testing and court-ordered penalties for misdemeanor and felony offenses.

(Fiscal Impact)

02/06/18; ASSIGNED to Rules Committee. 2/14/2018 - President Breed waived the 30-day Rule, per Board Rule 3.23.

02/13/18; REFERRED TO DEPARTMENT. Referred to Sheriff's Department, Police Department, Office of the Public Defender, and Office of the District Attorney for informational purposes.

04/25/18; REFERRED to Budget and Finance Committee. Supervisors Yee and Safai requested to be added as co-sponsors.

Heard in Committee. Speakers: President London Breed (Board of Supervisors); Jeff Adachi, Public Defender (Office of the Public Defender); Anne Stuhldreher, Director of Financial Justice (Office of the Treasurer and Tax Collector); Susan Gard (Department of Human Resources); presented information and answered questions raised throughout the discussion. Mr. Wright; David Grace; Hollywood St. James; Mary Vandigriff (Community Housing Partnership); Terry Parker (Highly Engaged Action Team); Speaker; Reverend Arnold Townsend; Sneh Rao; Dayton Andrews (Coalition on Homelessness); Eva DeLair (Legal Services for Prisoners with Children); Dauras Cyprian (All of Us or None); Avery Richards and Javier Bremond (Community Housing Partnership); Speaker; Dwight Stears; Mark Anthony and Anahk Sul Rama (Community Housing Partnership); Amy Ramos; Danni Duthroat; Brittany Stonesifer (Legal Services for Prisoners with Children); Majid Crawford (New Community Leadership Foundation); Noe Gudino (All of Us or None); David Elliott Lewis; Lily Robinson Trezvnant (New Community Leadership Foundation); spoke in support of the proposed legislation. Speaker; spoke neither in support nor against the proposed legislation.

05/02/18; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: President London Breed (Board of Supervisors); Anne Stuhldreher (Office of the Treasurer and Tax Collector); Vicki Hennessey, Sheriff (Sheriff's Department); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Speaker; Mary Vandigriff and Denny Smith (Community Housing Partnership); David Grace; Danica Rodarnel (Lawyers' Committee for Civil Rights); Brittany Stonesifer (Legal Services for Prisoners with Children); Abby; Thomas Wright (Community Housing Partnership); Hollywood St. James; Javier Bremond (Community Housing Partnership); Remi Tan; Ariana Gornei; Meher Dhalinal; spoke in support of the hearing matter.

Member Stefani requested to be added as a co-sponsor.

Chair Cohen moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180464 [Approval of the Construction of the Tennis Center Clubhouse - Accept and Expend Grant - San Francisco Parks Alliance - Golden Gate Park Tennis Center - \$24,000,000]

Sponsors: Breed; Safai, Tang, Stefani and Fewer

Resolution approving construction of a new clubhouse for the Golden Gate Park Tennis Center under Charter, Section 4.113; authorizing the Recreation and Park Department to accept a grant in-place of approximately \$24,000,000 from the San Francisco Parks Alliance to renovate the Golden Gate Park Tennis Center in FY2020-2021; and approving a grant agreement with the San Francisco Parks Alliance which will remain in place for 50 years. (Recreation and Park Department)
(Fiscal Impact)

05/01/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: President London Breed (Board of Supervisors); Daliah Khoury (Recreation and Park Department); Severin Campbell (Office of the Budget and Legislative Analyst); Sarah Ballard (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion. Martha Ehrenfeld (Tennis Coalition of San Francisco); Angela Dorsey (Tennis Coalition); Peg Stevenson (Gay Lesbian Tennis Federation); Ortega Ortiz Yarborough (San Francisco Recreation and Parks); Tommy Yankowski (San Francisco for Sports and Recreation); Lois Salisbury (Tennis Coalition of San Francisco); spoke in support of the hearing matter. David Grace; spoke in opposition to the hearing matter.

Chair Cohen moved that this Resolution be AMENDED to require a written report from the General Manager of the Recreation and Park Department to the Board of Supervisors prior to December 31, 2018, detailing the amount of funds raised under the agreement between the Department and San Francisco Parks Alliance, and the impact on implementation of the Golden Gate Park Tennis Center project. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani
(Fiscal Impact)

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

Ayes: 3 - Cohen, Fewer, Stefani

180463 [Multifamily Housing Revenue Bonds - 2050, 2060, and 2070 Folsom Street and 255 and 265 Shotwell Street (also known as "17th and Folsom") - 2060 Folsom Housing. L.P. - Not to Exceed \$95,000,000]

Sponsors: Mayor; Ronen

Resolution 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 \$95,000,000 for the construction of approximately 127 units of affordable residential rental housing to be located at 2050, 2060, and 2070 Folsom Street and 255 and 265 Shotwell Street (also known as "17th and Folsom") by 2060 Folsom Housing, L.P.

05/01/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-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 Cohen moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180439 [Real Property Acquisition - Easements from Lake Merced Golf Club - Regional Groundwater Storage and Recovery Project, San Mateo County - \$66,465]

Resolution approving and authorizing the acquisition of one permanent surface access easement; seven permanent subsurface easements for an electrical line, telephone line, utility line, storm drain, sanitary sewer, utility water and well discharge; one temporary construction easement; and a well and building easement that includes bathroom improvements from Lake Merced Golf Club, a California corporation, for \$66,465 to be used by the City and County of San Francisco under the Water System Improvement Program for the access, installation, modification, removal, inspection, maintenance, repair, replacement, periodic scheduled maintenance, emergency repairs, and construction of the project known as the Regional Groundwater Storage and Recovery Project, Project No. CUW30103; adopting findings under the California Environmental Quality Act; adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and approving the Agreement and authorizing the Director of Property and/or the San Francisco Public Utilities Commission General Manager to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein. (Public Utilities Commission)

04/26/18; RECEIVED FROM DEPARTMENT.

05/08/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Brian Morelli (San Francisco Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180235 [California Constitution Appropriations Limit - FY2017-2018 - \$3,489,694,774]

Resolution establishing the appropriations limit of \$3,489,694,774 for FY2017-2018, pursuant to California Constitution, Article XIII B. (Controller)
(Fiscal Impact)

03/08/18; RECEIVED FROM DEPARTMENT.

03/20/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Michael Moretti (Office of the Controller); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180362 [San Francisco Finance Corporation - Refunding Lease Revenue Bonds - Open Space Fund]**Sponsor: Mayor**

Ordinance approving the issuance and sale of refunding lease revenue bonds by the City and County of San Francisco Finance Corporation (the "Corporation") payable from the Park, Recreation and Open Space Fund to refinance lease revenue bonds previously issued to finance various park projects, as defined herein; approving the form of a Second Amendment to Site Lease by and between the Corporation and the City and County of San Francisco (the "City") relating to certain real property described herein; approving the form of a Second Amendment to Master Lease by and between the Corporation and the City; approving the form of a Second Supplemental Trust Agreement by and between the Corporation and a trustee (including certain indemnities contained therein); approving the form of an Assignment Agreement by and between the Corporation and a trustee; authorizing the sale of the refunding lease revenue bonds by competitive or negotiated sale; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the refunding lease revenue bonds; directing the publication of the Notice of Intention to Sell the refunding lease revenue bonds; approving the form of a Purchase Contract and authorizing the appointment of one or more underwriters for the refunding lease revenue bonds; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; authorizing the payment of costs of issuance; granting general authority to City officials to take certain actions in connection with the refunding lease revenue bonds, as defined herein; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

04/10/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/10/2018.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen moved that this Ordinance be AMENDED to remove the Palace of Fine Arts and to include Palega Recreation Center and Minnie and Lovie Ward Recreational. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

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

Ayes: 3 - Cohen, Fewer, Stefani

180363 [San Francisco Finance Corporation Refunding Lease Revenue Bonds (Library Projects)]**Sponsor: Mayor**

Ordinance approving the issuance and sale of refunding lease revenue bonds by the City and County of San Francisco Finance Corporation (the "Corporation") to refinance lease revenue bonds previously issued to finance various projects under the Branch Library Improvement Program, as further described herein; approving the form of a First Amendment to Facilities Lease by and between the Corporation and the City and County of San Francisco (the "City") relating to certain real property described herein; approving the form of a First Amendment to Master Lease by and between the Corporation and the City; approving the form of a First Supplemental Trust Agreement by and between the Corporation and a trustee (including certain indemnities contained therein); approving the form of an Assignment Agreement by and between the Corporation and a trustee; authorizing the sale of the refunding lease revenue bonds by competitive or negotiated sale; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the refunding lease revenue bonds; directing the publication of the Notice of Intention to Sell the refunding lease revenue bonds; approving the form of a Purchase Contract and authorizing the appointment of one or more underwriters for the refunding lease revenue bonds; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; authorizing the payment of costs of issuance; granting general authority to City officials to take certain actions in connection with the refunding lease revenue bonds, as defined herein; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

04/10/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/10/2018.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen moved that this Ordinance be AMENDED on Page 2, Line 9, by replacing 'O' with 'D'. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

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

Ayes: 3 - Cohen, Fewer, Stefani

180283 [Lease and Use Agreement - Hong Kong Airlines Limited - Estimated Rent of \$740,232.68]

Resolution approving a 2011 Lease and Use Agreement between Hong Kong Airlines Limited, and the City and County of San Francisco, acting by and through its Airport Commission, with an estimated rent of \$740,232.68 for exclusive use, plus joint use space rent and landing fees, for the lease term expiring on June 30, 2021, to commence following Board approvals. (Airport Commission)

03/19/18; RECEIVED FROM DEPARTMENT.

04/03/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180284 [Lease Amendment - United States Customs and Border Protection - Customs Cargo Office Space at Building 648 - Annual Rent of \$833,036]

Resolution retroactively approving Amendment No. 1 to Lease No. TC-I-02-2801 between the United States Customs and Border Protection, and the City and County of San Francisco, acting by and through its Airport Commission, to extend the term of the lease for an additional ten years for a total term of February 1, 2003, through January 31, 2028, and adjust the annual rent to \$833,036. (Airport Commission)

03/19/18; RECEIVED FROM DEPARTMENT.

04/03/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: None.

Chair Cohen moved that this Resolution be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180419 [Real Property Lease Renewal and Amendment - Michael C. Mitchell - 837 Malcolm Road, Burlingame - Initial Monthly Base Rent \$10,500]

Resolution retroactively authorizing a five-year lease extension and amendment for approximately 6,000 square feet of improvements, situated on 10,500 square feet of land at 837 Malcolm Road, Burlingame, with Michael C. Mitchell, an individual, as Landlord, for use by the San Francisco International Airport, for the period of May 1, 2018, through April 30, 2023, subject to the City's option to terminate early, at the initial annual cost of \$126,000 (or \$10,500 monthly), with 3% annual increases thereafter, and two one-year options to extend the term. (Airport Commission) (Fiscal Impact; No Budget and Legislative Analyst Report)

04/16/18; RECEIVED FROM DEPARTMENT.

05/01/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); John Updike, Director (Real Estate Division); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180378 [Modification to the Airport Professional Services Agreement - Hallmark Aviation Services, L.P. - Airport Information and Guest Assistance Services - Two-Year Contract Extension Not to Exceed \$15,803,224]

Resolution approving Modification No. 1 to the Professional Services Agreement, Contract No. 50052, between Hallmark Aviation Services, L.P., and the City and County of San Francisco, acting by and through its Airport Commission, for Airport Information and Guest Assistance Services, extending the term for two years, to commence on July 1, 2018, through June 30, 2020, to increase the contract amount by \$15,803,224 for a new total contract not to exceed amount of \$27,353,224. (Airport Commission)
(Fiscal Impact)

04/13/18; RECEIVED FROM DEPARTMENT.

04/24/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

**180341 [Hearing - Fiscal and Technical Feasibility of Open Source Voting]
Sponsor: Cohen**

Hearing on the feasibility of developing and implementing an "Open Source" voting technology system in San Francisco, including economic investment required and technical concerns; and requesting the Office of the Controller, and the Department of Elections to report.

04/03/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

04/11/18; REFERRED TO DEPARTMENT. Referred to the Controller's Office and the Department of Elections to report.

Heard in Committee. Speakers: John Arntz, Director (Department of Elections); Kelly Kirkpatrick, Acting Budget Director (Office of the Mayor); John Pavel and James Cunningham (Slalom Consulting); Linda Gerull (Department of Technology); Chris Jerdonek (Elections Commission); provided an overview and responded to questions raised throughout the discussion. Christine Pelosi (California Democratic Party Womens Caucus); Trent Lange and David Cary (California Clean Money Campaign); Brent Turner (California Association of Voting Officials); Jim Soper (Voting Rights Task Force); Sascha Bittner and Greg Pennington (California Clean Money Campaign); Susan Pfifer (Democracy Action and Indivisible San Francisco); Alec Bash; Shelly Carroll (California Clean Money Campaign); Kathryn Bache; Carla Yoshikawa; Lisa Hills and Ann Harvey (California Clean Money Campaign); Pamela Smith; Donna Matrovich; David Schmidt; Don Curry; Emily Levy (Americans United for Democracy, Integrity and Transparency in Elections); Jennifer Heggie; Chris Hamilton (California Clean Money Campaign); Speaker; Mary Ryan and Ameer LeCheminant (California Clean Money Campaign); Ace Washington; Rodger Donaldson; Remi Tan (California Clean Money Campaign); spoke on the hearing matter.

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

Ayes: 3 - Cohen, Fewer, Stefani

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 1:17 p.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.