



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: Sandra Lee Fewer, Shamann Walton, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, September 16, 2020

10:30 AM

Regular Meeting

Present: 3 - Sandra Lee Fewer, Shamann Walton, and Rafael Mandelman

The Budget and Finance Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Wednesday, September 16, 2020, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:32 a.m.

Remote Access to Information and Participation

In accordance with Governor Newsom's Executive Order No. N-33-20 declaring a State of Emergency regarding the COVID-19 outbreak and Mayor London N. Breed's Proclamation declaring a Local Emergency issued on February 25, 2020, including the guidance for gatherings issued by the San Francisco Department of Public Health Officer, aggressive directives were issued to reduce the spread of COVID-19. 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 Fewer, Vice Chair Walton, and Member Mandelman were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

201011 [Setting Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants - FY2020-2021]

Sponsor: Fewer

Resolution levying property taxes at a combined rate of \$1.19846368 on each \$100 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco County Office of Education, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District; and establishing a pass-through rate of \$0.0756 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year ending June 30, 2021.

09/01/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jamie Whitaker (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 Fewer moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

200876 [Home Detention Electronic Monitoring Program Rules and Regulations and Program Administrator's Evidence of Financial Responsibility - FY2020-2021]

Resolution approving the Sheriff Office's home detention and electronic monitoring program rules and regulations; and approving evidence of financial responsibility demonstrated by program administrator, Sentinel Offender Services, LLC, for FY2020-2021. (Sheriff)

07/28/20; RECEIVED FROM DEPARTMENT.

08/11/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/02/20; CONTINUED. Heard in Committee. Speakers: Crispin Hollings and Jonathan Kuhns (Sheriff's Department); provided an overview and responded to questions raised throughout the discussion. Carolyn Goossen (Public Defender's Office); Zack Goldman; spoke neither in support nor opposition to the hearing matter. Molly Hernandez; Nick Dransie; Edward Hernandez; Izzy Almund; Jeffrey Straut; spoke in opposition to the hearing matter.

Heard in Committee. Speakers: None.

Chair Fewer moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting on September 30, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

200669 [Mental Health Services Act - Three-Year Program and Expenditure Plan - FYs 2020-2023]

Resolution authorizing adoption of the San Francisco Mental Health Services Act Three-Year Program and Expenditure (Integrated Plan) for Fiscal Years 2020-2023. (Public Health Department)
06/22/20; RECEIVED FROM DEPARTMENT.

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jessica Brown, Teresa Yu, Marlo Simmons, and Charles Mayer-Twomey (Department of Public Health); provided an overview and responded to questions raised throughout the discussion. Wynship Hillier; spoke in opposition to the hearing matter.

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

Ayes: 3 - Fewer, Walton, Mandelman

200935 [Contract Amendment Approval - Retroactive - Allied Universal Security - Security Services - Not to Exceed \$17,222,088]

Resolution retroactively approving a first amendment to the contract between the City and County of San Francisco, by and through its Human Services Agency, and Allied Universal Security for the provision of unarmed security services, to increase the amount of the contract by \$7,888,248 for a total amount not to exceed \$17,222,088 to commence July 15, 2020; and to revise the term end date from sixty calendar days after expiration of the Local Emergency as declared by the Mayor or her designee to December 31, 2020, for an amended agreement term of April 1, 2020, through December 31, 2020. (Human Services Agency)
(Fiscal Impact)

08/17/20; RECEIVED FROM DEPARTMENT.

08/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Elizabeth Leone (Human Services Agency); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Walton moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting on September 23, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

200445 [Lease Agreement - MRG San Francisco Terminal 3, LLC - Terminal 3 Boarding Area F News and Multi-Concept Retail Store Lease - \$750,000 Minimum Annual Guarantee]

Resolution approving the Terminal 3 Boarding Area F News and Multi-Concept Retail Store Lease No. 19-0246, between MRG San Francisco Terminal 3, LLC, as tenant, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of seven years with two one-year options to extend, and a minimum annual guarantee of \$750,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

04/29/20; RECEIVED FROM DEPARTMENT.

05/12/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Quizon (Airport Department); 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, Walton, Mandelman

200759 [Business and Tax Regulations Code - Tax Penalties and Interest; Administration of Cannabis Business Tax]

Ordinance amending the Business and Tax Regulations Code to amend the penalties, and the provisions for waiver of penalties and interest, relating to taxes that are subject to the common administrative provisions of that Code, and to add provisions for administering the Cannabis Business Tax. (Treasurer-Tax Collector)

(Fiscal Impact)

07/10/20; RECEIVED FROM DEPARTMENT.

07/21/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 8/20/2020.

08/05/20; REFERRED TO DEPARTMENT. Referred to the Office of Cannabis and the Office of the Treasurer and Tax Collector for informational purposes. Referred to the Small Business Commission for review and comment.

08/28/20; RESPONSE RECEIVED. On August 24, 2020, the Small Business Commission voted (7-0) to recommend that the Board of Supervisors support the legislation with modification.

Heard in Committee. Speakers: Amanda Fried (Office of the Treasurer and Tax Collector); 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 Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 200975 and 200976 be called together.

200975 [Multifamily Housing Revenue Note - 681 Florida Street - Not to Exceed \$50,000,000]

Sponsor: Mayor

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$50,000,000 for the purpose of providing financing for the construction of a 130-unit multifamily rental housing project known as "681 Florida Street;" approving the form of and authorizing the execution of a funding loan agreement; providing the terms and conditions of the loan from the funding lender to the City, and the execution and delivery of the note; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes, and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note and the project; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

08/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst); Jonathan Gagen (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, Walton, Mandelman

200976 [Loan Agreement and Ground Lease - 681 Florida Housing Associates, L.P. - 100% Affordable Housing - 681 Florida Street - Loan Not to Exceed \$35,076,507 - Annual Ground Lease Base Rent of \$15,000]

Sponsor: Mayor

Resolution approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed \$35,076,507 for a minimum loan term of 57 years ("Loan Agreement") to finance the construction of a 100% affordable, 130-unit multifamily rental housing development (plus one staff unit) at 681 Florida Street (the "Property") for low income households with space for Production, Design and Repair uses ("Project"); approving and authorizing a Ground Lease to 681 Florida Housing Associates, L.P., a California limited partnership for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 in order to construct and operate the Project; adopting findings that the Loan Agreement and Ground Lease are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute the Ground Lease, and authorize the Director of Mayor's Office of Housing and Community Development to execute the Loan Agreement, make certain modifications to such agreements, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

08/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst); Jonathan Gagen (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 AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Line 12, after '24-year option to extend,' by adding ', with an estimated commencement date of October 2020,'; and on Page 2, Line 22 through Page 3, Line 2, by clarifying that the Planning Commission Motion 19658 dated June 2, 2016 is on file with the Clerk of the Board of Supervisors. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Resolution approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed \$35,076,507 for a minimum loan term of 57 years ("Loan Agreement") to finance the construction of a 100% affordable, 130-unit multifamily rental housing development (plus one staff unit) at 681 Florida Street (the "Property") for low income households with space for Production, Design and Repair uses ("Project"); approving and authorizing a Ground Lease to 681 Florida Housing Associates, L.P., a California limited partnership, for a lease term of 75 years and one 24-year option to extend, with an estimated commencement date in October 2020, and an annual base rent of \$15,000 in order to construct and operate the Project; adopting findings that the Loan Agreement and Ground Lease are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute the Ground Lease, and authorize the Director of Mayor's Office of Housing and Community Development to execute the Loan Agreement, make certain modifications to such agreements, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

201010 [Certificates of Participation - Animal Care & Control Project - Official Statement]**Sponsor: Mayor**

Resolution approving the form of and authorizing the distribution of a preliminary Official Statement relating to the execution and delivery of City and County of San Francisco Certificates of Participation for the Animal Care & Control Project, and authorizing the preparation, execution and delivery of a final Official Statement; and modifying and ratifying the approvals and terms and conditions of a previous Resolution, and related matters, as defined herein.

09/01/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Luke Brewer (Office of the Controller); 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, Walton, Mandelman

200786 [Temporary Waivers of Permit Fees for Café Tables and Chairs and Display Merchandise in the Public Right-of-Way, and Use Fees for Parklets]**Sponsors: Peskin; Mandelman**

Ordinance waiving, for a two-year period, permit and renewal fees in the Public Works Code for café tables and chairs in public sidewalks and roadway areas, and for display of fruits and vegetables or nonfood merchandise on public sidewalks; and waiving fees for use of parklets.

(Fiscal Impact)

07/21/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 8/20/2020.

08/05/20; REFERRED TO DEPARTMENT. Referred to Public Works for informational purposes. Referred to the Small Business Commission for review and comment.

08/12/20; RESPONSE RECEIVED. Small Business Commission recommends that the Board of Supervisors support the legislation with modifications.

Heard in Committee. Speaker: Lee Hepner (Office of Supervisor Aaron Peskin); provided an overview and responded to questions raised throughout the discussion.

Member Mandelman moved that this Ordinance be CONTINUED to the Budget and Finance Committee meeting on September 23, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 200977 and 200978 be called together.

200977 [Annexation of Property - Community Facilities District No. 2016-1 (Treasure Island) as Improvement Area No. 2]**Sponsor: Mayor**

Resolution confirming that property is annexed to the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) as Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island); and determining other matters in connection therewith, as defined herein.

08/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Luke Brewer (Office of the Controller); Bob Beck, Director (Treasure Island Development Authority); Anna Van Degna (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Francisco DaCosta; spoke neither in support nor opposition to the hearing matter.

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

Ayes: 3 - Fewer, Walton, Mandelman

200978 [Authorizing the Issuance of Special Tax Bonds - Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) - Not to Exceed Aggregate Principal Amount of \$17,990,000]**Sponsor: Mayor**

Resolution supplementing Resolution No. 12-17 authorizing the issuance and sale of one or more series of Special Tax Bonds for City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) in an aggregate principal amount not to exceed \$17,990,000; approving related documents, including an Official Statement, Fiscal Agent Agreement, Bond Purchase Agreement and Continuing Disclosure Certificate; clarifying certain terms of the Rate and Method of Apportionment of Special Tax; and determining other matters in connection therewith, as defined herein.

08/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Luke Brewer (Office of the Controller); Bob Beck, Director (Treasure Island Development Authority); Anna Van Degna (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Francisco DaCosta; spoke neither in support nor opposition to the hearing matter.

Chair Fewer moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE on Page 7, Lines 14-17, after 'Section 53340.1 of the Act' by adding 'pursuant to Section 53340.1 of the Act, and hereby directs the Director of the Office of Public Finance to cause Attachment 2 of the RMA to be updated to clarify that any such public trust property owned by TIDA shall not constitute Expected Taxable Property under the RMA as of the date hereof'. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

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

Ayes: 3 - Fewer, Walton, Mandelman

201013 [Issuance and Sale of Revenue Obligations - California Enterprise Development Authority - San Francisco Day School - Not to Exceed \$20,000,000]**Sponsor: Preston**

Resolution approving for purposes of Internal Revenue Code, Section 147(f), the Issuance and Sale of Revenue Obligations by the California Enterprise Development Authority in an aggregate principal amount not to exceed \$20,000,000 to finance the acquisition, construction, renovation, rehabilitation, improvement and/or equipping of educational and related facilities to be owned and operated by San Francisco Day School, a California nonprofit public benefit corporation.

09/01/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Kyle Smeallie (Office of Supervisor Dean Preston); Dr. Mike Walker (San Francisco Day School); 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, Walton, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:17 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.

ADDENDUM

The following information is provided by speaker(s), pursuant to Administrative Code, Section 67.16. The content is neither generated by, nor subject to approval or verification of accuracy by, the Clerk of the Budget and Finance Committee or the Board of Supervisors.

Wynship Hillier submitted the following additional information during Public Comment on File No. 200669, as follows: "I oppose this resolution. The certificate of Marlo Simmons stating that Welfare and Institutions Code section 5848 was complied with is false. No public hearing was held on May 20, 2020. The Behavioral Health Commission did not meet. There was not a quorum. Only three people were appointed to the Commission at that time, two of whom were present on May 20, 2020. The Commission's Bylaws in place at that time state as follows: Article IV.3.d: "A quorum for a full board meeting is always nine members, per the San Francisco Administrative Code which states that a quorum is 51% of the number of members designated by law, rather than the number of seats actually filled, SF Administrative Code, Charter Section 4.104. . . ." The requirement of a public hearing in section 5848 not having been complied with, the resolution should be rejected."