



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

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

Members: Connie Chan, Rafael Mandelman, Myrna Melgar

Clerk: Brent Jalipa
(415) 554-7712 ~ brent.jalipa@sfgov.org

Wednesday, May 15, 2024

9:00 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Present: 3 - Connie Chan, Rafael Mandelman, and Myrna Melgar

The Budget and Finance Committee met in rescheduled session on Wednesday, May 15, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 9:01 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan and Member Melgar were noted present. Vice Chair Mandelman was noted not present. A quorum was present.

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public that public comment is taken on each item on the agenda. Alternatively, written comments may be submitted through email (brent.jalipa@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

240304 [Accept and Expend Grant - Retroactive - State of California, Employment Development Department - WIOA Program - \$5,655,557]

Sponsors: Mayor; Chan

Resolution retroactively authorizing the Office of Economic and Workforce Development to accept and expend a grant increase in the amount of \$1,404,844 for a total amount of \$5,655,557 from the California Employment Development Department, a recipient of the grant award from the United States Department of Labor for the Workforce Innovation and Opportunity Act (WIOA) Program, during the grant period of April 1, 2022, through June 30, 2024. (Department of Economic and Workforce Development)

03/26/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jennifer Hand (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion.

Supervisor Chan requested to be added as a co-sponsor.

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

Ayes: 2 - Chan, Melgar

Absent: 1 - Mandelman

240354 [Agreement Amendment - Carahsoft Technology Corporation - Not to Exceed \$20,625,109]

Resolution approving a second amendment to the agreement between the Department of Technology, Office of Contract Administration, and Carahsoft Technology Corporation for Salesforce Enterprise Products, increasing the agreement amount by \$10,900,109 for a new not to exceed amount of \$20,625,109 and extending the term for an additional five years from June 30, 2025, for a total term of July 1, 2016, through June 30, 2030. (Department of Technology)
(Fiscal Impact)

03/28/24; RECEIVED FROM DEPARTMENT.

04/16/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Hao Xie (Department of Technology); Nicolas Menard (Office of Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Chan, Melgar

Absent: 1 - Mandelman

Vice Chair Mandelman was noted present at 9:21 a.m.

240443 [Loan Agreement - 1005 Powell Street - Chinatown SROS, LLC - Small Sites Program - Not to Exceed \$20,900,000]

Sponsors: Mayor; Mandelman

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute loan documents for the permanent financing of 1005 Powell Street pursuant to the Small Sites Program, for a total loan amount not to exceed \$20,900,000; confirming the Planning Department's determination under the California Environmental Quality Act; finding that the loan is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or their designee to make certain modifications to the loan documents and take certain actions in furtherance of this Resolution, as defined herein. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

04/30/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Alea Gage (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of Budget and Legislative Analyst); Sheng Shi (Chinatown Community Development Center); provided an overview and responded to questions raised throughout the discussion.

Supervisor Mandelman requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Melgar

240151 [Revocable Permit to Enter and Use Property Agreement - Mission Neighborhood Centers, Inc. - Children's Waiting Room - Hall of Justice, 850 Bryant Street - \$1 Annual Base Rent]

Resolution approving and authorizing the Director of Property to enter into a Revocable Permit to Enter and Use Property Agreement ("Permit") for 355 square feet of City owned space at the Hall of Justice (HOJ) located at 850 Bryant Street with Mission Neighborhood Centers, Inc., a California non-profit public benefit corporation, for the operation of a waiting room for children of HOJ visitors, guests, and City employees who are attending court at the Hall of Justice, for a term of five years effective upon approval of this Resolution, at an annual permit fee of \$1; finding that the Permit furthers a proper public purpose sufficient to meet the San Francisco Administrative Code, Section 23, market value requirements; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of entering into the Permit and this Resolution, as defined herein. (Real Estate Department)

02/09/24; RECEIVED FROM DEPARTMENT.

02/27/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240422 and 240423 be called together.

240422 [Real Property Lease -Trinity Center, LLC - 1145 Market Street - San Francisco Law Library - \$599,000 Initial Base Rent]

Sponsor: Peskin

Resolution approving and authorizing the Director of Property, on behalf of the San Francisco Law Library, to execute a Lease Agreement for the term of ten years with two five-year options with the Trinity Center, LLC located at 1145 Market Street, at a base rent of \$599,000 per year with 3% annual rent increases, effective upon Board approval of this Resolution; and authorizing the Director of Property to execute any amendments, options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the Lease or this Resolution. (Real Estate Department)
(Fiscal Impact)

04/23/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (Office of Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by replacing the term of 'ten years with two five-year options' with '15 years with one five-year option' throughout the legislation; on Page 1, Lines 6-7 by inserting 'and a partial market reset in year 11' after 'increases'; on Page 2, Lines 12-13, by adding 'WHEREAS, In year 11, the rent will be adjusted to a percentage of fair market rent for the last five years of the term as per the provision in Section 4.2 (b) of the Lease; and'; and by making clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving and authorizing the Director of Property, on behalf of the San Francisco Law Library, to execute a Lease Agreement for the term of 15 years with one five-year option with the Trinity Center, LLC located at 1145 Market Street, at a base rent of \$599,000 per year with 3% annual rent increases and a partial market reset in year 11; the Lease will be effective upon approval of this Resolution; and authorizing the Director of Property to execute any amendments, options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the Lease or this Resolution. (Real Estate Department)
(Fiscal Impact)

Chair Chan moved that this Resolution be RECOMMENDED AS AMENDED. Before the vote was taken, Chair Chan withdrew this motion to recommend.

Chair Chan moved that this Resolution be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of May 22, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240423 [Real Property Lease - Trinity Center, LLC - 1145 Market Street - Health Service System - \$588,787.05 Initial Base Rent]**Sponsor: Peskin**

Resolution approving and authorizing the Director of Property, on behalf of the Health Service System, to lease a portion of real property located at 1145 Market Street with Trinity Center, LLC a Delaware limited liability company, for an initial term of 10 years with two five-year extension options to renew at an initial annual base rent of \$588,787.05 with 3% annual increases, effective upon approval of this Resolution; and authorizing the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the lease or this Resolution.

(Fiscal Impact)

04/23/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (Office of Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by replacing 'two five-year extension options' with 'one five-year extension option' throughout the legislation; and by making clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving and authorizing the Director of Property, on behalf of the Health Service System, to lease of a portion of the real property located at 1145 Market Street with TRINITY CENTER, LLC a Delaware limited liability company, for an initial term of ten years with one five-year extension option to renew at an initial annual base rent of \$588,787.05 with 3% annual increases; the Lease will be effective upon approval of this Resolution; and authorizes the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

(Fiscal Impact)

Chair Chan moved that this Resolution be RECOMMENDED AS AMENDED. Before the vote was taken, Chair Chan withdrew this motion to recommend.

Chair Chan moved that this Resolution be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of May 22, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240331 [De-Appropriation and Appropriation - Expenditures of \$4,750,000 Supporting Increased Overtime Expenditures - Police Department - FY2023-2024]**Sponsor: Mayor**

Ordinance de-appropriating \$4,750,000 from permanent salaries and appropriating \$4,750,000 to overtime in the Airport Division of the Police Department, in order to support the Departments' projected increases in overtime in Fiscal Year (FY) 2023-2024, as required per Administrative Code, Section 3.17.

(Fiscal Impact)

04/02/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/2/2024.

Heard in Committee. Speaker(s): Kimme Wu and Daniel Perea, Deputy Chief - Airport Bureau (Police Department); Nicolas Menard (Office of Budget and Legislative Analyst); Devin Macaulay (Office of the Controller); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Melgar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 9:54 a.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.