



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 22, 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 22, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 9:12 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan, Vice Chair Mandelman, and Member Melgar were noted 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

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 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)

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

05/15/24; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. 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.

05/15/24; CONTINUED AS AMENDED. Chair Chan moved that this Resolution be RECOMMENDED AS AMENDED. Before the vote was taken, Chair Chan withdrew this motion to recommend.

Heard in Committee. Speaker(s): None.

Chair Chan moved that this Resolution be RECOMMENDED. 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 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)

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

05/15/24; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. 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.

05/15/24; CONTINUED AS AMENDED. Chair Chan moved that this Resolution be RECOMMENDED AS AMENDED. Before the vote was taken, Chair Chan withdrew this motion to recommend.

Heard in Committee. Speaker(s): None.

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

Ayes: 3 - Chan, Mandelman, Melgar

240222 [Lease Agreement - Love from USA Group, Inc - Harvey Milk Terminal 1 Museum Store Lease - \$205,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Museum Store Lease, between Love From USA Group, Inc. 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, and a minimum annual guarantee of \$205,000 for the first year of the Lease to commence upon approval by the Board of Supervisors. (Airport Commission)

03/05/24; RECEIVED FROM DEPARTMENT.

03/19/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dyanna Volek (Airport Department); 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

240257 [Lease Amendment - Elevate Gourmet Brands, Inc. and Aimhigh ESG, LLC, a Joint Venture dba Elevate Gourmet Brands - SFO Group - Terminal 3 Coffee and Quick Serve Concession Lease No. 18-0346 - Reimbursement of \$279,627 for Unamortized Construction Costs]

Resolution approving Amendment No. 3 to the Terminal 3 Coffee and Quick Serve Concession Lease - Lease No. 18-0346, between Elevate Gourmet Brands, Inc., and Aimhigh ESG, LLC, a joint venture dba Elevate Gourmet Brands - SFO Group and the City and County of San Francisco, acting by and through its Airport Commission, for the removal of the SF Mac & Cheese Kitchen facility from the Lease, reimbursement of \$279,627 to Tenant for unamortized construction costs relating to the SF Mac & Cheese Kitchen facility, and reduction of the Minimum Annual Guarantee from \$375,000 to \$185,000 and the Annual Promotion Charge from \$1,991 to \$405 to reflect the reduction in the square footage of the remaining premises of the Lease, effective upon approval of this Resolution, with no changes to the term. (Airport Commission)
(Fiscal Impact)

03/15/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker(s): 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 Chan moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240355 [Mental Health Services Act - Three-Year Program and Expenditure Plan - FYs 2023-2026]

Resolution authorizing adoption of the San Francisco Mental Health Services Act Three-Year Program and Expenditure (Integrated Plan) for Fiscal Years (FYs) 2023-2026. (Public Health Department)

04/01/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker(s): Jessica Brown, Director (Department of Public Health's Office of Justice, Equity, Diversity, and Inclusion); provided an overview and responded to questions raised throughout the discussion. Tracy Hilton; Mark, Nancy, Erin Rubin-Sistoki, Courtney Ewing, Anne-Marie Balor, Kim Nolan, Frank Johnson, Angela Tang, and Carmen Castorena-O'Keefe (RAMS, Inc.); Maria Jimenez (Fuerte); Danyelle Marshall (Department of Public Health's Office of Justice, Equity, Diversity, and Inclusion); spoke in support of the Resolution matter.

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

Ayes: 3 - Chan, Mandelman, Melgar

240444 [Grant Agreement Amendment - SF New Deal - Small Business Grant Payment Support - Not to Exceed \$11,415,000]**Sponsors: Mayor; Dorsey**

Resolution approving Amendment No. 2 to a grant agreement between the Office of Economic and Workforce Development (OEWD) and SF New Deal, for management of the Small Business Grant Payment Support Program; to increase the grant amount by \$2,455,000 for a total not to exceed amount of \$11,415,000 for the period of April 1, 2023, through June 30, 2025; effective upon approval of this Resolution; and to authorize the Executive Director of OEWD to enter into amendments or modifications to the contract prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the contract. (Fiscal Impact)

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

Heard in Committee. Speaker(s): Supervisor Matt Dorsey (Board of Supervisors); Jossiel Cruseta (Office of Economic and Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Dr. Carol Tang, Executive Director (Children's Creativity Museum); Raquel Redondiez, Executive Director (SOMA Pilipinas); Scott Rowitz, Executive Director (Yerba Buena Community Benefit District); spoke in support of the Resolution matter.

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. 240413 and 240441 be called together.

240413 [Grant Agreement Amendment - Episcopal Community Services - Flexible Housing Subsidy Program - Not to Exceed \$29,523,174]**Sponsor: Mayor**

Resolution approving the second amendment to the grant agreement between the Episcopal Community Services and the Department of Homelessness and Supportive Housing ("HSH") for administration of a Flexible Housing Subsidy Pool program; extending the grant term by 36 months from June 30, 2024, for a total term of February 15, 2021, through June 30, 2027; increasing the agreement amount by \$19,623,174 for a total amount not to exceed \$29,523,174; and authorizing HSH to enter into any amendments or other modifications to the agreement that do not materially increase the obligations or liabilities, or materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing) (Fiscal Impact)

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

Heard in Committee. Speaker(s): Emily Cohen (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 Chan moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240441 [Grant Agreement Amendment - Episcopal Community Services - Housing Navigation - Not to Exceed \$16,694,903]**Sponsor: Mayor**

Resolution approving the second amendment to the grant agreement between Episcopal Community Services and the Department of Homelessness and Supportive Housing ("HSH") for continued administration of the Housing Navigation program; extending the grant term by 24 months from June 30, 2024, for a total term of July 1, 2021, through June 30, 2026; increasing the agreement amount by \$6,738,079 for a total amount not to exceed \$16,694,903; and authorizing HSH to enter into any amendments or other modifications to the agreement that do not materially increase the obligations or liabilities, or materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing) (Fiscal Impact)

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

Heard in Committee. Speaker(s): Emily Cohen (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.

The Committee requested the Department of Homelessness and Supportive Housing add performance objectives to the proposed agreement that measure the timely placement of clients into housing.

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. 240265 and 240201 be called together.

240265 [Grant Agreement Amendment - Urban Alchemy - 33 Gough Cabin Program - Not to Exceed \$11,575,467]**Sponsors: Mayor; Mandelman**

Resolution approving the second amendment to the grant agreement between Urban Alchemy and the Department of Homelessness and Supportive Housing ("HSH") for shelter operations and services at the 33 Gough Cabin Program; extending the grant term by nine months from June 30, 2024, for a total term of December 1, 2021, through March 31, 2025; increasing the agreement amount by \$2,146,990 for a total amount not to exceed \$11,575,467; authorizing HSH to enter into any amendments or other modifications to the agreement that do not materially increase the obligations or liabilities or materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the agreement; affirming the Planning Department's determination under the California Environmental Quality Act; and adopting the Planning Department's findings that the program is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Department of Homelessness and Supportive Housing) (Fiscal Impact)

03/19/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (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. Brian Shepard, Dwight Jones, Danielle Killingsworth, Everett Butler, Netty Garcia, Bria, Anderson Trey-Watkins, Rose Acabajon, Lorenzo Miller, (Urban Alchemy); spoke in support of the hearing matter.

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

Ayes: 3 - Chan, Mandelman, Melgar

240201 [Grant Agreement Amendment - Urban Alchemy - 711 Post Street - Not to Exceed \$22,246,326]**Sponsor: Mayor**

Resolution approving the first amendment to the grant agreement between Urban Alchemy and the Department of Homelessness and Supportive Housing (“HSH”) for shelter services and operations at 711 Post Street; extending the grant term by 24 months from June 30, 2024, for a total term of March 21, 2022, through June 30, 2026; increasing the agreement amount by \$11,668,280 for a total amount not to exceed \$30,405,100; and authorizing HSH to enter into any amendments or other modifications to the agreement that do not materially increase the obligations or liabilities or materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

03/05/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (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. Brian Shepard, Dwight Jones, Danielle Killingsworth, Everett Butler, Netty Garcia, Bria, Anderson Trey-Watkins, Rose Acabajon, Lorenzo Miller, (Urban Alchemy); spoke in support of the hearing matter.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the grant term from '24 months' to '12 months', replacing the end of term date from 'June 30, 2026' to 'June 30, 2025', reducing the amount to increase the agreement from '\$11,668,280' to '\$3,509,506', and reducing the total not to exceed amount from '\$30,405,100' to '\$22,246,326' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving the first amendment to the grant agreement between Urban Alchemy and the Department of Homelessness and Supportive Housing (“HSH”) for shelter services and operations at 711 Post Street; extending the grant term by 12 months from June 30, 2024, for a total term of March 21, 2022, through June 30, 2025; increasing the agreement amount by \$3,509,506 for a total amount not to exceed \$22,246,326; and authorizing HSH to enter into any amendments or other modifications to the agreement that do not materially increase the obligations or liabilities or materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

Chair Chan moved that this Resolution be RECOMMENDED AS AMENDED. 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 11:06 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.