



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, Norman Yee, Katy Tang

Clerk: Linda Wong (415) 554-7719

Thursday, May 18, 2017

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Norman Yee, Katy Tang, and Jeff Sheehy

Excused: 1 - Malia Cohen

Present London Breed appointed Supervisor Jeff Sheehy, replacing Supervisor Malia Cohen, to the Budget and Finance Sub-Committee meeting of May 18, 2017.

The Budget and Finance Sub-Committee met in regular session on Thursday, May 18, 2017, with Acting Chair Norman Yee presiding.

Supervisor Cohen Excused from Attendance

Member Tang, moved that Supervisor Cohen be Excused from the Budget and Finance Sub-Committee meeting of May 18, 2017. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

ROLL CALL AND ANNOUNCEMENTS

Acting Chair Yee called the meeting to order at 10:04 a.m. On the call of the roll, Acting Chair Yee and Member Tang were noted present. Chair Cohen was noted absent. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

170470 [Increase of Wastewater Enterprise Commercial Paper Program - Not to Exceed \$750,000,000]

Resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by \$250,000,000 from a principal amount not to exceed \$500,000,000 to a principal amount not to exceed \$750,000,000 such Commercial Paper to be issued from time to time by the San Francisco Public Utilities Commission to finance on an interim basis various capital projects benefitting the Wastewater Enterprise, pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; and ratifying previous actions taken in connection therewith, as defined herein. (Public Utilities Commission)
(Fiscal Impact)

04/28/17; RECEIVED FROM DEPARTMENT.

05/09/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Charles Perl (San Francisco Public Utilities Commission); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170445 [Emergency Declaration - Camp Mather Tree Removals - Estimated Cost of Repairs Exceeds \$250,000]

Sponsor: Mayor

Resolution approving the Recreation and Park Department General Manager's declaration of an emergency based on catastrophic tree mortality at Camp Mather, estimated of cost more than \$250,000 to repair, pursuant to Administrative Code, Section 6.60(b).
(Fiscal Impact)

04/18/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Gary McCoy (Recreation and Park Department); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170322 [License and Services Agreement Modification - Airport Research and Development Foundation - Application-Based Commercial Ground Transportation Trip Fee Collection Services]

Resolution retroactively approving Modification No. 1 to License and Services Agreement No. 50037 between the City and County of San Francisco, acting by and through its Airport Commission, and Airport Research and Development Foundation, a not-for-profit corporation, to cap the City's Administrative Services Fee at \$250,000 annually for the period of March 13, 2017, through March 12, 2020. (Airport Commission)
(Fiscal Impact)

03/13/17; RECEIVED FROM DEPARTMENT.

04/04/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

Acting Chair Yee requested File Nos. 170472 and 170473 be called together.

170472 [Multifamily Housing Revenue Bonds - Eddy and Taylor Family Housing - Not to Exceed \$47,423,000]

Sponsors: Mayor; Kim

Resolution authorizing the issuance, sale and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$47,423,000 for the purpose of providing financing for the acquisition, development and construction of a 113-unit multifamily rental housing project known as Eddy and Taylor Family Housing; approving the form of and authorizing the execution of an indenture of trust providing the terms and conditions of the bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of a loan agreement; 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 bonds and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

04/25/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Amy Chan and Mara Blitzler (Mayor's Office of Housing and Community Development); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170473 [Real Property Agreements - Eddy & Taylor Associates, L.P. - 210 Taylor Street - Purchase and Sale of Real Estate and Ground Lease - \$10,600,000 Purchase Price and \$15,000 Annual Base Rent]

Sponsors: Mayor; Kim

Resolution approving and authorizing the execution and performance of an Agreement of Purchase and Sale of Real Estate in connection with the acquisition of a parcel located at 210 Taylor Street (Assessor's Parcel Block No. 0331, Lot No.028) ("the Property"), for \$10,600,000 authorizing a long term, 87 years, with a 12 year extension option Ground Lease of the Property for \$15,000 annual base rent with Eddy & Taylor Associates, L.P., to construct a 100% affordable, 113-unit multifamily rental housing development for low-income households and formally homeless families and a commercial shell for a 5,677 square foot commercial space; adopting findings that the conveyance and lease are consistent with the California Environmental Quality Act, the General Plan, and the priority policies of Planning Code, Section 101.1; and authorizing and directing the Director of Property and Director of the Mayor's Office of Housing and Community Development to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution. (Fiscal Impact)

04/25/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Amy Chan and Mara Blitzler (Mayor's Office of Housing and Community Development); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170474 [Application to Acquire Real Property - 1064-1068 Mission Street - Department of Health and Human Services Federal Property Assistance Program - Constructing Supportive Housing]

Sponsors: Mayor; Kim

Resolution authorizing the Mayor's Office of Housing and Community Development to submit an application to the Department of Health and Human Services Federal Property Assistance Program, in order to acquire the real property located at 1064-1068 Mission Street for use in constructing supportive housing for homeless San Franciscans. (Fiscal Impact)

04/25/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Amy Chan and Mara Blitzler (Mayor's Office of Housing and Community Development); Harvey Rose (Office of the Budget and Legislative Analyst); John Updike, Director (Real Estate Division); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170522 [Real Property Acquisition - 772 Pacific Avenue - Shew Yick Trust One, Robert Yick Trust Two, and Robert Yick Non-Exempt Assets Trust - Affordable Housing Project - Below Fair Market Value Purchase of \$5,000,000]

Sponsors: Mayor; Peskin

Resolution authorizing the Real Estate Division, on behalf of the Mayor's Office of Housing and Community Development, to acquire Real Property located at 772 Pacific Avenue from Shew Yick Trust One (Trustees Robert Yick and Andy Ting), Robert Yick Trust Two (Trustee Joseph Yick), and Robert Yick Non-Exempt Assets Trust (Trustee Mark Shustoff), for the purchase at below fair market value of \$5,000,000 for use in constructing affordable housing for San Franciscans.
(Fiscal Impact)

05/02/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: John Update, Director (Real Estate Division); Mara Blitzer (Mayor's Office of Housing and Community Development); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

Acting Chair Yee requested File Nos. 170519, 170517, 170520, and 170518 be called together.

170519 [Issuance of Special Tax Bonds - Community Facilities District No. 2014-1 (Transbay Transit Center) - Not to Exceed Aggregate Principal Amount of \$152,000,000]

Sponsor: Mayor

Resolution authorizing the issuance and sale of two series of Special Tax Bonds for City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) in the aggregate principal amount not to exceed \$152,000,000; and approving related documents and determining other matters in connection therewith, as defined herein. (Controller)

05/02/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Nadia Sesay, Director (Office of Public Finance); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170517 [Teeter Plan Extension - Community Facilities District No. 2014-1 (Transbay Transit Center)]**Sponsor: Mayor**

Resolution extending the Teeter Plan to special taxes levied for City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center). (Controller)

05/02/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Nadia Sesay, Director (Office of Public Finance); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170520 [Appropriation - Proceeds from Special Tax Bonds - Transbay Transit Center Project - FY2016-2017 - \$152,000,000]**Sponsor: Mayor**

Ordinance appropriating \$152,000,000 of Special Tax Bonds, Series 2017A and Series 2017B, to general City responsibility for financing related to the Transbay Transit Center Project and Transbay Plan infrastructure projects in FY2016-2017. (Controller)

05/02/17; ASSIGNED to Budget and Finance Sub-Committee. President Breed waived the 30-day rule pursuant to Board Rule No. 3.23)

Heard in Committee. Speaker: Nadia Sesay, Director (Office of Public Finance); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170518 [Annexation of Property - Community Facilities District No. 2014-1 (Transbay Transit Center)]**Sponsor: Mayor**

Resolution determining that property located at Assessor's Parcel Block No. 3740, Lot No. 029, and Block No. 3740, Lot Nos. 030-032, is annexed to the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center); and directing the Clerk of the Board of Supervisors to Record Notice of the Annexation. (Controller)

05/02/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Nadia Sesay, Director (Office of Public Finance); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

Acting Chair Yee requested Files Nos. 170468, 170464, and 170471 be heard together.

170468 [Ordinance Authorizing Certificates of Participation - 1500 Mission Project - Not to Exceed \$321,765,000]

Sponsor: Mayor

Ordinance authorizing the execution and delivery of Certificates of Participation on a tax-exempt or taxable basis evidencing and representing an aggregate principal amount of not to exceed \$321,765,000 to fund a portion of the development costs, including construction and improvement, and related FF&E (furniture, fixture, or other equipment), technology, and moving costs for the 1500 Mission Street office building; authorizing the issuance of commercial paper notes in advance of the delivery of the Certificates; approving the form of Trust Agreement between the City and County of San Francisco and the Trustee (including certain indemnities contained therein); authorizing the selection of the Trustee by the Director of Public Finance; approving respective forms of a Property Lease and a Lease Agreement, each between the City and the Trustee for the lease and lease back of certain property and facilities of the City; approving the forms of Purchase Contract, Official Notice of Sale, and Notice of Intention to Sell Certificates; directing the publication of the Notice of Intention to Sell Certificates; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the Certificates; approving the form of the Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, execution, sale and delivery of the Certificates; approving modifications to documents and agreements; declaring the City's intent to reimburse certain expenditures; and ratifying previous actions taken in connection therewith, as defined herein. (Fiscal Impact)

04/25/17; ASSIGNED to Budget and Finance Sub-Committee. President Breed has waived the 30-Day Rule, pursuant to Board Rule 3.23.

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Ordinance be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170464 [Appropriation - Proceeds from Certificates of Participation for \$321,765,000 to the General Service Agency - FY 2016-17]**Sponsor: Mayor**

Ordinance appropriating \$321,765,000 of proceeds from Certificates of Participation to fund the development costs of the 1500 Mission Street office building development and related FF&E (furniture, fixture, or other equipment), technology, and moving costs in FY2016-17, and placing total \$321,765,000 of proceeds on Controller's Reserve pending sales of the Certificates of Participation.

04/20/17; ASSIGNED to Budget and Finance Sub-Committee.

04/20/17; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Duplicated from File No. 170201.

04/20/17; CONTINUED TO CALL OF THE CHAIR AS AMENDED.

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to clarifying amendments. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

Ordinance appropriating \$321,765,000 of proceeds from Certificates of Participation to fund the development costs of the 1500 Mission Street office building development and related FF&E (furniture, fixture, or other equipment), technology, and moving costs in Fiscal Year 2016-2017 placing total \$321,765,000 of proceeds on Controller's Reserve pending sales of the Certificates of Participation and \$28,397,433 of the requested \$29,397,433 for FF&E, technology and moving on Budget and Finance Committee Reserve pending a report that identifies (a) number of employees and amount of space currently used by each City department, (b) number of employees and amount of space proposed to be used by each City department in the new City building, and (c) existing City leases that will be terminated, existing City leases that will be backfilled or reused, including square footage of leases, rent savings and any additional costs.

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

170471 [Conditional Purchase Agreement - City Office Project - 1500 Mission Street]**Sponsor: Mayor**

Resolution ratifying the Conditional Purchase Agreement for the City's Acquisition of an Office Project at 1500 Mission Street and authorizing the Director of Property and City staff to proceed with the Proposed Office Project; confirming the City's authorization to issue commercial paper and/or certificates of participation to pay for the land acquisition and complete the Proposed Office Project; adopting environmental findings under the California Environmental Quality Act; and making findings of consistency the General Plan, and with the eight priority policies of Planning Code, Section 101.1. (Fiscal Impact)

04/25/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Tang moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Yee, Tang, Sheehy

Excused: 1 - Cohen

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 11:02 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.