



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: Matt Haney, Ahsha Safai, Gordon Mar

Clerk: Linda Wong (415) 554-7719

Wednesday, January 27, 2021

10:30 AM

Regular Meeting

Present: 3 - Matt Haney, Ahsha Safai, and Gordon Mar

The Budget and Finance Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Wednesday, January 27, 2021, with Chair Matt Haney presiding. Chair Haney called the meeting to order at 10:33 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 Haney, Vice Chair Safai, and Member Mar were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Haney requested File Nos. 201392, 201393, and 210033 be called together.

201392 [Multifamily Housing Revenue Bonds - 1151 Fairfax Avenue and 112 Middle Point Road (Hunters View Phase 3) - Not to Exceed \$90,000,000]

Sponsors: Mayor; Haney, Walton and Safai

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development ("Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$90,000,000 for 1151 Fairfax Avenue and 112 Middle Point Road; authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; 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 \$90,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

12/15/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

01/13/21; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Joyce Slen (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

01/13/21; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Jonathan Gagen (Mayor's Office of Housing and Community Development); Ali Gaylord (MidPen Housing); provided an overview and responded to questions raised throughout the discussion.

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

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

Ayes: 3 - Haney, Safai, Mar

201393 [Multifamily Housing Revenue Bonds - 1801-25th Street (Potrero Block B HOPE SF) - Not to Exceed \$150,000,000]**Sponsors: Mayor; Safai and Haney**

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness in an aggregate principal amount not to exceed \$150,000,000; authorizing the Director of the Mayor's Office of Housing and Community Development ("Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$150,000,000 for 1801-25th Street (San Francisco, California 94107); authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

12/15/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

01/13/21; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee.

Speakers: Joyce Slen (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

01/13/21; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Jonathan Gagen (Mayor's Office of Housing and Community Development); Ali Gaylord (MidPen Housing); provided an overview and responded to questions raised throughout the discussion.

Supervisors Safai and Haney requested to be added as co-sponsors.

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

Ayes: 3 - Haney, Safai, Mar

210033 [Multifamily Housing Revenue Bonds - 1360-43rd Avenue (Shirley Chisholm Village) - Not to Exceed \$108,000,000]**Sponsors: Mayor; Mar, Safai and Haney**

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness in an aggregate principal amount not to exceed \$108,000,000; authorizing the Director of the Mayor's Office of Housing and Community Development ("Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$108,000,000 for 1360-43rd Avenue (Shirley Chisholm Village); authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

01/12/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jonathan Gagen (Mayor's Office of Housing and Community Development); Ali Gaylord (MidPen Housing); provided an overview and responded to questions raised throughout the discussion.

Supervisors Safai and Haney requested to be added as co-sponsors.

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

Ayes: 3 - Haney, Safai, Mar

201344 [Authorizing Membership in Community Choice Aggregation Joint Powers Authority for CleanPowerSF]

Ordinance authorizing the Public Utilities Commission to become a member of a Joint Powers Authority consisting of Community Choice Aggregators for the purpose of joint purchases of electricity and related products and services; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code for purchases that do not otherwise require Board approval. (Public Utilities Commission)

12/07/20; RECEIVED FROM DEPARTMENT.

12/15/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/21/2021.

Heard in Committee. Speaker: John Scarpulla (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Haney, Safai, Mar

210008 [Emergency Declaration - Replacement and Repair of Fences - Total Cost Not to Exceed \$4,250,000]

Resolution approving an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to Administrative Code, Section 6.60, to replace and repair fences on SFPUC watershed land in Alameda watershed damaged by the SCU Lightning Complex Fire, with a total cost not to exceed \$4,500,000. (Public Utilities Commission)
(Fiscal Impact)

12/14/20; RECEIVED FROM DEPARTMENT.

01/05/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Tim Ramirez (Public Utilities Commission); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to state that the total cost of emergency work does not exceed \$4,250,000 rather than \$4,500,000. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution approving an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to Administrative Code, Section 6.60, to replace and repair fences on SFPUC watershed land in Alameda watershed damaged by the SCU Lightning Complex Fire, with a total cost not to exceed \$4,250,000. (Public Utilities Commission)
(Fiscal Impact)

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

Ayes: 3 - Haney, Safai, Mar

201343 [Waiver of Municipal Code Requirements for Airport Agreement with the Federal Aviation Administration]

Ordinance exempting from requirements of the Administrative Code and the Environment Code the Reimbursable Agreement between the San Francisco International Airport and the Federal Aviation Administration for services to commission a Ground Based Augmentation System at the Airport; and affirming the Planning Department's determination under the California Environmental Quality Act. (Airport Commission)
(Fiscal Impact)

12/07/20; RECEIVED FROM DEPARTMENT.

12/15/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/14/2021.

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

Ayes: 3 - Haney, Safai, Mar

201348 [Lease Amendment - DFS Group, L.P. - The International Terminal Duty Free and Luxury Lease - Temporary Modified Percentage Rent Structure or Reinstatement of Minimum Annual Guarantee - \$42,000,000]

Resolution approving Amendment No. 2 to the International Terminal Duty Free and Luxury Store Lease No. 17-0303 between DFS Group, L.P. and the City and County of San Francisco, acting by and through its Airport Commission, which continues the temporary modified percentage rent structure to 33% of sales through the earlier to occur of December 31, 2023, or the reinstatement of the minimum annual guarantee of \$42,000,000 contingent upon completion of certain construction projects by December 31, 2021, with no change to the 14-year term, to commence upon approval by the Board of Supervisors. (Airport Commission)

12/07/20; RECEIVED FROM DEPARTMENT.

12/15/20; 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 Haney moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

201364 [Appropriation - General Reserve - Mayor's Office of Housing and Community Development - \$5,700,000 for Rent Relief - \$5,700,000 for Social Housing - FY2020-2021]

Sponsors: Preston; Mar

Ordinance appropriating \$5,700,000 from the General Reserve to the Mayor's Office of Housing and Community Development for rent relief under the Rent Resolution and Relief Fund and \$5,700,000 for the acquisition, creation and operation of affordable, social housing under the Housing Stability Fund in Fiscal Year (FY) 2020-2021.

(Fiscal Impact)

12/08/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/7/2021.

Heard in Committee. Speaker: Kyle Smeallie (Office of Supervisor Dean Preston); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Ordinance be CONTINUED to the Budget and Finance Committee meeting of February 10, 2021. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

201281 [Contract Amendment - Regents of the University of California, Division of Substance Abuse and Addiction Medicine - Behavioral Health Services - Not to Exceed \$44,226,998]

Resolution approving Amendment No. 2 to the agreement between the Regents of the University of California at San Francisco, Division of Substance Abuse Medicine, and the Department of Public Health for behavioral health narcotic addiction treatment services, to increase the agreement amount by \$30,228,053 for a total amount not to exceed \$44,226,998; and to extend the term by six years from July 1, 2021, for a total agreement term of July 1, 2018, through June 30, 2027. (Public Health Department)

(Fiscal Impact)

11/09/20; RECEIVED FROM DEPARTMENT.

11/17/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Michelle Ruggels and James Stillwell (Department of Public Health); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Haney, Safai, Mar

201394 [Lease Amendment - Retroactive - SFII 1390 Market St, LLC - 1390 Market Street - Term Extension - \$704,990 Per Year in Base Rent]

Sponsor: Mayor

Resolution retroactively approving a lease amendment between SFII 1390 Market St, LLC, as landlord, and the City, as tenant, for space occupied by the Department of Children, Youth and Their Families, at Fox Plaza, 1390 Market Street, at a base rent of \$704,990 per year with annual rent increases of 3%, to extend the term of the Lease by five years, commencing December 1, 2020, through November 30, 2025, subject to earlier termination by City; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Amendment, the Lease, and this Resolution, as defined herein.

(Fiscal Impact)

12/15/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Andrico Penick, Director (Real Estate Department); Denise Payton (Department of Children, Youth, and Their Families); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to request that the Real Estate Division report back through a memorandum to the Board of Supervisors and Budget and Legislative Analyst no later than December 31, 2021 on the fiscal feasibility of moving the City tenants in Fox Plaza to City-owned office space to allow for early termination of the proposed lease and to provide an analysis on purchasing new City-owned office space. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution retroactively approving a lease amendment between SFII 1390 Market St, LLC, as landlord, and the City, as tenant, for space occupied by the Department of Children, Youth and Their Families, at Fox Plaza, 1390 Market Street, at a base rent of \$704,990 per year with annual rent increases of 3%, to extend the term of the Lease by five years, commencing December 1, 2020, through November 30, 2025, subject to earlier termination by the City; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Amendment, the Lease, and this Resolution, as defined herein.
(Fiscal Impact)

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

Ayes: 3 - Haney, Safai, Mar

201367 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention - The Regents of the University of California, San Francisco - Recent Infection Surveillance Consortium - \$124,904]

Sponsor: Mayor

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant increase in the amount of \$43,173 for a total amount of \$124,904 from the Centers for Disease Control and Prevention through the Regents of the University of California, San Francisco for participation in a program, entitled "Recent Infection Surveillance Consortium," for the period of August 1, 2019, through September 29, 2021. (Public Health Department)

12/08/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Willi McFarland (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Haney, Safai, Mar

201398 [Accept and Expend Grant - Retroactive - California Commission on Peace Officer Standards and Training (POST) Distance Learning Grant Program - \$185,424]

Sponsor: Mayor

Resolution retroactively authorizing the Police Department to accept and expend a grant in the amount of \$185,424 from the California Commission on Peace Officer Standards and Training (POST) for the Distance Learning Grant Program, for the project period of October 15, 2020, through June 30, 2021. (Police Department)

12/15/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Patrick Leung and Captain Jack Hart (Police Department); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Haney, Safai, Mar

201423 [Authorizing Expenditures - SoMa Community Stabilization Fund - Agreement Amendment - UCSF HEARTS Program - \$378,000]**Sponsor: Mayor**

Resolution authorizing the Mayor's Office of Housing and Community Development to expend SoMa Community Stabilization Fund dollars in the increased amount of \$78,000 for a total amount of \$378,000 to extend a grant supporting Trauma Informed Systems training and counseling for students, families, faculty and staff at Bessie Carmichael School; and amending a grant agreement with the University of California, San Francisco (UCSF) HEARTS Program to provide the specified services, to extend the grant term by one year for a total term of July 1, 2018, through June 30, 2021. 12/22/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Claudine Del Rosario (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Misha Olivas (United Playaz); Connie Ford; Carla LaRoll; spoke in support of the hearing matter.

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

Ayes: 3 - Haney, Safai, Mar

210027 [Appropriation - Municipal Transportation Agency Revenue Bond Proceeds - Street and Transit Projects - \$287,000,000 - FY2020-2021]**Sponsor: Mayor**

Ordinance appropriating \$287,000,000 of Revenue Bond proceeds to the Municipal Transportation Agency for street and transit projects in Fiscal Year (FY) 2020-2021; and placing these funds on the Controller's Reserve pending receipt of proceeds of indebtedness. (Fiscal Impact)

01/12/21; ASSIGNED to Budget and Finance Committee. 1/13/2021 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.23.

Heard in Committee. Speakers: Timothy Manglicmot; Samuel Thomas (Municipal Transportation Agency); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Eileen Boken and David Pilpel; spoke in opposition to the hearing matter.

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

Ayes: 3 - Haney, Safai, Mar

210034 [New Money Revenue Bonds - Municipal Transportation Agency - Not to Exceed \$300,000,000]**Sponsor: Mayor**

Resolution authorizing the sale, issuance and execution of not to exceed \$300,000,000 aggregate principal amount on a tax-exempt or taxable basis of revenue bonds by the Municipal Transportation Agency to provide funds to finance capital improvements for the Municipal Transportation Agency's purposes, approving the form of certain financing documents including a bond purchase contract, the sixth supplement to indenture of trust, one or more escrow agreements, and a continuing disclosure certificate; authorizing the taking of appropriate actions in connection therewith, as defined herein, and related matters approving the forms of documents relating thereto, as defined herein; approving the maximum interest thereon; finding that the authorization and issuance of revenue bonds by the Agency is not a project under the California Environmental Quality Act (CEQA), CEQA Guidelines, and San Francisco Administrative Code, Chapter 31; and approving related matters, as defined herein.

(Fiscal Impact)

01/12/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Timothy Manglicmot; Samuel Thomas (Municipal Transportation Agency); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Eileen Boken and David Pilpel; spoke in opposition to the hearing matter.

Chair Haney moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to correctly state that the CEQA finding was made by the Planning Department on January 27, 2021 and that the CEQA determination is contained in Board of Supervisors in File No. 210034. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

(Fiscal Impact)

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

Ayes: 3 - Haney, Safai, Mar

201159 [Hearing - Review of City Investment Services in the Lakeview, Oceanview, Merced Heights, and Ingleside Community]**Sponsors: Safai; Melgar**

Hearing to review investment of services for the Lakeview, Oceanview, Merced Heights, and Ingleside community from 2013 through 2020; and requesting the Office of Early Care and Education, Human Service Agency, Office of Economic and Workforce Development, Mayor's Office of Housing and Community Development, Department of Children, Youth and Their Families, Department of Aging and Adult Services, and Department of Public Health to report.

10/06/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

10/19/20; REFERRED TO DEPARTMENT. Referred to the Office of Early Care and Education, Human Service Agency, Office of Economic and Workforce Development, Mayor's Office of Housing and Community Development, Department of Children, Youth and Their Families, Department of Aging and Adult Services, and Department of Public Health for informational purposes.

Heard in Committee. Speakers: None.

Vice Chair Safai moved that this Hearing be CONTINUED to the Budget and Finance Committee meeting of February 3, 2021. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 1:26 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.