



**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](mailto:brent.jalipa@sfgov.org)*

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**Wednesday, April 17, 2024**

**10:00 AM**

**City Hall, Legislative Chamber, Room 250**

**Regular Meeting**

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

*The Budget and Finance Committee met in a regular session on Wednesday, April 17, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:01 a.m.*

## **ROLL CALL AND ANNOUNCEMENTS**

*On the call of the roll, Chair Chan and Vice Chair Mandelman were noted present. Member Melgar 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](mailto: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

*Member Melgar was noted present at 10:06 a.m.*

### **240161 [Administrative Code - Low-Value Property Tax Exemptions]**

Ordinance amending the Administrative Code to permit the Assessor to either not enroll on the assessment roll certain property exempt from property taxation due to its low value, or to enroll such property and apply the exemption. (Treasurer-Tax Collector)

02/23/24; RECEIVED FROM DEPARTMENT.

03/05/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 4/4/2024.

*Heard in Committee. Speaker(s): Eric Manke (Office of the Treasurer and Tax Collector); 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

*Chair Chan requested File Nos. 240254 and 240285 be called together.*

### **240254 [Participant Acknowledgement of Technical Assistance Marketplace Terms and Conditions - California State Department of Healthcare Services - State Technical Assistance Marketplace Program]**

**Sponsor: Mandelman**

Resolution authorizing the Department of Public Health to participate in the California State Department of Healthcare Services' State Technical Assistance Marketplace program on terms and conditions that include a Release of Claims by the City and County of San Francisco. (Public Health Department)

03/15/24; RECEIVED FROM DEPARTMENT.

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

*Heard in Committee. Speaker(s): Bernadette Gates (Department of Public Health); Jenine Smith (Zuckerberg San Francisco General Hospital); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; shared various concerns relating to the hearing matter.*

*Supervisor Mandelman requested to assume primary sponsorship.*

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

Ayes: 3 - Chan, Mandelman, Melgar

**240285 [Contract Agreement - Retroactive - Health Advocates LLC - Uncompensated Care Reimbursement Recovery Services - Not to Exceed \$11,391,540]****Sponsor: Mandelman**

Resolution retroactively approving the Agreement between Health Advocates LLC and the Department of Public Health, to provide uncompensated care reimbursement recovery services for an amount not to exceed \$11,391,540 for a total agreement term of five years from January 1, 2024, through December 31, 2028; and to authorize the Department of Public Health 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 or this Resolution. (Public Health Department)  
(Fiscal Impact)

03/19/24; RECEIVED FROM DEPARTMENT.

04/02/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Bernadette Gates (Department of Public Health); Jenine Smith (Zuckerberg San Francisco General Hospital); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; shared various concerns relating to the hearing matter.*

*Supervisor Mandelman requested to assume primary sponsorship.*

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

Ayes: 3 - Chan, Mandelman, Melgar

**240223 [Airport Professional Services Agreement Modification - KONE Inc. - Escalator and Electric Walk Maintenance Services - Not to Exceed \$42,780,241]**

Resolution approving Modification No. 5 to Airport Contract No. 50205, Escalator and Electric Walk Maintenance, Repair, and On-Call Services, with KONE Inc., to increase the contract amount by \$8,314,641 for a new not to exceed contract amount of \$42,780,241 with no change to the contract term, pursuant to Charter, Section 9.118(b). (Airport Commission)  
(Fiscal Impact)

03/11/24; RECEIVED FROM DEPARTMENT.

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

*Heard in Committee. Speaker(s): Cathy Widener (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Rudy Gonzalez (San Francisco Building and Construction Trades Council); spoke in support of the resolution matter. Thierry Fill; shared various concerns relating to the hearing matter.*

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

Ayes: 3 - Chan, Mandelman, Melgar

**240191 [Agreement Amendment - Kennedy Jenks Consultants, Inc./Brahman Sheikh Water Reuse Consulting/Water Resources Engineering, Inc. - Westside Recycled Water Project - Not to Exceed \$10,950,000]**

Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute Modification No. 5 to Contract No. CS-109, Specialized Engineering Services for Recycled Water Projects, with Kennedy Jenks Consultants, Inc./Brahman Sheikh Water Reuse Consulting/Water Resources Engineering, Inc., a Joint Venture, to continue providing additional engineering services in support of the Westside Enhanced Water Recycling Project, increasing the contract amount by \$1,000,000 and increasing the contract duration by three years, for a new total not to exceed contract amount of \$10,950,000 for a total contract duration of 16 years and six months, for a contract term from December 1, 2010, through May 31, 2027, effective upon approval of this Resolution, pursuant to Charter, Section 9.118. (Public Utilities Commission)  
(Fiscal Impact)

03/01/24; RECEIVED FROM DEPARTMENT.

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Barbara Palacios and Jeremy Spitz (Public Utilities Commission); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; spoke on various concerns relating to the hearing matter.*

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

Ayes: 3 - Chan, Mandelman, Melgar

**240290 [License to Enter and Use - Honeybee Foods Corp. - Hallidie Plaza - \$1,200 Initial Annual Base Fee]**

Resolution approving and authorizing the Director of Property to enter into a license to enter and use with Honeybee Foods Corp., a Delaware Corporation, dba Jollibee USA for approximately 414 square feet (underground) of Hallidie Plaza, effective upon approval of this Resolution, through December 8, 2034, at an initial rent of \$1,200 per month with 3% annual increases thereafter; and authorizing the Director of Property to enter into any additions, amendments, or other modifications to the License that do not materially increase the obligations or liabilities of the City to effectuate the purposes of this Resolution. (Real Estate Department)

03/19/24; RECEIVED FROM DEPARTMENT.

04/02/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Claudia Gorham (City Administrator's Real Estate Division); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Anthony; shared various concerns relating to the hearing matter.*

**Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by replacing the references to a '\$1,200 monthly fee' with '\$1,200 annual fee' throughout the legislation. The motion carried by the following vote:**

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving and authorizing the Director of Property to enter into a license to enter and use with Honeybee Foods Corp., a Delaware Corporation, dba Jollibee USA for approximately 414 square feet (underground) of Hallidie Plaza, effective upon approval of this Resolution, through December 8, 2034, at an initial license fee of \$1,200 annually with 3% annual increases thereafter; and authorizing the Director of Property to enter into any additions, amendments, or other modifications to the License that do not materially increase the obligations or liabilities of the City to effectuate the purposes of this Resolution. (Real Estate Department)

**Chair Chan moved that this Resolution be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of April 24, 2024. The motion carried by the following vote:  
The motion carried by the following vote:**

Ayes: 3 - Chan, Mandelman, Melgar

*Chair Chan requested File Nos. 240272, 240347, and 240312 be called together.*

*Chair Chan recessed the meeting at 11:39 a.m., and reconvened the meeting at 11:53 a.m.*

**240272 [Transfer of Personal Property - Energy Center San Francisco, LLC - Steam Loop  
Emergency Repair - Not To Exceed \$3,100,000]**

**Sponsor: Peskin**

Resolution approving and authorizing the Director of Property to execute a transfer agreement for the purchase and sale of the steam distribution infrastructure facilities which run along McAllister Street, Larkin Street, Grove Street and Dr. Carlton B. Goodlett Street to Energy Center San Francisco, LLC, as buyer, for the transfer of ownership and operational responsibility for the Steam Loop; for two easements to allow Buyer to operate and maintain the Steam Loop on property owned by City; for City to reimburse Buyer for certain emergency repairs in an amount not to exceed \$3,100,000; for the City to continue to buy steam from Buyer for five years following the transfer date; affirming the Planning Department's determination under the California Environmental Quality Act, and adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1; and authorizing the Director of Property to execute any amendments, 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 transfer agreement, the easements or this Resolution. (Real Estate Department)  
(Fiscal Impact)

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

*Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (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. Brandon Cox (Lighthouse for the Blind and Visually Impaired - San Francisco); Thierry Fill; Rudy Gonzalez (San Francisco Building and Construction Trades Council); Mia Sangiacomo (1145 Market Street); Paul Wallace (TRINITY CENTER, LLC); Van Hart; spoke on various concerns regarding the hearing matter.*

**Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 4, Lines 1-2, by adding 'FURTHER RESOLVED, The public interest or necessity demands will not be inconvenienced by the transfer of the Steam Loop; and, be it'. The motion carried by the following vote:**

Ayes: 3 - Chan, Mandelman, Melgar

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

Ayes: 3 - Chan, Mandelman, Melgar

**240347 [Real Property Lease - TRINITY CENTER, LLC - 1145 Market Street - Initial Base Rent of \$1,368,445.45]****Sponsor: Peskin**

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, Office of Civic Engagement and Immigrant Affairs and Drug Market Agency Coordination Center 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 two five-year extension options to renew at an initial annual base rent of \$1,368,445.45 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. (Real Estate Department)

(Fiscal Impact)

04/02/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (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. Brandon Cox (Lighthouse for the Blind and Visually Impaired - San Francisco); Thierry Fill; Rudy Gonzalez (San Francisco Building and Construction Trades Council); Mia Sangiacomo (1145 Market Street); Paul Wallace (TRINITY CENTER, LLC); Van Hart; spoke on various concerns regarding the hearing matter.*

**Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 5, Lines 1-3, by adding 'FURTHER RESOLVED, That Director of Property shall provide notice to the Board of Supervisors in advance of exercising any authority under the agreement to extend its term; and, be it'. The motion carried by the following vote:**

Ayes: 3 - Chan, Mandelman, Melgar  
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

**240312 [Lease Agreement - Hudson 1455 Market, LLC - 1455 Market Street - \$0 Base Rent Initial Year - \$6,474,744.80 Annual Base Rent Beginning Year 2]****Sponsor: Peskin**

Resolution approving and authorizing the Director of Property, on behalf of multiple City Departments, to execute a lease agreement with Hudson 1455 Market, LLC, ("Hudson") as landlord, for lease of the property at 1455 Market Street for office space, storage and parking for a term of 21 years, from May 1, 2024, through April 30, 2045, with two five-year options to extend and 12 months of rent credit with an annual base rent of \$6,474,744.80 (year 2) for the lease of approximately 157,154 square feet, with 3% annual increases thereafter, and including the option to add additional leased space for three years and a three-year option to purchase the property subject to subsequent Board of Supervisors approval; authorizing the Director of Real Estate to the extent of available operating budget and to the extent not covered by the tenant improvement allowance to expend an amount not to exceed \$100,000 for digital technology costs, tenant improvements and furniture, fixtures and equipment; affirming the Planning Department's determination under the California Environmental Quality Act; adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1; and authorizing the Director of Property to execute any amendments, options to extend the lease 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 agreement or this Resolution.

(Fiscal Impact)

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

*Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (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. Brandon Cox (Lighthouse for the Blind and Visually Impaired - San Francisco); Thierry Fill; Rudy Gonzalez (San Francisco Building and Construction Trades Council); Mia Sangiacomo (1145 Market Street); Paul Wallace (TRINITY CENTER, LLC); Van Hart; spoke on various concerns regarding the hearing matter.*

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

Ayes: 3 - Chan, Mandelman, Melgar



**240229 [Grant Agreement Amendment - Abode Services - Flexible Housing Subsidy Pool - Not to Exceed \$17,918,683]**

**Sponsors: Mayor; Mandelman**

Resolution approving the second amendment to the grant agreement between Abode Services and the Department of Homelessness and Supportive Housing (“HSH”) for administration of a Flexible Housing Subsidy Pool program; extending the grant term by 12 months from June 30, 2025, for a total term of February 1, 2021, through June 30, 2026; increasing the agreement amount by \$8,018,683 for a total amount not to exceed \$17,918,683; 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)

03/12/24; 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. Gissel Madrid (Abode Services); spoke in support of the resolution matter. Thierry Fill; spoke on various concerns relating to the hearing matter.*

*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

*Chair Chan requested File Nos. 240198 and 240202 be called together.*



**240198 [Development Agreement Amendment - Treasure Island Community Development, LLC - Treasure Island]****Sponsors: Mayor; Dorsey**

Ordinance amending a Development Agreement between the City and County of San Francisco and Treasure Island Community Development, LLC, a California limited liability company, for the Treasure Island project and to amend the Financing Plan; making findings under the California Environmental Quality Act; making findings of consistency with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); and making findings of public necessity, convenience, and welfare under Planning Code, Section 302.  
(Fiscal Impact)

03/05/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 4/4/2024.

03/08/24; REFERRED TO DEPARTMENT. Referred to the Planning Commission for findings of consistency with the General Plan; the eight priority policies of Planning Code, Section 101.1; and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

04/05/24; NOTICED. Hearing notice mailed to landowners and affected taxing entities and the Ten-Day Notice for April 17, 2024 Budget and Finance Committee hearing published in the Examiner and posted, as required per Administrative Code, Section 56.8(b)(1) and Government Code, Section 53398.11 and 53398.12.

04/08/24; RESPONSE RECEIVED. On April 4, 2024, the Planning Commission met and held a duly noticed hearing and recommended approval of the proposed legislation.

*Heard in Committee. Speaker(s): Supervisor Matt Dorsey (Board of Supervisors); Bob Beck, Director, and Jaime Querubin (Treasure Island Development Authority); Sheila Nickolopoulos (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Greg Wagner, City Controller (Office of the Controller); Leigh Lutenski (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion. Mauricio Chavez, J'Anthony Manjivar, and Sean McGarry (Carpenters Local Union 22); Sherry Williams, Executive Director, Nella Goncalvez, and Vinicio Castro (One Treasure Island); Doug Shoemaker, President (Mercy Housing California); Rudy Gonzalez (San Francisco Building and Construction Trades Council); Tramecia Garner (Sword to Plowshares); spoke in support of the hearing matter. Jeff Kline, spoke in opposition to the hearing matter. Thierry Fill; spoke on various concerns relating to the hearing matter.*

*Chair Chan moved to accept amendments to the Amendment No. 1 of the Development Agreement on Exhibit D, Section 4.1(d)(iii)-(iv), to read '(iii) The Stage 2 Alternative Financing is expected to be structured as one or more lease certificates of participation that will represent lease payments payable by the City from its General Fund revenues ("Certificates of Participation"), although the City reserves the discretion for the Stage 2 Alternative Financing to be structured as other public financing vehicles selected by the City that are not secured by a pledge of Project Special Taxes or Net Available Increment. Although the Certificates of Participation will represent lease payments that are appropriated from the City's General Fund, the City expects that, except for the Stage 2 Contribution, the lease payments will be paid from General Fund revenues derived from the Project that would not exist but for the Project. (iv) The City and Developer anticipate that the Stage 2 Alternative Financing will generate a maximum of \$115 million of net proceeds to reimburse the Developer for Stage 2 Qualified Project Costs. Unless the Board of Supervisors approves otherwise, the Stage 2 Alternative Financing will be executed and delivered in no less than three separate tranches of Certificates of Participation, with no more than one tranche in a Fiscal Year. The City and the Developer currently anticipate that the Stage 2 Alternative Financing will be issued in three separate tranches of approximately \$50 million, \$50 million and \$15 million; provided, however, the City reserves the right in its discretion to determine the timing, principal amount and number of tranches based on economic efficiency, the policies described in Section 1.1(a)(xi) and the Developer's ability to spend the financing proceeds on Stage 2 Qualified Project Costs within two*

years. The City will cause the first tranche of Certificates of Participation, and subsequent tranches, to be executed and delivered only after the ten-year City Capital Plan that is updated after the A&R Reference Date demonstrates capacity for, and incorporates, the Stage 2 Alternative Financing in the COP program. The City will structure the Certificates of Participation so that lease payments will not be appropriated from the City's General Fund in Fiscal Year 2024-25 or Fiscal Year 2025-26.'

The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

**Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 5, Lines 6-8, by striking 'DA Exhibit A, Project Site, to reflect revisions to the Marina lease boundaries; DA Exhibit B, Legal Description, to reflect revisions to the Marina lease boundaries; and,'. The motion carried by the following vote:**

Ayes: 3 - Chan, Mandelman, Melgar  
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

**240202 [Amended and Restated Disposition and Development Agreement - Treasure Island and Yerba Buena Island]****Sponsors: Mayor; Dorsey**

Resolution approving an Amended and Restated Disposition and Development Agreement between the Treasure Island Development Authority and Treasure Island Community Development, LLC, for certain real property located on Treasure Island and Yerba Buena Island, including changes to the attached Financing Plan; making findings under the California Environmental Quality Act; and affirming findings of conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).  
(Fiscal Impact)

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

03/12/24; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee. 3/12/2024 - Mayor introduced a substitute Resolution bearing a new title

04/05/24; NOTICED. Resolution was included in hearing notice mailed to landowners and affected taxing entities and the Ten-Day Notice for April 17, 2024 Budget and Finance Committee hearing published in the Examiner and posted, for the File No. 240198, as required per Administrative Code, Section 56.8(b)(1) and Government Code, Section 53398.11 and 53398.12.

*Heard in Committee. Speaker(s): Supervisor Matt Dorsey (Board of Supervisors); Bob Beck, Director, and Jaime Querubin (Treasure Island Development Authority); Sheila Nickolopoulos (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Greg Wagner, City Controller (Office of the Controller); Leigh Lutenski (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion. Mauricio Chavez, J'Anthony Manjivar, and Sean McGarry (Carpenters Local Union 22); Sherry Williams, Executive Director, Nella Goncalvez, and Vinicio Castro (One Treasure Island); Doug Shoemaker, President (Mercy Housing California); Rudy Gonzalez (San Francisco Building and Construction Trades Council); Tramecia Garner (Sword to Plowshares); spoke in support of the hearing matter. Jeff Kline, spoke in opposition to the hearing matter. Thierry Fill; spoke on various concerns relating to the hearing matter.*

*Chair Chan moved to accept amendments to the Amended and Restated Disposition and Development Agreement, on Exhibit EE, Section 4.1(d)(iii)-(iv), to read '(iii) The Stage 2 Alternative Financing is expected to be structured as one or more lease certificates of participation that will represent lease payments payable by the City from its General Fund revenues ("Certificates of Participation"), although the City reserves the discretion for the Stage 2 Alternative Financing to be structured as other public financing vehicles selected by the City that are not secured by a pledge of Project Special Taxes or Net Available Increment. Although the Certificates of Participation will represent lease payments that are appropriated from the City's General Fund, the City expects that, except for the Stage 2 Contribution, the lease payments will be paid from General Fund revenues derived from the Project that would not exist but for the Project. (iv) The City and Developer anticipate that the Stage 2 Alternative Financing will generate a maximum of \$115 million of net proceeds to reimburse the Developer for Stage 2 Qualified Project Costs. Unless the Board of Supervisors approves otherwise, the Stage 2 Alternative Financing will be executed and delivered in no less than three separate tranches of Certificates of Participation, with no more than one tranche in a Fiscal Year. The City and the Developer currently anticipate that the Stage 2 Alternative Financing will be issued in three separate tranches of approximately \$50 million, \$50 million and \$15 million; provided, however, the City reserves the right in its discretion to determine the timing, principal amount and number of tranches based on economic efficiency, the policies described in Section 1.1(a)(xi) and the Developer's ability to spend the financing proceeds on Stage 2 Qualified Project Costs within two years. The City will cause the first tranche of Certificates of Participation, and subsequent tranches, to be executed and delivered only after the ten-year City Capital Plan that is updated after the A&R Reference Date demonstrates capacity for, and incorporates, the Stage 2 Alternative Financing in the COP program. The City will structure the Certificates of Participation so*

that lease payments will not be appropriated from the City's General Fund in Fiscal Year 2024-25 or Fiscal Year 2025-26.'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

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

Ayes: 3 - Chan, Mandelman, Melgar

**240307 [Multifamily Housing Revenue Notes - Transbay 2 Family, L.P. - Not to Exceed \$115,845,218]**

**Sponsors: Mayor; Dorsey and Mandelman**

Resolution authorizing the execution and delivery of multifamily housing revenue notes in one or more series in an aggregate principal amount not to exceed \$115,845,218 for the purpose of providing financing for the construction of a 184-unit multifamily rental housing project known as "Transbay Block 2 East"; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the construction loan from the funding lender to the City, and the execution and delivery of the notes; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the construction loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for the project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue notes by the City in an aggregate principal amount not to exceed \$115,845,218; approving modifications, changes and additions to the documents, as defined herein; ratifying and approving any action heretofore taken in connection with the funding loan, the borrower loan, the notes and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein. 03/26/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Kim Obstfeld (Office of Community Investment and Infrastructure); 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

## ADJOURNMENT

*There being no further business, the Budget and Finance Committee adjourned at the hour of 1:35 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.*