



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: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, April 10, 2019

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Sandra Lee Fewer, Catherine Stefani, and Rafael Mandelman

The Budget and Finance Sub-Committee met in a regular session on Wednesday, April 10, 2019, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:06 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Fewer, Vice Chair Stefani, and Member Mandelman were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Fewer requested File Nos. 190314 and 190315 be called together.

190314 [Multifamily Housing Revenue Bonds - 242 Hahn Street - Sunnydale Block 6 - Not to Exceed \$77,000,000]

Sponsors: Mayor; Walton

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 \$77,000,000 for Sunnydale Block 6 with a current address of 242 Hahn Street; 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 \$77,000,000; 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.

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

04/03/19; CONTINUED. Heard in Committee. Speakers: Theo Miller (Office of the Mayor); Sara Amaral (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190315 [Loan Agreement - Sunnydale HOPE SF - Not to Exceed \$28,478,891]**Sponsors: Mayor; Walton**

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute an Amended and Restated Loan Agreement with Sunnydale Infrastructure LLC, a California limited liability company, for a total loan amount not to exceed \$28,478,891 to finance the first phase of infrastructure improvements and housing development related to the revitalization and master development of up to 1770 units of replacement public housing, affordable housing, and market rate housing, commonly known as the Sunnydale HOPE SF Development ("Sunnydale Project"); and adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

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

04/03/19; CONTINUED. Heard in Committee. Speakers: Theo Miller (Office of the Mayor); Sara Amaral (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke on various concerns relating to the hearing matter.

Chair Fewer moved that this Resolution be AMENDED, to request the Director of the Mayor's Office of Housing and Community Development to submit a written report to the Board of Supervisors on the proceeds of the sale of Block 5 after the finalization of the sale, which includes the process for advertising the availability of the property for sale, the number of bidders, the range of bids, and the criteria for selecting the buyer. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mandelman

181212 [Administrative, Business and Tax Regulations Codes - Nonprofit Organizations' First-Right-to-Purchase Multi-Family Residential Buildings]**Sponsors: Fewer; Ronen, Haney, Mar, Walton, Safai, Peskin, Mandelman, Brown, Yee and Stefani**

Ordinance amending the Administrative Code to confer upon certain nonprofit organizations a first-right-to-purchase, consisting of both a right of first offer and a right of first refusal, over all multi-family residential buildings (and related construction sites and vacant lots) in the City, for the purpose of creating and preserving rent-restricted affordable rental housing, and to establish related procedures for the selection of such nonprofits, the preservation of rent-restricted affordable housing, and implementation and enforcement; amending the Business and Tax Regulations Code to exempt rent-restricted affordable housing created under this ordinance from increased rates of transfer tax; and affirming the Planning Department's determination under the California Environmental Quality Act.

12/11/18; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 1/10/2019.

12/27/18; REFERRED TO DEPARTMENT. Referred to the Planning Commission for hearing and Planning Department for environmental review.

01/15/19; SUBSTITUTED AND ASSIGNED to Rules Committee. Supervisor Fewer introduced a substitute Ordinance bearing a new title.

02/28/19; TRANSFERRED to Budget and Finance Committee. Rules Committee Chair Ronen waived the Rules Committee's authority to hear the matter and request that it be transferred to the Budget and Finance Committee.

03/06/19; TRANSFERRED to Budget and Finance Sub-Committee.

03/14/19; REFERRED TO DEPARTMENT. Referred (version 2) to Planning Department for environmental review; Planning Commission, pursuant to Planning Code, Section 302(b) for public hearing and recommendation; Planning Department, pursuant to Board of Supervisors Rule 3.23 for review and comment; and Rent Board, and Mayor's Office of Housing and Community Development for informational purposes.

04/01/19; RESPONSE RECEIVED. Response received from the Planning Department stating that this matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060(2) because it would not result in a direct or indirect physical change in the environment.

04/03/19; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. (Vice Chair Stefani requested to be added as a co-sponsor.)

Heard in Committee. Speakers: Paolo Ikezoe (Planning Department); provided an overview and responded to questions raised throughout the discussion. Speaker; Mary McNamara (Outer Sunset Working Group); Jack Avery (UWBA); Johnny Oliver (MEDA); Alexandra Goldman (Tenderloin Neighborhood Development Corporation); Keith Cooley and Bruce Wolfe (San Francisco Community Land Trust); Jesse Oliver Sanford; Kathy Burick (AFT 2121); Raymond Castillo, Lian Ladia, Ericka M., and David Woo (SOMCAN); Jordan Davis; Matthias Mormino; Katrina Liwanay (SOMA Pilipinas); Eddie Ahn (Brightline); Fernando Masti (CCHO); Charles Higgins, MSW (SF Community Land Trust); Speaker; spoke in support of the hearing matter. Charile Gloss; spoke in opposition to the hearing matter.

04/03/19; CONTINUED AS AMENDED.

04/09/19; REFERRED TO DEPARTMENT. Referred (version 3) to Planning Department for environmental review; Planning Commission, pursuant to Planning Code, Section 302(b) for public hearing and recommendation; Planning Department, pursuant to Board of Supervisors Rule 3.23 for review and comment; and Rent Board, Mayor's Office of Housing and Community Development, and Office of the Treasurer and Tax Collector for informational purposes.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Peter Cohen; Reverend Yanamoore; spoke in support of the hearing matter. Mei Ling Young (Bay Area Homeowners Network); spoke in opposition to the hearing matter.

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

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 190317 and 190316 be called together.

190317 [Lease Agreement - Tad's, Inc. - 44 Ellis Street - Annual Base Rent of \$5,317,024]

Sponsor: Mayor

Resolution authorizing the Municipal Transportation Agency to execute a retail lease agreement with Tad's, Inc., for approximately 5,368 square feet of retail space at 44 Ellis Street, for a ten year term, to commence upon approval by the Board of Supervisors, plus two five-year extension options, at an initial annual base rent of \$5,317,064. (Municipal Transportation Agency)

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

Heard in Committee. Speakers: Jason Gallegos (Municipal Transportation Agency); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Mandelman moved that this Resolution be AMENDED, on Page 1, Line 1, by replacing '\$5,317,064' with '\$5,317,024'; on Page 1, Lines 6-7, by replacing 'an initial annual base rent of \$5,317,064' with 'a total rent over the initial ten-year term of \$5,317,064'; on Page 2, Line 3, by replacing '\$5,317,064' with '\$5,317,024'; and on Page 3, Line 13, by replacing '\$5,317,064' with '\$5,317,024'. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Resolution authorizing the Municipal Transportation Agency to execute a retail lease agreement with Tad's, Inc., for approximately 5,368 square feet of retail space at 44 Ellis Street, for a ten-year term, to commence upon approval by the Board of Supervisors, plus two five-year extension options, at a total rent over the initial ten-year term of \$5,317,024. (Municipal Transportation Agency)

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

Ayes: 3 - Fewer, Stefani, Mandelman

190316 [Lease Termination Agreement - Tad's, Inc. - 44 Ellis Street]

Sponsor: Mayor

Resolution authorizing the Municipal Transportation Agency to terminate the lease agreement with Tad's Inc. for retail space located at 44 Ellis Street in the Ellis-O'Farrell Garage. (Municipal Transportation Agency)
(Fiscal Impact)

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

Heard in Committee. Speakers: Jason Gallegos (Municipal Transportation Agency); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190290 [Accept and Expend In-Kind Gift - Retroactive - City Innovate - Consulting Services - Total Value of Services \$125,000]**Sponsor: Mayor**

Resolution retroactively authorizing the Department of Technology to accept an in-kind gift of consulting services from City Innovate for a five-year term from October 9, 2018, through October 8, 2023, for a total value of \$125,000. (Department of Technology)

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Krista Canellakis, Chief Innovation Office (Department of Technology); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190291 [Accept and Expend Grant - Retroactive - California Department of Health Care Services - Homeless Mentally Ill Outreach and Treatment Grant - \$3,179,000]**Sponsors: Mayor; Mandelman and Stefani**

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the total amount of \$3,179,000 from the California Department of Health Care Services to participate in a program, entitled "Homeless Mentally Ill Outreach and Treatment," for the period of January 1, 2019, through June 30, 2020, and waiving indirect costs. (Public Health Department)

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Dr. Irene Sung, Interim Director of Behavioral Health Services (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190292 [Accept and Expend Grant - Retroactive - California Department of Public Health - California Perinatal Equity Initiative Grant - \$402,768]**Sponsors: Mayor; Walton**

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the total amount of \$402,768 from the California Department of Public Health to participate in a program, entitled "California Perinatal Equity Initiative," for the period of December 1, 2018, through September 30, 2019, and waiving indirect costs. (Public Health Department)

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Joshua Nossiter, Interim Director of Maternal Child and Adolescent Health (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 190204 and 190191 be called together.

190204 [Lease Agreement - The Marshall Retail Group, LLC - Boarding Area C Retail Concession Lease 2 - Lease No.18-0368 - \$600,000 Minimum Annual Guarantee]

Resolution approving the Boarding Area C Retail Concession Lease 2 - Lease No. 18-0368, between The Marshall Retail Group, LLC, 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 to extend, and a minimum annual guarantee of \$600,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

02/21/19; RECEIVED FROM DEPARTMENT.

03/05/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-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.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190191 [Lease Agreement - Hudson Group (HG) Retail, LLC, RDJ Enterprises, LLC, and Stewart Manhattan Investments, Inc., a JV dba HG SFO Retailers 2017 JV - Boarding Area C Retail Concession Lease No. 1 - Lease No. 18-0367 - \$1,800,000 Minimum Annual Guarantee]

Resolution approving the Boarding Area C Retail Concession Lease No. 1 - Lease No.18-0367, between Hudson Group (HG) Retail, LLC, RDJ Enterprises, LLC, and Stewart Manhattan Investments, Inc., a Joint Venture dba HG SFO Retailers 2017 JV, as joint tenants, 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 to extend, and a minimum annual guarantee of \$1,800,000 for the first year of the Lease, to commence upon Board approval. (Airport Commission)

02/11/19; RECEIVED FROM DEPARTMENT.

02/26/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-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.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190245 [Waiver of Banner Fee - Retroactive - Office of Economic and Workforce Development - Shop & Dine in the 49 Campaign]**Sponsors: Mayor; Brown**

Ordinance retroactively waiving the banner fees under Public Works Code, Section 184.78, for the placement of up to 300 banners per year, for three years, by the Office of Economic and Workforce Development to publicize the City's "Shop & Dine in the 49" campaign, beginning on November 20, 2018; and affirming the Planning Department's determination under the California Environmental Quality Act.

03/05/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 4/4/2019.

03/12/19; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

04/05/19; RESPONSE RECEIVED. Response received from the Planning Department stating that this matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2).

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

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

Ayes: 3 - Fewer, Stefani, Mandelman

190105 [Agreement Amendment - Community Awareness and Treatment Services - Behavioral Health Fiscal Intermediary Services - Not to Exceed \$23,186,920]

Resolution approving Amendment No. 1 to the agreement between Community Awareness and Treatment Services and the Department of Public Health for behavioral health services, to increase the agreement amount by \$14,363,136 for an amount not to exceed \$23,186,920; and to extend the term by three years, from June 30, 2019, for a total agreement term of July 1, 2017, through June 30, 2022. (Public Health Department)
(Fiscal Impact)

01/25/19; RECEIVED FROM DEPARTMENT.

02/05/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

02/28/19; TRANSFERRED to Budget and Finance Sub-Committee.

03/06/19; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Speaker; spoke neither in support nor opposition to the hearing matter.

Heard in Committee. Speakers: Michelle Ruggel (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 Fewer moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 190226 and 190227 be called together.

190226 [Accept and Expend Grant - Retroactive - California Department of Insurance - Workers' Compensation Insurance Fraud Program - \$801,148]

Sponsor: Stefani

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$801,148 from the California Department of Insurance for the Workers' Compensation Insurance Fraud Program for the grant period of July 1, 2018, through June 30, 2019. (District Attorney)

02/26/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Supriya Perry (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190227 [Accept and Expend Grant - Retroactive - California Department of Insurance - Automobile Insurance Fraud Program - \$298,336]

Sponsor: Stefani

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$298,336 from the California Department of Insurance for the Automobile Insurance Fraud Program for the grant period of July 1, 2018, through June 30, 2019. (District Attorney)

02/26/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Supriya Perry (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190228 [Accept and Expend Grant - Retroactive - California Governor's Office of Emergency Services - Victim Witness Assistance Program - \$1,549,288]

Sponsor: Stefani

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$1,549,288 from the California Governor's Office of Emergency Services for the Victim Witness Assistance Program for the grant period of October 1, 2018, through September 30, 2019. (District Attorney)

02/26/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Dr. Gena Castro Rodriguez, Chief of Victim Services (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 10:51 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.