



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: Malia Cohen, Sandra Lee Fewer, Catherine Stefani, Jeff Sheehy, Norman Yee

Clerk: Linda Wong (415) 554-7719

Thursday, May 31, 2018

1:30 PM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Present: 5 - Malia Cohen, Sandra Lee Fewer, Catherine Stefani, Jeff Sheehy, and Norman Yee

The Budget and Finance Committee met in rescheduled session on Thursday, May 31, 2018, with Chair Malia Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 1:40 p.m. On the call of the roll, Chair Cohen, Vice Chair Fewer, Member Stefani, Member Sheehy, and Member Yee were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

180462 [General Obligation Bonds - Seawall and Other Critical Infrastructure - \$425,000,000]

Sponsors: Mayor; Breed, Cohen, Kim, Peskin and Sheehy

Resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening, and repair of the Embarcadero Seawall and other critical infrastructure and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$425,000,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; affirming the Planning Department's determination under the California Environmental Quality Act; finding the proposed bond is in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); and waiving the time limits set forth in Administrative Code, Section 2.34.

(Fiscal Impact)

05/01/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/11/18; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; Office of the Controller for financial analysis report; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, Office of the City Administrator, Port of San Francisco, Bay Area Rapid Transit, Municipal Transportation Agency, Rent Board, and Recreation and Parks Department for reports and/or comments, pursuant to Rules of Order 2.22.4.

05/14/18; TRANSFERRED to Budget and Finance Committee. President Breed transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

05/23/18; RESPONSE RECEIVED. Response received from the Planning Department stating that the matter is not defined as a "project" under CEQA.

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Director Elaine Forbes (Port of San Francisco); Jon Givner (Office of the City Attorney); Sunny Angulo (Office of Supervisor Aaron Peskin); Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Bruce Agid; Laura Zander (Exploratorium); Alex Mitra (San Francisco Chamber of Commerce); Thea Selby; Lt. Tom O'Connor, President (San Francisco Firefighters Local 798); Corinne Woods; Timothy Reiff (Carpenters Local 22); Alice Rogers (Neighborhood Association); Charles Lavery (Operating Engineers, Local 3); spoke in support of the hearing matter. Ace Washington; Speaker; spoke neither in support nor against the hearing matter.

Chair Cohen, seconded by Member Stefani, moved that this Resolution be AMENDED, by adding language for the California Environmental Quality Act; and making other clarifying and conforming language. The motion carried by the following vote:

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee
(Fiscal Impact)

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

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee

180461 [Amended Ten-Year Capital Expenditure Plan-FYs 2018-2027 - Increase Proposed Seawall Bond to \$425,000,000]**Sponsors: Mayor; Breed, Cohen, Kim, Peskin and Sheehy**

Resolution amending the City's ten-year capital expenditure plan for FYs 2018-2027 to increase the proposed Seawall Bond from \$350,000,000 to \$425,000,000 to fund Phase 1 of the Seawall Program. (Fiscal Impact)

05/01/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/16/18; TRANSFERRED to Budget and Finance Committee. President Breed transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Director Elaine Forbes (Port of San Francisco); Jon Givner (Office of the City Attorney); Sunny Angulo (Office of Supervisor Aaron Peskin); Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Bruce Agid; Laura Zander (Exploratorium); Alex Mitra (San Francisco Chamber of Commerce); Thea Selby; Lt. Tom O'Connor, President (San Francisco Firefighters Local 798); Corinne Woods; Timothy Reiff (Carpenters Local 22); Alice Rogers (Neighborhood Association); Charles Lavery (Operating Engineers, Local 3); spoke in support of the hearing matter. Ace Washington; Speaker; spoke neither in support nor against the hearing matter.

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

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee

180454 [General Obligation Bond Election - Seawall and Other Critical Infrastructure - \$425,000,000]**Sponsors: Mayor; Breed, Cohen, Kim, Peskin, Sheehy and Yee**

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 6, 2018, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$425,000,000 to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; affirming the Planning Department's determination under the California Environmental Quality Act, and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan; consolidating the special election with the general election; establishing the election precincts, voting places, and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the Citizens' Bond Oversight Committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

(Economic Impact; No Economic Analysis Report)

05/01/18; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 5/31/2018.

05/11/18; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; Office of the Controller for financial analysis report; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, Office of the City Administrator, Port of San Francisco, Bay Area Rapid Transit, Municipal Transportation Agency, Rent Board, and Recreation and Parks Department for reports and/or comments, pursuant to Rules of Order 2.22.4.

05/14/18; TRANSFERRED to Budget and Finance Committee. President Breed transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

05/24/18; RESPONSE RECEIVED. Response received from the Planning Department stating that the matter is not defined as a "project" under CEQA.

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Director Elaine Forbes (Port of San Francisco); Jon Givner (Office of the City Attorney); Sunny Angulo (Office of Supervisor Aaron Peskin); Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Bruce Agid; Laura Zander (Exploratorium); Alex Mitra (San Francisco Chamber of Commerce); Thea Selby; Lt. Tom O'Connor, President (San Francisco Firefighters Local 798); Corinne Woods; Timothy Reiff (Carpenters Local 22); Alice Rogers (Neighborhood Association); Charles Lavery (Operating Engineers, Local 3); spoke in support of the hearing matter. Ace Washington; Speaker; spoke neither in support nor against the hearing matter.

(Member Yee requested to be added as a co-sponsor.)

Chair Cohen, seconded by Member Stefani, moved that this Ordinance be AMENDED, by adding language for the California Environmental Quality Act; and making other clarifying and conforming language. The motion carried by the following vote:

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee

(Economic Impact; No Economic Analysis Report; Fiscal Impact)

Chair Cohen requested that this Ordinance be DUPLICATED AND AMENDED.

See duplicated File No. 180571.

Chair Cohen, seconded by Vice Chair Fewer, moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee

180571 [General Obligation Bond Election - Seawall and Other Critical Infrastructure - Ballot Question]

Sponsors: Mayor; Breed, Cohen, Kim, Peskin, Sheehy and Yee

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 6, 2018, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$425,000,000 to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; affirming the Planning Department's determination under the California Environmental Quality Act, and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan; consolidating the special election with the general election; establishing the election precincts, voting places, and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the Citizens' Bond Oversight Committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

(Economic Impact; No Economic Analysis Report; Fiscal Impact)

Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Director Elaine Forbes (Port of San Francisco); Jon Givner (Office of the City Attorney); Sunny Angulo (Office of Supervisor Aaron Peskin); Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Bruce Agid; Laura Zander (Exploratorium); Alex Mitra (San Francisco Chamber of Commerce); Thea Selby; Lt. Tom O'Connor, President (San Francisco Firefighters Local 798); Corinne Woods; Timothy Reiff (Carpenters Local 22); Alice Rogers (Neighborhood Association); Charles Lavery (Operating Engineers, Local 3); spoke in support of the hearing matter. Ace Washington; Speaker; spoke neither in support nor against the hearing matter.

Chair Cohen, seconded by Member Stefani, moved that this Ordinance be AMENDED, AMENDMENT OF THE WHOLE BEARING NEW TITLE, by removing language other than the ballot question. The motion carried by the following vote:

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee

Ordinance adopting a question to appear on the November 6, 2018 ballot regarding the proposed ordinance to incur \$425,000,000 of bonded debt of the City and County to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure, and related costs necessary or convenient for the foregoing purposes.

(Economic Impact; No Economic Analysis Report; Fiscal Impact)

Duplicated from File No. 180454.

Chair Cohen, seconded by Vice Chair Fewer, moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Cohen, Fewer, Stefani, Sheehy, Yee

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 2:21 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.