



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, February 24, 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, February 24, 2021, with Chair Matt Haney presiding. Chair Haney called the meeting to order at 10:32 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 and Member Mar were noted present. Vice Chair Safai was noted not present. A quorum was present.

Vice Chair Safai was noted present at 10:34 a.m.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

210051 [Transfer of Real Property - Portion of Former Wool Ranch - Alameda County, California - \$500,000]

Resolution authorizing the Director of Property to execute a Quitclaim Deed and the San Francisco Public Utilities Commission (SFPUC) General Manager to execute an Agreement for Sale of Real Estate for the conveyance of real property by the City and County of San Francisco to the East Bay Regional Park District, commonly known as a portion of the Former Wool Ranch, Assessor's Parcel Block No. 096-0090-005-11 (20 acres); adopting findings under the California Environmental Quality Act; adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting findings declaring that the real property is "exempt surplus land;" and authorizing the Director of Property and the SFPUC General Manager to execute any documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein. (Public Utilities Commission)

01/13/21; RECEIVED FROM DEPARTMENT.

01/26/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Rosanna Russell (Public Utilities Commission); 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

210070 [Airport Commission Commercial Paper Notes - \$100,000,000]

Resolution approving the issuance and re-issuance from time to time of up to an additional \$100,000,000 aggregate principal amount of San Francisco International Airport Subordinate Commercial Paper Notes for any lawful Airport purpose; and ratifying and confirming certain related Resolutions of the Board and the Airport Commission, as defined herein. (Airport Commission) (Fiscal Impact)

01/22/21; RECEIVED FROM DEPARTMENT.

02/02/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Ivar Satero, Director, and Kevin Kone (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 AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to request the Airport Director to submit a written update on the financial condition of the Airport Commission as it pertains to the Commercial Paper program in June 2021. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar
(Fiscal Impact)

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

Ayes: 3 - Haney, Safai, Mar

210118 [Conveyance and Exchange of Real Property - 234 Van Ness, LLC - 240 Van Ness Avenue and 234 Van Ness Avenue]**Sponsor: Mayor**

Resolution approving and authorizing the Director of Property to convey a portion of City-owned real property, located at 240 Van Ness Avenue, in exchange for the real property located at 234 Van Ness Avenue with 234 Van Ness, LLC; such conveyance is preceded by reconfiguring the properties to deliver a single developable parcel to the City for the purposes of building affordable housing; adopting findings that the conveyance and exchange is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; authorizing the Director of Property to execute documents, make certain modifications and take all actions necessary or advisable to effectuate the purpose of this Resolution, as defined herein; and adopting findings under the California Environmental Quality Act.

(Fiscal Impact)

02/02/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Mara Blitzer (Mayor's Office of Housing and Community Development); Andrico Penick, Director (Real Estate 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

210119 [Accept and Expend Grant - Alternative Process County Competitive Allocation Funds - California Department of Housing and Community Development - No Place Like Home Grant Program - Up to \$322,157]**Sponsor: Mayor**

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to participate in the third round Notice of Funding Availability and accept and expend the county competitive allocation award for an amount up to \$322,157 under the California Department of Housing and Community Development No Place Like Home Program, which provides funding for counties to develop multifamily housing specifically for persons with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness, for a term to be determined following Board approval. (Mayor's Office of Housing and Community Development)

02/02/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Mara Blitzer (Mayor's Office of Housing and Community Development); 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

210084 [Real Property Lease Amendment - Sum M. Seto Properties, LLC and Jenny P. Seto Properties, LLC - 1421 Broderick Street - \$372,510 Per Year in Base Rent]**Sponsor: Mayor**

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health and Sum M. Seto Properties, LLC, and Jenny P. Seto Properties, LLC, to amend the lease of real property for its 33-bed, licensed treatment facility located at 1421 Broderick Street at a base rent of \$372,510 per year with annual rent increases of 3%, and to extend the Lease expiring on January 31, 2021, through January 31, 2024, to commence upon approval of this Resolution by the Board of Supervisors; 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. (Real Estate Department)

(Fiscal Impact)

01/26/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Andrico Penick, Director (Real Estate 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 AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to request an annual written report from the Department of Public Health in consultation with the Real Estate Division by June of each year on options to purchase 1421 Broderick Street, other potential City or private properties available for purchase as an alternative long-term care site, and steps the Real Estate Division is taking to ensure sufficient long term care facility space at the end of the existing lease. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

(Fiscal Impact)

Chair Haney moved that this Resolution be RECOMMENDED AS AMENDED. 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.

01/27/21; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: John Scarpulla (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Michael Hyams (Public Utilities Commission); Anne Pearson (Office of the City Attorney); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Alex Flansburg; spoke in support of the hearing matter. Francisco Da Costa; spoke in various concerns relating to the hearing matter.

Chair Haney moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 4, Line 9, to Page 5, Line 9, by adding a new sub-section stating '(i) In its Resolution, the PUC Commission directed staff to work with other CC Power members as appropriate to develop policies and guidelines for procuring products and services in a manner that promotes the City's and SFPUC's environmental goals and efforts to foster an inclusive and sustainable workforce through support for measures such as fair and equitable compensation, local hiring, and support of local businesses, while maintaining affordable and stable rates for San Franciscans; including: Engaging in outreach efforts in local and diverse communities, including disadvantaged and low-income communities, to create a diverse pool of candidates for open positions, while providing fair compensation that aligns with regional market indicators for compensation; Conducting marketing and outreach in an inclusive manner in CC Power member communities, including attending important multi-cultural community events with multi-lingual materials and speakers as appropriate, using local, diverse media outlets, and other opportunities to increase awareness of CleanPowerSF services and programs pursued in partnership with CC Power; Sharing information and collateral with CC Power members about SFPUC's Racial Equity initiatives that are promoting inclusion, access, and diverse engagement in a manner consistent with the adopted SFPUC Racial Equity Resolution (Resolution 20-0149); Relying on a combination of local labor, union labor and apprenticeship programs, and following fair compensation practices, including proper assignment of work to crafts that traditionally perform the work, when constructing CC Power projects; and Promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing and prevailing wage base in local communities where CC Power-contracted projects will be located'; and, on Page 5, Lines 15-16, after 'Power' by adding 'and to request approval from the CC Power governing board to become a member of CC Power, if necessary'. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

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

Ayes: 3 - Haney, Safai, Mar

210143 [Acquisition of Real Property - 5th and Howard Associates, L.P. - 921 Howard Street - 100% Affordable Housing - \$13,765,670 - Ground Lease with Base Rent of \$15,000 - Loan Not to Exceed \$39,148,960]

Sponsor: Mayor

Resolution 1) approving and authorizing the Director of Property, on behalf of the San Francisco Mayor's Office of Housing and Community Development ("MOHCD"), to acquire Real Property, located at 921 Howard Street ("Property") from 5th and Howard Associates, L.P. ("Developer") for \$13,765,670; 2) placing the Property under the jurisdiction of MOHCD for use in constructing affordable housing for San Franciscans; 3) approving and authorizing a Loan Agreement in an amount not to exceed \$39,148,960 for a minimum loan term of 57 years ("Loan Agreement") to finance the construction of a 100% affordable, 203-unit multifamily rental housing development (plus one staff unit) on the Property for low income households with ancillary commercial space for public benefit or community-serving purposes ("Project"); 4) approving and authorizing an Agreement for Purchase and Sale for acquisition of the Property ("Purchase Agreement") and a Ground Lease back to the Developer for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 in order to construct the Project ("Ground Lease") to commence after approval by the Board of Supervisors and Mayor; 5) adopting findings that the Purchase Agreement, Loan Agreement and Ground Lease are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing the Director of Property and the Director of MOHCD to execute the Purchase Agreement, Ground Lease, and Loan Agreement, make certain modifications to such agreements, and take certain actions in furtherance of this Resolution, as defined herein.

(Fiscal Impact)

02/09/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jonathan Gagen and Amy Chan (Mayor's Office of Housing and Community Development); Katie Lamont (Tenderloin Neighborhood Development Corporation); Severin Campbell (Office of the Budget and Legislative Analyst); Mara Blitzer (Mayor's Office of Housing and Community Development); Anne Pearson (Office of the City Attorney); Risa Sandler (Office of the Controller); 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, on Page 7, Lines 8-11, after 'official file' by adding 'and be it FURTHER RESOLVED, That the Board of Supervisors urges the Director of MOHCD to report to the Board on the details of the proposed disposition of Parcel B, prior to finalizing any agreement for the future acquisition of Parcel B by the City or a third party'; on Page 7, Lines 14-17, by revising the information in the table pertaining to funding the project; and to make other conforming and clerical amendments. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution 1) approving and authorizing the Director of Property, on behalf of the San Francisco Mayor's Office of Housing and Community Development ("MOHCD"), to acquire real property located at 921 Howard Street ("Property") from 5th and Howard Associates, L.P. ("Developer") for \$13,765,670; 2) placing the Property under the jurisdiction of MOHCD for use in constructing affordable housing for San Franciscans; 3) approving and authorizing a Loan Agreement in an amount not to exceed \$39,148,960 for a minimum loan term of 57 years ("Loan Agreement") to finance the construction of a 100% affordable, 203-unit multifamily rental housing development (plus one staff unit) on the Property for low income households with ancillary commercial space for public benefit or community-serving purposes ("Project"); 4) approving and authorizing an Agreement for Purchase and Sale for acquisition of the Property ("Purchase Agreement") and a Ground Lease back to the Developer for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 in order to construct the Project ("Ground Lease") to commence after approval by the Board of Supervisors and Mayor; 5) adopting findings that the Purchase Agreement, Loan Agreement and Ground Lease are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing the Director of Property and the Director of MOHCD to execute the Purchase Agreement, Ground Lease, and Loan Agreement, make certain modifications to such agreements, and take certain actions in furtherance of 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

210139 [Emergency Ordinance - Limiting COVID-19 Impacts by Continuing to Make Shelter-in-Place Hotel Rooms Available to People Experiencing Homelessness]
Sponsors: Haney; Preston, Ronen, Walton, Melgar and Mar

Emergency ordinance to prohibit the City from requiring people experiencing homelessness currently housed in approximately 2,000 Shelter-in-Place ("SIP") Hotel rooms to move from those rooms until those individuals obtain a stable housing placement; to require the City to make a total of 2,200 Shelter-in-Place ("SIP") Hotel rooms available, and to fill those rooms, as they are vacated, for people experiencing homelessness; and to require the Department of Homelessness and Supportive Housing to prepare publicly available reports on the progress of placements from SIP Hotels into stable housing.

(Pursuant to Charter, Section 2.107, this matter requires the affirmative vote of two-thirds of the Board of Supervisors (8 votes) for passage.)

(Fiscal Impact)

02/09/21; ASSIGNED to Budget and Finance Committee. 2/11/21 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Trent Rhorer, Executive Director (Human Services Agency); Abigail Stewart-Kahn, Interim Director (Department of Homelessness and Supportive Housing); Severin Campbell (Office of the Budget and Legislative Analyst); Janice Levy and Risa Sandler (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Speaker; Doug Gary; Wilson Gong; Danella; Cathy Lipskin; Danny Smith; Jordan Davis; Itzel Estrada (Youth Commission); Jennifer Friedenbach; Mary Kate Bacalau; Mr. Ramos; Speaker; Speaker; spoke in support of the hearing matter. Linda Chapman; Speaker; Liza Moralsky; spoke on various concerns relating to the hearing matter.

Chair Haney moved that this Emergency Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Line 4, and Page 8, Line 18, by replacing 'housed' with 'sheltered'; and, on Page 9, Line 13, after 'provision of rooms shall' by adding 'prioritize, but'. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Emergency ordinance to prohibit the City from requiring people experiencing homelessness currently sheltered in approximately 2,000 Shelter-in-Place (“SIP”) Hotel rooms to move from those rooms until those individuals obtain a stable housing placement; to require the City to make a total of 2,200 Shelter-in-Place (“SIP”) Hotel rooms available, and to fill those rooms, as they are vacated, for people experiencing homelessness; and to require the Department of Homelessness and Supportive Housing to prepare publicly available reports on the progress of placements from SIP Hotels into stable housing.

(Pursuant to Charter, Section 2.107, this matter requires the affirmative vote of two-thirds of the Board of Supervisors (8 votes) for passage.)

(Fiscal Impact)

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

Ayes: 3 - Haney, Safai, Mar

Chair Haney recessed the meeting at 2:52 p.m. and reconvened the meeting at 2:54 p.m.

Chair Haney recessed the meeting at 3:31 p.m. and reconvened the meeting at 3:56 p.m.

201364 [Appropriation - General Reserve - Mayor’s Office of Housing and Community Development - \$10,050,000 for Rent Relief - \$10,050,000 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.

01/27/21; CONTINUED. Heard in Committee. Speaker: Kyle Smeallie (Office of Supervisor Dean Preston); provided an overview and responded to questions raised throughout the discussion.

02/10/21; CONTINUED. Heard in Committee. Speaker: Kyle Smeallie (Office of Supervisor Dean Preston); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Supervisor Dean Preston (Board of Supervisors); Anne Pearson (Office of the City Attorney); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Praya; Lex Anson; Kathy Lipskin; Speaker; Raymond Costello; Lorraine Petty; Anastasia Youvonopolous; Tina Mendoza; Raul; Anya Morlly; Jennifer; Teressa Federick; Calvin Quick (Youth Commission); Gen Fujioka; Patrick Catherine; spoke in support of the hearing matter.

Chair Haney moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE by increasing the appropriation amount to the Rent Resolution and Relief Fund and the Housing Stability Fund from \$5,700,000 to \$10,050,000 and to other conforming and clarifying amendments. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Ordinance appropriating \$10,050,000 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 \$10,050,000 for the acquisition, creation and operation of affordable, social housing under the Housing Stability Fund in Fiscal Year (FY) 2020-2021.
(Fiscal Impact)

Chair Haney moved that this Ordinance be REFERRED AS AMENDED to the Budget and Appropriations Committee meeting of March 17, 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 4:43 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.