

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Carla Short, Director, Public Works
Thor Kaslofsky, Executive Director, Office of Community Investment and Infrastructure
Tom Paulino, Liaison to the Board of Supervisors, Mayor's Office

FROM: Brent Jalipa, Assistant Clerk, Budget and Finance Committee

DATE: September 6, 2024

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Mayor London Breed:

File No. 240841

Ordinance delegating Board of Supervisors approval authority under Charter, Section 9.118(a), to the Department of Public Works to enter into and amend contracts with the Office of Community Investment and Infrastructure ("OCII") for the Transbay Project; and authorizing the Department of Public Works to execute certain access agreements necessary to further the development of the Transbay Project.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: David Steinberg, Public Works
Ian Schneider, Public Works
Lucinda Nguyen, Office of Community Investment and Infrastructure
Jamie Cruz, Office of Community Investment and Infrastructure
Andres Power, Mayor's Office

1 [Delegation of Approval Authority for Contracts with OCII for Transbay Project]

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3 **Ordinance delegating Board of Supervisors approval authority under Charter, Section**
4 **9.118(a), to the Department of Public Works to enter into and amend contracts with the**
5 **Office of Community Investment and Infrastructure (“OCII”) for the Transbay Project;**
6 **and authorizing the Department of Public Works to execute certain access agreements**
7 **necessary to further the development of the Transbay Project.**

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NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

12

13 Be it ordained by the People of the City and County of San Francisco:

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15 Section 1. Background.

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16 (a) The Board of Supervisors approved a Redevelopment Plan for the Transbay
17 Project Area by Ordinance No. 124-05, in June 2005, and by Ordinance No. 99-06, in May
18 2006. The Transbay Project Area is located primarily between Folsom and Howard Streets,
19 east of 2nd Street, and west of Spear and Main Streets, and also includes a small portion
20 along Essex and Harrison Streets south of Folsom. The Redevelopment Plan contemplates
21 the development of approximately 3,900 residential units, 2.5 million square feet of office
22 space, 94,000 square feet of retail, new streets, streetscape improvements, and 9 acres of
23 open space including the addition of three parks.

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(b) On February 1, 2012, Assembly Bill 26 (Cal. Health & Safety Code Section
25 34170 *et seq.*) (“Dissolution Law”) dissolved the San Francisco Redevelopment Agency

1 (“Redevelopment Agency”) along with all 400 redevelopment agencies in California and
2 created successor agencies to complete certain enforceable obligations of the redevelopment
3 agencies and to wind down redevelopment activities.

4 (c) The State of California, through its Department of Finance, has approved, under
5 the Dissolution Law, the Transbay Redevelopment Project Implementation Agreement
6 (January 20, 2005) as an enforceable obligation that survived the dissolution of the former
7 Redevelopment Agency.

8 (d) Under the authority of the Dissolution Law and under Ordinance No. 215-12, the
9 City and County of San Francisco (the “City”) delegated Dissolution Law authority to the
10 Successor Agency Commission to assume the remaining obligations of the Redevelopment
11 Agency. Among the remaining obligations, the Successor Agency (commonly known as the
12 Office of Community Investment and Infrastructure or “OCII”) is responsible for completing the
13 development of those projects that comply with the Transbay Redevelopment Project
14 Implementation Agreement, as further approved by the Oversight Board of the City and
15 County of San Francisco and the California Department of Finance in OCII’s annual
16 Recognized Obligation Payment Schedule (the “Transbay Project”).

17 (e) To assist OCII in meeting its obligations under the Transbay Project, OCII
18 partnered with the Department of Public Works to provide infrastructure delivery support and
19 coordination services, project management, construction management, construction
20 administration, and other professional services related to the design, engineering, and
21 delivery of the proposed Transbay Project park and streetscape improvements (“Project
22 Services”). The eligible reimbursements to the City for these Project Services are estimated
23 to exceed \$1 million.

1 (f) Under Charter Section 9.118(a), the Board of Supervisors must approve
2 revenue contracts entered into by a department having anticipated revenue to the City of \$1
3 million or more.

4 (g) The Dissolution Law establishes that OCII is a separate legal entity from the
5 City. Under Ordinance No. 215-12, however, the Board of Supervisors, in its capacity as the
6 legislative body for the City, must approve OCII' s annual budget. OCII's annual budget is
7 initially approved by the Successor Agency Commission and subsequently requires the
8 approval of the Mayor and Board.

9 (h) The Project Services supplied by the Department of Public Works also requires
10 that OCII and the City execute property access agreements to allow the City and City
11 contractors to enter OCII property to perform the Project Services. The Department of Public
12 Works may also need to access other property in the vicinity to perform the Project Services.
13 Under Administrative Code Sections 2A.110, 23.1, and 23.25, any lease or other means of
14 granting the Department of Public Works the right to occupy or use real property, including a
15 license, permit to enter, use permit, or other similar instrument, is to be made through the
16 Director of Property.

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18 Section 2. Delegation of Authority Under Charter Section 9.118(a) to the Director of
19 Public Works.

20 Pursuant to its authority under Charter Section 9.118(a), the Board of Supervisors
21 delegates authority to the Director of the Department of Public Works to enter into project
22 management and project delivery support services contracts with OCII anticipated to generate
23 over \$1 million in reimbursements or revenue to the City to further the implementation of the
24 Transbay Project, so long as the expenditures are authorized in OCII's Recognized Obligation
25 Payment Schedule approved by the Oversight Board of the City and County of San Francisco

1 and the California Department of Finance and in the City's annual budget, approved by the
2 Mayor and Board of Supervisors. The Board of Supervisors further authorizes the Public
3 Works Director to enter into any amendments or modifications to these contracts with OCII for
4 the Transbay Project.

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6 Section 3. Waiver of Certain Administrative Code Real Property Provisions.

7 Notwithstanding the requirements of Administrative Code Sections 2A.110, 23.1, and
8 Section 23.25, the Board of Supervisors authorizes the Director of Public Works to execute
9 any access agreement necessary for the Department of Public Works to perform its Project
10 Services to further the implementation of the Transbay Project, so long as the access
11 agreement does not require the City to pay any access fee and does not have a term that
12 exceeds ten years.

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14 Section 4. Effective Date. This ordinance shall become effective 30 days after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor's veto of the ordinance.

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20 APPROVED AS TO FORM:
21 DAVID CHIU, City Attorney

22 By: /s/
23 YADIRA TAYLOR
24 Deputy City Attorney

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LEGISLATIVE DIGEST

[Delegation of Approval Authority for Contracts with OCII for Transbay Project]

Ordinance delegating Board of Supervisors approval authority under Charter, Section 9.118(a), to the Department of Public Works to enter into and amend contracts with the Office of Community Investment and Infrastructure (“OCII”) for the Transbay Projects; and authorizing the Department of Public Works to execute certain access agreements necessary to further the development of the Transbay Projects.

Existing Law

Under Charter Section 9.118, the Board of Supervisors must approve revenue contracts entered into by a department having anticipated revenue to the City of \$1 million or more. Further, under Administrative Code Sections 2A.110, 23.1, and 23.25, any lease or other means of granting a City department the right to occupy or use real property, including a license, permit to enter, use permit, or other similar instrument, is to be made through the Director of Property.

Amendments to Current Law

This ordinance would delegate the 9.118 approval authority to the Director of Public Works for project management and project delivery support services contracts with OCII to further the implementation of the Transbay Project, so long as the expenditures are authorized in OCII’s Recognized Obligation Payment Schedule approved by the Oversight Board of the City and County of San Francisco and the California Department of Finance and in the City’s annual budget, approved by the Mayor and Board of Supervisors. This ordinance would also authorize Public Works to execute any access agreement necessary for Public Works to perform certain project services to further the Transbay Project as long as the access agreement does not require the City to pay any fee and is for less than ten years.

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