

File No. 240841

Committee Item No. 7

Board Item No. 10

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date September 18, 2024

Board of Supervisors Meeting Date September 24, 2024

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input type="checkbox"/>	<input type="checkbox"/>	Resolution
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

#### OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>FYI Referral – PW, OCII, MYR 9/6/2024</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PW Presentation 9/18/2024</u>
<input type="checkbox"/>	<input type="checkbox"/>	<u> </u>
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Completed by: Brent Jalipa Date September 12, 2024

Completed by: Brent Jalipa Date September 19, 2024

[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 Project; and authorizing the Department of Public Works to execute certain access agreements necessary to further the development of the Transbay Project.**

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

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

Section 1. Background.

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

(b) On February 1, 2012, Assembly Bill 26 (Cal. Health & Safety Code Section 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.  
17

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.

5  
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.

13  
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.

18  
19  
20 APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

21  
22 By: /s/  
YADIRA TAYLOR  
23 Deputy City Attorney

24 n:\legana\as2024\2400455\01776195.docx

## **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.**

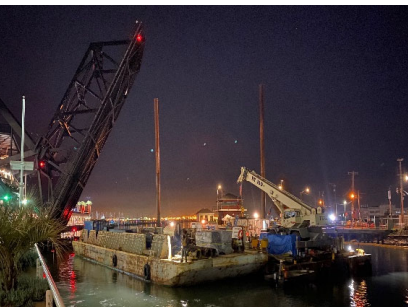
### **Existing Law**

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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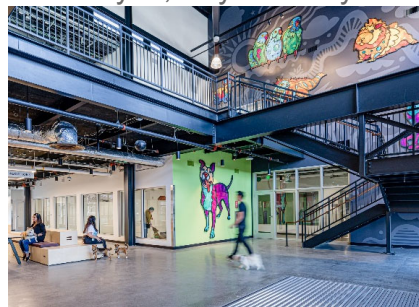
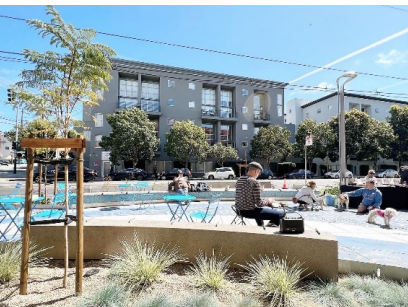
September 19, 2024, Presentation to Government Audit and Oversight Committee



## **Request: Delegation of Approval Authority to Public Works for Contracts with Office of Community Investment and Infrastructure (“OCII”) for Transbay Projects**

**To Allow Public Works to enter into and amend contracts with 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.**

Kathleen O'Day, Project Manager Public Works  
Yadira Taylor, City Attorney





## Background Information

An aerial photograph of San Francisco, showing the city's dense urban landscape with numerous skyscrapers and buildings. The San Francisco Bay is visible in the background, with the Golden Gate Bridge and other landmarks in the distance. The image is used as a background for the text boxes.

*The Board of Supervisors approved a Redevelopment Plan for the Transbay Project Area by Ordinance No. 124-05, in June 2005, and by Ordinance No. 99-06, in May 2006.*

*To assist The Successor Agency (commonly known as the Office of Community Investment and Infrastructure or “OCII”) in meeting its obligations under the Transbay Project, OCII partnered with the Department of Public Works to provide infrastructure delivery support and coordination services, project management, construction management, construction administration, and other professional services related to the design, engineering, and delivery of the proposed Transbay Project park and streetscape improvements.*

**The eligible reimbursements to the City for these Project Services are estimated to exceed \$1 million. Under Charter Section 9.118(a), the Board of Supervisors must approve revenue contracts entered into by a department having anticipated revenue to the City of \$1 million or more.**

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

**The Project Services supplied by the Department of Public Works also requires that OCII and the City execute property access agreements to allow the City and City contractors to enter OCII property to perform the Project Services.**



## Public Works/OCII Transbay Project Contracts



### TRANSBAY PROJECT CONTRACTS between OCII & Public Works

#### 1. UNDER RAMP PARK

(approx. \$64M total Project budget)

- a. Pre-construction phase MOU (current)
- b. Construction phase MOU (future)

#### 2. BLOCK 3 PARK AND STREETScape

(approx. \$44M total Project budget)

##### a. Phase I: Streetscape Infrastructure

- Pre-constructure phase MOU (current)
- Construction phase MOU (future)

##### b. Phase II & III: Block 3 Park & Tehama Street

- Pre-constructure phase MOU (on hold)
- Construction phase MOU (future)

## Request for Approval of the Ordinance for Authority for Public Works Contracts with OCII



### **1. Delegation of Authority Under Charter Section 9.118(a) to the Director of Public Works.**

*Request for Approval from the Board of Supervisors to delegates authority to the Director of the Department of Public Works to enter into project management and project delivery support services contracts with OCII anticipated to generate over \$1 million (reimbursements or revenue) to further the implementation of the Transbay Project and enter into any amendments or modifications to these contracts with OCII for the Transbay Project.*

### **2. Waiver of Certain Administrative Code Real Property Provisions**

*Request Board of Supervisor authorizes the Director of Public Works to execute any access agreement necessary for the Department of Public Works to perform its Project Services to further the implementation of the Transbay Project, so long as the access agreement does not require the City to pay any access fee and does not have a term that exceeds ten years.*



# QUESTIONS

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

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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

**From:** [Trejo, Sara \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Schneider, Ian \(DPW\)](#); [TAYLOR, YADIRA \(CAT\)](#)  
**Subject:** Mayor -- Ordinance -- Contracts with OCII for Transbay Project  
**Date:** Tuesday, September 3, 2024 2:20:32 PM  
**Attachments:** [Ord OCII delegation final.DOCX](#)  
[Ord OCII delegation final.DOCX](#)

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Hello Clerks,

Attached is an 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.

Please note, we are asking to waive the 30-day hold. The Public Works Commission will ultimately be in position to award a construction contract to the OCII client, and Board approval is necessary for commission approval. Ideally the commission will be awarding a contract bid in October 2024, so a Notice to Proceed can be issued to the contractor no later than early January 2025.

The January 2025 date is critical to allow for:

- Coordination of construction activities with adjacent Block 2 affordable housing developer where projects overlap.
- Assisting Block 2 to meet its TCO (total cost of ownership) milestone, as Block 2 is relying on the Department of Public Works project to build adjacent new Clementina Street and new sewer line and Main Street waterline relocation.

Thus, a 30-day hold will push Board review into October, which could negatively affect the contract award and thus delay the affordable housing and related utility construction.

Best regards,

**Sara Trejo**

Legislative Aide

Office of the Mayor

City and County of San Francisco