



City and County of San Francisco
Meeting Minutes - Final
Budget and Finance Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Hillary Ronen, Ahsha Safai, Connie Chan

Clerk: Brent Jalipa (415) 554-7712

Wednesday, November 9, 2022

12:30 PM

Regular Meeting

IN-PERSON MEETING
City Hall, Legislative Chamber, Room 250

(remote access provided)
(remote public comment provided via teleconference)

Present: 3 - Hillary Ronen, Ahsha Safai, and Connie Chan

The Budget and Finance Committee met in a regular session, in-person with remote access and public comment via telephone, on Wednesday, November 9, 2022, with Chair Hillary Ronen presiding. Chair Ronen called the meeting to order at 12:32 p.m.

Remote Access to Information and Participation

The Board of Supervisors and its committees convene hybrid meetings that allow in-person attendance, remote access, and public comment via teleconference. Visit the SFGovTV website (www.sfgovtv.org) to stream the live meetings and watch meetings on demand or watch live meetings on San Francisco Cable Channels 26, 28, 78 or 99 (depending on your provider). Members of the public may provide public comment in-person or remotely via teleconference (detailed instructions available at: <https://sfbos.org/remote-meeting-call>).

Members of the public may participate by phone or may submit their comments by email to: brent.jalipa@sfgov.org; all comments received will be made a part of the official record. Regularly scheduled Budget and Finance Committee Meetings begin at 12:30 p.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

Please visit the Board's website (www.sfbos.org) regularly to be updated on the current situation as it affects the legislative process. For more information contact the Budget and Finance Committee Clerk at (415) 554-7712 or brent.jalipa@sfgov.org.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Ronen and Member Chan were noted present. Vice Chair Safai was noted not present. A quorum of the Committee was present.

COMMUNICATIONS

*Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public, when general public comment is called, to contribute live comments for up to two minutes in-person or by dialing the provided telephone number. In-person public comment will be taken before remote public comment is called. Those who are providing public comment remotely must dial * 3 to be added to the remote queue to speak. Written comments may be submitted through email to the Budget and Finance Committee Clerk (brent.jalipa@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.*

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Vice Chair Safai was noted present at 12:42 p.m.

221070 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax]

Sponsor: Mandelman

Ordinance amending the Business and Tax Regulations Code to suspend the imposition of the Cannabis Business Tax through December 31, 2025.

(Fiscal Impact)

(Supervisor Chan dissented in committee.)

10/18/22; ASSIGNED to Budget and Finance Committee. 10/26/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

10/21/22; REFERRED TO DEPARTMENT. Referred to the Office of the Treasurer and Tax Collector for informational purposes; Small Business Commission for comment and recommendation.

Heard in Committee. Speakers: Supervisor Rafael Mandelman (Board of Supervisors); Nicolas Menard (Office of the Budget and Legislative Analyst); Nikesh Patel and Ray Law (Office of Cannabis); provided an overview and responded to questions raised throughout the discussion. Jakari; Johnny Delaplaine (San Francisco Cannabis Retailers Alliance); spoke in support of the hearing matter.

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

Ayes: 2 - Ronen, Safai

Noes: 1 - Chan

221084 [Lease and Property Management Agreement - The Tides Center/Delivering Innovation in Supportive Housing - 1321 Mission Street - Not to Exceed \$19,500,000]

Sponsors: Mayor; Dorsey, Safai and Ronen

Resolution 1) approving and authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing, to enter into a Lease and Property Management Agreement ("Agreement") with The Tides Center, as fiscal sponsor for Delivering Innovation in Supportive Housing ("Tenant"), to authorize Tenant to lease, operate, and maintain the real property and residential improvements located at 1321 Mission Street for an initial five-year term, to commence upon approval of this Resolution, with an option to extend for up to an additional five years with a base rent of \$1 per year with no annual rent increases, and for net property management and operating costs to be paid by the City in an amount not to exceed \$19,500,000; 2) determining that the below market rent payable under the Agreement will serve a public purpose by providing permanent supportive housing for low-income households in need, in accordance with Administrative Code, Section 23.33; 3) adopting findings declaring that the Property is "exempt surplus land" under the California Surplus Lands Act; 4) affirming the Planning Department's determination under the California Environmental Quality Act; 5) adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing to execute the Agreement, make certain modifications, and take certain actions in furtherance of the agreement and this Resolution, as defined herein.
(Fiscal Impact)

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Emily Cohen and Gigi Whitley (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Lauren Hall (Delivering Innovation in Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Lauren Hall (Delivering Innovation in Supportive Housing); spoke in support of the hearing matter.

Supervisors Safai and Ronen requested to be added as co-sponsors.

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

Ayes: 3 - Ronen, Safai, Chan

221067 [Real Property Sale Agreement - State of California - Portions of SFPUC Parcel Nos. 57 and 65 - State Route 84 / Niles Canyon Safety Improvement Project in Alameda County - \$11,970]

Resolution 1) approving and authorizing the General Manager of the San Francisco Public Utilities Commission ("SFPUC") and/or the Director of Property, on behalf of the City and County of San Francisco ("City"), to sell fee and easement interest in certain real property located along State Route 84 in the City of Fremont and in unincorporated Alameda County to the State of California, acting through its California Department of Transportation ("Caltrans"); 2) approving and authorizing an Agreement for Sale of Real Estate, Temporary Construction Easement, and Utility Easement ("Sale Agreement") for the sale of the Property, as defined herein, to Caltrans; 3) authorizing the SFPUC General Manager and/or City's Director of Property to execute the Sale Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Sale Agreement, as defined herein; 4) adopting findings declaring that the real property is "surplus land" and "exempt surplus land" pursuant to the California Surplus Land Act; 5) determining that a competitive bidding process for the conveyance of the Property is impractical and not in the public interest, in accordance with Administrative Code, Section 23.3; 6) adopting responsible agency findings under the California Environmental Quality Act ("CEQA") and Section 15091 of the CEQA Guidelines; and 7) adopting the Planning Department's findings that the Sale Agreement, and the transaction contemplated therein, is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Public Utilities Commission)

10/07/22; RECEIVED FROM DEPARTMENT.

10/25/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Anthony Bardo (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Chan

Chair Ronen requested File Nos. 221055, 221056, and 221057 be called together.

221055 [Contract Modification - MSC Industrial Supply Company Inc. - Purchase of Industrial Supplies - Not to Exceed \$15,177,623]

Resolution authorizing the Office of Contract Administration to execute Modification No. 7 to Contract 1000001663 between the City and County of San Francisco and MSC Industrial Supply Company Inc. for the purchase of industrial supplies for City departments, increasing the contract amount by \$900,000 for a total contract amount not to exceed \$15,177,623 with no change to the total contract duration of May 1, 2017, through June 30, 2023. (Office of Contract Administration) (Fiscal Impact)

10/03/22; RECEIVED FROM DEPARTMENT.

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sailaja Kurella, Director (Office of Contract Administration); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Chan

221056 [Contract Amendment - W.W. Grainger, Inc. - Industrial Supplies - Not to Exceed \$20,900,000]

Resolution authorizing the Office of Contract Administration to execute Amendment No. 4 to Contract 1000018631 between the City and County of San Francisco and W.W. Grainger, Inc., for the purchase of industrial supplies for City departments, increasing the contract amount by \$9,500,000 for a total contract amount not to exceed \$21,600,000 and extending the term by one year for a total contract duration of July 15, 2020, through December 31, 2023. (Office of Contract Administration) (Fiscal Impact)

10/03/22; RECEIVED FROM DEPARTMENT.

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sailaja Kurella, Director (Office of Contract Administration); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Ronen moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the increased contract amount from '\$9,500,000' to '\$8,800,000' and reducing the total not-to-exceed amount from '\$21,600,000' to '\$20,900,000' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Chan

Resolution authorizing the Office of Contract Administration to execute Amendment No. 4 to Contract 1000018631 between the City and County of San Francisco and W.W. Grainger, Inc., for the purchase of industrial supplies for City departments, increasing the contract amount by \$8,800,000 for a total contract amount not to exceed \$20,900,000 and extending the term by one year for a total contract duration of July 15, 2020, through December 31, 2023. (Office of Contract Administration) (Fiscal Impact)

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

Ayes: 3 - Ronen, Safai, Chan

221057 [Contract Modification - Buckles-Smith Electric Co. - Purchase of Electrical Supplies and Fixtures - Not to Exceed \$16,946,868]

Resolution authorizing the Office of Contract Administration to execute Modification No. 6 to Contract 1000005805 between the City and County of San Francisco and Buckles-Smith Electric Co. for the purchase of electrical supplies and fixtures for City departments, increasing the contract amount by \$3,000,000 for a total not to exceed amount of \$16,946,868 with no change to the total contract duration of July 5, 2017, through June 30, 2023. (Office of Contract Administration) (Fiscal Impact)

10/03/22; RECEIVED FROM DEPARTMENT.

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sailaja Kurella, Director (Office of Contract Administration); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Chan

Chair Ronen requested File Nos. 221077, 221078, and 221079 be called together.

221077 [Accept and Expend Grant - Grant Contract - Retroactive - California Department of Parks and Recreation Habitat Conservation Fund - Twin Peaks Trail Improvements Project - \$350,000]

Sponsors: Mayor; Melgar

Resolution retroactively authorizing the Recreation and Park Department (RPD) to accept and expend a California Department of Parks and Recreation Habitat Conservation Fund Grant in the amount of \$350,000 to support trail improvements within the Twin Peaks Open Space for the term of July 1, 2022, through June 30, 2027; approving a Grant Contract that requires RPD to maintain the trail for the duration of the contract performance period from July 1, 2022, through June 30, 2042, pursuant to Charter, Section 9.118(a); and authorizing the RPD General Manager to enter into modifications and amendments to the grant contract that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the project or this Resolution. (Recreation and Park Department)
(Fiscal Impact)

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Toni Moran (Recreation and Park Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

221078 [Accept and Expend Grant - Retroactive - California State Department of Parks and Recreation, Division of Boating and Waterway - Vessel Turn-In Program Grant - \$211,000]

Sponsors: Mayor; Stefani

Resolution retroactively authorizing the Recreation and Park Department (RPD) to accept and expend a \$211,000 grant from the California State Department of Parks and Recreation, Division of Boating and Waterways for the San Francisco Marina Vessel Turn-In Program; retroactively approving the Grant Terms and Conditions for the term of August 1, 2022, through September 30, 2023; and authorizing RPD to enter into amendments or modifications to the Grant Terms and Conditions and to execute further agreements that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purposes of the project or this Resolution.

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Toni Moran (Recreation and Park Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Chan

221079 [Accept and Expend Grant - Grant Contract - United States Department of Housing and Urban Development - Herz Playground Recreation Center Project - \$1,500,000]

Sponsors: Mayor; Walton and Safai

Resolution authorizing the Recreation and Park Department (RPD) to accept and expend a Community Project Funding Grant in the amount of \$1,500,000 from the United States Department of Housing and Urban Development for the Herz Playground Recreation Center Project; authorizing the Recreation and Park Department to enter into a grant agreement, effective upon approval of this Resolution; and to authorize the RPD General Manager to enter into modifications and amendments to the grant agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Recreation and Park Department)

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Toni Moran (Recreation and Park Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Ronen moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Lines 10-11, by replacing 'September 30' with 'August 31'. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Chan

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

Ayes: 3 - Ronen, Safai, Chan

221081 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention - CDC Crisis Response: COVID 19 Public Workforce San Francisco- \$262,496.50]

Sponsors: Mayor; Walton

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$262,496.50 from the Centers for Disease Control and Prevention through the California Department of Public Health for participation in a program, entitled "Centers for Disease Control and Prevention Crisis Response: Coronavirus Disease 2019 Public Workforce San Francisco," for the period of July 1, 2022, through June 30, 2023. (Public Health Department)

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: David Stier (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Chan

221080 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention - National HIV Behavioral Surveillance (NHBS) - San Francisco - \$969,243]

Sponsors: Mayor; Dorsey and Mandelman

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant increase in the amount of \$499,976 from the Centers for Disease Control and Prevention for a total amount of \$969,243 for participation in a program, entitled "National Human Immunodeficiency Virus Behavioral Surveillance (NHBS) - San Francisco," for the period of January 1, 2022, through December 31, 2022. (Public Health Department)

10/18/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Erin Wilson (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Chan

220920 [Emergency Contract - Retroactive - Health Management Associates, Inc. - Specialized Consulting Services - Not to Exceed \$5,863,302]

Resolution retroactively authorizing the Department of Public Health to enter into an emergency contract with Health Management Associates, Inc., in compliance with Section 21.15 of the Administrative Code requiring approval by the Board of Supervisors for any emergency contract in excess of \$100,000 for the purpose of providing specialized consulting services, in an amount not to exceed \$3,782,365 for a term of thirteen and one-half months, from May 9, 2022, through June 30, 2023; and approving Amendment 1 to the agreement for providing specialized consulting services to increase the agreement by \$2,458,604 for an amount not to exceed \$6,240,969 with no change to the contract term from May 9, 2022, through June 30, 2023; and to authorize the Department of Public Health to enter into any amendments or modifications to the contract that do not otherwise materially increase the obligations or liabilities to the City and are necessary or advisable to effectuate the purposes of the contract or this Resolution. (Public Health Department)
(Fiscal Impact)

08/12/22; RECEIVED FROM DEPARTMENT.

09/06/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

11/02/22; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Baljeet Sangha (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); Anna Duning, Budget Director (Mayor's Office of Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion.

11/02/22; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Baljeet Sangha and Greg Wagner (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Ronen moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the amount to increase the agreement from '\$2,458,604' to '\$2,080,937' and reducing the total not to exceed amount from '\$6,240,969' to '\$5,863,302' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Chan

Resolution retroactively authorizing the Department of Public Health to enter into an emergency contract with Health Management Associates, Inc., in compliance with Section 21.15 of the Administrative Code requiring approval by the Board of Supervisors for any emergency contract in excess of \$100,000 for the purpose of providing specialized consulting services, in an amount not to exceed \$3,782,365 for a term of thirteen and one-half months, from May 9, 2022, through June 30, 2023; and approving Amendment 1 to the agreement for providing specialized consulting services to increase the agreement by \$2,080,937 for an amount not to exceed \$5,863,302 with no change to the contract term from May 9, 2022, through June 30, 2023; and to authorize the Department of Public Health to enter into any amendments or modifications to the contract that do not otherwise materially increase the obligations or liabilities to the City and are necessary or advisable to effectuate the purposes of the contract or this Resolution. (Public Health Department)
(Fiscal Impact)

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

Ayes: 3 - Ronen, Safai, Chan

Chair Ronen requested File Nos. 220991 and 221113 be called together.

220991 [Contract Agreement - Retroactive - California Department of Health Care Services - Substance Use Disorder Services - Not to Exceed \$248,687,500]

Sponsor: Safai

Resolution retroactively approving Agreement No. 22-20154, between the Department of Public Health, Behavioral Health Services and the California Department of Health Care Services, to provide substance use disorder services, for an amount not to exceed \$248,687,500 for the five year term of July 1, 2022, through June 30, 2027; and to authorize the Department of Public Health to enter into amendments or modifications to the agreement prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Public Health Department)

09/16/22; RECEIVED FROM DEPARTMENT.

09/27/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

10/26/22; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speaker: Max Rocha (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

10/26/22; RECOMMENDED AS AMENDED.

11/01/22; RE-REFERRED to Budget and Finance Committee. Privilege of the floor was granted unanimously to Ana Validzic and Max Rocha (Department of Public Health) who responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Greg Wagner and Max Rocha (Department of Public Health); Supervisor Catherine Stefani (Board of Supervisors); Mawuli Tugbenyoh and Shawn Sherburne (Department of Human Resources); provided an overview and responded to questions raised throughout the discussion. Francisco Da Costa; Bree Chung; spoke on various concerns regarding the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

Vice Chair Safai moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the amount to increase the agreement from '\$2,458,604' to '\$2,080,937' and reducing the total not to exceed amount from '\$6,240,969' to '5,863,302' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Chan

Vice Chair Safai moved to rescind the vote and motion to amend. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Chan

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

Ayes: 3 - Ronen, Safai, Chan

221113 [Hearing - DPH Secondary Policies and Baker Places, Inc.]**Sponsor: Safai**

Hearing to consider the Department of Public Health's (DPH) secondary employment policies and the overall condition of Baker Places, Inc.; and requesting DPH and Department of Human Resources to report.

10/25/22; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/31/22; REFERRED TO DEPARTMENT. Referred to the Department of Public Health and Department of Human Resources and requesting the departments to report.

11/01/22; TRANSFERRED to Budget and Finance Committee. President Walton transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

Heard in Committee. Speakers: Greg Wagner and Max Rocha (Department of Public Health); Supervisor Catherine Stefani (Board of Supervisors); Mawuli Tugbenyoh and Shawn Sherburne (Department of Human Resources); provided an overview and responded to questions raised throughout the discussion. Francisco Da Costa; Bree; spoke on various concerns regarding the hearing matter.

Vice Chair Safai moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Chan

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 3:25 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.