



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: Connie Chan, Rafael Mandelman, Ahsha Safai

Clerk: Brent Jalipa
(415) 554-7712 ~ brent.jalipa@sfgov.org

Wednesday, May 17, 2023

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Connie Chan, Rafael Mandelman, and Ahsha Safai

The Budget and Finance Committee met in regular session, in-person with remote access and public comment via telephone, on Wednesday, May 17, 2023, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:04 a.m.

Remote Access to Information and Participation

The Board of Supervisors (www.sfbos.org) and its committees convene hybrid meetings that allow in-person attendance, in-person public comment (prioritized before remote public comment), remote access (watch: www.sfgovtv.org), and remote public comment via teleconference (<https://sfbos.org/remote-meeting-call>).

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan, Vice Chair Mandelman, and Member Safai were noted present. A quorum of the Committee was present.

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public, that when general public comment is called, to contribute live comments in-person or by dialing the telephone number published on the agenda and scrolling across the screen. Clerk Jalipa further announced that 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 (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

230546 [Hearing - Update on the Healthy Airport Ordinance Implementation]

Sponsors: Peskin; Chan

Hearing to receive an update on the current implementation of the Healthy Airport Ordinance, including presentations on 1) a list of contractors responsible for complying with the Healthy Airport Ordinance; 2) a comparison of airport contractor worker wages to other comparable industries; 3) whether San Francisco Airport (SFO) contractor leases and contracts include compliance language with the Healthy Airport Ordinance; and 4) worker retention for low-wage workers versus other workers, utilizing badging data; and requesting for the San Francisco Airport to present.

05/09/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/11/23; TRANSFERRED to Budget and Finance Committee. President Peskin transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

05/12/23; REFERRED TO DEPARTMENT. Referred to the Airport Department for informational purposes and requesting the department to report.

Heard in Committee. Speakers: Supervisor Aaron Peskin, President (Board of Supervisors); Cathy Widener (Airport Department); Anne Pearson (Office of the City Attorney); Jamie Martin (Service Employees International Union, Local 1021); Lorraine Powell (Unite Here, Local 2); provided an overview and responded to questions raised throughout the discussion. Tom Cries; Molly Gomez; Nathaniel Baquadano; Pearly; Nestor Dolde; Pei Zhanhuang; Luisa Cancio; Nathee Heng; Renaldo Souza; Joe Grandoff, Doug Jones, Sanjay Gala, and Casey Coward (Service Employees International Union, Local 1021); Rosa Shields (San Mateo Labor Council); Kim Tavaglione (San Francisco Labor Council); Tracey Brieger (Jobs with Justice); spoke on various concerns relating to the hearing matter. Casey Coward (Service Employees International Union, Local 1021); was granted privilege of the floor to answer questions from the committee.

Chair Chan moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Safai

230473 [Airport Commission Bond-Related Authorizations - Not to Exceed Aggregate Principal Amount of \$6,060,195,000]

Resolution approving the issuance of not to exceed \$6,060,195,000 aggregate principal amount of San Francisco International Airport Second Series Refunding Revenue Bonds to refinance Bonds and Subordinate Bonds; approving the issuance of not to exceed \$60,525,000 aggregate principal amount of San Francisco International Airport Special Facilities Bonds to refund bonds issued to finance fuel storage and delivery facilities; approving the issuance of not to exceed \$262,530,000 aggregate principal amount of San Francisco International Airport Special Facilities Bonds to refund bonds issued to finance the Airport Hotel; approving revolving lines of credit and term loans in an available principal amount, together with the aggregate outstanding principal amount of Subordinate Bonds issued as Commercial Paper Notes, not to exceed \$600,000,000; approving the purchase of Bonds or Subordinate Bonds by the Airport; approving the maximum interest rates, maturity dates and number of issues of such Capital Plan Bonds, Refunding Bonds, Subordinate Bonds and Special Facilities Bonds; approving certain Resolutions of the Airport Commission; and approving certain other related matters, as defined herein. (Airport Commission)
(Fiscal Impact)

04/20/23; RECEIVED FROM DEPARTMENT.

05/02/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Ephraim; spoke on various concerns relating to the hearing matter.

Chair Chan moved that this Resolution be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 230509 and 230524 be called together.

230509 [Multifamily Housing Revenue Notes - 730 Stanyan Associates, L.P. - Not to Exceed \$90,000,000]

Sponsors: Mayor; Preston

Resolution authorizing the execution and delivery of multifamily housing revenue notes in one or more series in an aggregate principal amount not to exceed \$90,000,000 for the purpose of providing financing for the construction of a 160-unit multifamily rental housing project known as 730 Stanyan; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the construction loan from the construction funding lender to the City, and the execution and delivery of the construction notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the construction loan from the City to the borrower; approving the form of and authorizing the execution of an amended and restated funding loan agreement providing the terms and conditions of the permanent loan from the permanent funding lender to the City, and the execution and delivery of the permanent notes; approving the form of and authorizing the execution of an amended and restated project loan agreement providing the terms and conditions of the permanent loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for the subject project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue notes by the City in an aggregate principal amount not to exceed \$90,000,000; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the notes and the project; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

05/02/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Omar Masry, Sarah Amaral, and Eric Shaw, Director (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Supervisor Dean Preston (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Calvin Welch and David Woo (Coalition for a Complete Community); Sherliyn Adams (Larkin Street Youth Services); Marnie Regen (Homeless Emergency Service Provider Association); Speaker; Ephraim; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Chan, Mandelman, Safai

230524 [Ground Lease and Amended and Restated Loan Agreement - 730 Stanyan Street - 100% Affordable Housing - Base Rent of \$15,000 - Loan Not to Exceed \$69,528,927]

Sponsors: Mayor; Preston

Resolution 1) approving and authorizing the Director of Property and Director of the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Ground Lease for real property owned by the City located at 730 Stanyan Street ("Property") with 730 Stanyan Associates, L.P. for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 ("Ground Lease") in order to construct a 160 unit multifamily rental housing development affordable to very low- and low-income households (the "Project"); 2) approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed \$69,528,927 for a minimum loan term of 57 years ("Loan Agreement") to finance the development and construction of the Project; 3) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 4) adopting findings declaring that the Property is "exempt surplus land" pursuant to the California Surplus Lands Act; 5) determining that the less than market rent payable under the Ground Lease will serve a public purpose by providing affordable housing for low-income households in need, in accordance with Administrative Code, Section 23.3; and 6) authorizing the Director of Property and/or the Director of MOHCD to execute the Ground Lease and the Amended and Restated Loan Agreement, and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

05/02/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Omar Masry, Sarah Amaral, and Eric Shaw, Director (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Supervisor Dean Preston (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Calvin Welch and David Woo (Coalition for a Complete Community); Sherliyn Adams (Larkin Street Youth Services); Marnie Regen (Homeless Emergency Service Provider Association); Speaker; Ephraim; spoke on various concerns relating to the hearing matter.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 6, Line 22 through Page 7, Line 2, by adding 'FURTHER RESOLVED, That the Board of Supervisors urges MOHCD to include Transitional Aged Youth services as a ground floor use, as MOHCD previously represented in prior loan applications, including an Approved Pre-Development Loan from October 2020, a California Tax Credit Allocation Committee Application from 2022, and representations made in multiple community meetings; and, be it'. The motion carried by the following vote:

Ayes: 2 - Chan, Safai

Noes: 1 - Mandelman

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

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 230508 and 230506 be called together.

230508 [Loan Agreement - SFCLT TNFF Holdings LLC - 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street - Not to Exceed \$18,700,481]

Sponsors: Mayor; Mandelman

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan agreement with SFCLT TNFF Holdings LLC in an aggregate total amount not to exceed \$18,800,000 to finance the acquisition, rehabilitation, and permanent refinancing of four existing affordable multifamily rental housing projects for low- to moderate-income households, known as "SFCLT Scattered Sites," consisting of a total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites Program (collectively, the "Project"); affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the Project and the proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

(Fiscal Impact)

05/02/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Amanda Fukutome-Lopez and Johnny Oliver (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Speaker; Ephraim; spoke on various concerns relating to the hearing matter.

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

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the aggregate total not-to-exceed amount from '\$18,800,000' to '\$18,700,481' throughout the legislation; and by making other clarifying and confirming amendments. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Safai

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan agreement with SFCLT TNFF Holdings LLC in an aggregate total amount not to exceed \$18,700,481 to finance the acquisition, rehabilitation, and permanent refinancing of four existing affordable multifamily rental housing projects for low- to moderate-income households, known as "SFCLT Scattered Sites," consisting of a total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites Program (collectively, the "Project"); affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the Project and the proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Safai

230506 [Apply for Grant - California Department of Housing and Community Development - Homekey Grant Program - 1174-1178 Folsom Street and 663 Clementina Street - Not to Exceed \$14,720,000]

Sponsors: Mayor; Dorsey and Chan

Resolution approving and authorizing the Department of Homelessness and Supportive Housing to apply to the California Department of Housing and Community Development for a Homekey Grant for the property located at 1174-1178 Folsom Street and 663 Clementina Street in an amount not to exceed \$14,720,000 on behalf of the City and County of San Francisco. (Department of Homelessness and Supportive Housing)

05/02/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Amanda Fukutome-Lopez and Johnny Oliver (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Marnie Regen (Homeless Emergency Service Provider Association); Sherliyn Adams (Larkin Street Youth Services); Speaker; Charles Deffarges (Episcopal Community Services of San Francisco); Karin Adams (Homeless Youth Alliance); Danielle Alkov; Seneca Spurling; LJ Johnson; Martha Branigan; Esteban Rodriguez; spoke in support of the hearing matter. Speaker; Ephraim; spoke on various concerns relating to the hearing matter.

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

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

Ayes: 3 - Chan, Mandelman, Safai

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 1:25 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.