



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, November 15, 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 a regular session on Wednesday, November 15, 2023, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:02 a.m.

ROLL CALL AND ANNOUNCEMENTS

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

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public that public comment is taken on each item on the agenda.

Alternatively, 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

231141 [Hearing - San Francisco Health Plan Rate Trends]

Sponsor: Chan

Hearing to request information on health insurance rate trends and its impact on the rate the City will pay on behalf of its employees in advance and consideration of the City's Budget process; and requesting the Health Service System to report.

10/31/23; RECEIVED AND ASSIGNED to Budget and Finance Committee. Referred to the Health Service System for informational purposes and requesting the departments to report.

11/07/23; REFERRED TO DEPARTMENT. Referred to the Health Service System for informational purposes and requesting the department to report.

Heard in Committee. Speakers: Supervisor Matt Dorsey (Board of Supervisors); Abbie Yant, Executive Director (Health Service System); Mike Clarke, Consultant and Actuary (Aon); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Chan, Mandelman, Safai

230916 [Hearing - Citywide Project Labor Agreement and Annual Reports]

Sponsor: Safai

Hearing to consider the citywide Project Labor Agreement (PLA) that was executed; the annual reports for fiscal years 2020-2021, 2021-2022, and 2022-2023 that highlight the efforts, accomplishments, and challenges encountered; and the preliminary, high-level methodology developed to evaluate whether the PLA has promoted the efficient, economical, and timely completion of PLA-covered projects, the costs of covered projects, and the PLA's impact on Local Business Enterprises and the local workforce; and requesting the Controller's Office, City Administrator's Office, Public Works, Recreation and Park Department, and Office of Economic and Workforce Development to report. (Clerk of the Board)

09/05/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/11/23; REFERRED TO DEPARTMENT. Referred to the Offices of the Controller, City Administrator, and Economic and Workforce Development, Public Works, and Recreation and Park Department for informational purposes.

10/25/23; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: None.

Chair Chan moved that this Hearing be CONTINUED to the Budget and Finance Committee meeting of December 6, 2023. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Safai

231007 [Business and Tax Regulations Code - Transfer Tax Exemption for Affordable Housing]**Sponsors: Preston; Chan, Mandelman and Safai**

Ordinance amending the Business and Tax Regulations Code to broaden the exemption from the increased transfer tax rates when the consideration or value of the interest or property conveyed equals or exceeds \$5,000,000 for transfers of certain rent-restricted affordable housing; applying the exemption retroactively to transfers occurring on or after January 1, 2017; extending the exemption through December 31, 2030; and affirming the Planning Department's determination under the California Environmental Quality Act.

(Fiscal Impact)

09/26/23; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/26/2023.

09/29/23; REFERRED TO DEPARTMENT. Referred to the Office of the Treasurer and Tax Collector, Mayor's Office of Housing and Community Development, Office of the Assessor-Recorder, and Rent Board for informational purposes; and Planning Department for environmental review.

10/30/23; RESPONSE RECEIVED. Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

Heard in Committee. Speakers: Supervisor Dean Preston (Board of Supervisors); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. John Avalos, Executive Director (Council of Community Housing); Kevin Kitchingham (Mission Housing Development Corporation); Katie Lamont (Tenderloin Neighborhood Development Corporation); Speaker; spoke in support of the Ordinance matter. Thierry Fill spoke on various concerns relating to the hearing matter.

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

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

Ayes: 3 - Chan, Mandelman, Safai

231009 [Accept and Expend Grant - California Department of Parks and Recreation - Buchanan Mall Project - \$3,900,000]**Sponsors: Mayor; Preston, Mandelman and Safai**

Resolution authorizing the Recreation and Park Department (RPD) to accept and expend up to \$3,900,000 in grant funding from the California Department of Parks and Recreation for the Buchanan Mall Project; to enter into a grant contract with the California Department of Parks and Recreation that require, among other things, that RPD maintain the park as public open space in perpetuity; to record a Declaration of Restrictions on the Buchanan Mall property designated as Assessor's Parcel Block No. 0748, Lot No. 033, Assessor's Parcel Block No. 0757, Lot No. 026, Assessor's Parcel Block No. 0772, Lot No. 023, Assessor's Parcel Block No. 0781, Lot No. 035, and Assessor's Parcel Block No. 0795, Lot No. 028, providing notice of these restrictions; and to authorize the General Manager of RPD to enter into modifications or 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 contract or this Resolution. (Recreation and Park Department)
(Fiscal Impact)

09/26/23; 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.

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

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

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 231116, 231111, and 231112 be called together.

231116 [Real Property Lease Amendments - Seawall Lot 337 Associates, LLC - Mission Rock Parcels A, B, F, and G and Form Lease]**Sponsors: Mayor; Dorsey**

Resolution approving certain amendments to the form of the Parcel Lease between the Port and Seawall Lot 337 Associates, LLC, a subsidiary agreement under the Disposition and Development Agreement for the Mission Rock Project; approving certain amendments to the Leases for Parcel A, Parcel B, Parcel F, and Parcel G with affiliates of Developer; adopting findings under the California Environmental Quality Act; and to authorize the Executive Director of the Port to enter into amendments or modifications to the First Amendment to Parcel Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Resolution. (Port)

10/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Josh Keene, Kimberley Beal, and Jennifer Gee (Port Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Safai

231111 [Real Property Lease - Recology San Francisco - Pier 96 - Approximately \$369,500 Per Month]

Resolution approving Port Commission Lease L-17035 with Recology San Francisco, a California corporation, located at Pier 96 for approximately 196,369 square feet of shed, outbuilding and loading dock space, and approximately 252,319 square feet of paved land and yard space which will initially generate revenue to the Port of approximately \$369,500 per month, for a term of approximately 74 months, effective upon approval of this Resolution; adopting findings under the California Environmental Quality Act; and to authorize the Executive Director of the Port to enter into amendments or modifications to the lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the contract or this Resolution. (Port)

10/19/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Josh Keene, Kimberley Beal, and Jennifer Gee (Port Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Safai

231112 [Real Property Lease - Anderson Enterprises, Inc. - Portion of Pier 68/70 Shipyard - Initial Monthly Rent of \$66,702.15]

Resolution approving Port Commission Lease No. L-17093 with Anderson Enterprises, Inc., a California corporation, located at the Pier 68/70 Shipyard for approximately 116,343 square feet of paved land and 2,010 square feet of shed space for an initial monthly rent of \$66,702.15 and a term of three years with three mutually agreeable one-year extension options, effective upon approval of this Resolution; and to authorize the Executive Director of the Port of San Francisco to enter into amendments or modifications to the Port Commission License No. L-17093 that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of this Resolution. (Port)

10/19/23; RECEIVED FROM DEPARTMENT.

10/31/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Josh Keene, Kimberley Beal, and Jennifer Gee (Port Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Safai

231133 [Loan Amendment - Sunnydale Infrastructure 1A3 LLC - Sunnydale HOPE SF Development - Not to Exceed \$26,567,405]**Sponsors: Mayor; Walton, Safai and Mandelman**

Resolution approving and authorizing the execution of a Second Amendment to the Loan Agreement with Sunnydale Infrastructure Phase 1A3 LLC, a California limited liability company, to increase the loan amount by \$1,495,294 for a new total loan amount not to exceed \$26,567,405 to finance additional construction costs for the second phase of infrastructure improvements and housing development related to the revitalization and master development of up to 1770 units of replacement public housing, affordable housing and market rate housing, commonly known as the Sunnydale HOPE SF Development ("Sunnydale Project"); adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the City's General Plan, and the priority policies of Planning Code, Section 101.1; and to authorize the Director of Mayor's Office of Housing and Community Development to enter into any amendments or modifications to the Agreement that do not materially increase the obligations or liabilities for the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

10/31/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jason Luu (HOPE SF Initiative); Ryan VanZuylen (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; spoke on various concerns relating to the hearing matter.

The Committee requested the Mayor's Office of Housing and Community Development (MOHCD) and the Public Utilities Commission (SFPUC) to report back within 30 days on SFPUC reimbursement of costs incurred related to the temporary power connection during horizontal infrastructure construction in Sunnydale Phase 1A-3 and include the report in the legislative file for this item; and that MOHCD and SFPUC to enter into an agreement clarifying cost-sharing for power connection costs, to avoid future uncertainty.

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

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

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 231131 and 231166 be called together.

231131 [Supplementing Resolution No. 7-17 to Authorize Issuance of Bonds by City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) - Not to Exceed \$10,000,000]

Sponsors: Mayor; Dorsey

Resolution supplementing Resolution No. 7-17 of the Board of Supervisors to authorize the issuance and sale by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) of one or more series of bonds in an aggregate principal amount not to exceed \$10,000,000 approving related documents, including an Official Statement, one or more supplements to Indentures of Trust, Bond Purchase Agreements and Continuing Disclosure Certificates; and determining other matters in connection therewith, as defined herein.
(Fiscal Impact)

10/31/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jamie Querubin (Treasure Island Development Authority); Bridget Katz (Controller's Office of Public Finance); Nicolas Menard (Office of Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; 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

231166 [Authorizing the Issuance of Special Tax Bonds - Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) - Not to Exceed Aggregate Principal Amount of \$17,000,000]

Sponsors: Mayor; Dorsey

Resolution authorizing the issuance and sale of one or more series of Special Tax Bonds for City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) with respect to its Improvement Area No. 2 in the aggregate principal amount not to exceed \$17,000,000 approving related documents, including an Official Statement, First Supplement to Fiscal Agent Agreement, Bond Purchase Agreement, and Continuing Disclosure Undertaking; and determining other matters in connection therewith, as defined herein.

11/07/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jamie Querubin (Treasure Island Development Authority); Bridget Katz (Controller's Office of Public Finance); Nicolas Menard (Office of Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; 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

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:12 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.