



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, Myrna Melgar

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

Wednesday, February 28, 2024

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Connie Chan, Rafael Mandelman, and Myrna Melgar

The Budget and Finance Committee met in a regular session on Wednesday, February 28, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:01 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan, Vice Chair Mandelman, and Member Melgar 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

240036 [Business and Tax Regulations Code - Transient Occupancy Tax Returns]

Ordinance amending the Business and Tax Regulations Code for tax periods beginning on or after January 1, 2024, to require short-term rental hosts that do not operate through a qualified website company to file transient occupancy tax returns annually, waive the requirement for those hosts to obtain a certificate of authority from the Tax Collector, change the period for filing transient occupancy tax returns from annually to monthly for all hotel small operators other than short-term rental hosts, codify the Tax Collector's qualified website company program and the return and payment requirements for Tourism Improvement District and Moscone Expansion District assessments, and require qualified website companies to collect and remit Tourism Improvement District assessments. (Treasurer-Tax Collector)

01/12/24; RECEIVED FROM DEPARTMENT.

01/23/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 2/22/2024.

Heard in Committee. Speaker: Amanda Fried (Office of the Treasurer and Tax Collector); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 6, Lines 5-10, to read '(ii) Submit a declaration to the Tax Collector, in the form required by the Tax Collector, that attests that the person has complied with the requirements of this subsection (d)(5)(D) and will comply with the requirements of subsection (d)(5)(B) either retroactively to January 1, 2024, or from any later date specified in the declaration, but in no case no later than the first day of the second month following the month in which the person submits the declaration.'; and on Lines 17-20, to read '(b) Upon the effective date of this ordinance, this ordinance shall be retroactive to January 1, 2024, with the qualification that, as specified in Section 6.9-1(d)(5)(D)(ii) of the Business and Tax Regulations Code, a Qualified Website Company may comply with the requirements of Section 6.9-1(d)(5)(B) by a date later than January 1, 2024.' The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

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

Ayes: 3 - Chan, Mandelman, Melgar

240115 [Accept and Expend In-Kind Gift - Consulting Services - Various Providers - Valued at \$302,208]**Sponsors: Mayor; Mandelman**

Resolution authorizing the Mayor's Office, through the Mayor's Office of Innovation, to accept an in-kind gift of consulting services valued at \$302,208 from various providers from March 6, 2024, through June 21, 2024, in connection with the Civic Bridge Program; and to authorize the Mayor's Office of Innovation to enter into amendments or modifications to the donor agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the donor agreement or this Resolution.

02/06/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sophia Kittler, Director, and Mat Larson (Mayor's Office of Innovation); provided an overview and responded to questions raised throughout the discussion.

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

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, On Page 2, Lines 1-2, by adding 'plus the coordination of related volunteer services'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240085 and 240113 be called together.

240085 [Authorization for SFDPH to Continue to Participate in CalMHSA Programs Under a JPA; and Authorizing SFDPH to Execute JPA Participation Agreements Without Further Board Approval]

Resolution authorizing the San Francisco Department of Public Health ("SFDPH") to continue to participate in California Mental Health Services Authority ("CalMHSA") programs under the terms of a Joint Exercise of Powers Agreement ("JPA"); authorizing SFDPH to execute JPA participation agreements, approved as to form by the San Francisco City Attorney, without further Board of Supervisor's approval, unless otherwise directed by the City Attorney; and to authorize the Director of Health to enter into amendments or modifications to the JPA that the Department determines that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the JPA or this Resolution. (Public Health Department)

01/29/24; RECEIVED FROM DEPARTMENT.

02/06/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Marlo Simmons and Drew Murrell (Department of Public Health); 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, Melgar

240113 [Grant Agreement - Retroactive - Advocates for Human Potential, Inc. - Round 4 - 1001 Potrero Avenue - Anticipated Revenue to the City \$33,736,105]**Sponsors: Mayor; Mandelman**

Resolution retroactively authorizing the Department of Public Health to enter into a Grant Agreement, for a term commencing on execution of the Grant Agreement through June 30, 2027, between the City and County of San Francisco ("City"), acting by and through its Department of Public Health ("DPH"), and Advocates for Human Potential, Inc., having anticipated revenue to the City of \$33,736,105 for construction at 1001 Potrero Avenue, Building 5, Wards 6B and 7A; including a Permitted and Restricted Use; authorizing the Grantor to apply for a Receiver in the event of the City's default; and authorizing DPH to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purpose of the Grant. (Public Health Department)

02/06/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Marlo Simmons and Drew Murrell (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

Supervisor Mandelman 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, Melgar

Chair Chan requested File Nos. 240083 and 240084 be called together.

240083 [Increasing Administrative Code, Section 21.43, Power Sales Revenue Limit - Anticipated Revenue in Excess of \$1,000,000 or More - Annual Revenue Limit of \$20,000,000]**Sponsor: Mandelman**

Resolution approving an increase to the Administrative Code, Section 21.43 Power Sales Revenue Limit and authorizing the Public Utilities Commission (PUC) General Manager to execute power sales contracts, with anticipated revenue in excess of \$1,000,000 or more subject to an annual revenue limit of \$20,000,000 per fiscal year, through July 1, 2025. (Public Utilities Commission)

01/26/24; RECEIVED FROM DEPARTMENT.

02/06/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Michael Hyams and Magaret Hannaford (San Francisco Public Utilities Commission); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Supervisor Mandelman requested to assume primary sponsorship.

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

Ayes: 3 - Chan, Mandelman, Melgar

240084 [Memorandum of Agreement - United States Department of the Interior, National Park Service - Yosemite National Park Comprehensive Management of Watersheds within Yosemite National Park - Not to Exceed \$40,958,727]

Sponsor: Mandelman

Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute Contract No. CS-1413, a Memorandum of Agreement with the United States Department of the Interior, National Park Service, Yosemite National Park, for the Comprehensive Management of Watersheds within Yosemite National Park that supply the San Francisco Regional Water System, for an amount not to exceed \$40,958,727 with a total term of four years from July 1, 2024, through June 30, 2028, pursuant to Charter, Section 9.118. (Public Utilities Commission)
(Fiscal Impact)

01/26/24; RECEIVED FROM DEPARTMENT.

02/06/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Michael Hyams and Magaret Hannaford (San Francisco Public Utilities Commission); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Supervisor Mandelman requested to assume primary sponsorship.

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 231073, 231074, and 231061 be called together.

231073 [Lease Agreement - Tastes on the Fly San Francisco, LLC - Harvey Milk Terminal 1 Food and Beverage Food Hall - \$1,250,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Food and Beverage Food Hall Lease No. 23-0234 between Tastes on the Fly San Francisco, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of 14 years with one two-year option to extend at the sole discretion of the Airport Commission, and a minimum annual guarantee of \$1,250,000 for the first year of the Lease, effective upon approval of this Resolution. (Airport Commission)

10/10/23; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speakers: Cathy Widener (Airport 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, Melgar

231060 [Lease Agreement - Tastes on the Fly San Francisco, LLC - Harvey Milk Terminal 1 Food and Beverage Historic Restaurant - \$550,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Food and Beverage Historic Restaurant Lease No. 23-0235 between Tastes on the Fly San Francisco, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of 14 years with one two-year option to extend at the sole discretion of the Airport Commission, and a minimum annual guarantee of \$550,000 for the first year of the Lease, effective upon approval of this Resolution. (Airport Commission)

10/10/23; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speakers: Cathy Widener (Airport 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, Melgar

231061 [Lease Agreement - Amoura International, Inc. - Harvey Milk Terminal 1 Food and Beverage Casual Sit-Down Restaurant - \$450,000 Minimum Annual Guarantee]

Resolution approving the Harvey Milk Terminal 1 Food and Beverage Casual Sit-down Restaurant Lease No. 23-0236, between Amoura International, Inc., and the City and County of San Francisco, acting by and through its Airport Commission, for a term of 14 years with one two-year option to extend at the sole discretion of the Airport Commission, and a minimum annual guarantee of \$450,000 for the first year of the Lease, effective upon approval of this Resolution. (Airport Commission)

10/10/23; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speakers: Cathy Widener (Airport 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, Melgar

231282 [Agreement - Retroactive - Fidelity National Information Services, Inc. - Wireless Payment Processing Services and Authorizing Acceptance of Debit Cards and Electronic Funds Transfers - No Cost]

Sponsor: Ronen

Resolution retroactively authorizing an agreement with Fidelity National Information Services, Inc. to facilitate the use of state-issued Electronic Benefits Transfer (EBT) debit cards and acceptance of debit cards and electronic funds transfers at the Alemany Farmers' Market, for a term period of January 22, 2018, through until the State of California selects a new EBT wireless payment processing service vendor; and to authorize the Director of Property to enter into amendments or modifications to the 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. (Real Estate Department)

12/12/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Claudia Gorham (City Administrator's Real Estate Division); 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, Melgar

240136 [Approval of Potrero Bus Yard Predevelopment Agreement with a \$4,350,000 Continuation Payment and a Potential Termination Payment of up to \$9,990,000 - Potrero Neighborhood Collective LLC - 2500 Mariposa]

Sponsors: Ronen; Walton

Resolution approving a continuation payment for \$4,350,000 under a Predevelopment Agreement between Potrero Neighborhood Collective LLC and the City and County of San Francisco, acting by and through the San Francisco Municipal Transportation Agency, dated as of November 2, 2022; and making environmental findings under the California Environmental Quality Act. (Municipal Transportation Agency)
(Fiscal Impact)

02/13/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Bonnie Jean von Krogh and Chris Lazaro (Municipal Transportation Agency); 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 Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 4-9, to read 'Resolution approving a Predevelopment Agreement between Potrero Neighborhood Collective LLC and the City and County of San Francisco, acting by and through the San Francisco Municipal Transportation Agency, dated as of November 2, 2022, including a \$4,350,000 continuation payment and a potential termination payment of up to \$9,990,000; and making environmental findings under the California Environmental Quality Act.'; on Page 6, Lines 6-8, by adding 'WHEREAS, If City makes the Continuation Payment, City's payment obligations under the PDA could exceed \$10,000,000, which requires the approval of the Board of Supervisors under City Charter Section 9.118; now, therefore, be it'; and Lines 9-13, to read 'RESOLVED, If the Board of Supervisors approves the SUD and General Plan Ordinances and they take effect, the Board of Supervisors approves the PDA and authorizes the SFMTA Director of Transportation to issue the Continuation Notice and make the Continuation Payment to PNC on the terms and conditions in the PDA.'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving a Predevelopment Agreement between Potrero Neighborhood Collective LLC and the City and County of San Francisco, acting by and through the San Francisco Municipal Transportation Agency, dated as of November 2, 2022, including a \$4,350,000 continuation payment and a potential termination payment of up to \$9,990,000; and making environmental findings under the California Environmental Quality Act. (Municipal Transportation Agency)
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

240107 [Contract - Allied Waste Services of North America, LLC - Refuse Collection and Disposal Services - Not to Exceed \$119,000,000]

Resolution approving and authorizing the Office of Contract Administration (OCA) to enter into Contract 1000032083 between the City and County of San Francisco and Allied Waste Services of North America, LLC for the provision of refuse collection and disposal services at City facilities with an initial contract duration of seven years, commencing on April 1, 2024, through March 30, 2031, with an option to extend for three additional years through March 30, 2034, for a total contract duration of 10 years, and with a total contract not to exceed amount of \$119,000,000 for the full 10-year duration under Charter, Section 9.118(b); and to authorize OCA to enter into amendments or modifications to the 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. (Office of Contract Administration)
(Fiscal Impact)

02/05/24; RECEIVED FROM DEPARTMENT.

02/13/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sailaja Kurella, Director (City Administrator's Office of Contract Administration); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Evan Boyd, General Manager (Recology); John Bouchard (Teamsters Local 350); Mark Gleason (Teamsters Local 665); spoke on various concerns relating to the hearing matter.

Chair Chan moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of March 6, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:45 a.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.