



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

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

Members: Mark Farrell, Katy Tang, Norman Yee

Clerk: Linda Wong (415) 554-7719

Wednesday, May 11, 2016

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Mark Farrell, Katy Tang, and Norman Yee

The Budget and Finance Sub-Committee met in regular session on Wednesday, May 11, 2016, with Chair Mark Farrell presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Farrell called the meeting to order at 10:05 a.m. On the call of the roll, Chair Farrell and Vice Chair Tang were noted present. Member Yee was noted not present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Member Yee was noted present at 10:08 a.m.

160225 [Administrative Code - Best Value Public Works Procurement]**Sponsors: Wiener; Tang, Breed and Yee**

Ordinance amending the Administrative Code to allow departments authorized to perform public work to procure public work contracts through a best value process that selects contractors using a combination of price and qualifications, with bid discounts applicable to price; and to require completion of public works contractor performance evaluations, and to require the creation and maintenance of a database to collect the contractor performance evaluations.

03/08/16; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 4/7/2016.

03/14/16; REFERRED TO DEPARTMENT. Referred to the Office of the Controller, Public Works, Planning Department, and the Office of Contract Administration for informational purposes.

04/27/16; TRANSFERRED to Budget and Finance Committee. 4/27/2016 - President Breed transferred this matter from Government Audit and Oversight Committee to Budget and Finance.

05/04/16; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor Scott Wiener (Board of Supervisors); Conor Johnston (Office of Supervisor London Breed); Nicholas King and Edgar Lopez (Public Works); Jon Givner (City Attorney's Office); provided an overview and responded to questions raised throughout the discussion. Juliana Choy Sommer; Man-Li Kelly; Miguel Galarza; Michael T; Alan Guy; Danny Campbell; spoke in support of the hearing matter. Lina Tam; Hanson Lee; Michael Sommer; Male Speaker; spoke in opposition to the hearing matter.

Member Yee moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to make clarifying amendments. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Chair Farrell requested File Nos. 160369 and 160371 be heard together.

160369 [Multifamily Housing Revenue Bonds - 1101 Connecticut Street (also known as Potrero Block X) - Not to Exceed \$56,000,000]

Sponsor: Cohen

Resolution declaring the intent of the City and County of San Francisco (the "City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development (the "Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$56,000,000 for 1101 Connecticut Street (also known as Potrero Block X); authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$56,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein. (Mayor's Office of Housing and Community Development)

04/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Adam Cray (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160371 [Multifamily Housing Revenue Bonds - 1035 Folsom Street and 21 Columbia Square Street - Not to Exceed \$16,000,000]

Sponsor: Kim

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$16,000,000 for the purpose of providing financing for the acquisition and rehabilitation of a 50-unit multifamily residential rental housing project known as Columbia Park Apartments; ratifying the approvals and terms and conditions of a previous Resolution; and related matters. (Mayor's Office of Housing and Community Development)

04/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Adam Cray (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160427 [Replacement Credit Facilities - Tax Exempt and Taxable Lease Revenue Commercial Paper Certificates of Participation - To Fund Board-Approved Capital Projects - Not to Exceed \$250,000,000]

Sponsor: Mayor

Resolution re-authorizing the issuance of Tax-Exempt (Series 1 and Series 2) and Taxable Lease Revenue Commercial Paper Certificates of Participation (Series 1-T and Series 2-T), in an aggregate principal amount not to exceed \$250,000,000 to finance the acquisition, construction, and rehabilitation of capital improvements and capital equipment approved by the Board of Supervisors and the Mayor; authorizing the replacement of the existing credit facilities in the amount of \$150,000,000; and approving and authorizing execution of a first supplement to trust agreement, a first amendment to site lease, a first amendment to sublease, revolving credit agreements, fee agreements, dealer agreements, and certain other related financing documents, and authorizing other related actions.

(Fiscal Impact)

04/26/16; RECEIVED AND ASSIGNED to Budget and Finance Committee.

05/03/16; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Jamie Querubin (Office of Public Finance); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160481 [Preservation of Affordable Housing Units - South Beach Marina, Inc. - South Beach Marina Apartments - 2 Townsend Street - Not to Exceed \$59,300,000]

Sponsor: Kim

Resolution approving an agreement with South Beach Marina, Inc., to preserve 101 affordable housing units at South Beach Marina Apartments in an amount not to exceed \$60,000,000 and authorizing the Director of the Mayor's Office of Housing and Community Development to execute the Agreement on behalf of the City and County of San Francisco to prevent the displacement of existing low- and moderate-income households residing at the South Beach Marina Apartments, and creating permanent affordability restrictions for all units to remain affordable to households earning up to 120% of Area Median Income. (Mayor's Office of Housing and Community Development)

05/03/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

05/06/16; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

05/06/16; RECEIVED FROM DEPARTMENT. Received response from the Planning Department determining that the project is not defined under CEQA Guideline Sections 15378 and 15060 (c) (2) because it does not result in a physical change in the environment.

Heard in Committee. Speakers: April Ang (Office of Supervisor Jane Kim); Douglas Lee and Kate Hartly (Mayor's Office of Housing and Community Development); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion. Gerald Miller; Eric; Maria Moustakis; Robert Mansfield; Roberta D'Agostino; Spencer Omezara; Sara Miller; Patrick Valentino; spoke in support of the hearing matter.

Vice Chair Tang moved that this Resolution be AMENDED to reduce the proposed credit toward future inclusionary housing fee obligations by \$700,000 from \$60,000,000 to \$59,300,000. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Resolution approving an agreement with South Beach Marina, Inc., to preserve 101 affordable housing units at South Beach Marina Apartments in an amount not to exceed \$59,300,000 and authorizing the Director of the Mayor's Office of Housing and Community Development to execute the Agreement on behalf of the City and County of San Francisco to prevent the displacement of existing low- and moderate-income households residing at the South Beach Marina Apartments, and creating permanent affordability restrictions for all units to remain affordable to households earning up to 120% of Area Median Income. (Mayor's Office of Housing and Community Development)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160315 [Agreement Amendment - Cogsdale Corporation - Software Maintenance, FAMIS Project - Maximum Expenditure of \$1,759,067.62]

Resolution authorizing the Controller to enter into the Ninth Amendment of a Software Maintenance Agreement with Cogsdale Corporation, for perpetual software maintenance services for the Controller's Financial Accounting and Management Information System ("FAMIS") Project, extending the contract term of July 1, 2006, through June 30, 2016, up to three years through June 30, 2019, and increasing the maximum expenditure for the Ninth Amendment up to \$452,661.65, and a total contract amount up to \$1,759,067.62. (Controller)
(Fiscal Impact)

04/04/16; RECEIVED FROM DEPARTMENT.

04/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Joyce Susuki (Controller's Office); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Chair Farrell requested File Nos. 160295 and 160296 be heard together.

160295 [Lease Agreement - Bank of America, N.A. - \$365,000 Minimum Annual Guarantee]

Resolution approving the Domestic Terminals 1 and 3 Automated Teller Machines Lease No. 16-0070 between Bank of America, N.A., and the City and County of San Francisco, acting by and through its Airport Commission, with a minimum annual guarantee of \$365,000 for the first year of the Lease for a five-year term to commence following Board approval, with a two-year option to extend exercisable at the sole discretion of the Airport Commission. (Airport Commission)

03/23/16; RECEIVED FROM DEPARTMENT.

04/05/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160296 [Lease Agreement - Bank of America, N.A. - \$270,000 Minimum Annual Guarantee]

Resolution approving the International Terminal Automated Teller Machines Lease No. 16-0069 between Bank of America, N.A., and the City and County of San Francisco, acting by and through its Airport Commission, with a minimum annual guarantee of \$270,000 for the first year of the Lease for a five-year term to commence following Board approval with a two-year option to extend exercisable at the sole discretion of the Airport Commission. (Airport Commission)

03/23/16; RECEIVED FROM DEPARTMENT.

04/05/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160311 [Lease Agreement - China Airlines Limited - Airport Building No. 648 and Related Areas on Plot 10 - \$5,851,076]

Resolution retroactively approving and authorizing the execution of Facility Lease Agreement No. 16-0072 for Cargo Building 648 on Plot 10, between China Airlines Limited and the City and County of San Francisco, acting by and through its Airport Commission, for an estimated rent of \$5,740,480.68 for a three-year term to commence April 9, 2016, through April 8, 2019, with one three-year option to extend. (Airport Commission)

03/28/16; RECEIVED FROM DEPARTMENT.

04/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

Member Yee moved that this Resolution be AMENDED to state that the correct estimated rent is \$5,851,076. The motion carried by the following vote:

Ayes: 3 - Farrell, Tang, Yee

Resolution retroactively approving and authorizing the execution of Facility Lease Agreement No. 16-0072 for Cargo Building 648 on Plot 10, between China Airlines Limited and the City and County of San Francisco, acting by and through its Airport Commission, for an estimated rent of \$5,851,076 for a three-year term to commence April 9, 2016, through April 8, 2019, with one three-year option to extend. (Airport Commission)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160358 [Appropriation and De-Appropriation - Surplus Revenue and Expenditures - Supporting Increased Overtime Expenditures - \$24,682,824 - FY2015-2016]**Sponsor: Mayor**

Ordinance appropriating \$4,112,120 surplus revenues, de-appropriating \$20,570,704 from permanent salaries, fringe benefit expenses, and non-personnel services, and appropriating \$24,682,824 to overtime in the Sheriff's Department, Department of Emergency Management, Fire Department, Public Health Department, Public Utilities Commission, and the Police Department operating budgets in order to support the Departments' projected increases in overtime as required per Ordinance No. 194-11 in FY2015-2016; this Ordinance requires a two-thirds vote of all members of the Board of Supervisors for approval of the Fire Department overtime appropriations, pursuant to Charter, Section 9.113(c).

04/12/16; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/12/2016.

05/03/16; SUBSTITUTED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Melissa Whitehouse (Mayor's Office); Robert Santos (Department of Emergency Management); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

160233 [Hearing - Economic Impacts of Super Bowl 50]**Sponsor: Farrell**

Hearing on the economic impacts of Super Bowl 50; and requesting the Controller's Office to report.

03/08/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

03/15/16; REFERRED TO DEPARTMENT. Referred to the Office of Economic and Workforce Development and the Office of the Controller for informational purposes.

Heard in Committee. Speakers: Todd Rystrom (Controller's Office); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; Jim Lazarus; spoke on the hearing matter.

HEARD AND FILED by the following vote:

Ayes: 3 - Farrell, Tang, Yee

The Budget and Finance Sub-Committee recessed at 11:09 a.m. and reconvened at 11:39 a.m.

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 1:04 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Sub-Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.