



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: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, April 3, 2019

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Sandra Lee Fewer, Catherine Stefani, and Rafael Mandelman

The Budget and Finance Sub-Committee met in a regular session on Wednesday, April 3, 2019, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:03 a.m.

ROLL CALL AND ANNOUNCEMENTS

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

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

190143 [Administrative Code - Harvey Milk Terminal Signage at San Francisco International Airport]**Sponsors: Ronen; Mandelman, Mar and Haney**

Ordinance amending the Administrative Code to set the minimum size of lettering for exterior and interior signage for the Harvey Milk Terminal, Terminal 1 of the San Francisco International Airport. (Fiscal Impact)

02/05/19; ASSIGNED UNDER 30 DAY RULE to Rules Committee.

02/08/19; RECEIVED FROM DEPARTMENT. Referred to the SF International Airport for information purposes.

03/11/19; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee: Speakers: Ivar Satero, Director (San Francisco International Airport); Former Supervisor David Campos; Stuart Milk (Harvey Milk Foundation); Andrew Shen (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Moses Corrette; Bob Goldfar; David Highman; Red Davis Phoenix; Lex Monquill; Steven Torres (LGDBQ Democratic Club); spoke in support of the matter.

03/11/19; RECOMMENDED AS AMENDED.

03/19/19; RE-REFERRED to Budget and Finance Sub-Committee. Supervisor Haney requested to be added as a co-sponsor.

Angela Calvillo, Clerk of the Board, informed the Board that the Budget and Legislative Analyst determined the amendments accepted during the Rules Committee meeting will require fiscal impact review, pursuant to Administrative Code, Section 2.6-3; therefore, this matter must be re-referred back to a fiscal committee for an additional hearing.

Heard in Committee. Speakers: Supervisor Hillary Ronen (Board of Supervisors); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190092 [Business and Tax Regulations Code - Credits For Waiver of Homelessness Gross Receipts Tax Refund and Certain Gifts]**Sponsors: Mayor; Brown**

Ordinance amending the Business and Tax Regulations Code to add a credit against a person or combined group's Homelessness Gross Receipts Tax ("Tax") equal to 10% of the portion of a person or combined group's Tax liability for a tax year with respect to which the person or combined group enters into an agreement waiving its right to a refund of its Tax payments associated with any claim that the Homelessness Gross Receipts Tax Ordinance is invalid because it required a two-thirds vote rather than a majority of the electorate to pass; to add a credit against a person's Tax equal to 110% of a person's gift to support the Our City, Our Home Fund; and to authorize the Office of the Treasurer and Tax Collector to accept gifts from persons to support the Our City, Our Home Fund. (Fiscal Impact)

01/29/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 2/28/2019.

02/19/19; REFERRED TO DEPARTMENT. Referred to Small Business Commission for comment and recommendation; and to the Treasurer and Tax Collector, Department of Homelessness and Supportive Housing, Office of the Controller, Office of the City Attorney, and San Francisco Superior Court for informational purposes.

02/27/19; RESPONSE RECEIVED. Response received from the Small Business Commission indicating no recommendation on this matter.

03/05/19; SUBSTITUTED AND ASSIGNED to Budget and Finance Sub-Committee. Mayor Breed introduced a substitute Ordinance bearing the same title.

03/14/19; REFERRED TO DEPARTMENT. Referred (version 2) to Small Business Commission for comment and recommendation; and to the Treasurer and Tax Collector, Department of Homelessness and Supportive Housing, Office of the Controller, and Office of the City Attorney for informational purposes.

03/14/19; RESPONSE RECEIVED. Response received from the Small Business Commission indicating no recommendation on this matter.

03/20/19; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: Andres Power, Policy Director (Office of the Mayor); Severin Campbell (Office of the Budget and Legislative Analyst); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Ordinance be AMENDED, on Page 6, Line 19, by replacing '2023' with '2025'. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman
(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mandelman

190282 [California Constitution Appropriations Limit - FY2018-2019 - \$4,443,944,710]

Resolution establishing the appropriations limit of \$4,443,944,710 for FY2018-2019, pursuant to California Constitution, Article XIII B. (Controller)

(Fiscal Impact)

03/05/19; RECEIVED FROM DEPARTMENT.

03/19/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Michael Mitton (Office of the Controller); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190243 [Apply for, Accept, and Expend Funds - Retroactive - California Secretary of State - Voting System Replacement Activities - \$3,011,500]

Resolution retroactively authorizing the Department of Elections to apply for, accept, and expend funds allocated by the California Secretary of State in an amount not to exceed \$3,011,500 to fund voting system replacement activities, for the period of July 1, 2018, through June 30, 2021. (Elections Department)

(Fiscal Impact)

02/25/19; RECEIVED FROM DEPARTMENT.

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: John Arntz, Director (Department of Elections); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190283 [Grant Agreement and Subsequent Amendments - Retroactive - Meals on Wheels of San Francisco - Nutrition Programs Services - Not to Exceed \$26,227,568]

Resolution retroactively approving a grant agreement, authorizing the Executive Director of the Human Services Agency to execute a grant agreement between the City and County of San Francisco, by and through its Human Services Agency, and the non-profit Meals on Wheels of San Francisco for the provision of Nutrition Programs services to older adults and adults with disabilities for the period of July 1, 2017, through June 30, 2020, in an amount not to exceed \$21,600,737; retroactively approving Amendment No. 1 to increase the grant agreement amount by \$709,688 for a total not to exceed amount of \$22,310,425; retroactively approving Amendment No. 2 to increase the grant agreement amount by \$826,393 for a total not to exceed amount of \$23,136,818; and retroactively approving Amendment No. 3 to increase the agreement amount by \$3,090,750 for a total not to exceed amount of \$26,227,568, each amendment with no change to the length of term through June 30, 2020. (Human Services Agency)
(Fiscal Impact)

03/11/19; RECEIVED FROM DEPARTMENT.

03/19/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: John Tsutakawa (Human Services Agency); Jon Givner (Office of the City Attorney); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer move that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190242 [Agreement Amendment - San Francisco AIDS Foundation - HIV Prevention - City-Wide Syringe Access and Disposal Services - Not to Exceed \$35,608,159]

Resolution approving Amendment No. 2 to the agreement between the San Francisco AIDS Foundation and the Department of Public Health to provide HIV prevention services through City-wide syringe access and disposal services; to increase the contract amount by \$25,768,672 for a total amount not to exceed \$35,608,159; and to extend the contract by seven years, to commence July 1, 2019, for a total contract term of July 1, 2016, through June 30, 2026. (Public Health Department)
(Fiscal Impact)

03/04/19; RECEIVED FROM DEPARTMENT.

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Michelle Ruggels and Tracy Packer (Department of Public Health); Severin Campbell (Office of the Budget and Legislative Analyst); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190289 [Multifamily Housing Revenue Notes - 691 China Basin Street (“691 China Basin Apartments”) - Not to Exceed \$68,000,000]**Sponsors: Mayor; Haney**

Resolution authorizing the execution and delivery of a multifamily housing revenue note in a principal amount not to exceed \$68,000,000 for the purpose of providing financing for the construction of a 152-unit multifamily rental housing project known as “691 China Basin Apartments;” approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender identified therein to the City and the execution and delivery of the note; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note and the project, as defined herein; and granting general authority to City officials to take actions necessary to implement this Resolution, and related matters, as defined herein.

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Annie Wong (Office of Community Investment and Infrastructure); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 190314 and 190315 be called together.

190314 [Multifamily Housing Revenue Bonds - 242 Hahn Street - Sunnydale Block 6 - Not to Exceed \$77,000,000]**Sponsors: Mayor; Walton**

Resolution declaring the intent of the City and County of San Francisco (“City”) to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor’s Office of Housing and Community Development (“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 \$77,000,000 for Sunnydale Block 6 with a current address of 242 Hahn Street; 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 \$77,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

03/19/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Theo Miller (Office of the Mayor); Sara Amaral (Mayor’s Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of April 10, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190315 [Loan Agreement - Sunnydale HOPE SF - Not to Exceed \$28,478,891]**Sponsors: Mayor; Walton**

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute an Amended and Restated Loan Agreement with Sunnydale Infrastructure LLC, a California limited liability company, for a total loan amount not to exceed \$28,478,891 to finance the first 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"); and adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

03/19/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Theo Miller (Office of the Mayor); Sara Amaral (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of April 10, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 190293 and 190294 be called together.

190293 [Reimburse Expenditures - Development of the Mission Rock Project, with Tax-Exempt Debt]**Sponsors: Mayor; Haney**

Resolution declaring official intent to reimburse expenditures related to development of the Mission Rock Project from the proceeds of bonds and other debt; and making findings under the California Environmental Quality Act.

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Christine Maher and Phil Williamson (Port of San Francisco); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190294 [Reimburse Expenditures - Development of Pier 70, Including Affordable Housing Costs, with Tax-Exempt Debt]**Sponsors: Mayor; Walton**

Resolution declaring official intent to reimburse expenditures related to development of Pier 70, including affordable housing costs, from the proceeds of bonds and other debt; and making findings under the California Environmental Quality Act.

03/12/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Christine Maher and Phil Williamson (Port of San Francisco); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

190288 [Accept and Expend Grant - Retroactive - Safety and Justice Challenge - Amendment to the Annual Salary Ordinance - FYs 2018-2019 and 2019-2020 - \$2,000,000]

Sponsor: Ronen

Ordinance retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$2,000,000 from the John D. and Catherine T. MacArthur Foundation to support San Francisco's participation as an implementation site in the Safety and Justice Challenge; and amending Ordinance No. 182-18 (Annual Salary Ordinance File No. 180575 for FYs 2018-2019 and 2019-2020) to provide for the addition of one grant funded Class 1823 Senior Administrative Analyst position (FTE 1.0) and one grant funded Class 8133 Victim/Witness Investigator (FTE 1.0) at the Office of the District Attorney, one grant funded Class 2930 Behavioral Health Clinician (FTE 1.0) at the Department of Public Health, and one grant funded Class 1823 Senior Administrative Analyst position (FTE 1.0) at the Sheriff's Department for the period of October 1, 2018, through September 30, 2020. (District Attorney)

03/12/19; ASSIGNED to Budget and Finance Sub-Committee. 3/15/19 - President Yee waived the 30-day rule pursuant to Board Rule No. 3.23.

Heard in Committee. Speaker: Christine DeBerry (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Stefani, Mandelman

181212 [Administrative, Business and Tax Regulations Codes - Nonprofit Organizations' First-Right-to-Purchase Multi-Family Residential Buildings]**Sponsors: Fewer; Ronen, Haney, Mar, Walton, Safai, Peskin, Mandelman, Brown, Yee and Stefani**

Ordinance amending the Administrative Code to confer upon certain nonprofit organizations a first-right-to-purchase, consisting of both a right of first offer and a right of first refusal, over all multi-family residential buildings (and related construction sites and vacant lots) in the City, for the purpose of creating and preserving rent-restricted affordable rental housing; establishing related procedures for the selection of such nonprofits, preservation of rent-restricted affordable housing, and implementation and enforcement; and affirming the Planning Department's determination under the California Environmental Quality Act.

12/11/18; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 1/10/2019.

12/27/18; REFERRED TO DEPARTMENT. Referred to the Planning Commission for hearing and Planning Department for environmental review.

01/15/19; SUBSTITUTED AND ASSIGNED to Rules Committee. Supervisor Fewer introduced a substitute Ordinance bearing a new title.

02/28/19; TRANSFERRED to Budget and Finance Committee. Rules Committee Chair Ronen waived the Rules Committee's authority to hear the matter and request that it be transferred to the Budget and Finance Committee.

03/06/19; TRANSFERRED to Budget and Finance Sub-Committee.

03/14/19; REFERRED TO DEPARTMENT. Referred (version 2) to Planning Department for environmental review; Planning Commission, pursuant to Planning Code, Section 302(b) for public hearing and recommendation; Planning Department, pursuant to Board of Supervisors Rule 3.23 for review and comment; and Rent Board, and Mayor's Office of Housing and Community Development for informational purposes.

04/01/19; RESPONSE RECEIVED. Response received from the Planning Department stating that this matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060(2) because it would not result in a direct or indirect physical change in the environment.

(Vice Chair Stefani requested to be added as a co-sponsor.)

Heard in Committee. Speakers: Paolo Ikezoe (Planning Department); provided an overview and responded to questions raised throughout the discussion. Speaker; Mary McNamara (Outer Sunset Working Group); Jack Avery (UWBA); Johnny Oliver (MEDA); Alexandra Goldman (Tenderloin Neighborhood Development Corporation); Keith Cooley and Bruce Wolfe (San Francisco Community Land Trust); Jesse Oliver Sanford; Kathy Burick (AFT 2121); Raymond Castillo, Lian Ladia, Ericka M., and David Woo (SOMCAN); Jordan Davis; Matthias Mormino; Katrina Liwanay (SOMA Pilipinas); Eddie Ahn (Brightline); Fernando Masti (CCHO); Charles Higgins, MSW (SF Community Land Trust); Speaker; spoke in support of the hearing matter. Charile Gloss; spoke in opposition to the hearing matter.

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

Ayes: 3 - Fewer, Stefani, Mandelman

Ordinance amending the Administrative Code to confer upon certain nonprofit organizations a first-right-to-purchase, consisting of both a right of first offer and a right of first refusal, over all multi-family residential buildings (and related construction sites and vacant lots) in the City, for the purpose of creating and preserving rent-restricted affordable rental housing, and to establish related procedures for the selection of such nonprofits, the preservation of rent-restricted affordable housing, and implementation and enforcement; amending the Business and Tax Regulations Code to exempt rent-restricted affordable housing created under this ordinance from increased rates of transfer tax; and affirming the Planning Department's determination under the California Environmental Quality Act.

Chair Fewer moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Sub-Committee meeting of April 10, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 12:19 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.