

# BUDGET AND FINANCE COMMITTEE CITY AND COUNTY OF SAN FRANCISCO

## MEETING MINUTES

Thursday, June 13, 2019 - 10:00 AM

City Hall, Legislative Chamber, Room 250

### Special Meeting

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Members: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman, Hillary Ronen, Norman Yee

Clerk: Linda Wong (415) 554-7719

*Angela Calvillo, Clerk of the Board*

### BOARD COMMITTEES

#### Committee Membership

##### **Budget and Finance Committee**

Supervisors Fewer, Stefani, Mandelman, Ronen, Yee

##### **Budget and Finance Sub-Committee**

Supervisors Fewer, Stefani, Mandelman

##### **Government Audit and Oversight Committee**

Supervisors Mar, Brown, Peskin

##### **Joint City, School District, and City College Select Committee**

Supervisors Haney, Walton, Mar (Alt), Commissioners Cook, Collins, Moliga (Alt),  
Trustees Randolph, Williams, Selby (Alt)

##### **Land Use and Transportation Committee**

Supervisors Peskin, Safai, Haney

##### **Public Safety and Neighborhood Services Committee**

Supervisors Mandelman, Stefani, Walton

##### **Rules Committee**

Supervisors Ronen, Walton, Mar

#### Meeting Days

Wednesday

1:00 PM

Wednesday

10:00 AM

1st and 3rd Thursday

10:00 AM

2nd Friday

10:00 AM

Monday

1:30 PM

2nd and 4th Thursday

10:00 AM

Monday

10:00 AM

First-named Supervisor is Chair, Second-named Supervisor is Vice-Chair of the Committee.

**Members Present:** Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman, Hillary Ronen, and Norman Yee

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*The Budget and Finance Committee met in special session on Wednesday, June 13, 2019, with Chair Sandra Lee Fewer presiding.*

## **ROLL CALL AND ANNOUNCEMENTS**

*Chair Fewer called the meeting to order at 10:06 a.m. On the call of the roll, Chair Fewer, Vice Chair Stefani, Member Mandelman, and Member Yee were noted present. Member Ronen was noted not present. A quorum was present.*

## **AGENDA CHANGES**

*There were no agenda changes.*

## REGULAR AGENDA

### **190494 [General Obligation Bond Election - Earthquake Safety and Emergency Response - Not to Exceed \$628,500,000]**

**Sponsors: Mayor; Fewer, Stefani and Mar**

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 3, 2020, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$628,500,000 to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public safety and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan; consolidating the special election with the general election; establishing the election precincts, voting places, and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions of Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

*Heard in Committee. Speaker: Mr. Wright; spoke neither in support nor opposition on the matter.*

*Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:*

*Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee*

*Chair Fewer, seconded by Member Mandelman, moved to rescind the previous vote. The motion carried by the following vote:*

*Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee*

**Chair Fewer, seconded by Member Yee, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:**

**Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee**

Chair Fewer requested File Nos. 190501, 190495, and 190666 be called together.

**190501 [General Obligation Bonds - Affordable Housing - Not to Exceed \$600,000,000]**

**Sponsors: Mayor; Yee, Brown, Safai, Walton and Stefani**

Resolution determining and declaring that the public interest and necessity demand the construction, development, acquisition, improvement, rehabilitation, preservation and repair of affordable housing improvements and related costs necessary or convenient for the foregoing purposes; to be financed through bonded indebtedness in an amount not to exceed \$500,000,000; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; adopting findings under the California Environmental Quality Act; and finding that the proposed bond is in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).  
(Fiscal Impact)

*Heard in Committee. Speakers: Kate Hartley (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Betty Traynor (Senior and Disability Action), Wing Hoo Leung, President (Community Tenants Association); Donna Smith (Elders Network); Mr. Wright; Speaker; Ken Tray; spoke on various concerns relating to the hearing matter.*

**Member Yee, seconded by Chair Fewer, moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to increase the amount from \$500,000,000 to \$600,000,000 and to make other clarifying amendments. The motion carried by the following vote:**

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Resolution determining and declaring that the public interest and necessity demand the construction, development, acquisition, improvement, rehabilitation, preservation and repair of affordable housing improvements and related costs necessary or convenient for the foregoing purposes; to be financed through bonded indebtedness in an amount not to exceed \$600,000,000; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; adopting findings under the California Environmental Quality Act; and finding that the proposed bond is in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).  
(Pursuant to California Government Code, Sections 43607 and 43608, this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve passage of this Resolution.)

(Fiscal Impact)

**Member Yee, seconded by Chair Fewer, moved that this Resolution be CONTINUED AS AMENDED to the Special Budget and Finance Committee meeting of June 21, 2019. The motion carried by the following vote:**

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

**190495 [General Obligation Bond Election - Affordable Housing - Not to Exceed \$600,000,000]****Sponsors: Mayor; Yee, Brown, Safai, Walton and Stefani**

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness not to exceed \$500,000,000 to finance the construction, development, acquisition, improvement, rehabilitation, preservation, and repair of affordable housing improvements, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions regarding the Citizens' General Obligation Bond Oversight Committee's review of Affordable Housing Bond expenditures in Administrative Code, Sections 5.30-5.36; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).

*Heard in Committee. Speakers: Kate Hartley (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Betty Traynor (Senior and Disability Action), Wing Hoo Leung, President (Community Tenants Association); Donna Smith (Elders Network); Mr. Wright; Speaker; Ken Tray; spoke on various concerns relating to the hearing matter.*

**Member Yee, seconded by Chair Fewer, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to increase the not-to-exceed amount from \$500,000,000 to \$600,000,000; to increase from \$210,000,000 to \$220,000,000 for low-income housing; to increase from \$50,000,000 to \$60,000,000 for preservation and middle-income housing; to include a new category for "Educator Housing"; and to make other clarifying and conforming amendments. The motion carried by the following vote:**

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed \$600,000,000 to finance the construction, development, acquisition, improvement, rehabilitation, preservation, and repair of affordable housing improvements, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Affordable Housing Bond expenditures; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

(Pursuant to California Government Code, Sections 43607 and 43608, this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve passage of this Ordinance.)

**Member Yee, seconded by Chair Fewer, moved that this Ordinance be CONTINUED AS AMENDED to the Special Budget and Finance Committee meeting of June 21, 2019. The motion carried by the following vote:**

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

**190666 [2019 General Obligation Affordable Housing Bond Report]****Sponsor: Yee**

Hearing on the proposed 2019 General Obligation Housing Bond Report; and requesting the Mayor's Office of Housing and Community Development to report.

*Heard in Committee. Speakers: Kate Hartley (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Betty Traynor (Senior and Disability Action), Wing Hoo Leung, President (Community Tenants Association); Donna Smith (Elders Network); Mr. Wright; Speaker; Ken Tray; spoke on various concerns relating to the hearing matter.*

**Member Yee, seconded by Chair Fewer, moved that this Hearing be PREPARED IN COMMITTEE AS A MOTION. The motion carried by the following vote:**

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Motion urging the Mayor's Office of Housing and Community Development to update and amend the 2019 General Obligation Affordable Housing Bond Report to reflect the increase to the Bond amount, updated allocations of proposed funding, and proposed amendments on prioritized uses.

**Member Yee, seconded by Vice Chair Fewer, moved that this Motion be CONTINUED to the Special Budget and Finance Committee meeting of June 21, 2019. The motion carried by the following vote:**

Ayes: 5 - Fewer, Stefani, Mandelman, Ronen, Yee

Chair Fewer requested File Nos. 190619 and 190620 be called together.

Chair Fewer recessed the meeting at 1:30 p.m. and reconvened the meeting at 2:07 p.m.

#### SPECIAL MEETING OF THE BOARD OF SUPERVISORS

Supervisor Safai was noted present at 2:17 p.m.; thereby constituting a quorum of the Board of Supervisors. A Special Meeting of the Board of Supervisors was convened at 2:17 p.m.; although, the meeting was conducted in all respects as a committee meeting for items on the agenda and any substantive decisions constitute a recommendation of the committee and not action taken by the Board.

Present: Supervisors Fewer, Mandelman, Ronen, Safai, Stefani, and Yee

Supervisor Safai was noted absent at 2:33 p.m.

Supervisor Walton was noted present at 4:42 p.m.

#### ADJOURNMENT OF THE BOARD OF SUPERVISORS

At the hour of 5:10 p.m., Supervisors Stefani and Walton were noted absent; thereby adjourning the Special Meeting of the Board of Supervisors.

### **190619 [Budget and Appropriation Ordinance for Departments - FYs 2019-2020 and 2020-2021]**

#### **Sponsor: Mayor**

Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for Departments of the City and County of San Francisco as of June 1, 2019, for the FYs ending June 30, 2020, and June 30, 2021.

(Fiscal Impact)

*Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Adrienne Pon, Executive Director (Office of Civic Engagement and Immigration Affairs); Jennifer Johnston and Adam Nguyen (Office of the City Administrator); Claudia Gorham (Real Estate Division); Ken Bukowski, Deputy City Administrator (Office of the City Administrator); Kelly Kirkpatrick, Budget Director (Office of the Mayor); Linda Gerull, Chief Information Officer (Department of Technology); Nicolas Menard (Office of the Budget and Legislative Analyst); Ben Rosenfield, City Controller (Office of the City Controller); William Scott, Police Chief, Catherin McQuire and Carolyn Welch (Police Department); Mohammed Nuru, Director (Public Works); Paul Henderson, Director, and Sarah Hopkins (Department of Police Accountability); Chief Jeanine Nicholson and Mark Corso (Fire Department); Mary Ellen Carroll, Executive Director (Department of Emergency Management); Karen Fletcher, Chief Adult Probation Officer (Adult Probation Department); Michael Yuen, Chief Executive Officer (Superior Court); George Gascon, District Attorney (Office of the District Attorney); Mano Raju, Public Defender and Simin Shamji (Office of the Public Defender); Allen Nance, Chief Juvenile Probation Officer, and Sandra Dalida (Juvenile Probation Department); Supervisor Shamann Walton (Board of Supervisors); Vicky Hennessy, Sheriff, and Crispin Hollings, Chief Financial Officer (Sheriff's Department); provided an overview and responded to questions raised throughout the discussion. Dan Flannigan; Joshua; Mr. Wright; Speaker; Speaker; Julie Flach; Speaker; spoke on various concerns relating to the hearing matter.*

**Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be CONTINUED to the Special Budget and Finance Committee meeting of June 14, 2019. The motion carried by the following vote:**

Ayes: 4 - Fewer, Mandelman, Ronen, Yee

Absent: 1 - Stefani

**190620 [Annual Salary Ordinance - FYs 2019-2020 and 2020-2021]****Sponsor: Mayor**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the FYs ending June 30, 2020, and June 30, 2021, continuing, creating, or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefore.  
(Fiscal Impact)

*Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Adrienne Pon, Executive Director (Office of Civic Engagement and Immigration Affairs); Jennifer Johnston and Adam Nguyen (Office of the City Administrator); Claudia Gorham (Real Estate Division); Ken Bukowski, Deputy City Administrator (Office of the City Administrator); Kelly Kirkpatrick, Budget Director (Office of the Mayor); Linda Gerull, Chief Information Officer (Department of Technology); Nicolas Menard (Office of the Budget and Legislative Analyst); Ben Rosenfield, City Controller (Office of the City Controller); William Scott, Police Chief, Catherin McQuire and Carolyn Welch (Police Department); Mohammed Nuru, Director (Public Works); Paul Henderson, Director, and Sarah Hopkins (Department of Police Accountability); Chief Jeanine Nicholson and Mark Corso (Fire Department); Mary Ellen Carroll, Executive Director (Department of Emergency Management); Karen Fletcher, Chief Adult Probation Officer (Adult Probation Department); Michael Yuen, Chief Executive Officer (Superior Court); George Gascon, District Attorney (Office of the District Attorney); Mano Raju, Public Defender and Simin Shamji (Office of the Public Defender); Allen Nance, Chief Juvenile Probation Officer, and Sandra Dalida (Juvenile Probation Department); Supervisor Shamann Walton (Board of Supervisors); Vicky Hennessy, Sheriff, and Crispin Hollings, Chief Financial Officer (Sheriff's Department); provided an overview and responded to questions raised throughout the discussion. Dan Flannigan; Joshua; Mr. Wright; Speaker; Speaker; Julie Flach; Speaker; spoke on various concerns relating to the hearing matter.*

**Chair Fewer, seconded by Member Mandelman, moved that this Ordinance be CONTINUED to the Special Budget and Finance Committee meeting of June 14, 2019. The motion carried by the following vote:**

Ayes: 4 - Fewer, Mandelman, Ronen, Yee

Absent: 1 - Stefani

**ADJOURNMENT**

*There being no further business, the Budget and Finance Committee adjourned at the hour of 5:47 p.m.*

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

*Approved by the Board of Supervisors on July 16, 2019.*

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Angela Calvillo, Clerk of the Board