



City and County of San Francisco
Meeting Minutes
Budget and Finance 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, September 18, 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 Committee met in regular session on Wednesday, September 18, 2019, with Chair Sandra Lee Fewer presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Fewer called the meeting to order at 10:07 a.m. 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

190850 [Sale of Transferable Development Rights - War Memorial Complex - 301 and 401 Van Ness Avenue]

Sponsors: Mayor; Brown

Resolution authorizing the Director of Property to sell up to 550,000 gross square feet of remaining transferable development rights ("TDR") previously authorized from the War Memorial Complex, located at 301 and 401 Van Ness Avenue, at fair market value; and to execute and record Certificates of Transfer and to take such additional actions as may be necessary to effectuate one or more TDR transfers in accordance with Planning Code, Section 128.

07/30/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/11/19; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: Andrico Penick, Director (Real Estates Division); 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 AMENDED to affirm the minimum transferable development rights (TDR) sale price of \$25 per square foot set by the original legislation in 2014 and to require an annual written report to the Board of Supervisors detailing the sale of TDRs. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

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

Ayes: 3 - Fewer, Stefani, Mandelman

190902 [Apply for Grant Application - United States Department of Housing and Urban Development - Continuum of Care Program - Not to Exceed \$51,175,586]

Sponsors: Mayor; Brown

Resolution approving the 2019 grant application for the United States Department of Housing and Urban Development Continuum of Care Program with an amount not to exceed \$51,175,386; and fulfilling the Board of Supervisors review and approval process for all annual or otherwise recurring grants of \$5,000,000 or more. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

09/03/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Gigi Whitley (Department of Homelessness and Supportive Housing; 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 AMENDED to state that the correct amount of grant funds from the United States Department of Housing and Urban Development is \$51,175,586. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Resolution approving the 2019 grant application for the United States Department of Housing and Urban Development Continuum of Care Program with an amount not to exceed \$51,175,586; and fulfilling the Board of Supervisors review and approval process for all annual or otherwise recurring grants of \$5,000,000 or more. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mandelman

190768 [Contract Amendment - Heluna Health - Comprehensive Outreach and Case Management Programming - Not to Exceed \$39,133,942]**Sponsor: Mayor**

Resolution approving the fifth amendment to the contract between the City and County of San Francisco and Heluna Health to provide comprehensive outreach and case management programming to meet the needs of people experiencing homelessness in San Francisco known as the San Francisco Homeless Outreach Team, to extend the contract agreement term for an additional 20 months from November 1, 2019, for a total term of August 1, 2014, through June 30, 2021, and to increase the contract amount by \$15,367,886 for a total contract amount of \$39,133,942. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

07/09/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

09/03/19; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee. Mayor Breed introduced a substitute Resolution bearing a new title.

Heard in Committee. Speakers: Jeff Kositsky, Director (Department of Homelessness and Supportive Housing); 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 AMENDED on Page 3, Lines 14-18, by adding 'FURTHER RESOLVED, that the Department of Homelessness and Supportive Housing provide a report to the Budget and Finance Committee by June 1, 2020 on the service and outcome objectives of the SFHOT contracted services outlined in the Fifth Amendment, and an update on the long-term role of the SFHOT program within the City's Homelessness Response System to address client needs and community concerns; and'. The motion carried by the following vote:

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

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

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 190878 and 190877 be called together.

190878 [Contract Amendment - XTech JV - Technology Marketplace - Not to Exceed \$44,000,000]

Resolution authorizing the Office of Contract Administration to enter into a First Amendment for Technology Marketplace purchases between the City and County of San Francisco and XTech JV, a Tier 1 contractor of the Technology Marketplace 2.0, to increase the contract amount by \$24,000,000 for a total contract amount not to exceed \$44,000,000 with no change to the three-year term to expire on December 31, 2021, with two one-year options to extend at the sole and absolute discretion of the City. (Office of Contract Administration)
(Fiscal Impact)

08/26/19; RECEIVED FROM DEPARTMENT.

09/03/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Paul Cheng (Office of Contract Administration); 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 September 25, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190877 [Contract Amendment - CCT Technologies, Inc. - Technology Marketplace - Not to Exceed \$23,000,000]

Resolution authorizing the Office of Contract Administration to enter into a First Amendment for Technology Marketplace purchases between the City and County of San Francisco and CCT Technologies Inc., dba ComputerLand, a Tier 1 contractor of the Technology Marketplace 2.0, to increase the contract amount by \$3,000,000 for a total contract amount not to exceed \$23,000,000 with no change to the three-year term to expire on December 31, 2021, with two one-year options to extend at the sole and absolute discretion of the City. (Office of Contract Administration) (Fiscal Impact)

08/26/19; RECEIVED FROM DEPARTMENT.

09/03/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Paul Cheng (Office of Contract Administration); 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 September 25, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190809 [Contract - Bar None Auction - Auctioning Services - \$1,300,000 Anticipated Revenue]

Resolution authorizing the Office of Contract Administration to enter into a contract for auctioning services with Bar None Auction with an anticipated revenue of \$1,300,000 for a term of October 1, 2019, through September 30, 2022. (Office of Contract Administration)

07/22/19; REFERRED TO DEPARTMENT.

07/30/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

09/10/19; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speaker: Shawn Peters (Office of Contract Administration); 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

190883 [Office of the Treasurer & Tax Collector to Examine Confidential California Department of Tax and Fee Administration Records]

Resolution authorizing officers and employees of the Office of the Treasurer & Tax Collector of the City and County of San Francisco to examine sales or transactions and use tax records of the California Department of Tax and Fee Administration, pursuant to California Revenue and Taxation Code, Section 7056. (Treasurer-Tax Collector)

07/29/19; RECEIVED FROM DEPARTMENT.

09/03/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190704 [Lease Agreement - Emporio Rulli, Inc. dba G.R. Chocolate Boutique - \$150,000 Minimum Annual Guarantee]

Resolution approving the Terminal 1 Retail Concession Lease No. 3 - Lease No. 18-0395, between Emporio Rulli, Inc. dba G.R. Chocolate Boutique and the City and County of San Francisco, acting by and through its Airport Commission, for a term of seven years with two one-year options to extend, with a minimum annual guarantee of \$150,000 for the first year of the Lease, to commence upon approval by the Board of Supervisors. (Airport Commission)

06/10/19; RECEIVED FROM DEPARTMENT.

06/25/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

09/10/19; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); 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

190705 [Lease and Operating Agreement - Smarte Carte Inc. - \$6,493,853]

Resolution approving the Airport Luggage Cart Lease and Operating Agreement No. 19-0069, between Smarte Carte Inc., and the City and County of San Francisco, acting by and through its Airport Commission, for a term of three years, with one three-year option to extend, in an amount not to exceed \$6,493,853 to commence upon approval by the Board of Supervisors. (Airport Commission)

06/11/19; RECEIVED FROM DEPARTMENT.

06/25/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

09/10/19; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); 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

190901 [Designation of Agents Authorized to Obtain Disaster and Emergency Assistance Funding]

Sponsor: Mayor

Resolution authorizing agents to act on behalf of the City and County of San Francisco for all matters pertaining to state and federal disaster and emergency assistance funding.

09/03/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Risa Sandler (Office of the Controller); 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. 190895, 190898, 190896, 190897, and 190900 be called together.

190895 [Authorizing Certificates of Participation - Multiple Capital Improvement Projects - Not to Exceed \$94,600,000]

Sponsors: Mayor; Peskin

Ordinance authorizing the execution and delivery of Certificates of Participation, in one or more series from time to time, on a tax-exempt or taxable basis, evidencing and representing an aggregate principal amount not to exceed \$94,600,000 to finance and refinance the acquisition of certain real property located at 814-820 Bryant Street and 470 Sixth Street within the City and related site demolition, preparation and improvement, and the repayment of certain taxable commercial paper notes of the City issued for such purposes, and the acquisition of certain additional property located at 1828 Egbert Avenue within the City and related site demolition, preparation and improvement; approving the form of Supplement to the Trust Agreement between the City and County of San Francisco and U.S. Bank National Association, as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of Supplements to Property Lease and Project Lease, each between the City and the Trustee, for the lease and lease back of all or a portion of certain real property and improvements located at 375 Laguna Honda Boulevard or other property as determined by the Director of Public Finance; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates of Participation; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Certificates of Participation; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

(Fiscal Impact)

09/03/19; ASSIGNED to Budget and Finance Committee. President Yee waived the 30 Day Rule pursuant to Board Rule 3.22.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Heather Green (Office of Resilience and Capital Planning); Andrico Penick, Director (Real Estate Division); 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

190898 [Appropriation - Certificates of Participation to the General Services Agency to Fund Site Acquisition Costs for the Hall of Justice Relocation Project - \$78,600,000 - FY2019-2020]

Sponsors: Mayor; Peskin

Ordinance appropriating \$78,600,000 of Certificates of Participation to the General Services Agency to purchase the property located at 1828 Egbert Avenue and to fund the related demolition, site preparation, and other acquisition costs for the Hall of Justice Relocation Project in FY2019-2020; and placing \$78,600,000 on Controller's Reserve pending sales of Certificates of Participation. (Fiscal Impact)

09/03/19; ASSIGNED to Budget and Finance Committee. President Yee waived the 30 Day Rule pursuant to Board Rule 3.22.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Heather Green (Office of Resilience and Capital Planning); Andrico Penick, Director (Real Estate Division); 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

190896 [Authorizing Certificates of Participation - Multiple Capital Improvement Projects - Not to Exceed \$62,000,000]

Sponsor: Mayor

Ordinance authorizing the execution and delivery of Certificates of Participation, in one or more series from time to time, on a tax-exempt or taxable basis, evidencing and representing an aggregate principal amount not to exceed \$62,000,000 to finance and refinance the acquisition of certain real property located within the City for the improvement and equipping of certain existing real property and improvements owned and maintained by the City, including but not limited to the improvement and equipping of the existing Hall of Justice facilities located at 850 Bryant Street within the City and adjacent and related facilities, and the retirement of certain commercial paper notes of the City issued on an interim basis for such purposes; approving the form of Supplement to Trust Agreement between the City and County of San Francisco and U.S. Bank National Association, as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of Supplements to Property Lease and Project Lease, each between the City and the Trustee, for the lease and lease back of all or a portion of certain real property and improvements located at 375 Laguna Honda Boulevard or other property as determined by the Director of Public Finance; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates of Participation; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Certificates of Participation; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein. (Fiscal Impact)

09/03/19; ASSIGNED to Budget and Finance Committee. President Yee waived the 30 Day Rule pursuant to Board Rule 3.22.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Heather Green (Office of Resilience and Capital Planning); Andrico Penick, Director (Real Estate Division); 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

190897 [Appropriation - Certificates of Participation to the General Services Agency to Fund Tenant Improvement Costs for the Hall of Justice Improvement Project - \$62,000,000 - FY2019-2020]

Sponsor: Mayor

Ordinance appropriating \$62,000,000 of Certificates of Participation to the General Services Agency to fund tenant improvements involving the construction, acquisition, improvement, renovation, and retrofitting of City-owned properties as needed for the Hall of Justice Improvement Project enabling staff and offices to be consolidated in acquired City-owned properties in FY2019-2020; and placing \$62,000,000 on Controller's Reserve, pending sales of Certificates of Participation.

(Fiscal Impact)

09/03/19; ASSIGNED to Budget and Finance Committee. President Yee waived the 30 Day Rule pursuant to Board Rule 3.22.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Heather Green (Office of Resilience and Capital Planning); Andrico Penick, Director (Real Estate Division); 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 AMENDED to place \$3,000,000 for contingencies for construction of the holding cells of the \$62,000,000 Certificates of Participation proceeds on Budget and Finance Committee reserve pending budget details. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Ordinance appropriating \$62,000,000 of Certificates of Participation to the General Services Agency to fund tenant improvements involving the construction, acquisition, improvement, renovation, and retrofitting of City-owned properties as needed for the Hall of Justice Improvement Project enabling staff and offices to be consolidated in acquired City-owned properties in FY2019-2020; and placing \$62,000,000 on Controller's Reserve, pending sales of Certificates of Participation, and \$3,000,000 of project funds are placed on Budget and Finance Committee Reserve pending submission of an expenditure plan for the contingency funds.

(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mandelman

190900 [Certificates of Participation - 49 South Van Ness Project - Official Statement]

Sponsor: Mayor

Resolution approving the form of and authorizing the distribution of a preliminary Official Statement relating to the execution and delivery of City and County of San Francisco Certificates of Participation for the 49 South Van Ness Project, and authorizing the preparation, execution and delivery of a final Official Statement; and ratifying the approvals and terms and conditions of a previous Ordinance, and related matters, as defined herein.

09/03/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jamie Querubin (Office of the Controller); Heather Green (Office of Resilience and Capital Planning); Andrico Penick, Director (Real Estate Division); 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

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:17 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.