



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, October 9, 2019

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Sandra Lee Fewer, Catherine Stefani, and Gordon Mar

Excused: 1 - Rafael Mandelman

President Norman Yee appointed Supervisor Gordon Mar, replacing Supervisor Rafael Mandelman, to the Budget and Finance Committee meeting of October 9, 2019.

The Budget and Finance Committee met in regular session on Wednesday, October 9, 2019, with Chair Sandra Lee Fewer presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Fewer called the meeting to order at 10:04 a.m. On the call of the roll, Chair Fewer, Vice Chair Stefani, and Member Mar was noted present. Member Mandelman was noted not present.

A quorum was present.

AGENDA CHANGES

There is no agenda changes.

Supervisor Mandelman Excused from Attendance

Chair Fewer moved to excuse Supervisor Mandelman from the Budget and Finance Committee meeting of October 9, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

REGULAR AGENDA

190920 [Lease Amendment - Lexington Lion San Francisco, LP - 350 Rhode Island Street-North - \$2,600,000 Rent Credit]

Resolution authorizing the execution and acceptance of the First Amendment to Lease of that certain lease dated September 28, 2017 ("Lease"), by and between Lexington Lion San Francisco, LP, a Delaware Limited Partnership, and the City and County of San Francisco, for the real property located at 350 Rhode Island Street-North, facilitating the provision of a rent credit to City in the amount of \$2,600,000 in consideration for a waiver of certain real estate expense pass-through protections afforded to the City under the Lease, to commence upon approval by the Board of Supervisors. (Real Estate Department)

(Fiscal Impact)

09/09/19; RECEIVED FROM DEPARTMENT.

09/17/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

10/02/19; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: None.

Chair Fewer moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of October 16, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190943 [Contract Agreement - Retroactive - State Department of Health Care Services - Substance Use Disorder Services - \$171,714,918 - FYs 2019-2022]

Resolution retroactively authorizing the Department of Public Health, Behavioral Health Services to enter into a multi-year organized delivery system intergovernmental agreement for substance use disorder services with the State Department of Health Care Services, in the amount of \$171,714,918 for the term of July 1, 2019, through June 30, 2022; and authorizing and designating the Department of Public Health County Alcohol and Drug Administrator to sign said Agreement and to approve amendments for less than 10% of the contracted amount. (Public Health Department)

09/16/19; RECEIVED FROM DEPARTMENT.

09/24/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Jim Stillwell (Department of Public Health); 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, Mar

Excused: 1 - Mandelman

190987 [Accept and Expend Grant - Retroactive - Every Kid Counts College Savings Program - Office of Financial Empowerment Kindergarten to College Program - \$926,892]

Sponsor: Walton

Resolution retroactively authorizing the Office of the Treasurer & Tax Collector to accept and expend a grant in the amount of \$962,892 from the California Student Aid Commission Every Kid Counts College Savings Program for the Office of Financial Empowerment Kindergarten to College Program for conducting outreach to families and provide incentives for families to contribute to college savings accounts for the period of May 1, 2019, through June 30, 2021. (Treasurer-Tax Collector)

09/24/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Eric Manke (Office of the Treasurer & Tax Collector); 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, Mar

Excused: 1 - Mandelman

190904 [Accept and Expend Grant - Retroactive - California Department of State Hospitals - Pre-Trial Felony Mental Health Diversion Program - \$2,300,400]

Sponsor: Mayor

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the total amount of \$2,300,400 from the California Department of State Hospitals to participate in a program, entitled "Pre-Trial Felony Mental Health Diversion," for the three-year budget period of September 15, 2019, through September 14, 2022. (Public Health Department)

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

Heard in Committee. Speaker: Angelica Almeida (Department of Public Health); 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, Mar

Excused: 1 - Mandelman

190977 [Multifamily Housing Revenue Bonds - 410 China Basin Street (Mission Bay South Block 9) - Not to Exceed \$56,700,000]**Sponsor: Mayor**

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 \$56,700,000 for 410 China Basin Street (Mission Bay South Block 9); 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 \$56,700,000; 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.

09/24/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Christina Mun (Mayor's Office of Housing and Community Development); 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, Mar

Excused: 1 - Mandelman

190978 [Multifamily Housing Revenue Bonds - 385 Eddy Street (Hamlin Hotel) - Not to Exceed \$26,967,500]**Sponsor: Mayor**

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$26,967,500 for the purpose of providing financing for the acquisition and rehabilitation of a 67-unit, affordable multifamily rental housing project located at 385 Eddy Street (Hamlin Hotel) within the City; approving the form of and authorizing the execution of a trust indenture providing terms and conditions of the bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of a loan agreement; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the bonds and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein, and related matters, as defined herein.

09/24/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Amy Chan (Mayor's Office of Housing and Community Development); 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, Mar

Excused: 1 - Mandelman

Chair Fewer requested File Nos. 190979 and 190980 be called together.

190979 [Multifamily Housing Revenue Notes - 242 Hahn Street (Sunnydale Block 6) - Not to Exceed \$106,680,000]

Sponsors: Mayor; Walton

Resolution authorizing the execution and delivery of a multifamily housing revenue note (tax-exempt) in an aggregate principal amount not to exceed \$76,680,000 and of a multifamily housing revenue note (taxable) in an aggregate principal amount not to exceed \$30,000,000 for the purpose of providing financing for the construction of a 167-unit multifamily rental housing project located at 242 Hahn Street (Sunnydale Block 6); approving the form of and authorizing the execution of funding loan agreement providing the terms and conditions of the loans from the funding lender to the City and the execution and delivery of the notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the loans 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 notes and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution as defined herein; and related matters, as defined herein.

09/24/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: 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 RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

190980 [Loan Agreement - Block 6 Housing Partners, L.P. - Sunnydale HOPE SF Block 6 - Not To Exceed \$18,647,014]

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 Block 6 Housing Partners, L.P., a California limited partnership, for a total loan amount not to exceed \$18,647,014 to finance the construction of a 167-unit multifamily rental housing development for low-income households, which will be known as Sunnydale HOPE SF Block 6; 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)

09/24/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: 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 October 16, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mar

Excused: 1 - Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 10:28 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.