



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, July 27, 2016

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Katy Tang, and Norman Yee

Excused: 1 - Mark Farrell

The Budget and Finance Sub-Committee met in regular session on Wednesday, July 27, 2016, with Acting Chair Katy Tang presiding.

ROLL CALL AND ANNOUNCEMENTS

Acting Chair Tang called the meeting to order at 10:28 a.m. On the call of the roll, Acting Chair Tang and Member Yee were noted present. Chair Farrell was not present. There was a quorum.

Supervisor Farrell Excused from Attendance

Member Yee moved to excuse Supervisor Farrell from the Regular Budget and Finance Sub-Committee meeting of July 27, 2016. The motion carried by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

160800 [Accept and Expend in-Kind Grant - Federal Highway Administration, Central Federal Lands Highway Division - South Ocean Beach Trail Project - Valued Up to \$1,690,579]

Sponsor: Tang

Resolution authorizing the Recreation and Park Department to accept from the Federal Highway Administration, Central Federal Lands Highway Division, an in-kind grant of design and development services valued up to \$1,690,579 for the creation of the South Ocean Beach Trail. (Recreation and Park Department)

07/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Toni Moran (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion. Janice Lee; Brian Perkins (Office of Congresswoman Jackie Speier); spoke in support of the hearing matter.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160829 [Contract Amendment - Alstom Transportation, Inc. - Vendor Managed Inventory Services - Not to Exceed \$55,198,000]

Sponsor: Tang

Resolution approving Amendment No. 3 to Contract No. SFMTA 2011/12-06 with Alstom Transportation, Inc., for Vendor Managed Inventory Services to extend the contract for an additional two years for a total contract term of August 1, 2013, through August 31, 2020, for an additional amount of \$41,540,000 and a total contract not to exceed \$80,698,000. (Municipal Transportation Agency)

(Fiscal Impact)

07/19/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: John Haley (Municipal Transportation Agency); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Yee moved that this Resolution be AMENDED to specify that the contract end date is August 31, 2018, and reduce the contract not-to-exceed amount to \$55,198,000. The motion carried by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

Resolution approving Amendment No. 3 to Contract No. SFMTA 2011/12-06 with Alstom Transportation, Inc., for Vendor Managed Inventory Services to exercise the two remaining options to extend the contract through August 31, 2018, for an additional amount of \$25,500,000 and a total contract not to exceed \$55,198,000. (Municipal Transportation Agency)

(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160329 [Accept and Expend Gift - Molly Fleischner - Laguna Honda Hospital Gift Fund - \$100,000 - Assistive Technology Equipment and Services]**Sponsor: Yee**

Resolution authorizing the Department of Public Health, Laguna Honda Hospital and Rehabilitation Center, to accept and expend a gift of \$100,000 from Ms. Molly Fleischner to the Laguna Honda Hospital and Rehabilitation Center Gift Fund. (Public Health Department)

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

04/27/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: William Frazier (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speaker: Deanna Chan (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

Resolution authorizing the Department of Public Health to retroactively accept and expend a monetary gift in the amount of \$100,000 from Ms. Molly Fleischner to the Laguna Honda Hospital Gift Fund for the purchase of assistive technology equipment and services for residents at Laguna Honda who are otherwise unable to obtain them. (Public Health Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160719 [Police Code - Paid Parental Leave Ordinance]**Sponsor: Wiener**

Ordinance amending the Police Code to make technical amendments to the Paid Parental Leave Ordinance consistent with its original intent.

06/21/16; ASSIGNED UNDER 30 DAY RULE to Public Safety and Neighborhood Services Committee, expires on 7/21/2016.

06/27/16; REFERRED TO DEPARTMENT. Referred to the Youth Commission for comment and recommendation; Department of Human Resources, Children and Families Commission, Department of Children, Youth, and Their Families, Health Service System, Human Services Agency, and the Office of Labor Standards Enforcement for informational purposes.

07/07/16; RESPONSE RECEIVED. 07/05/2016 - The Youth Commission voted unanimously to support this Ordinance.

07/19/16; TRANSFERRED to Budget and Finance Committee. 7/19/2016 - President Breed transferred this matter from the Public Safety and Neighborhood Services Committee to the Budget and Finance Committee.

07/19/16; TRANSFERRED to Budget and Finance Sub-Committee.

07/19/16; SUBSTITUTED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Pat Mulligan (Office of Labor Standards Enforcement); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160796 [Seven-Party Supplement to the 2012 Memorandum of Understanding - Peninsula Corridor Electrification Project]**Sponsor: Cohen**

Resolution approving the Seven-Party Supplement to 2012 Memorandum of Understanding, regarding Financial Commitments to Address the Funding Gap for the Peninsula Corridor Electrification Project.

(Fiscal Impact)

07/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Casey Fronson (Caltrain); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Brian Perkins (Office of Congresswoman Jackie Speier); Bryan Stako; Peter Scout; Janice Lee; spoke in support of the hearing matter. Roland Lebrun; spoke in opposition to the hearing matter.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

Acting Chair Tang recessed the meeting at 11:30 a.m. and reconvened the meeting at 11:31 a.m.

Acting Chair Tang requested File Nos. 160795 and 160795 be heard together.

160794 [Multifamily Housing Revenue Bonds - 1036 Mission Street - Not to Exceed \$32,100,000]**Sponsors: Mayor; Kim**

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$32,100,000 for the purpose of providing financing for the acquisition and construction of an 83-unit multifamily residential rental housing project located at 1036 Mission Street 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. (Mayor's Office of Housing and Community Development)

07/12/16; 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.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160795 [Agreements - Purchase and Sale for Real Estate and Ground Lease - 1036 Mission Associates, L.P - 1036 Mission Street - \$5,476,250 and \$15,000 Respectively]

Sponsors: Mayor; Kim

Resolution approving and authorizing the execution and performance of an Agreement of Purchase and Sale of Real Estate in connection with the acquisition of the parcel located at 1036 Mission Street (Assessor's Parcel Block No. 3703, Lot No. 162) ("the Property"), for \$5,476,250 and a long term, 85-year Ground Lease of the property with a 14-year extension option, for \$15,000 annual base rent, with 1036 Mission Associates, L.P., to construct a 100% affordable, 83-unit multifamily rental housing development for low-income households and formally homeless families and a commercial shell for a 1,061 square foot commercial space; adopting findings that the conveyance and lease are consistent with the California Environmental Quality Act, the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing and directing the Director of Property and Director of the Mayor's Office of Housing and Community Development to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

07/12/16; 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.

Member Yee moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to clarify that the project was analyzed in the Negative Declaration prepared under the California Environmental Quality Act. The motion carried by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

Resolution approving and authorizing the execution and performance of an Agreement of Purchase and Sale of Real Estate in connection with the acquisition of the parcel located at 1036 Mission Street (Assessor's Parcel Block No. 3703, Lot No. 162) ("the Property"), for \$5,476,250, and a long term, 85-years with a 14-year extension option, Ground Lease of the Property for \$15,000 annual base rent, with 1036 Mission Associates, L.P., to construct a 100% affordable, 83-unit multifamily rental housing development for low-income households and formally homeless families and a commercial shell for a 1,061 square foot commercial space; adopting findings that the project was properly analyzed in the Negative Declaration prepared under the California Environmental Quality Act, and that the conveyance and lease are consistent with the City's General Plan, and the priority policies of Planning Code Section 101.1; and authorizing and directing the Director of Property and Director of Mayor's Office of Housing and Community Development to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160797 [Apply for, Accept, and Expend Grant - California Affordable Housing and Sustainable Communities Program - \$12,055,858]**Sponsor: Kim**

Resolution authorizing the Treasure Island Director to submit a grant application and, if successful, accept and expend grant funds in the amount of \$12,055,858 under the State of California's Affordable Housing and Sustainable Communities Program, as a joint applicant with Treasure Island Community Development, LLC.

07/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Bob Becker (Treasure Island Development Authority); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

Acting Chair Tang requested File Nos. 160798 and 160833 be heard together.

160798 [Real Property Lease - 750 Brannan Street Props, LLC - 750 Brannan Street - \$942,747 Rent in Initial Year]**Sponsor: Kim**

Resolution authorizing a Lease between the City and County of San Francisco, as Tenant, and 750 Brannan Street Props, LLC, a California limited liability company as Landlord, to be used as retail, production, warehouse, and related office space located at 750 Brannan Street, consisting of approximately 24,173 square feet of building and approximately 6,430 square feet of yard, for a ten year term expected to commence on or about January 1, 2017, and terminate on December 31, 2026, for use by the San Francisco Public Library, at \$78,562.25 monthly; for \$942,747 rent in the initial year with annual 3% percent increases and three five-year options to extend; finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing a Sublease of a portion of that space consisting of approximately 2,833 square feet with the Friends & Foundation of the San Francisco Public Library, a 501(c)3 non profit agency, at the prorata City cost.

(Fiscal Impact)

07/12/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Luis Herrera, City Librarian (Public Library); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160710 [Real Property Lease - Townsend Associates, LLC - 650-5th Street, Suites 307-309 and Four Parking Stalls - \$177,480 Annual Base Rent]

Resolution authorizing the lease of approximately 3,060 square feet at 650-5th Street, Suites 307-309, with four parking stalls, with Townsend Associates, LLC, a California limited liability company, for a five year term commencing upon approval by the Board of Supervisors and Mayor, with one option to extend for three years at the monthly base rent of \$14,790, for a total annual base rent of \$177,480. (Public Health Department)

06/20/16; RECEIVED FROM DEPARTMENT.

06/28/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: John Updike, Director (Real Estate Division); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160833 [Hearing - Reserved Funds - San Francisco Public Library - 750 Brannan Street Lease - \$1,227,344]

Hearing to consider the release of reserved funds to the San Francisco Public Library, placed on Budget and Finance Committee Reserve by the FY2016-2017 Annual Appropriation Ordinance (File No. 160628), in the amount of \$1,227,344 to fund the consolidation of several of the Library's operations into one location at 750 Brannan Street. (Public Library)

07/15/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Luis Herrera, City Librarian (Public Library); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Member Yee moved to RELEASE of \$1,227,344 on Budget and Finance Committee reserve; the balance of \$545,250 should be returned to the Library fund balance and that the Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160310 [Early Lease Termination and Reimbursement of Unamortized Construction Costs - Legends Bar of San Francisco, LLC - \$70,270]

Resolution approving the early termination of Boarding Area B Casual Dining and Bar Lease No. 05-0075, between Legends Bar of San Francisco, LLC and the City and County of San Francisco, acting by and through its Airport Commission; and the reimbursement of \$70,270 in unamortized construction costs. (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 (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160312 [Lease Amendment - Hudson News Company - Terminal 1 Boarding Area C Retail Lease - \$1,320,973.20 Minimum Annual Guarantee, \$2,506 Annual Promotional Charge, and Reimbursing \$173,022.24 for Unamortized Construction Costs]

Resolution approving Amendment No. 1 to the Terminal 1 Boarding Area C Retail Lease No. 09-0093, between Hudson News Company and the City and County of San Francisco, acting by and through its Airport Commission, reducing the minimum annual guarantee to \$1,320,973.20, the annual promotional charge to \$2,506, and reimbursing the Hudson News Company \$173,022.24 for unamortized construction costs. (Airport Commission)
(Fiscal Impact)

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 (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160827 [Agreements - Access to Fiber-Optic Facilities - Bay Bridge Consortium and Pacific Bell]

Sponsor: Mayor

Ordinance approving two agreements to enable the City to obtain access to fiber-optic facilities owned by Pacific Bell located on the San Francisco-Oakland Bay Bridge: an agreement between the City and the Bay Bridge Consortium for a term potentially in excess of ten years, and an agreement between the City and Pacific Bell for a term potentially in excess of ten years; and, with respect to both agreements, waiving the requirements of Administrative Code, Section 21.9, prohibiting automatic renewal provision in contracts.

07/19/16; ASSIGNED to Budget and Finance Sub-Committee. President Breed waived the 30-day hold per Board Rule 3.22.

Heard in Committee. Speakers: David German (Department of Technology); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Supervisor Yee moved that this Ordinance be RECOMMENDED AS COMMITTEE REPORT to the Board of Supervisors Meeting of July 28, 2016, at 8:40 a.m. The motion carried by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

160262 [Hearing - Sea Level Rise Action Plan]**Sponsor: Farrell**

Hearing on the Mayor's Sea Level Rise Coordinating Committee's Sea Level Rise Action Plan, including areas of policy, fiscal impact, and budgetary need; and requesting the coordinating committee to report.

03/15/16; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

03/29/16; REFERRED TO DEPARTMENT. Referred to the Mayor's Sea Level Rise Coordinating Committee for informational purposes.

06/29/16; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speakers: None.

Member Yee moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 2 - Tang, Yee

Excused: 1 - Farrell

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 12:11 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.