



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: Malia Cohen, Sandra Lee Fewer, Catherine Stefani

Clerk: Linda Wong (415) 554-7719

Thursday, September 6, 2018

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Malia Cohen, and Sandra Lee Fewer

Excused: 1 - Catherine Stefani

The Budget and Finance Committee met in a regular session on Thursday, September 6, 2018, with Chair Malia Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 10:13 a.m. On the call of the roll, Chair Cohen and Vice Chair Fewer were noted present. Member Stefani was noted not present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

Supervisor Stefani Excused from Attendance

Chair Cohen moved to excuse Supervisor Stefani from the Budget and Finance Committee Meeting of September 6, 2018. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

REGULAR AGENDA

180753 [Business and Tax Regulations Code - Administration of Early Care and Education Commercial Rents Tax]

Sponsors: Kim; Yee

Ordinance amending the Business and Tax Regulations Code to add provisions to administer the Early Care and Education Commercial Rents Tax, and to make other non-substantive changes.

07/17/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 8/16/2018.

08/23/18; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speakers: Supervisor Jane Kim (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke in opposition to the hearing matter.

Vice Chair Fewer moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 2-3, by adding 'to increase the payment required to obtain an extension of time to file business tax returns'; and on Page 13, Lines 11 and 13, by replacing '90%' with '100%'. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

Ordinance amending the Business and Tax Regulations Code to add provisions to administer the Early Care and Education Commercial Rents Tax, to increase the payment required to obtain an extension of time to file business tax returns, and to make other, non-substantive changes.

Chair Cohen moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Committee Meeting of September 13, 2018. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180797 [Setting Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants - FY2018-2019]

Sponsor: Cohen

Ordinance levying property taxes at a combined rate of \$1.1630 on each \$100 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District; and establishing a pass-through rate of \$0.0675 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year ending June 30, 2019.

(Fiscal Impact)

07/31/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 8/30/2018.

Heard in Committee. Speaker: Jamie Whitaker (Office of the Controller); Severin Campbell (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition to the hearing matter.

Chair Cohen moved that this Ordinance be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180584 [Planning Code - Fees for Certain Permits and Transportation Analysis]**Sponsor: Mayor**

Ordinance amending the Planning Code and the fees set forth in Ordinance No. 149-16 to clarify the fees applicable to projects with no or very low construction cost and to change the fees for transportation analysis; and affirming the Planning Department's determination under the California Environmental Quality Act, making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

06/01/18; RECEIVED.

06/04/18; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; and to the Planning Commission for public hearing and recommendation, pursuant to Planning Code, Section 302(b).

06/05/18; ASSIGNED to Budget and Finance Committee. President Breed waived the 30-day rule, per Board Rule 3.22.

06/10/18; NOTICED. First 10-Day Fee Ad for 6/21/2018 Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

06/13/18; RESPONSE RECEIVED. Response received from the Planning Department stating that the matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

06/17/18; NOTICED. Second 10-Day Fee Ad for 6/21/2018 Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

06/21/18; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Tom DiSanto (Planning Department); provided an overview and responded to questions raised throughout the discussion.

08/26/18; NOTICED. Second 10-Day Fee Ad for 9/6/2018 Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

09/02/18; NOTICED. Second 10-Day Fee Ad for 9/6/2018 Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

Heard in Committee. Speaker: Deborah Landis (Planning Department); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen moved that this Ordinance be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180708 [Authorizing Agreements - Binding Arbitration for Purchase of Electricity and Related Products - Public Utilities Commission - Total Costs of \$13,762,490]

Ordinance delegating authority to the General Manager of the Public Utilities Commission to enter into agreements requiring binding arbitration for purchase of electricity and related products within certain parameters and where necessary to meet legal requirements; and retroactively authorizing three agreements for CleanPowerSF with Pacific Gas & Electric Company requiring binding arbitration, with a combined term of two years and five months from August 2018, through December 2020, and total costs of \$13,762,490 for purchase of electricity-related products. (Public Utilities Commission)
(Fiscal Impact)

06/25/18; RECEIVED FROM DEPARTMENT.

07/10/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 8/9/2018.

08/23/18; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speakers: None.

Chair Cohen moved that this Ordinance be CONTINUED to the Budget and Finance Committee Meeting of September 13, 2018. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180713 [Contract Amendment - Positive Resource Center - Behavioral Health Services - Not to Exceed 18,075,044]

Resolution retroactively approving a fourth amendment to the Department of Public Health contract for behavioral health services with Positive Resource Center, to extend the contract term by four years, from July 1, 2018, for a total term of October 1, 2013, through June 30, 2022, and to increase the contract by \$10,798,399 for a total amount not to exceed \$21,542,846. (Public Health Department)
(Fiscal Impact)

06/25/18; RECEIVED FROM DEPARTMENT.

07/10/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

08/23/18; TRANSFERRED to Budget and Finance Committee.

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

Vice Chair Fewer moved that this Resolution be AMENDED, to reduce the contract not-to-exceed amount by \$3,467,802, and to request that the Acting Director of the Department of Public Health revise the proposed fourth amendment to accurately reflect the actual programs and budgets provided by the Positive Resource Center. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

Resolution retroactively approving a fourth amendment to the Department of Public Health contract for behavioral health services with Positive Resource Center, to extend the contract term by four years, from July 1, 2018, for a total term of October 1, 2013, through June 30, 2022, and to increase the contract by \$7,330,597, for a total amount not to exceed \$18,075,044. (Public Health Department) (Fiscal Impact)

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

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180728 [Original Agreement - Edgewood Center for Children and Families - Behavioral Health Services for Children and Families - Not to Exceed \$24,224,508]

Resolution retroactively approving an original agreement for behavioral health services for children, youth and families between the Department of Public Health and Edgewood Center for Children and Families in the not to exceed amount of \$24,224,508 for a total contract term of four years from July 1, 2018, through June 30, 2021. (Public Health Department) (Fiscal Impact)

07/09/18; RECEIVED FROM DEPARTMENT.

07/17/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

08/23/18; TRANSFERRED to Budget and Finance Committee.

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

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

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180799 [Hearing - Release of Reserved Funds - Department of Aging and Adult Services - \$3,000,000]

Hearing to consider the release of reserved funds to the Department of Aging and Adult Services, in the amount of \$3,000,000 placed on the Budget and Finance Committee reserve by Ordinance No. 181-18, pending the approval of the department's service allocation plan for FY2018-2019, adopted on July 10, 2018, pursuant to Resolution No. 226-18. (Adult and Aging Services)

08/01/18; RECEIVED FROM DEPARTMENT.

08/01/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Shireen McSpadden, Executive Director (Department of Aging and Adult Services); Severin Campbell (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke neither in support nor opposition to the hearing matter. Sandy Maury; Speaker; Cathy Spencer; spoke in support of the hearing matter.

Vice Chair Fewer moved that the request to release \$3,000,000 of reserved funds be APPROVED and that the Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180655 [Airport Revenue Bonds - Bond Issuance - Airport Revenue Refunding Bonds - Continuing Covenant Agreement - Not to Exceed \$2,620,000,000]

Resolution approving the issuance of up to \$2,620,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds for the purpose of refinancing bonds and subordinate bonds of the Airport Commission and related obligations; approving the form of and authorizing the execution and delivery of one or more Continuing Covenant Agreements in connection with the direct purchase of bonds of the Airport Commission; and approving certain related matters, as defined herein. (Airport Commission)
(Fiscal Impact)

06/14/18; RECEIVED FROM DEPARTMENT.

06/26/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

08/23/18; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

Chair Cohen requested File Nos. 180810 and 180811 be called together.

180810 [Multifamily Housing Revenue Bonds - 1990 Folsom Street - Not to Exceed \$76,000,000]

Sponsor: Ronen

Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City and County of San Francisco in an aggregate principal amount not to exceed \$76,000,000 for the purpose of providing financing for the construction of a 143-unit multifamily rental housing project, located at 1990 Folsom Street (the "Project") by 1990 Folsom Housing Associates, L.P.; 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.

07/31/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Amy Chan (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Mr. Verz (MEDA); spoke in support of the hearing matter.

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

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

180811 [Multifamily Housing Revenue Bonds - 1045 Capp Street (Abel Gonzales Apartments) - Not to Exceed \$20,000,000]**Sponsor: Ronen**

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 \$20,000,000 for 1045 Capp Street (Abel Gonzales Apartments); 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 \$20,000,000; 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.

07/31/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Amy Chan (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Mr. Verz (MEDA); spoke in support of the hearing matter.

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

Ayes: 2 - Cohen, Fewer

Excused: 1 - Stefani

ADJOURNMENT

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