



**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, Shamann Walton, Rafael Mandelman*

*Clerk: Linda Wong (415) 554-7719*

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Wednesday, March 11, 2020

10:00 AM

City Hall, Legislative Chamber, Room 250

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**Regular Meeting**

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**Present:** 3 - Sandra Lee Fewer, Shamann Walton, and Rafael Mandelman

*The Budget and Finance Committee met in regular session on Wednesday, March 11, 2020, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:00 a.m.*

## **ROLL CALL AND ANNOUNCEMENTS**

*On the call of the roll, Chair Fewer, Vice Chair Walton, and Member Mandelman were noted present. A quorum was present.*

## **AGENDA CHANGES**

*There were no agenda changes.*

## **REGULAR AGENDA**

*Chair Fewer requested File Nos. 200116 and 200115 be called together.*

### **200116 [Accept and Expend Grant - Retroactive - Tipping Point Community - HB MH1921 HMM104 Hummingbird Place - Tipping Point - \$3,000,000]**

**Sponsors: Mayor; Mandelman**

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$3,000,000 from the Tipping Point Community to participate in a program, entitled "HB MH1921 HMM104 Hummingbird Place - Tipping Point," for the creation of a new psychiatric respite center, for a two year period beginning January 16, 2020, through January 15, 2022. (Public Health Department)

02/04/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/04/20; CONTINUED. Heard in Committee. Speakers: None.

*Heard in Committee. Speakers: Kelly Kiramoto (Department of Public Health); Severin Campbell (Office of the Budget and Legislative Analyst); 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, Walton, Mandelman

**200115 [Lease of Real Property - The Salvation Army - 1156 Valencia Street - Initial Base Annual Rent of \$404,000 - \$300,000 Leasehold Improvements]****Sponsors: Mayor; Mandelman**

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to lease real property located at 1156 Valencia Street from The Salvation Army at an initial base rent of \$404,000 per year, for a term of three years with an estimated commencement date of March 1, 2020, and estimated to expire on February 28, 2023, plus two one-year options to extend; authorizing the reimbursement of \$300,000 towards the cost of Leasehold Improvements; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Lease and this Resolution, as defined herein.

(Fiscal Impact)

02/04/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/04/20; CONTINUED. Heard in Committee. Speakers: None.

*Heard in Committee. Speakers: Kelly Kiramoto (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 AMENDED to state that the rent on exercise of the option to extend the lease cannot increase by more than 3 percent per year. The motion carried by the following vote:**

Ayes: 3 - Fewer, Walton, Mandelman

(Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

**200127 [Accept and Expend Grant - State of California, Department of Parks and Recreation - Boating Safety and Enforcement Equipment - FY2019-2020 - \$65,828]****Sponsor: Mar**

Resolution authorizing the San Francisco Police Department (SFPD) to accept and expend a grant in the amount of \$65,828 from the State of California, Department of Parks and Recreation, Division of Boating and Waterways for the SFPD Marine Unit to procure equipment and gear for the project period to commence following Board approval through November 30, 2020. (Police Department)

02/04/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/04/20; CONTINUED. Heard in Committee. Speakers: None.

*Heard in Committee. Speaker: Patrick Leung (Police Department); 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, Walton, Mandelman

Chair Fewer requested File Nos. 200218 and 200219 be called together.

**200218 [Multifamily Housing Revenue Bonds - 22, 102, and 104-106 South Park Street - Not to Exceed \$37,109,907]**

**Sponsor: Mayor**

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$37,109,907 for the purpose of providing financing for the acquisition and rehabilitation of a 108-unit affordable multifamily rental housing project, consisting of three structures located at 22, 102, and 104-106 South Park Street; approving the form of and authorizing the execution of an indenture of trust providing terms and conditions of the bonds; approving the form of and authorizing the execution of one or more regulatory agreements and declarations 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; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

02/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Caroline McCormack (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, Walton, Mandelman

**200219 [Loan Agreement - 22, 102, and 104-106 South Park Street - Not to Exceed \$28,312,966]**

**Sponsor: Mayor**

Resolution approving and authorizing the execution of a Loan Agreement with MHDC South Park Properties, L.P., a California limited partnership, in an amount not to exceed \$30,500,000 for a minimum term of 55 years for a portion of the loan amount and a minimum term of 40 years for another portion of the loan amount based on the requirements of the funding sources, to finance the acquisition and rehabilitation of a 108-unit affordable multifamily rental housing project for low income households, consisting of three structures located at 22, 102, and 104-106 South Park Street; and adopting findings that the Loan Agreement is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

02/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Caroline McCormack (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 AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to reduce the total not to exceed amount by \$2,187,034 from \$30,500,000 to \$28,312,966. The motion carried by the following vote:**

Ayes: 3 - Fewer, Walton, Mandelman

Resolution approving and authorizing the execution of a Loan Agreement with MHDC South Park Properties, L.P., a California limited partnership, in an amount not to exceed \$28,312,966 for a minimum term of 55 years for a portion of the loan amount and a minimum term of 40 years for another portion of the loan amount based on the requirements of the funding sources, to finance the acquisition and rehabilitation of a 108-unit affordable multifamily rental housing project for low income households, consisting of three structures located at 22, 102, and 104-106 South Park Street; and adopting findings that the Loan Agreement is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

**200221 [Execution of Tax-Exempt Loan - California Municipal Finance Authority - Lycée Français de San Francisco - Not to Exceed \$23,000,000]**

**Sponsor: Mar**

Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended ("Code"), the execution of a tax-exempt loan or loans by the California Municipal Finance Authority ("Authority") in one or more series pursuant to a plan of financing and in an aggregate principal amount not to exceed \$23,000,000 ("Authority Loan"), the proceeds of which Authority Loan to be loaned by the Authority ("Borrower Loan") to Lycée Français de San Francisco, a California nonprofit public benefit corporation and an organization described in, and exempt from tax under, Section 501(c)(3) of the Code ("Borrower"), to, among other things, (i) refinance all or a portion of certain outstanding debt obligations (collectively, "Prior Obligations") of the Borrower that, among other things, originally financed and refinanced the acquisition, construction, improvement, equipping and furnishing of educational facilities located at 755 Ashbury Street ("Ashbury Campus"), within the City and County of San Francisco ("City"), and at 1201 Ortega Street ("Ortega Campus"), within the City, each owned and managed by the Borrower, in connection with the provision of educational and other services in the City, (ii) finance additional construction, improvement, equipping, furnishing, and maintenance of such facilities, including but not limited to seismic and other infrastructure upgrades at both the Ashbury Campus and the Ortega Campus and the expansion of the Ashbury Campus and the Ortega Campus to add classrooms, office space, and student athletic and extracurricular space, including reimbursement of certain previously incurred expenses with respect thereto in accordance with applicable provisions of the Code, (iii) pay some or all of the Borrower's costs to terminate one or more interest rate swap agreements entered into in connection with one or more of the Prior Obligations, (iv) pay capitalized interest on the Borrower Loan, and (v) pay certain expenses incurred in connection with the issuance of the Borrower Loan (items (i) through (v), collectively, the "San Francisco Project." (Controller)

02/25/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Vishal Trivedi (Office of the Controller); Claire Plais, Director (Lycée Français de San Francisco); 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 March 18, 2020. The motion carried by the following vote:**

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 191209, 191210, and 191211 be called together.

**191209 [Lease Agreement - Park Café Group, Inc. - Harvey Milk Terminal 1 Boarding Area C Food and Beverage Kiosk Lease, A Small Business Enterprise Set-Aside - \$240,000 Minimum Annual Guarantee]**

Resolution approving the Harvey Milk Terminal 1 Boarding Area C Food and Beverage Kiosk Lease, A Small Business Enterprise Set-Aside, Lease No. 19-0244 between Park Café Group, Inc., as tenant, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years and a minimum annual guarantee of \$240,000 for the first year of the Lease to commence following Board approval. (Airport Commission)

11/08/19; RECEIVED FROM DEPARTMENT.

12/10/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Cathy Widener (Airport); 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, Walton, Mandelman

**191210 [Lease Agreement - Sidewalk Juice, SFO, LLC - Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, A Small Business Enterprise Set-Aside - \$136,000 Minimum Annual Guarantee]**

Resolution approving the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, A Small Business Enterprise Set-Aside, Lease No. 19-0245 between Sidewalk Juice, SFO, LLC, as tenant, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years and a minimum annual guarantee of \$136,000 for the first year of the Lease to commence following Board approval. (Airport Commission)

11/08/19; RECEIVED FROM DEPARTMENT.

12/10/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Cathy Widener (Airport); 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, Walton, Mandelman

**191211 [Lease Agreement - Elevate Gourmet Brands-SC Group - Terminal 3 Boarding Area F Gourmet Grab and Go Market Lease - \$250,000 Minimum Annual Guarantee]**

Resolution approving the Terminal 3 Boarding Area F Gourmet Grab and Go Market Lease, Lease No.19-0247 between Elevate Gourmet Brands-SC Group, a joint venture between Elevate Gourmet Brands, Inc. and Skyview Concessions, Inc., as joint tenants, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years and a minimum annual guarantee of \$250,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

11/08/19; RECEIVED FROM DEPARTMENT.

12/10/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Cathy Widener (Airport); 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, Walton, Mandelman

## ADJOURNMENT

*There being no further business, the Budget and Finance Committee adjourned at the hour of 10:44 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.*