



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

Wednesday, July 15, 2020

10:00 AM

Rescheduled Meeting

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

The Budget and Finance Committee met in rescheduled session through videoconferencing, and provided public comment through teleconferencing, on Wednesday, July 15, 2020, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:04 a.m.

Remote Access to Information and Participation

In accordance with Governor Newsom's Executive Order No. N-33-20 declaring a State of Emergency regarding the COVID-19 outbreak and Mayor London N. Breed's Proclamation declaring a Local Emergency issued on February 25, 2020, including the guidance for gatherings issued by the San Francisco Department of Public Health Officer, aggressive directives were issued to reduce the spread of COVID-19. On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand. Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>.

Members of the public may participate by phone or may submit their comments by email to: linda.wong@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Budget and Finance Committee Meetings begin at 10:30 a.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

As the COVID-19 disease progresses, please visit the Board's website (www.sfbos.org) regularly to be updated on the current situation as it affects the legislative process. For more information contact Assistant Clerk Linda Wong at (415) 554-7719.

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

200487 [Amended Ten-Year Capital Expenditure Plan - FYs 2020-2029]

Sponsor: Mayor

Resolution amending the City's ten-year capital expenditure plan for FYs 2020-2029 to amend the proposed Government Obligation bond program.
(Fiscal Impact)

05/12/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/08/20; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Heather Green (Office of City Administrator); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Jacky M; Gwyneth Nagahama; George; Yuki Nishiyama; Nick Yonami; Steven Currier; Alana Neilson; Haro Dasa; Reverend Ron Kabaka; Lucy Fisher; spoke in support of the hearing matter.

07/08/20; CONTINUED AS AMENDED.

Heard in Committee. Speakers: None.

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

Ayes: 3 - Fewer, Walton, Mandelman

200604 [Lease of Real Property - 333 Valencia Owner L.L.C. - 333 Valencia Street - Base Annual Rent \$2,209,239 - Tenant Improvements \$6,500,000]

Resolution approving and authorizing the Director of Property, on behalf of the City's Department of Public Health, to lease real property located at 333 Valencia Street, for an initial term of fifteen years anticipated to commence on February 16, 2021, from 333 Valencia Owner LLC, at a base rent of \$2,209,239 per year with 3% annual increases; 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; finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting findings under the California Environmental Quality Act. (Public Health Department)
(Fiscal Impact)

06/08/20; RECEIVED FROM DEPARTMENT.

06/16/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/08/20; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Greg Wagner (Department of Public Health); Andrico Penick, Director (Real Estate Department); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

07/08/20; CONTINUED AS AMENDED.

Heard in Committee. Speakers: None.

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

Ayes: 3 - Fewer, Walton, Mandelman

200603 [Airport Professional Services Agreement - Covenant Aviation Security, LLC - General Airport Security Services - Not to Exceed \$11,785,254]

Resolution approving Modification No. 1 to Contract No. 50178, General Airport Security Services, with Covenant Aviation Security, LLC, to increase the contract amount by \$6,285,254 for a new contract amount not to exceed \$11,785,254 and extending the term through June 30, 2022, pursuant to Charter, Section 9.118(b). (Airport Commission)
(Fiscal Impact)

06/08/20; RECEIVED FROM DEPARTMENT.

06/16/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/08/20; CONTINUED. Heard in Committee. Speaker: Cathy Widener (Airport Department); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speaker: Cathy Widener (Airport 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: 2 - Fewer, Walton

Absent: 1 - Mandelman

200668 [Modification to the Airport Professional Services Agreement - Retroactive - Hallmark Aviation Services, L.P. - Airport Information and Guest Assistance Services - Two-Year Contract Extension - Not to Exceed \$41,111,970]

Resolution retroactively approving Modification No. 3 to the Professional Services Agreement, Contract No. 50052, between Hallmark Aviation Services, L.P., and the City and County of San Francisco, acting by and through its Airport Commission, for Airport Information and Guest Assistance Services, extending the term for two years, to commence on July 1, 2020, through June 30, 2022, to increase the contract amount by \$13,758,746 for a new total contract not to exceed amount of \$41,111,970. (Airport Commission)
(Fiscal Impact)

06/19/20; RECEIVED FROM DEPARTMENT.

06/30/20; RECEIVED AND ASSIGNED 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, Walton, Mandelman

200667 [Airport Professional Services Agreement Modification - Vanderlande Industries Inc. - Operate, Maintain and Repair Airport-Owned Passenger Boarding Bridges and Baggage Handling Systems - Not to Exceed \$12,747,831]

Resolution approving Modification No. 2 to Airport Contract No. 50030.01, Vanderlande Industries Inc., to increase the contract amount by \$3,852,617 for a new not to exceed contract amount of \$13,646,492 to operate, maintain, and repair Airport-owned passenger boarding bridges and baggage handling systems in the domestic terminals; and to exercise the final one-year option to extend the term from October 1, 2020, through September 30, 2021, pursuant to Charter, Section 9.118(b). (Airport Commission)
(Fiscal Impact)

06/19/20; RECEIVED FROM DEPARTMENT.

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); 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 not-to-exceed amount by \$898,661, for a new total not to exceed \$12,747,831. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Resolution approving Modification No. 2 to Airport Contract No. 50030.01, Vanderlande Industries Inc., to increase the contract amount by \$2,953,956 for a new not to exceed contract amount of \$12,747,831 to operate, maintain, and repair Airport-owned passenger boarding bridges and baggage handling systems in the domestic terminals; and to exercise the final one-year option to extend the term from October 1, 2020, through September 30, 2021, pursuant to Charter, Section 9.118(b). (Airport Commission)
(Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

200608 [Accept and Expend Grant and Amend the Annual Salary Ordinance - Retroactive - Securing the Cities Program Grant - United States Homeland Security - \$2,000,000]

Sponsor: Mayor

Ordinance retroactively authorizing the Department of Emergency Management, as a fiscal agent for the Bay Area Urban Areas Security Initiative, to accept and expend a grant in the amount of \$2,000,000 from the United States Department of Homeland Security for the Securing the Cities Grant Program for the period of March 4, 2020, through October 30, 2020; and amending Ordinance No. 170-19 (Annual Salary Ordinance, File No. 190620 for FYs 2019-2020 and 2020-2021) to provide for the addition of four grant-funded positions, one each in Class 0932 Manager IV (FTE 1.0), Class 0931 Manager III (FTE 1.0), Class 1823 Senior Administrative Analyst (FTE 1.0), and Class 8601 Emergency Services Coordinator I (FTE 1.0). (Department of Emergency Management)

06/09/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/9/2020.

Heard in Committee. Speaker: Mary Landers (Department of Emergency Management); 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, Walton, Mandelman

200670 [Contract Amendment No. 6 - Central Subway Design Group - Increase Contract Amount - Not to Exceed \$54,779,692]

Resolution approving Amendment No. 6 to Contract CS-155-2 Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project with Central Subway Design Group to increase the contract amount by \$6,879,086 for Amendment No. 6 for additional work necessary to provide design support services through completion of Central Subway Project, for a total amended contract amount not to exceed \$54,779,692 with no change to the term of 12 years to expire on April 4, 2022. (Municipal Transportation Agency)
(Fiscal Impact)

06/22/20; RECEIVED FROM DEPARTMENT.

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Tom Maguire (Municipal Transportation Agency); 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

200705 [Grant Agreement - Retroactive - Tenderloin Housing Clinic - Permanent Supportive Housing - Not to Exceed \$89,400,486]

Sponsor: Mayor

Resolution retroactively approving a grant agreement between the City and County of San Francisco and Tenderloin Housing Clinic for master lease and support services permanent housing to formerly homeless adults in 1,566 units, including 594 units for County Adult Assistance Programs tenants, for a term of July 1, 2020, through February 29, 2024, for a total amount not to exceed \$95,000,000.
(Fiscal Impact)

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Gigi Whitney (Department of Homelessness and Supportive Housing); Severin Campbell (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Kathy Vaughn; Camlo Looper and Janet Aguilar (Tenderloin Housing Clinic); Karen Taylor, spoke in support of the hearing matter.

Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to reduce total not-to-exceed amount by \$5,599,513, from \$95,000,000 to \$89,400,486. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Resolution retroactively approving a grant agreement between the City and County of San Francisco and Tenderloin Housing Clinic for master lease and support services permanent housing to formerly homeless adults in 1,566 units, including 594 units for County Adult Assistance Programs tenants, for a term of July 1, 2020, through February 29, 2024, for a total amount not to exceed \$89,400,486.
(Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

Chair Fewer requested File Nos. 200675, 200676, and 200703 be called together.

200675 [Multifamily Housing Revenue Bonds - 1000 Market Street (San Cristina Hotel) - Not to Exceed \$30,000,000]

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 \$30,000,000 to finance the acquisition and rehabilitation of the San Cristina apartments at 1000 Market Street; 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 \$30,000,000 to finance the acquisition and rehabilitation of the San Cristina apartments; authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

06/23/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Viviana Lopez, Joyce Slen, and Cindy Heavens (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, Walton, Mandelman

200676 [Multifamily Housing Revenue Bonds -1204 Mason Street, 777 Broadway, and 1525-1529 Grant Avenue (Throughline Apartments) - Not to Exceed \$40,000,000]**Sponsors: Mayor; Peskin**

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 \$40,000,000 for 1204 Mason Street, 777 Broadway, and 1525-1529 Grant Avenue (Throughline 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 \$40,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

06/23/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Viviana Lopez, Joyce Slen, and Cindy Heavens (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, Walton, Mandelman

200703 [Multifamily Housing Revenue Bonds - 4840 Mission - Not to Exceed \$75,000,000]**Sponsors: Mayor; Safai**

Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of tax-exempt residential mortgage revenue bonds by the City and County of San Francisco (the "City") in an aggregate principal amount not to exceed \$75,000,000 to finance the development of a 137-unit affordable rental housing development located in the City at 4840 Mission Street (the "Project"); and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Viviana Lopez, Joyce Slen, and Cindy Heavens (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, Walton, Mandelman

200704 [Apply for Grant - California Department of Housing and Community Development - Permanent Local Housing Allocation Program - \$52,308,210]**Sponsor: Mayor**

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, to execute a grant application, as defined herein, under the California Department of Housing and Community Development's Permanent Local Housing Allocation Program for funding in the amount of \$52,308,210. (Mayor's Office of Housing and Community Development)

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Sara Amaral (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, Walton, Mandelman

200707 [General Obligation Bonds - San Francisco Unified School District - Not to Exceed \$280,000,000]**Sponsor: Fewer**

Resolution authorizing the San Francisco Unified School District to issue and sell on its own behalf its general obligation bonds, Election of 2016, Series B in an aggregate principal amount not to exceed \$280,000,000 without further action of the City and County of San Francisco.
(Fiscal Impact)

06/30/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Viva Mogi (San Francisco Unified School District); 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

200649 [Hearing - Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Parcel Tax Repeal and Replacement]**Sponsor: Mayor**

Hearing to consider the proposed Initiative Ordinance submitted by the Mayor to the voters for the November 3, 2020, Election, entitled "Ordinance amending the Business and Tax Regulations Code and Administrative Code to repeal the annual parcel tax in the Living Wage for Educators Act of 2018 (the "Act") that, as of July 1, 2021, will be \$320 plus a one-year consumer price index adjustment (and subject to future annual consumer price index adjustments), and replace it on July 1, 2021, with a \$288 annual parcel tax (also subject to future annual consumer price index adjustments) to be spent, as under the Act, by the San Francisco Unified School District for purposes related to educators' compensation and educational improvements; and increasing the City's appropriations limit by the amount collected under the new tax for four years from November 3, 2020."

06/16/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

06/16/20; RECEIVED. Submitted to the Department of Elections and received Initiative Ordinance from Mayor.

06/24/20; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; Office of the Controller for financial analysis report; for review/report, and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, SFUSD, and the Office of the Treasurer and Tax Collector for reports and/or comments, pursuant to Rules of Order 2.22.4.

07/02/20; RESPONSE RECEIVED. CEQA does not apply to a measure submitted to the

Heard in Committee. Speaker: Sophia Kittler (Office of the Mayor); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Hearing be HEARD AND FILED. 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 1:35 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.