



City and County of San Francisco
Meeting Minutes - Final
Budget and Finance Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Hillary Ronen, Ahsha Safai, Gordon Mar

Clerk: Brent Jalipa (415) 554-7712

Wednesday, April 20, 2022

10:30 AM

Regular Meeting

IN-PERSON MEETING
City Hall, Legislative Chamber, Room 250

(remote access provided)
(remote public comment provided via teleconference)

Present: 3 - Hillary Ronen, Ahsha Safai, and Gordon Mar

The Budget and Finance Committee met in a regular session, in-person with remote access and public comment via telephone, on Wednesday, April 20, 2022, with Chair Hillary Ronen presiding. Chair Ronen called the meeting to order at 10:34 a.m.

Remote Access to Information and Participation

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: brent.jalipa@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>.

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 the Budget and Finance Committee Clerk at (415) 554-7712 or brent.jalipa@sfgov.org.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Ronen, Vice Chair Safai, and Member Mar were noted present. A quorum of the Committee was present.

COMMUNICATIONS

*Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public, when general public comment is called, to contribute live comments for up to two minutes in-person or by dialing the provided telephone number. In-person public comment will be taken before remote public comment is called. Those who are providing public comment remotely must dial * 3 to be added to the remote queue to speak. Written comments may be submitted through email (brent.jalipa@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.*

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Ronen requested File Nos. 220196 and 220197 be called together.

220196 [Contract Agreement - Alliant Insurance Services, Inc. - Insurance Brokerage Services - Not to Exceed \$75,000,000]

Resolution authorizing the City Administrator, through the Director of the Risk Management Division, to enter into a contract for insurance brokerage services with Alliant Insurance Services for an amount not to exceed \$75,000,000 for a three-year term to commence on July 1, 2022, through June 30, 2025, with three two-year options to renew at the City's sole and absolute discretion, pursuant to Charter, Section 9.118. (City Administrator)
(Fiscal Impact)

02/28/22; RECEIVED FROM DEPARTMENT.

03/08/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Matt Hansen, Director (Office of Risk Management); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Mar

220197 [Contract Agreement - Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. - Insurance Brokerage Services - Not to Exceed \$30,000,000]

Resolution authorizing the City Administrator, through the Director of the Risk Management Division, to enter into a contract for insurance brokerage services with Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. for an amount not to exceed \$30,000,000 for a three-year term to commence on July 1, 2022, through June 30, 2025, with three two-year options to renew at the City's sole and absolute discretion, pursuant to Charter, Section 9.118. (City Administrator)
(Fiscal Impact)

02/28/22; RECEIVED FROM DEPARTMENT.

03/08/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Matt Hansen, Director (Office of Risk Management); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Mar

Vice Chair Safai noted not present at 10:50 a.m.

220181 [California Constitution Appropriations Limit for FY2021-2022]

Resolution establishing the appropriations limit for Fiscal Year (FY) 2021-2022 pursuant to California Constitution Article XIII B. (Controller)
(Fiscal Impact)

02/16/22; RECEIVED FROM DEPARTMENT.

03/01/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Michael Mitton (Office of the Controller); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Ronen, Mar

Absent: 1 - Safai

Vice Chair Safai noted present at 10:53 a.m.

220245 [Updated Emergency Declaration - Tree Removal, Slope Repair and Debris Removal at Stern Grove - Not to Exceed \$20,000,000]**Sponsor: Mar**

Resolution approving an updated emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to Administrative Code, Section 6.60, to contract resources for tree removal, slope repair and debris removal in Stern Grove, which was damaged by flooding caused by a failed air valve on a water transmission pipeline, increasing the cost by \$16,000,000 for a total not to exceed amount of \$20,000,000. (Public Utilities Commission)
(Fiscal Impact)

03/08/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Steve Richie, Assistant General Manager (San Francisco Public Utilities Commission); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. David Pilpel spoke on various concerns regarding the hearing matter.

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

Ayes: 3 - Ronen, Safai, Mar

220236 [Modification to the Airport Professional Services Agreement - Hallmark Aviation Services, L.P. - Airport Information and Guest Assistance Services - Two-Year Contract Extension - Not to Exceed \$53,062,378]

Resolution approving Modification No. 4 to 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, 2022, through June 30, 2024, to increase the labor rate for the new Quality Standards Program rate, and to increase the contract amount by \$11,950,408 for a new total contract not to exceed amount of \$53,062,378. (Airport Commission)
(Fiscal Impact)

03/04/22; RECEIVED FROM DEPARTMENT.

03/15/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Mar

220293 [Execute Standard Agreement and Accept and Expend - Retroactive - California Department of Housing and Community Development - Bayview Vehicle Triage Center Program - \$5,600,000]

Sponsors: Mayor; Walton, Safai, Ronen and Mar

Resolution authorizing the Department of Homelessness and Supportive Housing to execute a Standard Agreement with the California Department of Housing and Community Development for \$5,600,000 of 2021-22 California Budget Act funds; to retroactively accept and expend those funds for capital expenses related to the Bayview Vehicle Triage Center for costs incurred July 1, 2021, through June 30, 2026; affirming the Planning Department's determination under the California Environmental Quality Act; and adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Department of Homelessness and Supportive Housing)

03/22/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. David Elliott Lewis; spoke in support of the hearing matter.

Supervisors Safai, Ronen, and Mar requested to be added as co-sponsors.

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

Ayes: 3 - Ronen, Safai, Mar

Chair Ronen requested File Nos. 220346 and 220347 be called together.

220346 [Standard Agreement - California Department of Housing and Community Development California Housing Accelerator Program - Treasure Island Parcel C3.1 - \$55,601,514]

Sponsor: Mayor

Resolution authorizing Treasure Island Development Authority (the "Authority") to execute a Standard Agreement and other related documents with the State of California Department of Housing and Community Development ("HCD") under the California Housing Accelerator Program which the Standard Agreement includes an award not to exceed \$60,000,000 as a loan to Mercy Housing California 82, L.P. ("Developer"), as sole borrower, for construction of a development affordable to low- and moderate-income families at Treasure Island Parcel C3.1, located at Avenue C (old address) / 78 Johnson (new address) for a term of five years to commence upon execution of the Standard Agreement by HCD.

04/05/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Bob Beck (Treasure Island Development Authority); Cindy Heavens (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Ronen moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by decreasing the Standard Agreement award amount from '\$60,000,000' to '\$55,601,514' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Mar

Resolution authorizing Treasure Island Development Authority (the "Authority") to execute a Standard Agreement and other related documents with the State of California Department of Housing and Community Development ("HCD") under the California Housing Accelerator Program which the Standard Agreement includes an award not to exceed \$55,601,514 as a loan to Mercy Housing California 82, L.P. ("Developer"), as sole borrower, for construction of a development affordable to low- and moderate-income families at Treasure Island Parcel C3.1, located at Avenue C (old address)/78 Johnson (new address) for a term of five years to commence upon execution of the Standard Agreement by HCD.

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

Ayes: 3 - Ronen, Safai, Mar

220347 [Loan Agreement - Mercy Housing California 82, L.P. - 100% Affordable Housing - 6th Street at Avenue C/78 Johnson Street - Not to Exceed \$33,452,317]

Sponsor: Mayor

Resolution approving and authorizing the execution of a Loan Agreement with Mercy Housing California 82, L.P., a California limited partnership, in an amount not to exceed \$33,452,317 for a minimum term of 57 years to finance the construction of a 138-unit multifamily rental housing development (plus one staff unit) for low and moderate income families located at 6th Street at Avenue C (old address)/78 Johnson Street (new address) ("Treasure Island Parcel C3.1"); and adopting findings that the Loan Agreement is consistent with the General Plan, and the priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

04/05/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Bob Beck (Treasure Island Development Authority); Cindy Heavens (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Mar

220344 [Purchase of Real Property - City Gardens Bridge, LLC - 333-12th Street - Apply for Grant - California Department of Housing and Community Development - Homekey Grant Program - \$147,540,000]

Sponsors: Mayor; Haney, Ronen, Safai and Mar

Resolution 1) approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing ("HSH"), to acquire certain property located at 333-12th Street ("Property") for \$145,000,000 plus up to \$2,250,000 in interest, payable in two installments, plus an estimated \$290,000 for typical closing costs, for a total anticipated amount not to exceed \$147,540,000; 2) approving and authorizing HSH, on behalf of the City, to apply to the California Department of Housing and Community Development for a Homekey Grant; 3) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property from City Gardens Bridge, LLC ("Purchase Agreement"), which includes a liquidated damages clause of up to \$5,000,000 as well as certain other remedies, in case of default by the City; 4) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Purchase Agreement, as defined herein; 5) affirming the Planning Department's determination under the California Environmental Quality Act; and 6) adopting the Planning Department's findings that the Purchase Agreement, and the transaction contemplated therein, is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

04/05/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Emily Cohen (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Dan Adams (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Jennifer Friedenbach, Executive Director, Miguel Carrera and Ian James (Coalition on Homelessness); Rod Sing; Silayan Kintanar (Sout of Market Community Action Network); Speaker; Del Seymour; Marnie Regan (Larkin Street Youth Services); Speaker; Sunbear Jackson; Bob Goldfarb (Friends of Eagle Plaza); Adam Jansic; Clarice Soo; Mary Kate Bacalao (Compass Family Services); Eliana Binder (GLIDE); David Hyman; Kristin Evans; spoke in support of the hearing matter.

Supervisors Ronen, Safai, and Mar requested to be added as co-sponsors.

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

Ayes: 3 - Ronen, Safai, Mar

Chair Ronen recessed the meeting at 1:04 p.m., and reconvened at 1:09 p.m.

220343 [City and County of San Francisco Finance Corporation Lease Revenue Refunding Bonds, Series 2008-1 (Moscone Center Expansion Project) and Series 2008-2 (Moscone Center Expansion Project) - Alternate Credit Agreements]

Sponsor: Mayor

Resolution authorizing the issuance and delivery of alternate credit facilities to support the outstanding City and County of San Francisco Finance Corporation Lease Revenue Refunding Bonds, Series 2008-1 (Moscone Center Expansion Project) and City and County of San Francisco Finance Corporation Lease Revenue Refunding Bonds, Series 2008-2 (Moscone Center Expansion Project); approving the form of a first supplement to trust agreement, the form of a first amendment to project lease, the forms of the reimbursement agreements among the City and County of San Francisco, the City and County of San Francisco Finance Corporation and one or more credit providers, the forms of the fee agreements, the form of a remarketing supplement, the forms of the remarketing agreements, the forms of the custodian agreements and certain other related financing documents; approving modifications to said documents; approving the execution and delivery of said documents; granting general authority to City officials to take necessary actions in connection with the remarketing of said Bonds, as defined herein; and ratifying previous actions taken in connection therewith, as defined herein.

(Fiscal Impact)

04/05/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Vishal Trivedi (Office of the Controller); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Ronen, Safai, Mar

220338 [Appropriation - General Reserve - Various Departments - Workers' Compensation - \$13,131,917 - FY2021-2022]

Sponsor: Mayor

Ordinance appropriating \$13,131,917 of General Fund General Reserves to the Fire Department, Department of Public Health, Sheriff's Department and Department of Emergency Management for increased workers' compensation costs, and the authority to receive and expend these funds in the Department of Human Resources in Fiscal Year (FY) 2021-2022; this Ordinance requires a two-thirds approval vote of all members of the Board of Supervisors, pursuant to Charter, Section 9.113(c). (Pursuant to Charter, Section 9.113(c), this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve such appropriation ordinance for passage.)

(Fiscal Impact)

04/05/22; ASSIGNED to Budget and Finance Committee. 4/7/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Peggy Sugarman (Department of Human Resources); Nicolas Menard (Office of the Budget and Legislative Analyst); Amy Duning and Ashley Groffenberger, Director (Mayor's Office of Public Policy and Finance); Sandy Chan (Department of Emergency Management); James Alexander and Ed Ochi (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

Chair Ronen moved that this Ordinance RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Mar

220238 [Real Property Lease - Christ Church Lutheran - Behavioral Science Unit Programming - 1090 Quintara Street - \$45,000 Annual Base Rent]

Resolution approving and authorizing the Director of Property, on behalf of the Police Department, to enter into a Lease for 2,242 square feet of meeting space at 1090 Quintara Street, with Christ Church Lutheran, for Behavioral Science Unit programming, for an initial three year term commencing on April 1, 2022, through March 31, 2025, at a base rent of \$42,000 with 2% annual adjustments and 20% of utilities upon Landlord invoice; approving and authorizing two three-year options upon the City's request; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of entering into the Lease and this Resolution, as defined herein; adopting California Environmental Quality Act findings; and making findings that the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Real Estate Department)

03/07/22; RECEIVED FROM DEPARTMENT.

03/15/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Andrico Penick, Director (Real Estate Division); Kevin Falzone (Police Department); provided an overview and responded to questions raised throughout the discussion.

Member Mar moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to increase the Annual Base Rent from '\$42,000' to '\$45,000'; to replace the three year term dates to commence from 'April 1, 2022 through March 31, 2025' to 'May 1, 2022, through April 30, 2025'; to adjust the annual adjustment percentage from '2%' to '3%'; on Page 2, Lines 5-6, to read 'WHEREAS, The Lease provides for an initial monthly base rent of \$3,750 (\$1.67 per square foot) for a total annual base rent of \$45,000 (\$20.07 per square foot)'; and to make other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Mar

Resolution approving and authorizing the Director of Property, on behalf of the Police Department, to enter into a Lease for 2,242 square feet of meeting space at 1090 Quintara Street, with Christ Church Lutheran, for Behavioral Science Unit programming, for an initial three year term commencing on May 1, 2022, through April 30, 2025, at a base rent of \$45,000 with 3% annual adjustments and 20% of utilities upon Landlord invoice; approving and authorizing two three-year options upon the City's request; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of entering into the Lease and this Resolution, as defined herein; adopting California Environmental Quality Act findings; and making findings that the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Real Estate Department)

Member Mar moved that this Resolution be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of April 27, 2022. The motion carried by the following vote:

Ayes: 3 - Ronen, Safai, Mar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 1:47 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.