



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: Connie Chan, Rafael Mandelman, Ahsha Safai

Clerk: Brent Jalipa (415) 554-7712

Wednesday, February 8, 2023

10:00 AM

Regular Meeting

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

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

Present: 3 - Connie Chan, Rafael Mandelman, and Ahsha Safai

The Budget and Finance Committee met in a regular session, in-person with remote access and public comment via telephone, on Wednesday, February 8, 2023, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:03 a.m.

Remote Access to Information and Participation

The Board of Supervisors and its committees convene hybrid meetings that allow in-person attendance, remote access, and public comment via teleconference. Visit the SFGovTV website (www.sfgovtv.org) to stream the live meetings and watch meetings on demand or watch live meetings on San Francisco Cable Channels 26, 28, 78 or 99 (depending on your provider). Members of the public may provide public comment in-person or remotely via teleconference (detailed instructions 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 10:00 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 Chan and Member Safai were noted present. Vice Chair Mandelman was noted not present. A quorum of the Committee was present with Member Safai attending remotely.

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 to the Budget and Finance Committee Clerk (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

Vice Chair Mandelman was noted present at 10:07 a.m.

Member Safai was noted present in the Chamber at 10:16 a.m.

230039 [Contract Amendment - Granite Rock Company - Purchase of Petroleum, Emulsions, Sealants, and Concrete Base - Not to Exceed \$23,889,728]

Resolution authorizing the Office of Contract Administration to execute a second amendment to Contract 1000016483 with Granite Rock Company for the purchase of petroleum, emulsions, sealants, and concrete base by City departments, increasing the contract amount by \$13,989,728 for a total not to exceed amount of \$23,889,728 and extending the term by two years for a total contract duration of seven years from November 1, 2019, through to October 31, 2026. (Office of Contract Administration)
(Fiscal Impact)

01/09/23; RECEIVED FROM DEPARTMENT.

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sailajah Kurella, Director (Office of Contract Administration); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

The Committee requested the Purchaser and City Administrator to provide a report that: (1) assesses existing procurement strategies and municipal code requirements, (2) evaluates the feasibility of partnering with other governments to increase the number of joint procurements that the City participates in, and (3) provides recommendations to increase the number of bidders for goods, commodities, and services; by June 2023.

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

Ayes: 3 - Chan, Mandelman, Safai

230069 [Accept and Expend Grant - Retroactive - California Department of Parks and Recreation - India Basin Shoreline Park - \$25,000,000]**Sponsors: Mayor; Walton**

Resolution retroactively authorizing the Recreation and Park Department to accept and expend a grant from the California Department of Parks and Recreation in the amount of \$25,000,000 for the India Basin Shoreline Park Project; approving the associated grant agreement for a term of July 1, 2022, through June 30, 2027; and authorizing the Recreation and Park Department to enter into amendments or modifications to the agreement that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purposes of the Project or this Resolution. (Recreation and Park Department)

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Toni Moran and David Froehlich (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Safai

221247 [Lease and Operating Agreement - Golden Gate Park Golf Development Foundation - Golden Gate Park Golf Management and Operation - Annual Base Rent \$275,000]**Sponsors: Mayor; Chan and Safai**

Resolution approving and authorizing a Lease and Operating Agreement between the City and County of San Francisco, acting by and through its Recreation and Park Department (RPD), and Golden Gate Park Golf Development Foundation for the management and operation of the clubhouse and golfing operations at Golden Gate Park Golf, located at 970-47th Avenue, for an initial term of six years, with one option to extend the term for an additional nine years, with an annual base rent of \$275,000 plus a share of revenues, effective upon approval of this Resolution; determining that the rental rate under the Agreement is appropriate and that the Agreement will serve a public purpose in accordance with Administrative Code, Sections 23.30 and 23.33; adopting findings declaring that the Property is "exempt surplus land" under the California Surplus Lands Act; and to authorize the RPD General Manager to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution. (Recreation and Park Department)
(Fiscal Impact)

12/06/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dana Ketcham (Recreation and Park Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Gary Jabini; Kelly Wu; Dan Burke (First Tee of San Francisco); spoke in support of the hearing matter.

Supervisors Chan and Safai requested to be added as co-sponsors.

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

Ayes: 3 - Chan, Mandelman, Safai

230065 [Authorizing Expenditures - SoMa Community Stabilization Fund - \$2,000,000]**Sponsors: Mayor; Dorsey, Safai and Mandelman**

Resolution authorizing the Mayor's Office of Housing and Community Development to expend SoMa Community Stabilization Fund dollars in the amount of \$2,000,000 to address various impacts of destabilization on residents and businesses in SoMa for a term to commence effective upon approval this Resolution through June 30, 2024. (Mayor's Office of Housing and Community Development) (Fiscal Impact)

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Claudine Del Rosario (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. Francisco Da Costa; spoke on various concerns regarding the hearing matter.

Supervisors Safai and Mandelman requested to be added as co-sponsors.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Line 22, through Page 3, Line 3, by adding 'WHEREAS, MOHCD shall provide the Board of Supervisors with a report no later than 30 days following the completion of any capital acquisition resulting from these expenditures that includes: (1) the appraised value of the 1044 Howard Site, (2) the final cost of purchase and amount of City funding, (3) confirmation that a Declaration of Restrictions has been recorded on the site restricting the property to community serving uses, and (4) an updated renovation pro-forma that includes a line-item account of all sources and uses; and'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Safai
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 230060, 230063, and 230064 be called together.

230060 [Standard Agreement - California Department of Housing and Community Development - California Housing Accelerator Program - The Kelsey Civic Center - \$37,334,401]

Sponsors: Mayor; Preston and Safai

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, 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 Standard Agreement includes an award of \$37,334,401 as a loan to The Kelsey Civic Center, L.P. ("Developer"), as sole borrower, for construction of a development affordable to low- and moderate-income households at The Kelsey Civic Center, located at 240 Van Ness Avenue, for a term of five years to commence upon execution of the Standard Agreement by HCD.

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sheila Nickolopoulos and Anne Romero (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. Francisco Da Costa; spoke on various concerns relating to the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Safai

230063 [Ground Lease and Loan Agreement - The Kelsey Civic Center, L.P. - 100% Affordable Housing - 240 Van Ness Avenue - Ground Lease with Base Rent of \$15,000 - Loan Not to Exceed \$24,684,459]

Sponsors: Mayor; Preston and Safai

Resolution 1) approving and authorizing the Director of Property and the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Ground Lease for real property owned by the City located at 240 Van Ness Avenue ("Property") with The Kelsey Civic Center, L.P. for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 ("Ground Lease") in order to construct a 100% affordable, 112-unit multifamily rental housing development affordable to low-income households, including 28 units for people with disabilities who are eligible to receive home and community-based services, and two resident manager units (the "Project"); 2) approving and authorizing a Loan Agreement in an amount not to exceed \$24,684,459 for a minimum loan term of 57 years ("Loan Agreement") to finance the development and construction of the Project; 3) adopting findings declaring that the Property is "exempt surplus land" pursuant to the California Surplus Lands Act; 4) determining that the less than market rent payable under the Ground Lease will serve a public purpose by providing affordable housing for low-income households in need, in accordance with Administrative Code, Section 23.3; 5) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 6) authorizing the Director of Property to execute the Ground Lease and the Director of MOHCD to execute the Loan Agreement, and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein; and 7) to authorize the Director of Property and/or Director of MOHCD to enter into any additions, amendments, or other modifications to the Ground Lease and the Loan Agreement respectively, that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Ground Lease and the Loan Agreement or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sheila Nikolopoulos and Anne Romero (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. Francisco Da Costa; spoke on various concerns relating to the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Safai

230064 [Execute Standard Agreement and Accept and Expend Grant - California Department of Housing and Community Development Affordable Housing and Sustainable Communities Program - The Kelsey Civic Center - \$29,269,952]

Sponsors: Mayor; Preston and Safai

Resolution authorizing the Mayor's Office of Housing and Community Development on behalf of the City and County of San Francisco to execute the Standard Agreements and other related documents with the State of California Department of Housing and Community Development ("HCD" or "Department") under the Affordable Housing and Sustainable Communities Program for a total award of \$29,269,952 including \$20,000,000 disbursed by HCD as a loan to The Kelsey Civic Center, L.P. ("Developer") for a 100% affordable housing project at 240 Van Ness Avenue and \$9,269,952 to be disbursed as a grant to the City for public transit improvements near 240 Van Ness Avenue, for the period starting on the execution date of the Standard Agreements to April 30, 2028; authorizing MOHCD to accept and expend the grant of up to \$9,269,952 for transit, bicycle and pedestrian improvements, and other transit oriented programming as approved by HCD.

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sheila Nickolopoulos and Anne Romero (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. Francisco Da Costa; spoke on various concerns relating to the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 230059, 230062, and 230061 be called together.

230059 [Standard Agreement - California Department of Housing and Community Development California Housing Accelerator Program - Sunnydale Block 3B - \$47,814,455]

Sponsors: Mayor; Walton and Safai

Resolution authorizing the Mayor's Office of Housing and Community Development, on behalf of the City and County of San Francisco, 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 Standard Agreement includes an award of \$47,814,455 as a loan to Sunnydale Block 3B Housing Partners, L.P. ("Developer"), as sole borrower, for construction of a development affordable to low- and moderate-income families at Sunnydale Block 3B, located at 1555 Sunnydale Avenue, for a term of five years to commence upon execution of the Standard Agreement by HCD. (Mayor's Office of Housing and Community Development)

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Ryan VanZuylen and Jason Luu (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. Francisco Da Costa; spoke on various concerns relating to the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Safai

230062 [Loan Agreement - Sunnydale Block 3B Housing Partners, L.P. - Sunnydale HOPE SF Block 3B - 100% Affordable Housing - Not To Exceed \$31,506,016]**Sponsors: Mayor; Walton and Safai**

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development (MOHCD) to execute an Amended and Restated Loan Agreement with Sunnydale Block 3B Housing Partners, L.P., a California limited partnership, for a total loan amount not to exceed \$31,506,016 to finance the construction of a 90-unit multifamily rental housing development for low-income households, which will be known as Sunnydale HOPE SF Block 3B (the "Project"); adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to enter into any amendments or modifications to the Agreement and any other documents or instruments necessary in connection therewith that the Director determines are in the best interest of the City, do not materially increase the obligations or liabilities for the City or materially diminish the benefits of the City, and are necessary or advisable to effectuate the purposes and intent of this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Ryan VanZuylen and Jason Luu (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. Francisco Da Costa; spoke on various concerns relating to the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Safai

230061 [Execute Standard Agreement and Accept and Expend Grant - California Department of Housing and Community Development - Infill Infrastructure Grant Program - Sunnydale Block 3B - \$6,500,000]

Sponsors: Mayor; Walton and Safai

Resolution authorizing the Mayor's Office of Housing and Community Development ("MOHCD") to execute a Standard Agreement with the California Department of Housing and Community Development ("HCD" or "Department") under the Infill Infrastructure Grant Program, for a total award of \$6,500,000 disbursed by HCD as a grant to the City for the second phase of infrastructure improvements for housing development related to the revitalization and master development of up to 1,770 units of replacement public housing, affordable housing, and market rate housing, commonly known as the Sunnydale HOPE SF Development ("Sunnydale Project"), for the period starting on the execution date of the Standard Agreement to June 30, 2029, and as amended; and authorizing MOHCD to accept and expend the grant of \$6,500,000 for infrastructure improvements for Sunnydale Block 3B as approved by HCD. (Mayor's Office of Housing and Community Development)

01/24/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Ryan VanZuylen and Jason Luu (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. Francisco Da Costa; spoke on various concerns relating to the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

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

Ayes: 3 - Chan, Mandelman, Safai

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:39 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.