



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 ~ brent.jalipa@sfgov.org

Wednesday, May 10, 2023

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

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

The Budget and Finance Committee met in regular session, in-person with remote access and public comment via telephone, on Wednesday, May 10, 2023, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:00 a.m.

Remote Access to Information and Participation

The Board of Supervisors (www.sfbos.org) and its committees convene hybrid meetings that allow in-person attendance, in-person public comment (prioritized before remote public comment), remote access (watch: www.sfgovtv.org), and remote public comment via teleconference (<https://sfbos.org/remote-meeting-call>).

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan and Vice Chair Mandelman were noted present. Member Safai was noted not present. A quorum of the Committee was present.

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public, that when general public comment is called, to contribute live comments in-person or by dialing the telephone number published on the agenda and scrolling across the screen. Clerk Jalipa further announced that 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.

Supervisor Safai Excused from Attendance

Chair Chan moved to excuse Supervisor Safai from attending the Budget and Finance Committee meeting on May 10, 2023, until their arrival. The motion carried by the following vote:

Ayes: 2 - Chan, Mandelman

Excused: 1 - Safai

REGULAR AGENDA

Chair Chan requested File Nos. 230434 and 230402 be called together.

230434 [Lease Amendment - Smarte Carte, Inc - Airport Luggage Cart Lease and Operating Agreement - Provision of Free Luggage in the Federal Inspection Service Area of the Airport]

Resolution approving Amendment No. 3 to the Airport Luggage Cart Lease and Operating Agreement No. 19-0069 between Smarte Carte, Inc., as tenant, and the City and County of San Francisco, acting by and through its Airport Commission, to modify the methodology used for escalating the flat service fee associated with the provision of free luggage cart service in the Federal Inspection Service (FIS) Area. (Airport Commission)

04/11/23; RECEIVED FROM DEPARTMENT.

04/25/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Cathy Widener (Airport 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: 2 - Chan, Mandelman

Excused: 1 - Safai

230402 [Lease Extension Option Exercise - Michael C. Mitchell - 837 Malcolm Road, Burlingame - Annual Base Rent \$150,450]

Resolution approving the exercise of the second of two one-year extension options under Lease No. 09-0023, between Michael C. Mitchell and the City and County of San Francisco, acting by and through its Airport Commission, to extend the Lease for one year, for a period of May 1, 2024, through April 30, 2025, for a total term of April 21, 2009, through April 30, 2025, and increasing the annual rent to \$150,450 for office and industrial space occupied by the San Francisco International Airport Reprographics Department at 837 Malcolm Road, Burlingame. (Airport Commission) 04/06/23; RECEIVED FROM DEPARTMENT.

04/18/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Cathy Widener (Airport 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: 2 - Chan, Mandelman

Excused: 1 - Safai

230307 [Business and Tax Regulations Code - Extending Sunset Date of Credit from Early Care and Education Commercial Rents Tax for Qualifying Child Care Facilities]

Sponsors: Melgar; Chan and Mandelman

Ordinance amending the Business and Tax Regulations Code to extend for five years, until December 31, 2028, the credit against the Early Care and Education Commercial Rents Tax for qualifying child care facilities.

03/21/23; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 4/20/2023.

03/29/23; REFERRED TO DEPARTMENT. Referred to the office of the Treasurer and Tax Collector, the Office of Early Care and Education, the Department of Early Childhood, the Department of Children Youth and Their Families, and the Children and Families Commission for informational purposes.

Heard in Committee. Speaker: Jen Low (Office of Supervisor Myrna Melgar); provided an overview and responded to questions raised throughout the discussion.

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

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

Ayes: 2 - Chan, Mandelman

Excused: 1 - Safai

230486 [Apply for Grant Application - California Department of Housing and Community Development - Local Housing Trust Fund Program Grant - Not to Exceed \$5,000,000]

Sponsors: Mayor; Mandelman

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 for a grant to fund affordable housing development under the California Department of Housing and Community Development's Local Housing Trust Fund Program, for an amount not to exceed \$5,000,000. (Mayor's Office of Housing and Community Development)

04/25/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Sheila Nickolopoulos (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

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

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

Ayes: 2 - Chan, Mandelman

Excused: 1 - Safai

230450 [Transportation Code - Extension of Abandoned Vehicle Abatement Fee]

Sponsor: Mayor

Ordinance amending the Transportation Code, Division I, to authorize the Service Authority for the Abatement of Abandoned Vehicles (the San Francisco Municipal Transportation Agency Board) to extend the \$1 abandoned vehicle abatement fee on all vehicles registered to City residents for ten years, from June 1, 2023, through May 31, 2033.

(Pursuant to California Vehicle Code, Section 9250.7(g), this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve the collection of this service fee on all registered vehicles.)

04/18/23; ASSIGNED to Budget and Finance Committee. 4/21/2023 - President Peskin waived the 30-day rule pursuant to Board Rule No. 3.22.

04/30/23; NOTICED. First 10-Day Fee Ad for May 10, 2023, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

05/05/23; NOTICED. Second 10-Day Fee Ad for May 10, 2023, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

Heard in Committee. Speaker: Lorraine Fuqua (Municipal Transportation Agency); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Chan, Mandelman

Excused: 1 - Safai

Member Safai was noted present at 10:48 a.m.

221027 [Accept and Expend Grant - Retroactive - San Francisco Bay Area Rapid Transit District - Pit Stop Public Toilet Program - \$250,000]

Sponsor: Mayor

Resolution retroactively authorizing the Department of Public Works to accept and expend a grant of up to \$250,000 from the San Francisco Bay Area Rapid Transit District for the Pit Stop Public Toilet Program starting July 1, 2021, through June 30, 2022.
(Fiscal Impact)

09/27/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/27/23; REMAIN ACTIVE. The Mayor's Office requested that this Resolution remain active through September 27, 2023.

Heard in Committee. Speakers: Bruce Robertson (Public Works); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Safai

Chair Chan requested File Nos. 230368, 230369, and 230370 be called together.

230368 [Appropriation - \$275,000,000 Total Including Appropriation of \$260,878,172 in Certificates of Participation Refunding Proceeds and Deappropriation and Reappropriation of \$14,121,828 in Series 2023-R1 Refunding - FY2022-2023]

Sponsors: Mayor; Preston

Ordinance appropriating \$275,000,000 consisting of: appropriation of (1) \$260,878,172 of one or more series of Refunding Certificates of Participation Series 2023-R1 proceeds, (2) de-appropriation of \$14,121,828 of Series 2012A, 2015-R1, and 2015A Certificates of Participation prior reserve funds, and (3) re-appropriation of the same amount to Refunding Certificates of Participation Series 2023-R1; and placing these funds on Controller's Reserve pending the sale of the Certificates of Participation in Fiscal Year (FY) 2022-2023.
(Fiscal Impact)

04/04/23; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/4/2023.

Heard in Committee. Speakers: Grant Carson and Vishal Trivedi (Controller's Office of Public Finance); Nicolas Menard (Office of the Budget and Legislative Analyst); Benjamin McCloskey, Lydia Ely, and Eric Shaw, Director (Mayor's Office of Housing and Community Development); Supervisor Dean Preston (Board of Supervisors); Anna Duning, Budget Director (Mayor's Office of Public Policy and Finance); Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Francisco Da Costa, Matt Russo and Greg Hardiman (International Union of Elevator Constructors, Local 8); Speaker; shared various concerns relating to the hearing matter.

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

Ayes: 3 - Chan, Mandelman, Safai

230369 [Authorizing Refunding Certificates of Participation, Series 2023-R1 - Multiple Capital Improvement Projects - Not to Exceed \$275,000,000]**Sponsors: Mayor; Preston**

Ordinance authorizing the execution and delivery of refunding Certificates of Participation, in one or more series from time to time ("Certificates"), in an aggregate amount not to exceed \$275,000,000 to prepay certain certificates of participation that financed and refinanced various capital improvement projects within the City and County of San Francisco ("City"); approving the form of a Supplement to Trust Agreement between the City and U.S. Bank Trust Company, National Association (as successor-in-interest to U.S. Bank National Association), as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of a Supplement to Property Lease and a Supplement to Project Lease, each between the City and the Trustee, for the lease and lease back of all or a portion of certain real property and improvements owned by the City and located at 375 Laguna Honda Boulevard within the City, at 1 Moreland Drive, San Bruno, California, and/or any other property as shall be determined by the City's Director of Public Finance; approving the form of Escrow Agreement (including certain indemnities contained therein), between the City and U.S. Bank Trust Company, National Association, as escrow agent ("Escrow Agent"); approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates; approving the form of an Official Statement in preliminary and final form; approving the form of a purchase contract between the City and one or more initial purchasers of the Certificates; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Certificates; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.
(Fiscal Impact)

04/04/23; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/4/2023.

Heard in Committee. Speakers: Grant Carson and Vishal Trivedi (Controller's Office of Public Finance); Nicolas Menard (Office of the Budget and Legislative Analyst); Benjamin McCloskey, Lydia Ely, and Eric Shaw, Director (Mayor's Office of Housing and Community Development); Supervisor Dean Preston (Board of Supervisors); Anna Duning, Budget Director (Mayor's Office of Public Policy and Finance); Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Francisco Da Costa, Matt Russo and Greg Hardiman (International Union of Elevator Constructors, Local 8); Speaker; shared various concerns relating to the hearing matter.

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

Ayes: 3 - Chan, Mandelman, Safai

230370 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation - Multiple Affordable Housing and Community Facilities Projects - Not to Exceed \$146,800,000]

Sponsors: Mayor; Preston

Ordinance authorizing the execution and delivery of Certificates of Participation, in one or more series on a tax-exempt and/or taxable basis and from time to time, evidencing and representing an aggregate principal amount of not to exceed \$146,800,000 ("Certificates"), to finance and refinance certain capital improvement, affordable housing and community facilities development projects within the City and County of San Francisco's ("City"), including site acquisition, demolition and site preparation, design work, construction, repairs, renovations, improvements and the equipment of such facilities, including through the retirement of certain commercial paper notes of the City issued for such purposes; approving the form of a Supplement to Trust Agreement between the City and U.S. Bank Trust Company, National Association (as successor-in-interest to U.S. Bank National Association), as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of a Supplement to Property Lease and a Supplement to Project Lease, each between the City and the Trustee, for the lease and lease back of all or a portion of certain real property and improvements owned by the City and located at 375 Laguna Honda Boulevard within the City, at 1 Moreland Drive, San Bruno, California, and/or any other property as determined by the City's Director of Public Finance; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates; approving the form of an Official Statement in preliminary and final form; approving the form of a purchase contract between the City and one or more initial purchasers of the Certificates; approving the form of a Continuing Disclosure Certificate, as defined herein; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Certificates; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

(Fiscal Impact)

04/04/23; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/4/2023.

Heard in Committee. Speakers: Grant Carson and Vishal Trivedi (Controller's Office of Public Finance); Nicolas Menard (Office of the Budget and Legislative Analyst); Benjamin McCloskey, Lydia Ely, and Eric Shaw, Director (Mayor's Office of Housing and Community Development); Supervisor Dean Preston (Board of Supervisors); Anna Duning, Budget Director (Mayor's Office of Public Policy and Finance); Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Francisco Da Costa, Matt Russo and Greg Hardiman (International Union of Elevator Constructors, Local 8); Speaker; shared various concerns relating to the hearing matter.

The Committee requested the Director of the Mayor's Office of Housing and Community Development report by September 1, 2023 on (a) the criteria, parameters, and project timelines of the remaining funding solicitations, including: (1) the second phase of non-profit site acquisition funding, (2) public housing/co-op repairs, and (3) SRO elevators; and (b) all projects funded by the proposed certificates of participation.

Chair Chan moved that this Ordinance 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 12:19 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.