



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, Myrna Melgar

Clerk: Brent Jalipa
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Wednesday, February 7, 2024

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Connie Chan, Rafael Mandelman, and Myrna Melgar

The Budget and Finance Committee met in a regular session on Wednesday, February 7, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:00 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan, Vice Chair Mandelman, and Member Melgar were noted present. A quorum was present.

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public that public comment is taken on each item on the agenda. Alternatively, 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

240006 [Real Property Lease - AIM TWO - 755 and 759 South Van Ness Avenue - \$644,931 Initial Annual Base Rent]

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to execute a Lease Agreement for continued use of office and clinic space at 755 and 759 South Van Ness Avenue and the adjacent parking lot with AIM TWO, as Landlord, effective upon approval of the Resolution by the Board of Supervisors and the Mayor and upon execution of the Lease by the Director of Property, terminating on December 31, 2027, at the monthly base rent of \$52,178.86 for a total annual base rent of \$644,931 with annual 3% to 5% CPI increases; plus one five-year extension option; and authorizing the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the Lease or this Resolution. (Public Health Department)
(Fiscal Impact)

12/11/23; RECEIVED FROM DEPARTMENT.

01/09/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

01/31/24; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (Office of the Budget and Legislative Analyst); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be RECOMMENDED. Before the vote was taken, Chair Chan withdrew this motion to recommend.

01/31/24; CONTINUED AS AMENDED. Chair Chan moved that this Resolution be RECOMMENDED AS AMENDED. Before the vote was taken, Chair Chan withdrew this motion to recommend as amended.

Heard in Committee. Speakers: None.

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

Ayes: 3 - Chan, Mandelman, Melgar

240054 [Accept and Expend Grant - Retroactive - Local Immigrant Integration and Inclusion Grant - Governor's Office of Business and Economic Development - Amendment to Annual Salary Ordinance - FY2023-2024 and FY2024-2025 - \$165,978]

Sponsors: Mayor; Walton

Ordinance retroactively authorizing the Office of Civic Engagement and Immigrant Affairs to accept and expend a grant in the amount of \$165,978 from the Governor's Office of Business and Economic Development to support the expansion of immigrant integration efforts, increase community trust, and enhance the organizational capacity to support immigrant populations; and amending Ordinance No. 145-23 (Annual Salary Ordinance File No. 230645 for Fiscal Years (FYs) 2023-2024 and 2024-2025) to provide for the addition of one grant-funded temporary (1.0 FTE) Class 1822 Administrative Analyst for the period of October 1, 2023, through February 28, 2025. (City Administrator)

01/23/24; ASSIGNED to Budget and Finance Committee. 1/24/24 - President Peskin waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speaker: Richard Whipple (Office of Civic Engagement and Immigrant Affairs); 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: 3 - Chan, Mandelman, Melgar

240062 [Issuance of Revenue Bonds - St. Ignatius College Preparatory - Renovations and Improvements - Not to Exceed \$150,000,000]

Sponsor: Engardio

Resolution approving, in accordance with Internal Revenue Code, Section 147(f), the issuance of a tax-exempt and/or taxable revenue obligation and sale by the California Municipal Finance Authority of its revenue bonds for the benefit of the Ignatian Corporation in an aggregate principal amount not to exceed \$150,000,000 for the purpose of financing the costs of renovations and improvements to and construction of school facilities and certain other matters relating thereto, as defined herein.

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

Heard in Committee. Speaker: Keith Sevigny (Controller's Office of Public Finance); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Mandelman, Melgar

240061 [Grant Agreement - California Department of Pesticide Regulation - Pest Management Program - \$321,670]**Sponsors: Mayor; Mandelman**

Resolution authorizing the Department of the Environment to enter into a Grant Agreement with the California Department of Pesticide Regulation (“DPR”) that includes DPR’s standard dispute resolution process under which a court would give deference to the DPR director’s determination in a dispute between DPR and the City, with a term starting upon approval of this Grant Agreement through December 31, 2025, or when the final deliverable is received, whichever is earlier, in an amount not to exceed \$321,670. (Environment)

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

Heard in Committee. Speaker: Charles Sheehan (Environment Department); 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: 3 - Chan, Mandelman, Melgar

240026 [Multifamily Housing Revenue Notes - Transbay 2 Senior, L.P. - Not to Exceed \$67,680,000]**Sponsors: Mayor; Dorsey and Mandelman**

Resolution authorizing the execution and delivery of multifamily housing revenue notes in one or more series in an aggregate principal amount not to exceed \$67,680,000 for the purpose of providing financing for the construction of a 151-unit multifamily rental housing project known as “Transbay Block 2 West” located at 200 Folsom Street; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the construction loan from the funding lender to the City, and the execution and delivery of the notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the construction loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for the project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue notes by the City in an aggregate principal amount not to exceed \$67,680,000; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the funding loan, the project loan, the notes and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

01/09/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Jasmine Kuo (Office of Community Investment and Infrastructure); 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: 3 - Chan, Mandelman, Melgar

240055 [Public Works Code - Retroactive - Waiver of Temporary Street Space Occupancy Permit Fee - Sidewalk Sales During Lunar New Year Holiday Season]

Sponsors: Mayor; Peskin, Chan, Mandelman and Melgar

Ordinance waiving the fee required by Public Works Code, Section 724.1(b), for temporary street space occupancy permits in the Chinatown neighborhood from Saturday, January 27, 2024, through Saturday, February 10, 2024, to promote sidewalk sales of merchandise during the Lunar New Year holiday season; and affirming the Planning Department's determination under the California Environmental Quality Act.

01/23/24; ASSIGNED to Budget and Finance Committee. 1/24/24 - President Peskin waived the 30-day rule pursuant to Board Rule No. 3.22.

01/29/24; REFERRED TO DEPARTMENT. Referred to Public Works for informational purposes; Planning Department for environmental review; and Small Business Commission for comment and recommendation.

Heard in Committee. Speakers: Bruce Robertson (Public Works); Diana Ponce De Leon (Office of Economic and Workforce Development); Sarah Crowley (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, by adding retroactive language to the titles. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Ordinance retroactively waiving the fee required by Public Works Code, Section 724.1(b), for temporary street space occupancy permits in the Chinatown neighborhood from Saturday, January 27, 2024, through Saturday, February 10, 2024, to promote sidewalk sales of merchandise during the Lunar New Year holiday season; and affirming the Planning Department's determination under the California Environmental Quality Act.

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

Ayes: 3 - Chan, Mandelman, Melgar

231129 [Administrative Code - Extending Sunset Date of Contracting Waivers for Homeless Services]**Sponsors: Mayor; Ronen**

Ordinance amending the Administrative Code to extend by five years, from May 5, 2024, through May 5, 2029, the sunset date of the provisions authorizing the Department of Homelessness and Supportive Housing ("HSH") to enter into and amend contracts without requiring competitive bidding for services relating to sites and programs for people experiencing homelessness ("Projects Addressing Homelessness"), and the Department of Public Works to enter into and amend contracts without adhering to the Environment Code or to provisions relating to competitive bidding, equal benefits, local business enterprise utilization, and other requirements, for construction work and services relating to Projects Addressing Homelessness; and affirming the Planning Department's determination under the California Environmental Quality Act.

10/31/23; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 11/30/2023.

11/07/23; REFERRED TO DEPARTMENT. Referred to Office of Contract Administration, Public Works, and Department of Homelessness and Supportive Housing for informational Purposes. Referred to Planning Department for CEQA Determination.

11/29/23; RESPONSE RECEIVED. Not defined as a project under CEQA guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

11/30/23; TRANSFERRED to Budget and Finance Committee.

12/06/23; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Emily Cohen, and Gigi Whitley (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion. Dr. Kridikel TruthBey; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speakers: Emily Cohen and Shireen McSpadden, Executive Director (Department of Homelessness and Supportive Housing); Bruce Robertson (Public Works); provided an overview and responded to questions raised throughout the discussion. Debbi Lerman, Director (S.F. Human Services Network); Cody Keene (Delivering Innovation in Supportive Housing); Charles Deffarges (Episcopal Community Services of San Francisco); spoke in support of the Ordinance matter.

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 3-17, to read 'Ordinance amending the Administrative Code to authorize the Department of Homelessness and Supportive Housing ("HSH") to enter into new contracts and grants with terms of no more than two years without requiring competitive bidding for services relating to sites and programs for people experiencing homelessness ("Projects Addressing Homelessness"), provided such contracts are executed before May 5, 2025; authorizing HSH to amend contracts and grants for Projects Addressing Homelessness that are in effect as of May 4, 2024 to extend their terms for up to five years, depending on the method of original procurement; and authorizing the Department of Public Works to enter into and amend contracts until May 5, 2026 without adhering to the Environment Code or to provisions relating to competitive bidding, equal benefits, local business enterprise utilization, and other requirements, for construction work and services relating to Projects Addressing Homelessness; and affirming the Planning Department's determination under the California Environmental Quality Act.'; on Page 4, Line 19, through Page 5, Line 21, to read '(a) New Agreements. Notwithstanding Sections 21.1 and 21G.3 of the Administrative Code or any other provision of the Municipal Code, the Department of Public Works and the Department of Homelessness and Supportive Housing may enter into new contracts for services or commodities or grants for professional and other services or commodities relating to Projects Addressing Homelessness without adhering to the requirements of Section 21.1, 21G.3, or any other competitive procurement requirements, provided the duration of the contract or grant is for no more than two years. The authority granted under this subsection (a) shall terminate on May 5, 2025. As of May 5, 2025, any new contract or grant executed by the Department of

Public Works and the Department of Homelessness and Supportive Housing for services or commodities or grants relating to Projects Addressing Homelessness shall adhere to the requirements of Sections 21.1, 21G.3, and any other applicable competitive procurement requirements. (b) Agreement Amendments. Notwithstanding Sections 21.1 and 21G.3 of the Administrative Code or any other provision of the Municipal Code, the Department of Public Works and the Department of Homelessness and Supportive Housing may amend the duration and the amount of contracts for services or commodities or grants for provisional and other services or commodities relating to Projects Addressing Homelessness without adhering to the requirements of Section 21.1, 21G.3, or any other competitive procurement, provided the contract or grant is in effect as of May 4, 2024; and (1) The contract or grant was executed following a competitive bid or competitive offering, as determined by the City Administrator or their designee, in consultation with the Controller, and the amendment would extend the duration of the contract or grant for no more than five years; or (2) The contract or grant was executed without a competitive procurement process, and the amendment would extend the duration of the contract or grant for no more than three years.'; and by making clarifying and conforming amendments. Before the vote was taken, Chair Chan withdrew this motion to amend.

Member Melgar moved that this Ordinance be CONTINUED to the Budget and Finance Committee meeting of February 14, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240057 [De-Appropriation and Appropriation - General City Responsibility - APEC 2023 Project - Municipal Transportation Agency & Office of Economic and Workforce Development - \$3,500,000 - FY2023-2024]

Sponsors: Chan; Peskin and Dorsey

Ordinance de-appropriating \$2,250,000 from General City Responsibility (GEN) and re-appropriating \$250,000 to the Municipal Transportation Agency (MTA) to support free two-hour parking in the Portsmouth Square and St. Mary's Parking Garages and transit fares for the Lunar New Year Parade in February 2024, and \$2,000,000 to the Office of Economic and Workforce Development (ECN) to support a relief fund for SOMA area business and organizations from direct Asia-Pacific Economic Cooperation (APEC) impacts in the Fiscal Year (FY) 2023-2024.

(Fiscal Impact)

01/23/24; ASSIGNED to Budget and Finance Committee. 1/24/24 - President Peskin waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Supervisors Matt Dorsey and Joel Engardio (Board of Supervisors); Sarah Dennis-Phillips, Executive Director (Office of Economic and Workforce Development); Rob Malone (Municipal Transportation Agency); Nicolas Menard (Office of the Budget and Legislative Analyst); Sarah Crowley (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Diana Anderson (Avenues Pet Hospital); Mark Gleason; Speaker; David Cohen (The Grove); Randal Conner (Oren's Hummus); Speaker; Mark; Vince Rodriguez; Wendy; David Woo (Soma Pilipinas); Nam Hoang (Fresh Roll); Barrett Peterson; Manuel Ramirez (Bonchon); Albert Chow, President (Taraval Merchants Association); Raquel Redondiez (SOMA Pilipinas); Dr. Dorothy Pang; Dr. Peter Lee; Jerry Vuong; Speaker; Mark Sherman (Guerra Quality Meats); Bertha Rodriguez (Children's Creativity Museum); Desi Danganan (Cultivate Labs); Rebecca Pan (Trellis Coworking and Events); JP Reyes (Sarap Shop); Gordon Lai (Milktopia); Speaker; Speaker; Michael (Guilin Rice Noodle House); Speaker; Loc (Smile House Café); Mrs. Lam; Corrine Pusawong (Pirro's Pizzeria); Speaker; spoke on various concerns relating to the hearing matter.

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by increasing the amount de-appropriated from the General City Responsibility from '\$2,250,000' to '\$3,500,000', increasing the amount re-appropriated to the Municipal Transportation Agency from '\$250,000' to '\$500,000', and increasing the amount re-appropriated to the Office of Economic and Workforce Development from '\$2,000,000' to '\$3,000,000' throughout the legislation; on Page 1, Line 4-11, to read 'Ordinance de-appropriating \$3,500,000 from General City Responsibility (GEN) and re-appropriating \$500,000 to the Municipal Transportation Agency (MTA) to support free two-hour parking in the Portsmouth Square Garages, Ambassador Services and transit fares for the Lunar New Year Parade in February 2024, and \$3,000,000 to the Office of Economic and Workforce Development (ECN) to support a relief fund for SOMA area business and organizations from direct APEC impacts and for a Small Business Transit Impact relief fund in the FY 2023-2024.'; and by making clarifying and conforming amendments to the Uses De-appropriation and Uses Appropriation tables. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Ordinance de-appropriating \$3,500,000 from General City Responsibility (GEN) and re-appropriating \$500,000 to the Municipal Transportation Agency (MTA) to support free two-hour parking in the Portsmouth Square Garages, Ambassador Services and transit fares for the Lunar New Year Parade in February 2024, and \$3,000,000 to the Office of Economic and Workforce Development (ECN) to support a relief fund for SOMA area business and organizations from direct APEC impacts and for a Small Business Transit Impact relief fund in the FY 2023-2024.

(Fiscal Impact)

Chair Chan moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of February 14, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240031 [Hearing - Review and Adoption of the Proposed Draft FY2024-2025 and FY2025-2026 Budget for the Board of Supervisors]

Hearing to consider the annual review and adoption of the Proposed Draft Fiscal Year (FY) 2024-2025 and FY2025-2026 Budget for the Board of Supervisors. (Clerk of the Board)

01/09/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Angela Calvillo, Clerk of the Board of Supervisors, and Dr. Edward De Asis (Office of the Clerk of the Board of Supervisors); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved to approve the proposed budget for submission to the Mayor's Office of Public Policy and Finance and the Office of the Controller and that the Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 1:07 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.