



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
(415) 554-7712 ~ brent.jalipa@sfgov.org

Wednesday, February 14, 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 14, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:02 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

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 \$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)

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.

02/07/24; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. 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); Randale 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.

02/07/24; CONTINUED AS AMENDED.

Heard in Committee. Speakers: Supervisors Matt Dorsey and Joel Engardio (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Scott Rowitz, Executive Director (Yerba Buena Community Benefit District); Desi Danganan, Executive Director (Cultivate Labs); spoke in support of the Ordinance matter.

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240091 and 240092 be called together.

240091 [Authorizing Expenditures - SoMa Community Stabilization Fund - \$200,000]

Sponsor: Mayor

Resolution authorizing the Mayor's Office of Housing and Community Development to expend SoMa Community Stabilization Fund dollars in the amount of \$200,000 to address various impacts of destabilization on residents and businesses in SoMa for a term to commence effective upon approval of this Resolution through June 30, 2026. (Mayor's Office of Housing and Community Development) 01/30/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Grace Lee, Sheila Nickolopoulos, Anne Romero, and Sarah Amaral (Mayor's Office of Housing and Community Development); Shreya Shah (Tenderloin Neighborhood Development Corporation); 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 RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240092 [Loan Amendment - Octavia RSU Associates, L.P. - 100% Affordable Housing at 78 Haight Street - Not to Exceed \$35,306,233]

Sponsors: Mayor; Dorsey

Resolution approving and authorizing 1) the execution of a First Amendment to the Amended and Restated Loan Agreement with Octavia RSU Associates, L.P., a California limited partnership, to increase the loan amount by up to \$8,559,766 for a new total loan amount not to exceed \$35,306,233 to finance additional costs related to a 100% affordable, 63-unit multifamily rental housing development affordable to low-income households, including 32 units for Transitional Age Youth who are homeless or at-risk of homelessness, and including up to 3,200 square feet of commercial space located at 78 Haight Street ("Project"); and 2) the Mayor and the Director of Mayor's Office of Housing and Community Development, to execute documents, make certain modifications and take certain actions in furtherance of this Resolution, as defined herein. (Mayor's Office of Housing and Community Development) (Fiscal Impact)

01/30/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Grace Lee, Sheila Nickolopoulos, Anne Romero, and Sarah Amaral (Mayor's Office of Housing and Community Development); Shreya Shah (Tenderloin Neighborhood Development Corporation); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Chris Cummings (Tenderloin Neighborhood Development Corporation); spoke in support of the Resolution matter.

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

Ayes: 3 - Chan, Mandelman, Melgar

240093 [Amended and Restated Real Property Lease - YMCA SF - Building 49 - 701 Illinois Street - Crane Cove Park]**Sponsors: Mayor; Walton**

Resolution approving and authorizing the execution, delivery, and performance of Amended and Restated Lease No. 17134 for Building 49, located at 701 Illinois Street within Crane Cove Park between the Port of San Francisco and the Young Men's Christian Association of San Francisco (YMCA SF) that would among other things, reduce the seismic improvements described in the Existing Lease, eliminate all rent credits for any seismic work performed by the YMCA SF, require the YMCA SF to open the public restrooms no later than July 1, 2024, delay the rent commencement date to no later than October 1, 2024, as defined in the Amended and Restated Lease; affirming prior findings under the California Environmental Quality Act; and authorizing the Executive Director of the Port to enter into any additions, amendments or other modifications to the Amended and Restated Lease that do not materially increase the obligations or liabilities of the City or Port and are necessary or advisable to complete the transactions which this Resolution contemplates and effectuate the purpose and intent of this Resolution. (Port)
(Fiscal Impact)

01/30/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: James Hurley (Port Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; spoke on various concerns relating to the hearing matter.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 10-13, by adding 'with no change to the initial term of 10 years, retroactive to August 1, 2023, plus options to extend for a total term of up to 34 years, 11 months, with an initial annual base rent of \$92,809.80;'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving and authorizing the execution, delivery, and performance of Amended and Restated Lease No. 17134 for Building 49, located at 701 Illinois Street within Crane Cove Park between the Port of San Francisco and the Young Men's Christian Association of San Francisco (YMCA SF) that would among other things, reduce the seismic improvements described in the Existing Lease, eliminate all rent credits for any seismic work performed by the YMCA SF, require the YMCA SF to open the public restrooms no later than July 1, 2024, delay the rent commencement date to no later than October 1, 2024, as defined in the Amended and Restated Lease; with no change to the initial term of 10 years, retroactive to August 1, 2023, plus options to extend for a total term of up to 34 years, 11 months, with an initial annual base rent of \$92,809.80; affirming prior findings under the California Environmental Quality Act; and authorizing the Executive Director of the Port to enter into any additions, amendments or other modifications to the Amended and Restated Lease that do not materially increase the obligations or liabilities of the City or Port and are necessary or advisable to complete the transactions which this Resolution contemplates and effectuate the purpose and intent of this Resolution. (Port)
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

240038 [Public Auction - Tax-Defaulted Real Property]

Resolution authorizing Tax Collector to sell at public auction certain parcels of tax-defaulted real property, as defined herein. (Treasurer-Tax Collector)

01/05/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker: Amanda Kahn Fried (Office of the Treasurer and Tax Collector); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved to remove the property at 3548-3550 20th Street from the Parcel List and that this Resolution be RECOMMENDED. 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 and Mandelman**

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.

02/07/24; CONTINUED. 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.

Heard in Committee. Speaker: Thierry Fill; spoke on various concerns relating to the hearing matter.

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

Chair Chan moved that this Ordinance be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors. 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 11:07 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.