



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, March 27, 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, March 27, 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

240200 [Accept and Expend Grant - Retroactive - California Office of Emergency Services - Probation Specialized Unit Program - \$300,000]

Sponsor: Mayor

Resolution retroactively authorizing the Department of Adult Probation to accept and expend a grant in the amount of \$100,000 for the period of October 1, 2023, through September 30, 2024; \$100,000 for the period of October 1, 2024, through September 30, 2025; \$100,000 for period of October 1, 2025, through September 30, 2026; for a total not to exceed amount of \$300,000 from the California Office of Emergency Services for Probation Specialized Units Program federally funded through the Violence Against Women Act, for the total grant period of October 1, 2023, through September 30, 2026, to continue the Probation Specialized Unit Program federally funded through the Violence Against Women Act should the parties agree to an amendment as allowed under the provisions of the grant agreement. (Adult Probation)

03/05/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Taras Madison (Adult Probation 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, Melgar

240235 [Grant Agreement - Retroactive - Advocates for Human Potential, Inc. - Behavioral Health Bridge Housing Program - Not to Exceed \$32,265,440]

Sponsors: Mayor; Mandelman and Ronen

Resolution retroactively authorizing the Department of Public Health to retroactively enter into a Grant Agreement for a term commencing on July 1, 2023, through June 30, 2027, between the City and County of San Francisco ("City"), acting by and through its Department of Public Health ("DPH"), and Advocates for Human Potential, Inc., having anticipated revenue to the City of \$32,265,440 in order to operate bridge housing settings to address the immediate and sustainable housing needs of people experiencing homelessness who have serious behavioral health conditions, including serious mental illness and/or substance use disorder under the Behavioral Health Bridge Housing Program; and authorizing DPH to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purpose of the Grant. (Public Health Department)

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Drew Murrell (Department of Public Health); 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

240192 [Repayment Agreement and Purchase Agreement - Baker Places, Inc. - Baker to Repay \$7,669,814 to the City - 333-7th Street - \$3,000,000 Plus Estimated Closing Costs \$8,200]

Sponsors: Mandelman; Ronen and Dorsey

Resolution 1) authorizing the City to execute a Repayment Agreement (“Agreement”) with Baker Places, Inc. (“Baker”), requiring Baker to repay to the City a debt amount of \$7,669,814 (“Debt”) over a 23-year term from April 1, 2024, through January 31, 2046, pursuant to Charter, Section 9.118, including a parent guaranty by Baker’s parent company PRC, a collateralization of two Baker/PRC real property assets to secure the Debt; 2) approving and authorizing the Director of Property, on behalf of the Department of Public Health, to acquire certain property located at 333-7th Street for an amount of \$3,000,000 plus an estimated \$8,200 for closing costs; 3) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property from Baker (the “Purchase Agreement”); 4) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take such actions in furtherance of this Resolution and the Purchase Agreement, as defined herein, effective upon approval of this Resolution; 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. (Public Health Department)
(Fiscal Impact)

03/04/24; RECEIVED FROM DEPARTMENT.

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Drew Murrell and Dr. Hillary Kunins, Director of Behavioral Health Services and Mental Health (Department of Public Health); Chuan Teng, Chief Executive Officer, and Marc Gannon (PRC - Baker Places); Nicolas Menard (Office of the Budget and Legislative Analyst); Sheila Nickolopoulos (Mayor’s Office of Housing and Community Development); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 3-8, to read 'Resolution 1) approving and authorizing the City to execute a Repayment Agreement (“Agreement”) with Baker Places, Inc. (“Baker”), requiring Baker to repay to the City a debt amount of \$7,669,814 (“Debt”) over a 23-year term from April 1, 2024, through January 31, 2046, including a parent guaranty by Baker’s parent company PRC, and a collateralization of two Baker/PRC real property assets to secure the Debt, pursuant to Charter, Section 9.118;', and by making clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution 1) approving and authorizing the City to execute a Repayment Agreement (“Agreement”) with Baker Places, Inc. (“Baker”), requiring Baker to repay to the City a debt amount of \$7,669,814 (“Debt”) over a 23-year term from April 1, 2024, through January 31, 2046, including a parent guaranty by Baker’s parent company PRC, and a collateralization of two Baker/PRC real property assets to secure the Debt, pursuant to Charter, Section 9.118; 2) approving and authorizing the Director of Property, on behalf of the Department of Public Health, to acquire certain property located at 333-7th Street for an amount of \$3,000,000 plus an estimated \$8,200 for closing costs; 3) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property from Baker (the “Purchase Agreement”); 4) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take such actions in furtherance of this Resolution and the Purchase Agreement, as defined herein, effective upon approval of this Resolution; 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. (Public Health Department)
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240049 and 240051 be called together.

240049 [COVID-19 Lease Extension Program for Certain Airport Food and Beverage, Retail, and Service Concessions Tenants]

Resolution approving the COVID-19 Lease Extension Program for Certain Airport Food and Beverage, Retail, and Service Concession Tenants, allowing the Airport to offer lease extensions of up to three and one-half years to eligible concessionaires. (Airport Commission)

01/19/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker(s): 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 Chan moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240051 [Airport Professional Services Agreement Modification - PGH Wong & Partners JV - Project Management Support Services for the Courtyard 3 Connector Project - Further Modifications Not to Exceed \$45,400,000]

Resolution approving Modification No. 11 to Airport Contract No. 10072.41, Project Management Support Services for the San Francisco International Airport, Courtyard 3 Connector Project with PGH Wong & Partners JV, a joint venture consisting of PGH Wong Engineering, Inc., and Avila and Associates Consulting Engineers, Inc., to increase the Contract amount by \$20,400,000 for a new not to exceed the amount of \$45,400,000 for services and to extend the Contract for services through January 25, 2027, pursuant to Charter, Section 9.118(b); and making findings under the California Environmental Quality Act. (Airport Commission)
(Fiscal Impact)

01/22/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker(s): 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 Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by replacing 'with no change to the term' with 'and to extend the Contract for services through January 25, 2027' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving Modification No. 11 to Airport Contract No. 10072.41, Project Management Support Services for the San Francisco International Airport, Courtyard 3 Connector Project with PGH Wong & Partners JV, a joint venture consisting of PGH Wong Engineering, Inc., and Avila and Associates Consulting Engineers, Inc., to increase the Contract amount by \$20,400,000 for a new not to exceed amount of \$45,400,000 for services and to extend the Contract for services through January 25, 2027, pursuant to Charter, Section 9.118(b); and making findings under the California Environmental Quality Act. (Airport Commission)
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

240234 [Loan Agreement - 249 Pennsylvania Associates, L.P. - 100% Affordable Housing at 249 and 201 Pennsylvania Avenue and 935 Mariposa Street - Not to Exceed \$13,000,000]

Sponsors: Mayor; Walton

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development to execute loan documents relating to a loan to provide financing for the acquisition of real property located at 249 and 201 Pennsylvania Avenue and 935 Mariposa Street (the "Property"), and predevelopment activities for a 100% affordable multifamily rental building for families, in an aggregate amount not to exceed \$13,000,000; approving the form of the loan agreement and ancillary documents; ratifying and approving any action heretofore taken in connection with the property; granting general authority to City officials to take actions necessary to implement this Resolution; and finding that the loan is consistent the City's General Plan, and the eight priority policies of Planning Code, Section 101.1. (Mayor's Office of Housing and Community Development) (Fiscal Impact)

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): 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.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Line 16, by increasing the amount for acquisition from '\$11,723,218' to '\$11,964,119', and decreasing the amount for predevelopment activities from '\$1,276,782' to '1,035,881'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development to execute loan documents relating to a loan to provide financing for the acquisition of real property located at 249 and 201 Pennsylvania Avenue and 935 Mariposa Street (the "Property"), and predevelopment activities for a 100% affordable multifamily rental building for families, in an aggregate amount not to exceed \$13,000,000; approving the form of the loan agreement and ancillary documents; ratifying and approving any action heretofore taken in connection with the property, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and finding that the loan is consistent the City's General Plan, and the eight priority policies of Planning Code, Section 101.1. (Mayor's Office of Housing and Community Development) (Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240230, 240231, 240232, and 240233 be called together.

240230 [Grant Agreement - 1296 Shotwell Housing L.P. - Senior Operating Subsidy - Not to Exceed \$4,820,042]

Sponsors: Mayor; Peskin, Ronen and Chan

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with 1296 Shotwell Housing L.P. in the amount of \$4,820,042 for an 11 year term to provide operating subsidies for 100% affordable housing project housing extremely low-income seniors, effective upon approval of this Resolution; approving the form of and authorizing the execution of the grant agreement; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and to authorize the Director of MOHCD to enter into amendments or modifications to the grant agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the grant agreement or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sheila Nickolopoulos (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 Chan moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240231 [Grant Agreement - Transbay 2 Senior, L.P. - Senior Operating Subsidy - Not to Exceed \$18,290,441]

Sponsors: Mayor; Peskin, Ronen and Chan

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with Transbay 2 Senior, L.P. in the amount of \$18,290,441 for a 15 year and 3 month term to provide operating subsidies for a 100% affordable housing project housing extremely low-income seniors, effective upon approval of this Resolution; approving the form of and authorizing the execution of the grant agreement; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and to authorize the Director of MOHCD to enter into amendments or modifications to the grant agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the grant agreement or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sheila Nickolopoulos (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 Chan moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240232 [Grant Agreement - 4200 Geary Associates, L.P. - Senior Operating Subsidy - Not to Exceed \$7,795,022]**Sponsors: Mayor; Peskin, Ronen and Chan**

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with 4200 Geary Associates L.P. in the amount of \$7,795,022 for a 15-year term to provide operating subsidies for a 100% affordable housing project for extremely low-income seniors, effective upon approval of this Resolution; approving the form of and authorizing the execution of the grant agreement; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and to authorize the Director of MOHCD to enter into amendments or modifications to the grant agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the grant agreement or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sheila Nickolopoulos (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 Chan moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240233 [Grant Agreement - Chinatown SRO's, LLC - Senior Operating Subsidy - Not to Exceed \$6,209,204]**Sponsors: Mayor; Peskin, Ronen and Chan**

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with Chinatown SRO's, LLC in the amount of \$6,209,204 for a 15 year and 6 month term to provide operating subsidies for a 100% affordable housing project housing extremely low-income households, most of whom are seniors, effective upon approval of this Resolution; approving the form of and authorizing the execution of the grant agreement; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and to authorize the Director of MOHCD to enter into amendments or modifications to the grant agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the grant agreement or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

03/12/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sheila Nickolopoulos (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 Chan moved that this Resolution be RECOMMENDED. 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 11:50 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.