



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, June 26, 2024

10:30 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

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

The Budget and Finance Committee met in rescheduled session on Wednesday, June 26, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:34 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

240686 [Assignment and Assumption Agreement - California Barrel Company LLC - Potrero Power Station Mixed-Use Project - Waiver of Indemnification Obligations]

Sponsor: Walton

Resolution affirming the Planning Director's approval of an assignment and assumption agreement between California Barrel Company LLC, a Delaware limited liability company ("Developer"), and the Regents of the University of California, on behalf of its San Francisco campus ("UCSF"), pursuant to which UCSF will assume a portion of Developer's right, title and interest in and to the Development Agreement between the City and Developer for the Potrero Power Station Project, with respect to Block 2 of the Project; approving a Waiver of Liability by the City, acting by and through its Planning Department, for the benefit of Developer, pursuant to which the City will waive and release any claims made for actions subsequent to execution of the Waiver against Developer, in connection with Developer's indemnification obligations in Section 4.10 of the Development Agreement, with respect to Block 2 of the Project; and adopting findings under the California Environmental Quality Act.

06/11/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jon Lau (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; spoke on various concerns relating to the resolution matter. Rudy Gonzalez (San Francisco Building and Construction Trades Council); 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

240436 [Lease of City Property - Friends and Foundation of the San Francisco Public Library - Portion of the Main Public Library - Initial Annual Base Rent of \$15,555.84 - Subject to Rent Abatement With Supplemental Funding]

Resolution authorizing and approving the lease of 387 square feet of space at the Main Library located at 100 Larkin Street, with The Friends and Foundation of the San Francisco Public Library, a non-profit 501(c)(3), for an initial five-year term at an annual base rent of \$15,555.84 (or the monthly amount of \$1,296.32), with annual CPI increases to base rent and three additional five-year extension options, effective upon approval of this Resolution; and to authorize 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 and are necessary to effectuate the purposes of the Lease or this Resolution. (Real Estate Department)

04/29/24; RECEIVED FROM DEPARTMENT.

05/07/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); John Cunha, Facilities Director (Public Library); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; spoke on various concerns relating to the resolution matter.

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

Ayes: 3 - Chan, Mandelman, Melgar

240483 [Lease and Revocable License of City Real Property - Retroactive - New Community Leadership Foundation - City Hall - Sales Based Rent]**Sponsor: Walton**

Resolution retroactively approving and authorizing the Director of Property, on behalf of the Real Estate Division, to execute a Lease for 1,426 square feet for the operation of a café by the New Community Leadership Foundation, dba Café Melange, and a revocable license for 1,360 square feet of adjacent space for patron seating, on the ground level of City Hall for an initial five-year lease term, commencing on March 1, 2024, at 10% of gross sales beginning July 1, 2024, with one option to extend for five-years; and authorizing the Director of Property to enter into any additions, amendments, or other modifications to the permit that do not materially increase the obligations or liabilities of the City to effectuate the purposes of this Resolution.

05/07/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Supervisor Shamann Walton (Board of Supervisors); 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

240566 [Real Property Lease - Greater Calvary Hill Missionary Baptist Church - 141 Industrial Street, Unit #1- Initial Base Rent \$351,000]**Sponsor: Walton**

Resolution approving and authorizing the Director of Property, on behalf of the San Francisco Human Rights Commission, to execute a Lease of a portion of the real property located at 141 Industrial Street, Unit #1 with Greater Calvary Hill Missionary Baptist Church, a California corporation, for an initial term of three years at an initial annual base rent of \$351,000 effective upon approval of this Resolution; and authorizes 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 and are necessary to effectuate the purposes of the Lease or this Resolution.

(Fiscal Impact)

05/21/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Sheryl Davis, Executive Director (Human Rights Commission); Nicolas Menard (Office of the Budget and Legislative Analyst); Supervisor Shamann Walton (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Reverend Amos Brown; Speaker; Pastor Joseph Bryant Jr. (Calvary Hill Community Church); spoke in support of the resolution matter. Thierry Fill; spoke on various concerns relating to the resolution matter.

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240497 and 240498 be called together.

240497 [General Obligation Bond Election - Healthy, Safe, and Vibrant San Francisco - Not to Exceed \$390,000,000]

Sponsors: Mayor; Mandelman, Ronen, Stefani, Melgar, Dorsey, Engardio and Peskin

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$390,000,000 to finance the acquisition or improvement of real property, including: facilities to deliver primary healthcare services, emergency medical services, skilled nursing services, and services for persons experiencing mental health challenges or persons with substance use disorders; acquire, improve, and seismically upgrade critical medical care and mental health facilities and emergency shelter facilities; and improvements for certain transportation, pedestrian, and street safety related capital improvements, streetscape enhancements and other public space improvements, and related costs necessary or convenient for each of the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase, if any, to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating review of Bond expenditures under the provisions of the Administrative Code by the Citizens' General Obligation Bond Oversight Committee; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

(Pursuant to California Government Code, Sections 43607 and 43608, this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve passage of this Ordinance.)

(Fiscal Impact)

05/14/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 6/13/2024.

05/21/24; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review and determination of consistency with the City's General Plan; Office of the Controller for financial analysis report, pursuant to Administrative Code 2.33; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, City Administrator, Real Estate Division, Mayor's Office of Housing and Community Development, Department of Public Health, Municipal Transportation Agency, and Housing Authority, pursuant to Rules of Order 2.22.4.

05/28/24; REFERRED TO DEPARTMENT. Referred to the Department of Resources for meet and confer determination.

06/21/24; RESPONSE RECEIVED. Received Costing Letter from the Office of the Controller.

Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Brian Strong, Director and Chief Resilience Officer (Office of Resilience and Capital Planning); Jenny Louie and Kathy Jung (Department of Public Health); Bruce Robertson (Public Works); Nicolas Menard (Office of the Budget and Legislative Analyst); Sophia Kittler (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; shared various concerns relating to the hearing matter. Brian Springfield (Friends of Harvey Milk Plaza); Harvey Chapel; spoke in support of the hearing matter.

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 6. Line 13, by replacing '\$56,000,000' with '\$66,000,000'; on Page 7, Line 1, by replacing '\$68,900,000' with '\$63,900,000'; and on Page 7, Line 8, by replacing '\$46,000,000' with '\$41,000 000'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

(Pursuant to California Government Code, Sections 43607 and 43608, this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve passage of this Ordinance.)

(Fiscal Impact)

Chair Chan moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of July 10, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240498 [General Obligation Bonds - Healthy, Safe and Vibrant San Francisco - Not to Exceed \$390,000,000]

Sponsors: Mayor; Peskin

Resolution determining and declaring that the public interest and necessity demand the acquisition or improvement of real property, including: facilities to deliver primary healthcare services, emergency medical services, skilled nursing services, services for persons experiencing mental health challenges, and persons experiencing substance use disorders; acquire, improve, and seismically upgrade critical medical care and mental health facilities; emergency shelter facilities; and improvements for certain transportation, pedestrian, and street safety related capital improvements, streetscape enhancements, and other public space improvements, and related costs necessary or convenient for the respective foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase, if any, to residential tenants under Administrative Code, Chapter 37; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

(Pursuant to California Government Code, Sections 43607 and 43608, this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve passage of this Resolution.)

(Fiscal Impact)

05/14/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

05/21/24; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review and determination of consistency with the City's General Plan; Office of the Controller for financial analysis report, pursuant to Administrative Code 2.33; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, City Administrator, Real Estate Division, Mayor's Office of Housing and Community Development, Department of Public Health, Municipal Transportation Agency, and Housing Authority, pursuant to Rules of Order 2.22.4.

05/28/24; REFERRED TO DEPARTMENT. Referred to the Department of Resources for meet and confer determination.

Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Brian Strong, Director and Chief Resilience Officer (Office of Resilience and Capital Planning); Jenny Louie and Kathy Jung (Department of Public Health); Bruce Robertson (Public Works); Nicolas Menard (Office of the Budget and Legislative Analyst); Sophia Kittler (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Thierry Fill; shared various concerns relating to the hearing matter. Brian Springfield (Friends of the Harvey Milk Plaza); Harvey Chapel; spoke in support of the hearing matter.

Chair Chan moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of July 10, 2024. 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 12:20 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.