



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, July 10, 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 regular session on Wednesday, July 10, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:04 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

240726 [Administrative Code - Workforce Housing and Affordable Middle-Income Revenue Bonds]

Sponsors: Peskin; Chan

Ordinance amending the Administrative Code to permit the issuance of bonds to finance the acquisition, development, rehabilitation, or construction of middle-income and workforce housing, and to establish ownership, tenancy, affordability, and program requirements.

06/25/24; ASSIGNED to Budget and Finance Committee. 6/27/24 - President Peskin waived the 30-day rule pursuant to Board Rule No. 3.22.

07/01/24; REFERRED TO DEPARTMENT. Referred to the Mayor's Office of Housing and Community Development, Rent Board, Office of the Controller, Public Utilities Commission, and Mayor's Office for informational purposes.

Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Nate Horrell (Office of Supervisor Aaron Peskin); Dan Adams, Director (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Fernando Marti; Eric Tao; Corey Smith (Housing Rights Coalition); David Keenan (Community Arts Stabilization Trust); Charlie Sciammas; spoke in support of the ordinance matter.

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

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 3, Lines 1-4, by adding '(k) The City supports the creation of additional preferences for occupations essential to our local economic and cultural fabric, including but not limited to healthcare workers, first responders, public sector and non-profit workers, and artists, and intends to explore the creation of such preferences.'; on Page 4, Lines 8-10, by adding ', including the City's ability to issue debt pursuant to Article I of this Chapter 43, and loan the proceeds thereof to an organization of the type described in Section 501(c)(3) of the Internal Revenue Code.' after 'other laws', and Lines 17-19, by adding ', including the City's ability to issue debt pursuant to Article I of this Chapter 43, and loan the proceeds thereof to an organization of the type described in Section 501(c)(3) of the Internal Revenue Code.' after 'local law'; and on Page 10, Lines 1-6, to read '(b) The Public Utilities Commission shall supply electricity to a Residence financed pursuant to this Article XV based on the feasibility assessment described in Administrative Code Section 99.2.' The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

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

Ayes: 3 - Chan, Mandelman, Melgar

240406 [Health, Business and Tax Regulations Codes - Annual Retail Food Special Event Permit]**Sponsors: Mayor; Engardio, Mandelman and Melgar**

Ordinance amending the Health and Business and Tax Regulations Codes to create a new annual retail food permit for food operators participating in special events and set the fees for the new permit.

04/23/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/23/2024.

04/29/24; REFERRED TO DEPARTMENT. Referred to the Department of Public Health, Offices of the Controller, Treasurer and Tax Collector, and Economic and Workforce Development for informational purposes; and to the Small Business Commission for comment and recommendation.

06/05/24; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker(s): Katy Tang, Director (Office of Small Business); Jen Callewaert (Department of Public Health); provided an overview and responded to questions raised throughout the discussion. Angie Pettitt (Sunset Mercantile); spoke in support of the Ordinance matter.

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

06/28/24; RESPONSE RECEIVED. On June 24, 2024, the Small Business Commission met and voted to support the proposed legislation.

06/30/24; NOTICED. First 10-Day Fee Ad for July 10, 2024, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

07/07/24; NOTICED. Second 10-Day Fee Ad for July 10, 2024, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

Heard in Committee. Speaker(s): Kerry Birnbach (Office of Small Business); 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

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.

06/26/24; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. 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.

06/26/24; CONTINUED AS AMENDED.

06/26/24; RESPONSE RECEIVED. Received a determination from the Human Resources Department that meet and confer requirement is not applicable to the General Obligation Bond.

07/08/24; 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; the 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; and the Department of Resources for meet and confer determination.

07/09/24; RESPONSE RECEIVED. Received an updated Costing Letter from the Office of the Controller.

07/09/24; RESPONSE RECEIVED. Received a determination from the Human Resources Department that meet and confer requirement is not applicable to the General Obligation Bond ordinance, as amended.

Heard in Committee. Speaker(s): Sophia Kittler (Mayor's Office); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 6, Lines 3-6, by adding '; provided however that no Contractor owned or controlled by a member of the Board of Supervisors that votes on submitting this measure to the voters shall be permitted to bid on any work funded with proceeds of the Bonds:' after 'these projects'; on Page 8, Lines 1-14, to read 'A. OVERSIGHT. The proposed Bond funds shall be subject to approval processes and rules described in the San Francisco Charter and Administrative Code, which together shall comprise the specific local program through which the potential programs and projects listed in Section 3 shall be funded. Funds from this measure shall be committed to potential programs and projects, to the extent authorized by law and subject to required environmental review. Pursuant to Administrative Code Section 5.31, the Citizens' General Obligation Bond Oversight Committee shall conduct an annual, independent financial and performance audits review of Bond spending, to ensure that the Bond expenditures have been spent to serve taxpayers of the City in accordance with the objects and purposes of this Ordinance, and shall provide an annual report of the Bond program to the Mayor and the Board. The audits shall be posted in a manner that is easily accessible to the public as provided in subsection B below. To the extent required by law, the Citizens' General Bond Oversight Committee shall provide copies of such audit reports to the California State Auditor for its review.', and Lines 17-18, by adding ', and shall make copies of any financial or performance audits available and reasonably accessible to members of the public.' after 'activity updates'. 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 special Budget and Finance Committee meeting of July 16, 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.

06/26/24; CONTINUED. 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.

Heard in Committee. Speaker(s): Sophia Kittler (Mayor's Office); 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 CONTINUED to the special Budget and Finance Committee meeting of July 16, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240477 [Purchase of Real Property - PACIFICA SFO LLC - 624 Laguna Street - \$13,800,000]**Sponsors: Mayor; Preston, Peskin, Mandelman and Ronen**

Resolution approving and authorizing the Director of Property to acquire certain real property located at 624 Laguna Street ("Property"); approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property, for the purchase price of \$13,780,000 plus an estimated \$20,000 for typical closing costs, for a total amount of \$13,800,000 from PACIFICA SFO LLC, a California limited liability company ("Purchase Agreement"); authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Purchase Agreement, as defined herein; affirming the Planning Department's determination under the California Environmental Quality Act; and 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. (Fiscal Impact)

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

06/05/24; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker(s): None.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Nicolas Menard (Office of the Budget and Legislative Analyst); Kelly Kirkpatrick (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

240678 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention - Targeted HIV/TB Strategic Information Technical Assistance for President's Emergency Plan for AIDS Relief and Global Fund - \$107,707]**Sponsors: Mayor; Dorsey, Engardio and Mandelman**

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant increase in the amount of \$18,016 from the Centers for Disease Control and Prevention through The Regents of the University of California, San Francisco for a total amount of \$107,707 for participation in a program, entitled "Targeted HIV/TB Strategic Information Technical Assistance for President's Emergency Plan for AIDS Relief (PEPFAR) and Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) Countries," for the period of September 30, 2023, through September 29, 2024. (Public Health Department)

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

Heard in Committee. Speaker(s): Willi McFarland (Department of Public Health); 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

240648 [Option Agreement Amendment - Pacific Gas and Electric Company - Purchase the Hoedown Yard - Illinois and 22nd Streets - \$8,283,726]**Sponsors: Mayor; Walton**

Resolution approving and authorizing the Director of Property to enter into a Fifth Amendment to the option agreement ("Option Agreement") for the purchase of the Hoedown Yard located at the northeast corner of Illinois and 22nd Streets from the Pacific Gas and Electric Company for \$63.37 per square foot or approximately \$8,283,726; and authorizing the Director of Property to enter into any additions, amendments, or other modifications to the Lease that do not materially increase the obligations or liabilities of the City to effectuate the purposes of the Fifth Amendment or this Resolution.

06/04/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/01/24; TRANSFERRED to Budget and Finance Committee. President Peskin transferred this Resolution from the Government Audit and Oversight Committee to the 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.

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

Ayes: 3 - Chan, Mandelman, Melgar

240730 [Loan Agreement - 1000 Sutter LLC - 1000 Sutter Street - 100% Permanent Supportive Housing - Loan Not to Exceed \$71,125,575]**Sponsor: Mayor**

Resolution 1) approving and authorizing a Loan Purchase Agreement for the purchase of an existing loan in an amount of \$63,191,071 for a purchase price not to exceed \$48,000,000 from the San Francisco Housing Accelerator Fund ("SFHAF Loan") related to the rehabilitation of a 214-unit single-room occupancy residential building for permanent supportive housing to homeless households, with two managers units, located at 1000 Sutter Street (the "Project"); 2) authorizing the assumption of obligations under the SFHAF Loan to disburse an amount not to exceed \$17,000,000 for rehabilitation of the Project; 3) approving and authorizing an Amended and Restated Loan Agreement with 1000 Sutter LLC ("Borrower") in an amount not to exceed \$71,125,575 for a minimum loan term of 55 years ("City Loan Agreement") to consolidate the SFHAF Loan with a prior loan from the City to Borrower after completion of the rehabilitation and provide permanent financing for the Project; 4) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; 5) authorizing the Mayor and the Director of Mayor's Office of Housing and Community Development ("MOHCD") to execute the Loan Purchase Agreement and the City Loan Agreement, and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein; and 6) authorizing the Director of MOHCD to enter into any additions, amendments, or other modifications to the Loan Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of this Resolution. (Fiscal Impact)

06/25/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sofie Rubin and Kyra Geithman (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Gigi Whitley (Department of Homelessness and Supportive Housing); 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

240472 [Agreement Amendment - Planning and Engineering Services Southeast Plant New 250 MGD Headworks Facility - Not to Exceed \$57,500,000]

Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute Amendment No. 3 to Contract No. CS-389, Planning and Engineering Services Southeast Plant New 250 MGD Headworks Facility, with Carollo Engineering, Inc., increasing the contract amount by \$3,000,000 for a total not to exceed amount of \$57,500,000 with no change to the contract duration, to continue providing wastewater process facility engineering design and engineering support services during construction, pursuant to Charter, Section 9.118. (Public Utilities Commission) (Fiscal Impact)

05/06/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker(s): Victor Shih (Public Utilities Commission); 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

240625 [Agreement Amendment - HDR Engineering Inc. - Construction Management Staff Augmentation Services for the New Headworks Facility Project - Not to Exceed \$31,680,626]

Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute Amendment No. 3 to the New Headworks Facility Construction Management Staff Augmentation Services Agreement PRO.0028 with HDR Engineering Inc.; increasing the agreement by \$4,680,626 for a total not to exceed amount of \$31,680,626 and extending the duration by one year, for a total term of eight years and six months of June 15, 2017, through December 14, 2025, to reflect the re-scoping efforts and increased level of staffing needed to complete the construction of the Southeast Water Pollution Control Plant New Headworks Facility, pursuant to Charter, Section 9.118. (Public Utilities Commission) (Fiscal Impact)

05/31/24; RECEIVED FROM DEPARTMENT.

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

Heard in Committee. Speaker(s): Jim Wang (Public Utilities Commission); 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

240555 [Authorizing Grant Agreements - Terms of 20 Years after Project Completion - Public Utilities Commission Green Infrastructure Grant Program]**Sponsor: Mandelman**

Ordinance extending for an additional two years from July 1, 2024, through July 1, 2026, the delegation of authority under Charter, Section 9.118, to the General Manager of the San Francisco Public Utilities Commission ("SFPUC"), previously authorized by Ordinance No. 26-19 and extended and modified by Ordinance No. 101-20 and Ordinance No. 159-22, to enter into grant agreements under the SFPUC's Green Infrastructure Grant Program with terms of up to 20 years after the Project Completion Date, as defined by the Grant Agreements.

05/21/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 6/20/2024.

Heard in Committee. Speaker(s): Will Logsdon (Public Utilities Commission); 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

Chair Chan requested File Nos. 240632, 240633, and 240634 be called together.

240632 [Agreement Amendment - Shin International, Inc. - Cova Hotel - Waiver of Certain Administrative, Labor and Employment, and Environment Code Requirements - Not to Exceed \$16,032,443]**Sponsor: Mayor**

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with Shin International, Inc., the operator of the Cova Hotel, to increase the not to exceed amount by \$3,414,393 for a total amount not to exceed \$16,032,443 and to extend the term of the agreement by seven months from August 31, 2024, for a new term of May 26, 2020, through March 31, 2025; waiving certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing)

(Fiscal Impact)

06/04/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/4/2024.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Jeff Buckley (Office of Supervisor Ahsha Safai); Andrico Penick, Director (City Administrator's Real Estate Division); provided an overview and responded to questions raised throughout the discussion. Monica Harlow; Brandon Hartwell; Selina (Coalition on Homelessness); Renee; Eliza Setah; Brandi Marshall (Five Keys); 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 reducing the increased not to exceed amount from '\$3,414,393' to '\$1,728,190' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with Shin International, Inc., the operator of the Cova Hotel, to increase the not to exceed amount by \$1,728,190 for a total amount not to exceed \$16,032,443 and to extend the term of the agreement by seven months from August 31, 2024, for a new term of May 26, 2020, through March 31, 2025; waiving certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

(Supervisor Mandelman dissented in committee.)

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

Ayes: 2 - Chan, Melgar

Noes: 1 - Mandelman

240633 [Agreement Amendment - Sayana Corporation - Adante Hotel - Waiver of Certain Administrative, Labor and Employment, and Environment Code Requirements - Not to Exceed \$20,870,507]

Sponsor: Mayor

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with the Sayana Corporation, operator of the Adante Hotel, to increase the not to exceed amount by \$3,985,432 for a total amount not to exceed \$20,870,507; to extend the term of the agreement by seven months from August 31, 2024, for a new term of May 14, 2020, through March 31, 2025; waiving for certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

06/04/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/4/2024.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Jeff Buckley (Office of Supervisor Ahsha Safai); Andrico Penick, Director (City Administrator's Real Estate Division); provided an overview and responded to questions raised throughout the discussion. Monica Harlow; Brandon Hartwell; Selina (Coalition on Homelessness); Renee; Eliza Setah; Brandi Marshall (Five Keys); 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 reducing the increased not to exceed amount from '\$3,985,432' to '\$2,371,068' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with the Sayana Corporation, operator of the Adante Hotel, to increase the not to exceed amount by \$2,371,068 for a total amount not to exceed \$20,870,507; to extend the term of the agreement by seven months from August 31, 2024, for a new term of May 14, 2020, through March 31, 2025; waiving for certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purposes of the agreement. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

240634 [Agreement Amendment - Lombard Hotel Group - Monarch Hotel - Waiver of Certain Administrative, Labor and Employment, and Environment Code Requirements - Not to Exceed \$21,661,300]

Sponsor: Mayor

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with the Lombard Hotel Group, operator of the Monarch Hotel, to increase the not to exceed amount by \$4,189,900 for a total amount not to exceed \$21,661,300; to extend the term of the agreement by seven months from August 31, 2024, for a new term of August 4, 2020, through March 31, 2025; waiving certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purpose of the agreement. (Department of Homelessness and Supportive Housing)

(Fiscal Impact)

06/04/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/4/2024.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Jeff Buckley (Office of Supervisor Ahsha Safai); Andrico Penick, Director (City Administrator's Real Estate Division); provided an overview and responded to questions raised throughout the discussion. Monica Harlow; Brandon Hartwell; Selina (Coalition on Homelessness); Renee; Eliza Setah; Brandi Marshall (Five Keys); 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 reducing the increased not to exceed amount from '\$4,189,900' to '\$2,533,540' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with the Lombard Hotel Group, operator of the Monarch Hotel, to increase the not to exceed amount by \$2,533,540 for a total amount not to exceed \$21,661,300; to extend the term of the agreement by seven months from August 31, 2024, for a new term of August 4, 2020, through March 31, 2025; waiving certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purpose of the agreement. (Department of Homelessness and Supportive Housing)

(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan requested File Nos. 240410, 240481, and 240638 be called together.

240410 [Development Agreement - Stonestown NW Parcel LLC, Stonestown Shopping Center, L.P., and Stonestown Anchor Acquisition, L.P - Stonestown Development Project - Waiver of Various Municipal Code Provisions]

Sponsors: Mayor; Melgar and Mandelman

Ordinance approving a Development Agreement between the City and County of San Francisco and Stonestown NW Parcel LLC, a Delaware limited liability company, Stonestown Shopping Center, L.P., a Delaware limited partnership, and Stonestown Anchor Acquisition, L.P, a Delaware limited partnership, for the Stonestown Development Project at the approximately 30-acre site generally bounded by 19th Avenue to the east, Buckingham Way to the south and west, and Rolph Nicol Jr. Playground and Eucalyptus Drive to the north, in the southwest part of San Francisco, including affordable and market rate housing and approximately six acres of open space; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b), and findings of public convenience, necessity, and welfare under Planning Code, Section 302; and confirming compliance with or waiving certain provisions of the Planning Code, Administrative Code, Subdivision Code, Campaign and Governmental Conduct Code, and Public Works Code, and ratifying actions taken and authorizing future actions to be taken in connection with the Development Agreement, as defined herein.

(Economic Impact)

(Fiscal Impact)

04/23/24; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 5/23/2024.

05/01/24; REFERRED TO DEPARTMENT. Referred to the Planning Commission for findings of consistency with the General Plan; the eight priority policies of Planning Code, Section 101.1; and findings of public necessity, convenience, and welfare under Planning Code, Section 302. Referred to the Office of Economic and Workforce Development, San Francisco Municipal Transportation Agency, the San Francisco Public Utilities Commission, Public Works, the Recreation and Parks Department and Commission, the Fire Department, the Planning Department, the Controller, and the Real Estate Division for informational purposes.

05/08/24; TRANSFERRED to Budget and Finance Committee. President Peskin transferred this ordinance from the Land Use and Transportation committee to the Budget and Finance Committee.

05/13/24; RESPONSE RECEIVED. CEQA Clearance under Final Environmental Impact Report certified by the San Francisco Planning Commission on May 9, 2024 (M-21559).

06/28/24; NOTICED. Hearing notice mailed to landowners and affected taxing entities and the Ten-Day Notice for July 10, 2024 Budget and Finance Committee hearing published in the Examiner and posted, as required per Administrative Code, Section 56.8(b)(1) and Government Code, Section 53398.11 and 53398.12.

Heard in Committee. Speaker(s): Ted Conrad (Office of Economic of Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Maco Stewart; Eddie Reyes (San Francisco Building and Trades Council); Megan Bern; Corey Smith (Housing Action Coalition); Herman Guerrero (NorCal Carpenters Union); spoke in support of the hearing matter. Eileen Boken (Sunset Parkside Education and Action Committee); spoke on various concerns relating to the hearing matter.

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

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

Ayes: 3 - Chan, Mandelman, Melgar

240681 [Resolution of Intention to Establish San Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown)]**Sponsors: Mayor; Melgar and Mandelman**

Resolution of Intention to establish San Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown) to finance public capital facilities and projects of communitywide significance related to the Stonestown Project and other authorized costs, and determining other matters in connection therewith, as defined herein.

(Fiscal Impact)

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

Heard in Committee. Speaker(s): Ted Conrad (Office of Economic of Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Maco Stewart; Eddie Reyes (San Francisco Building and Trades Council); Megan Bern; Corey Smith (Housing Action Coalition); Herman Guerrero (NorCal Carpenters Union); spoke in support of the hearing matter. Eileen Boken (Sunset Parkside Education and Action Committee); spoke on various concerns relating to the hearing matter.

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

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 3, Line 14, through Page 4, Line 6, by adding 'WHEREAS, Under the minimum threshold criteria set forth in the Guidelines, the maximum incremental property tax revenue that may be allocated to an infrastructure financing district is 50% of the total incremental property tax revenue, although the City may allocate all or a portion of the remaining 50% of the incremental property tax revenue on a conditional basis to provide debt service coverage for the infrastructure financing district's bonds or other debt; and WHEREAS, The Guidelines define the "incremental property tax revenue" that can be allocated by the City to an infrastructure financing district to include: (1) "general property tax increment," i.e., property tax revenue annually allocated to the City and generated by the levy of the 1% ad valorem tax rate upon the increased assessed values of taxable property in the infrastructure financing district above the values shown upon the assessment roll that was last equalized prior to the formation of the IFD, and (2) "MVILF tax increment," i.e., that portion of any ad valorem property tax revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code and that corresponds to the increase in the assessed valuation of taxable property; and'; on Page 9, Line 10, through Page 10, Line 2, to read 'FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant to the EIFD Law, if the Stonestown IFP is approved by the EIFD Public Financing Authority No. 1 in accordance with the EIFD Law, and if the Stonestown IFP is approved by Resolution of the Board of Supervisors pursuant to Government Code, Section 53398.68, in each case after any public hearings required by the EIFD Law, the incremental property tax revenue that is allocated by the City to the Stonestown EIFD (but not by any other affected taxing entity), which may include one or a combination of general property tax increment and MVILF tax increment as described in the Guidelines, may be used to finance Facilities and other authorized costs and to pay debt service on bonds and other debt of the Stonestown EIFD; and, be it FURTHER RESOLVED, That the Stonestown IFP shall provide, in compliance with the Guidelines, that no more than 50% of the incremental property tax revenue generated in the Stonestown EIFD (which may include one or a combination of general property tax increment and MVILF tax increment) shall be allocated by the City to the Stonestown EIFD, not including any incremental property tax revenue allocated on a conditional basis to provide debt service coverage on terms the Board of Supervisors shall approve in the Stonestown IFP; and'; and by making clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

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

Ayes: 3 - Chan, Mandelman, Melgar

240638 [Administrative Code - Enhanced Infrastructure Financing District Public Financing Authority No. 1]

Sponsors: Melgar; Peskin and Mandelman

Ordinance amending the Administrative Code to provide for Enhanced Infrastructure Financing District Public Financing Authority No. 1 to act as the governing body of multiple enhanced infrastructure financing districts.

06/04/24; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 7/4/2024.

06/10/24; REFERRED TO DEPARTMENT. Referred to the Office of the Controller for informational purposes.

06/18/24; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Ted Conrad (Office of Economic of Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Maco Stewart; Eddie Reyes (San Francisco Building and Trades Council); Megan Bern; Corey Smith (Housing Action Coalition); Herman Guerrero (NorCal Carpenters Union); spoke in support of the hearing matter. Eileen Boken (Sunset Parkside Education and Action Committee); spoke on various concerns relating to the hearing matter.

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

Member Melgar moved that this Ordinance 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 1:38 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.