



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, September 25, 2024

9:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Connie Chan, and Rafael Mandelman

Excused: 1 - Myrna Melgar

The Budget and Finance Committee met in regular session on Wednesday, September 25, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 9:04 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan and Vice Chair Mandelman were noted present. Member Melgar was noted not 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.

Supervisor Melgar Excused from Attendance

Chair Chan moved to excuse Supervisor Melgar from attending the Budget and Finance Committee meeting on September 25, 2024. The motion carried by the following vote:

Ayes: 2 - Chan, Mandelman

Excused: 1 - Melgar

REGULAR AGENDA

240829 [Agreement Amendment - Hunters Point Family - Pit Stop Workforce Development Grant Program - Not to Exceed \$16,238,478.52]

Resolution approving Amendment No. 6 to Contract No. 1000029167 between the City, acting by and through the Department of Public Works, and Hunters Point Family, to create employment opportunities, job training and workforce development programs, and ensure the availability of safe and clean public restrooms for the Pit Stop Workforce Development Grant Program, extending the term by nine months for a total term of July 1, 2023, through June 30, 2025, increasing the contract amount by \$6,972,047.52 for a new total not to exceed amount from of \$16,238,478.52; and to authorize the Director of Public Works to make necessary, non-material changes to the Amendment before its execution. (Public Works Department)
(Fiscal Impact)

07/25/24; RECEIVED FROM DEPARTMENT.

09/03/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/18/24; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speaker(s): Bruce Robertson (Public Works); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of September 25, 2024. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

Chair Chan moved to RESCIND the previous vote. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

09/18/24; CONTINUED AS AMENDED.

Heard in Committee. Speaker(s): Bruce Robertson (Public Works); 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: 2 - Chan, Mandelman

Excused: 1 - Melgar

240836 [Accept and Expend In-Kind Gift - Deloitte Tax LLP - Climate Tax Advisory Services - Estimated up to \$112,089]**Sponsor: Mandelman**

Resolution authorizing the Environment Department to accept and expend an in-kind gift of pro bono tax services, with an estimated value of \$112,089 for a term of engagement effective upon approval of this Resolution through May 31, 2025, provided by Deloitte Tax LLP, to help the City identify opportunities to obtain federal tax credits for qualifying sustainability activities, and authorizing the Director of the Environment Department or the Director's designee, to enter into and execute the agreement, and amendments thereto, consistent with the proposal and necessary to carry out the purpose of the agreement or this Resolution, as defined herein. (Environment)

08/30/24; RECEIVED FROM DEPARTMENT.

09/10/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Charles Sheehan (Department of the Environment); provided an overview and responded to questions raised throughout the discussion.

Supervisor Mandelman requested to assume primary sponsorship.

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

Ayes: 2 - Chan, Mandelman

Excused: 1 - Melgar

240842 [Accept and Expend Grant - Retroactive - California Jobs First Catalyst Program - \$14,000,000]**Sponsor: Mayor**

Ordinance retroactively authorizing the Office of Economic and Workforce Development to accept and expend a grant in the amount of \$14,000,000 from the California Economic Development Department for the California Jobs First Catalyst Program, for the grant period of May 1, 2024, through September 30, 2026; and exempting the California Jobs First Catalyst Program subgrants from the grantmaking requirements under Administrative Code, Chapter 21G, and all other provisions in the Administrative, Environment, and Labor and Employment Codes imposing obligations or restrictions on subgrantees related to the program. (Department of Economic and Workforce Development)

09/03/24; ASSIGNED to Budget and Finance Committee. 9/17/2024 - President Peskin waived the 30-Day Rule, pursuant to Board Rule 3.23,

Heard in Committee. Speaker(s): Jennifer Hand (Office of Economic and Workforce Development); 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: 2 - Chan, Mandelman

Excused: 1 - Melgar

Chair Chan requested File Nos. 240788, 240789, and 240850 be called together.

240788 [Accept and Expend Grant - Retroactive - National Institutes of Health - Florida State University - Adolescent Medicine Trials Network for HIV/AIDS Interventions (ATN) Scientific Leadership Center - \$173,063]

Sponsors: Mayor; Mandelman, Dorsey and Engardio

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant increase in the amount of \$138,434 for a total amount of \$173,063 from the National Institutes of Health through Florida State University for participation in a program, entitled “Adolescent Medicine Trials Network for HIV/AIDS Interventions (ATN) Scientific Leadership Center,” for the period of December 1, 2023, through November 30, 2024. (Public Health Department)

07/23/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Susan Buchbinder (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: 2 - Chan, Mandelman

Excused: 1 - Melgar

240789 [Accept and Expend Grant - Retroactive - Department of Health and Human Services - MyPrEP Plus: Development and Pilot Testing of Novel Pre-Exposure Prophylaxis Support Tools for Transgender Women - \$177,860]

Sponsors: Mayor; Mandelman, Dorsey and Engardio

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$177,860 from the Department of Health and Human Services through Heluna Health for participation in a program, entitled “MyPrEP Plus: Development and Pilot Testing of Novel Pre-Exposure Prophylaxis Support Tools for Transgender Women,” for the period of September 7, 2023, through September 6, 2025. (Public Health Department)

07/23/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Susan Buchbinder (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: 2 - Chan, Mandelman

Excused: 1 - Melgar

240850 [Accept and Expend Grant - Retroactive - National Institutes of Health - Heluna Health - The Bridge Clinic: Optimizing Injectable PrEP Delivery for Transgender and Non-Binary People - \$160,074]

Sponsors: Mayor; Mandelman, Dorsey and Engardio

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant increase from the National Institutes of Health through Heluna Health for participation in a program, entitled "The Bridge Clinic: Optimizing Injectable PrEP Delivery for Transgender and Non-Binary People," in the amount of \$88,930 for the period of February 22, 2024, through January 31, 2025, for a total amount of \$160,074 for the total period of April 1, 2023, through January 31, 2025. (Public Health Department)

09/03/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Susan Buchbinder (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: 2 - Chan, Mandelman

Excused: 1 - Melgar

240882 [Ground Lease - Five Keys Schools and Programs - 42 Otis Street - 100% Permanent Supportive Housing - Rent Not to Exceed \$1]

Sponsors: Mayor; Mandelman

Resolution 1) approving and authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing ("HSH") to enter into a Ground Lease with Five Keys Schools and Programs for the real property owned by the City, located at 42 Otis Street (the "Property"), for an initial lease term of five years with 10 automatic extensions of the lease term for an additional period of five years each and a total rent not to exceed \$1 in order to operate the Property as permanent supportive housing; 2) determining in accordance with Administrative Code, Section 23.33 that the below market rent payable under the Ground Lease will serve a public purpose by providing permanent supportive housing for formerly homeless and low-income households; 3) adopting findings declaring that the Property is "exempt surplus land" under the California Surplus Land Act; 4) affirming the Planning Department's determination under the California Environmental Quality Act, and adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1; and 5) authorizing the Director of Property and/or the HSH Executive Director to execute and make certain modifications to the Ground Lease, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

09/10/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Nicholas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Marnie Regen (Larkin Street Youth Services); Zak Franet (Episcopal Community Services); Cody Keane; Anya Worley-Ziegmann (People's Budget Coalition); Steve Good (Five Keys Schools and Programs); Daniel Casanova, Executive Director (Eviction Defense Collaborative); spoke in support of the resolution matter.

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: 2 - Chan, Mandelman

Excused: 1 - Melgar

240849 [Commercial Ground Lease - Broadway Davis Retail Associates LLC - 725 Davis Street - First Amendment to Residential Ground Lease - 735 Davis Senior, L.P. - 735 Davis - Annual Base Rent of \$1]

Sponsor: Mayor

Resolution 1) approving and authorizing the Director of Property and the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Commercial Ground Lease for Real Property owned by the City and located at 725 Davis Street (the "Commercial Property") with Broadway Davis Retail Associates LLC, for a lease term of 70 years and one 24-year option to extend and an annual base rent of \$1 ("Commercial Ground Lease"), in order to develop ground floor commercial space for community-serving uses ("Commercial Project"); 2) approving and authorizing the Director of Property and the Director of MOHCD to enter into a First Amendment to the Residential Ground Lease to remove the Commercial Property from the leased premises under the Ground Lease between the City and 735 Davis Senior, L.P., related to a 52-unit affordable housing development for low-income seniors, including 15 units for homeless seniors; 3) 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; 4) determining that the less than market rent payable under the Commercial Ground Lease will serve a public purpose by providing commercial spaces for community-serving spaces, in accordance with Administrative Code, Section 23.3; and 5) authorizing the Director of Property and/or the Director of MOHCD to execute the Commercial Ground Lease and the First Amendment to the Residential Ground Lease and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

09/03/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sara Amaral (Mayor's Office of Housing and Community 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: 2 - Chan, Mandelman

Excused: 1 - Melgar

240884 [Acquisition of Real Property - 3300 Mission Partners L.P. - 3300, 3306, and 3308 Mission Street - 100% Affordable Housing - \$4,151,000 - Ground Lease with Annual Base Rent of \$1 - Loan NTE \$12,440,242 - Limited Payment Guaranty Not to Exceed \$1,000,000]

Sponsors: Mayor; Ronen and Mandelman

Resolution 1) approving and authorizing the Director of Property, on behalf of the San Francisco Mayor's Office of Housing and Community Development ("MOHCD"), to acquire real property located at 3300, 3306, and 3308 Mission Street ("Property") from 3300 Mission Partners L.P. ("Borrower") for \$4,151,000 under an Agreement for Purchase and Sale ("Purchase Agreement"); 2) placing the Property under the jurisdiction of MOHCD for use in constructing affordable housing; 3) approving and authorizing the Director of Property and the Director of MOHCD to enter into a Ground Lease to lease the Property back to the Borrower for a term of 75 years and one 24-year option to extend and an annual base rent of \$1 ("Ground Lease") in order to construct a 100% affordable, 35-unit multifamily rental housing development affordable to low-income households, including one manager unit, and ground floor commercial space (the "Project"); 4) approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed (NTE) \$12,440,242 for a minimum loan term of 57 years ("Loan Agreement") to finance the development and construction of the Project; 5) approving and authorizing a limited payment guaranty in an amount not to exceed \$1,000,000 from MOHCD for the benefit of Wincopin Circle LLLP ("Limited Payment Guaranty"); 6) adopting findings declaring that the Property is "exempt surplus land" pursuant to the California Surplus Lands Act; 7) determining that the less than market rent payable under the Ground Lease will serve a public purpose by providing affordable housing for low-income households in need, in accordance with Section 23.30 of the Administrative Code; 8) 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; and 9) authorizing the Director of Property and/or the Director of MOHCD to make certain modifications to the Purchase Agreement, Ground Lease, Loan Agreement, and Limited Payment Guaranty, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

09/10/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): William Wilcox (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.

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 4, Lines 12-19, to read 'WHEREAS, City, through MOHCD and the Real Estate Division, in consultation with the Office of the City Attorney, has negotiated the Purchase Agreement to acquire the Property from the Borrower for \$4,151,000 in exchange for MOCHD's deemed repayment of the principal and accrued interest of the Acquisition Loan as described in the Acquisition Loan secured promissory note and loan agreement; copies of the Purchase Agreement and Acquisition Loan secured promissory note and loan agreement are on file with the Clerk of the Board of Supervisors in File No. 240884, incorporated herein by reference.'; and on Lines 22-24, by striking 'WHEREAS, In consideration of the Borrower's agreement to convey the Property to the City, MOHCD will apply a credit of \$4,151,000 against the principal and accrued interest of the Acquisition Loan, subject to the conditions as described in the Purchase Agreement; and'. The motion carried by the following vote:

Ayes: 2 - Chan, Mandelman

Excused: 1 - Melgar

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

Ayes: 2 - Chan, Mandelman

Excused: 1 - Melgar

240913 [Hearing - Grant Funds Placed on Mayoral Reserve]

Sponsor: Chan

Hearing on the Mayor's instructions to department heads to place funding for community based organizations in the approved City budget for Fiscal Years 2024-2025 and 2025-2026 that were restored to departments through the Board of Supervisors spending plan on reserve, in order to understand the criteria used for exceptions and the departments and programs that received spending releases; and requesting the Mayor's Budget Office, the affected departments, and the People's Budget Coalition to report.

09/17/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/20/24; REFERRED TO DEPARTMENT. Referred to the Mayor's Budget Office, Mayor's Office, and People's Budget Coalition for informational purposes.

Heard in Committee. Speaker(s): Anya Worley-Ziegmann (People's Budget Coalition); Sophia Kittler, Budget Director (Mayor's Office of Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion. Gabriela Jiménez (Jewish Vocational Service); Mr. Wright; Theresa Imperial and Anya Worley-Ziegmann (People's Budget Coalition); Aiya Sabor (Bill Sorro Housing Program); Joanne Lee, Executive Director (Edge on the Square); Lucia Obregon, Director (San Francisco Latino Parity and Equity Coalition); Shiba, Faith Sanchez and Eliana Binder (GLIDE); Daniel Casanova, Executive Director (Eviction Defense Collaborative); Jennifer Friedenbach and Miguel Carrera (Coalition on Homelessness); Jessica Hernandez; Uzuri Pease-Greene, Executive Director (Community Awareness Resource Entity); Alicia Zhao (Compass Family Services); spoke on various concerns relating to the hearing matter.

Chair Chan moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 2 - Chan, Mandelman

Excused: 1 - Melgar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:22 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.