



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, October 30, 2024

9:00 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, October 30, 2024, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 9:16 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.

REGULAR AGENDA

Member Melgar was noted present at 9:19 a.m.

241025 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention, California Department of Public Health - State Physical Activity and Nutrition (SPAN) Program and CDPH CalFresh Health Living Grant - \$440,000]

Sponsors: Mayor; Melgar and Mandelman

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$440,000 from the Centers for Disease Control and Prevention through the California Department of Public Health (CDPH) for participation in a program, entitled "State Physical Activity and Nutrition (SPAN) Program and CDPH CalFresh Health Living Grant," for the period of August 1, 2024, through September 30, 2028. (Public Health Department)

10/15/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Priti Rane and Christopher Chau (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

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

Ayes: 3 - Chan, Mandelman, Melgar

241010 [Radio Usage Agreement - University of California San Francisco - Trunked Radio System - Anticipated Revenue of \$2,406,460]

Resolution authorizing the Department of Technology to enter into a Trunked Radio System Usage Agreement with the University of California, San Francisco to provide radio system usage and maintenance, as well as radio interoperability for authorized personnel to communicate with members of the City, effective upon approval of this Resolution through June 30, 2035, with a minimum revenue commitment of \$2,406,460; and to authorize the Director of Technology to enter into amendments or modifications to the Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Agreement or this Resolution. (Department of Technology)

10/04/24; RECEIVED FROM DEPARTMENT.

10/15/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Brian Roberts (Department of Technology); 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

Chair Chan requested File Nos. 240816 and 240797 be called together.

240816 [Resolution of Intention to Establish San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street)]

Sponsors: Mayor; Stefani, Mandelman and Melgar

Resolution of Intention to establish San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) to finance public capital facilities and projects of communitywide significance related to the 3333/3700 California Street Projects and other authorized costs, and determining other matters in connection therewith, as defined herein.
(Fiscal Impact)

07/30/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

08/02/24; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

09/17/24; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee. Mayor Breed introduced a substitute Resolution bearing a new title.

09/20/24; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

Heard in Committee. Speaker(s): Lorenzo Rosas (Office of Supervisor Catherine Stefani); Leigh Lutenski (Office of Economic and Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Ramon Hernandez (San Francisco Building and Construction Trades Council); Jackson Nutt-Beers (San Francisco Chamber of Commerce); Raime Dare (Mercy Housing); Paul Geduldig (Jewish Community Center); Gabe Zitrin (Northern Neighbors); Annette Billingsley; Colin McMahon; Speaker; spoke in support of the hearing matter.

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

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 1, Line 17, through Page 2, Line 3, to read 'WHEREAS, The City, acting by and through its Planning Department, and the 3333 California Street Developer entered into a Development Agreement dated as of September 11, 2020, and recorded in the Official Records on September 11, 2020, as Document No. 2020015925 (the "Original Development Agreement"), and a Memorandum of Minor Modification of Development Agreement (Amendment No. 1) dated as of June 5, 2024, and recorded in the Official Records on June 26, 2024, as Document No. 2024048267 ("Amendment No. 1"), and a proposed Second Amendment to Development Agreement ("Amendment No. 2" and together with Amendment No. 1 and the Original Development Agreement, the "3333 California Street Development Agreement") and a copy of the 3333 California Street Development Agreement is on file with the Clerk of the Board of Supervisors in File No. 240816; and'. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar
(Fiscal Impact)

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

Ayes: 3 - Chan, Mandelman, Melgar

240797 [Development Agreement Amendment - Laurel Heights Partners, LLC - 3333 California Street Project - California Street at Presidio Avenue]

Sponsors: Mayor; Stefani, Mandelman and Melgar

Ordinance approving an amendment to a Development Agreement (originally approved by Ordinance No. 276-19) for the 3333 California Street project between the City and County of San Francisco and Laurel Heights Partners, LLC, to extend the term of the Development Agreement by eight years to September 11, 2043, modify the affordable housing requirements, allow the project to qualify for the Temporary Fee Reduction Program under Planning Code, Section 403, and include a finance plan with a framework to use incremental property tax revenue to fund the Project's public capital facilities and affordable housing; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b), and findings of public convenience, necessity, and welfare under Planning Code, Section 302.

(Fiscal Impact)

07/30/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 8/29/2024.

08/02/24; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

09/17/24; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee. Mayor Breed introduced a substitute Ordinance bearing a new title.

09/20/24; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

10/18/24; NOTICED. Hearing notice mailed to local agencies, landowners and affected taxing entities and the Ten-Day Notice for October 30, 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.

10/21/24; RESPONSE RECEIVED. CEQA clearance under Addendum 1 to Environmental Impact Report to 3333 California Street Mixed-Used Project (Case No. 2015-014028ENV) issued October 10, 2024.

10/23/24; RESPONSE RECEIVED. On October 17, 2024, the Planning Commission met and held a duly noticed hearing and recommended approval of the proposed legislation.

Heard in Committee. Speaker(s): Lorenzo Rosas (Office of Supervisor Catherine Stefani); Leigh Lutenski (Office of Economic and Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Ramon Hernandez (San Francisco Building and Construction Trades Council); Jackson Nutt-Beers (San Francisco Chamber of Commerce); Raime Dare (Mercy Housing); Paul Geduldig (Jewish Community Center); Gabe Zitrin (Northern Neighbors); Annette Billingsley; Colin McMahon; Speaker; spoke in support of the hearing matter.

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

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

Ayes: 3 - Chan, Mandelman, Melgar

240956 [Real Property Acquisition - Easement from Sunol Glen Unified School District - Not to Exceed \$50,000]

Resolution approving the terms and conditions and authorizing the General Manager of the San Francisco Public Utilities Commission to execute a Purchase and Sale Agreement and Easement Deeds with Sunol Glen Unified School District for the acquisition of a 4,008-square-foot easement for an underground water pipeline and associated appurtenances and a 34,834-square-foot temporary construction easement on and across a portion of Alameda County Assessor's Parcel No. 096-0155-004-01, known as 11601 Main Street, Sunol, for \$35,000 plus an administrative fee of \$5,000 and up to \$10,000 in closing costs, for a total amount not to exceed \$50,000 pursuant to Charter, Section 9.118; the Agreement is effective on the date on which the Agreement is executed by both parties. (Public Utilities Commission)

09/27/24; RECEIVED FROM DEPARTMENT.

10/08/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dina Brasil and Alisha Reinhardt (Public Utilities Commission); 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

240897 [Increase of Wastewater Enterprise Interim Funding Program - Not to Exceed \$1,250,000,000; Increase of Water Enterprise Interim Funding Program - Not to Exceed \$750,000,000; Increase of Power Enterprise Interim Funding Program - Not to Exceed \$450,000,000]

Ordinance authorizing (i) an increase of the aggregate principal amount of the Wastewater Enterprise's Interim Funding Program from an aggregate principal amount of \$750,000,000 to a not to exceed aggregate principal amount of \$1,250,000,000 to finance on a short-term interim basis various capital projects benefitting the Wastewater Enterprise; (ii) an increase of the aggregate principal amount of the Water Enterprise's Interim Funding Program from an aggregate principal amount of \$500,000,000 to a not to exceed aggregate principal amount of \$750,000,000 to finance on a short-term interim basis various capital projects benefitting the Water Enterprise; and (iii) an increase of the aggregate principal amount of the Power Enterprise's Interim Funding Program from an aggregate principal amount of \$250,000,000 to a not to exceed aggregate principal amount of \$450,000,000 to finance on a short-term interim basis various capital projects benefitting the Power Enterprise; and ratifying previous actions taken in connection therewith, as defined herein. (Public Utilities Commission)

(Fiscal Impact)

09/16/24; RECEIVED FROM DEPARTMENT.

09/24/24; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/24/2024.

Heard in Committee. Speaker(s): Nikolai Sklaroff (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 Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Mandelman, Melgar

240954 [Professional Services Agreement - Consor PMCM, Inc. - Construction Management Staff Augmentation Services for New City Distribution Division Campus at 2000 Marin Street - Not to Exceed \$10,720,500]

Resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute Professional Services Agreement, Contract No. PRO.0239, New City Distribution Division Campus at 2000 Marin Construction Management Staff Augmentation Services, with Consor PMCM, Inc., to supplement the SFPUC's Construction Management Bureau staff in overseeing the construction of the new City Distribution Division Campus at 2000 Marin project, for an amount not to exceed \$10,720,500 and with a term duration of four years and three months, from February 2025, through April 2029, pursuant to Charter, Section 9.118. (Public Utilities Commission)
(Fiscal Impact)

09/27/24; RECEIVED FROM DEPARTMENT.

10/08/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Shelby Campbell (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

Chair Chan requested File Nos. 240989 and 240990 be called together.

240989 [Accept and Expend Grant - California Department of Housing and Community Development Affordable Housing and Sustainable Communities Program - Sunnydale Block 7 - \$29,745,053]

Sponsors: Mayor; Walton and Mandelman

Resolution authorizing the Mayor's Office of Housing and Community Development ("MOHCD") to execute the Standard Agreements with the California Department of Housing and Community Development ("HCD" or "Department") under the Affordable Housing and Sustainable Communities Program for a total award of \$29,745,053 including \$18,500,000 disbursed by HCD as a loan to the Sunnydale Block 7 Housing Partners, L.P. ("Developer") for a 100% affordable housing project at 65 Santos Street and \$11,245,053 to be disbursed as a grant to the City for public transportation improvements near 65 Santos Street, for the period starting on the execution date of the Standard Agreements to November 30, 2044; and authorizing MOHCD to accept and expend the grant of up to \$11,245,053 for transportation, streetscape, and pedestrian improvements and other transit oriented programming and improvement as approved by HCD. (Mayor's Office of Housing and Community Development)

10/08/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Ryan Vanzuylen (Mayor's Office Housing and Community Development); 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

240990 [Accept and Expend Grant - California Department of Housing and Community Development Affordable Housing and Sustainable Communities Program - 160 Freelon Street - \$41,162,574]

Sponsors: Mayor; Dorsey and Mandelman

Resolution authorizing the Mayor's Office of Housing and Community Development ("MOHCD") to execute the Standard Agreements with the California Department of Housing and Community Development ("HCD" or "Department") under the Affordable Housing and Sustainable Communities Program for a total award of \$41,162,574 including \$29,000,000 disbursed by HCD as a loan to The Related Companies of California, LLC and the San Francisco Housing Development Corporation (collectively, the "Developer") for a 100% affordable housing project at 160 Freelon Street and \$12,162,574 to be disbursed as a grant to the City for public transportation improvements near 160 Freelon Street, for the period starting on the execution date of the Standard Agreements through November 30, 2044; authorizing MOHCD to accept and expend the grant of up to \$12,162,574 for transportation, streetscape, and pedestrian improvements and other transit oriented programming and improvement as approved by HCD. (Mayor's Office of Housing and Community Development)

10/08/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Ryan Vanzuylen (Mayor's Office Housing and Community Development); 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

Chair Chan requested File Nos. 240991 and 240992 be called together.

240991 [Loan Agreements - MP Golden Gate Avenue Associates, LP - Golden Gate Avenue Phase I LIHTC - \$12,500,000; MP GGA Moderate LLC - Golden Gate Avenue Phase I Moderate - \$10,200,000; Mid-Peninsula Hermanas, Inc. - IIG Funds - \$1,250,000; Total NTE \$22,747,350]

Sponsors: Mayor; Stefani and Mandelman

Resolution 1) approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute an Amended and Restated Loan Agreement with MP Golden Gate Avenue Associates, L.P., a California limited partnership, ("Low Income Loan Agreement") for a total loan amount not to exceed (NTE) \$12,015,350 to finance the construction of a 55-unit multifamily rental housing development for low-income households with a preference for employees of the San Francisco Unified School District ("SFUSD") and San Francisco Community College District ("SFCCD"), which will be known as Golden Gate Avenue Phase I LIHTC (the "LIHTC Project"); 2) approving and authorizing the Director of MOHCD to execute a Loan Agreement with MP GGA Moderate LLC, a California limited liability company, ("Moderate Income Loan Agreement") for a total loan amount not to exceed \$9,482,000 to finance the development and construction of a 20-unit multifamily rental housing development for moderate-income households with a preference for employees of SFUSD and SFCCD, which will be known as Golden Gate Avenue Phase I Moderate (the "Moderate Project"); 3) approving and authorizing the Director of MOHCD to execute a Loan Agreement with Mid-Peninsula Hermanas, Inc., a California nonprofit public benefit corporation, ("Garage Loan Agreement") for a total loan amount not to exceed \$1,250,000 to finance the development of a parking garage ("Garage Project") for State of California employees with funds from the State's Infill and Infrastructure Grant program; and 4) adopting findings that the loan agreements are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and to authorize the Director of MOHCD to enter into amendments or modifications to the Agreements that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Agreements or this Resolution. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

10/08/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Ryan Vanzuylen (Mayor's Office 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 NEW TITLE, by increasing the not-to-exceed amounts of the Low Income Loan Agreement from '\$12,015,350' to '\$12,500,000' and Moderate Income Loan Agreement from '\$9,482,000' to '\$10,200,000' throughout the legislation; on Page 1, Line 24, through Page 2, Line 1, by inserting '(“IIG”) program; for a cumulative amount, including all Loan Agreement amounts, not to exceed \$22,747,350' after 'Infrastructure Grant'; on Page 5, Lines 7-14, by adding 'WHEREAS, The Low Income Loan Agreement shall not exceed \$12,500,000 and the Moderate Income Loan Agreement shall not exceed \$10,200,000, but due to changing loan interest rates and tax credit pricing, the amounts for the Low Income Loan Agreement and Moderate Income Loan Agreement shall change before all Loan Agreements are executed, and because of these adjustments the total combined amount for the Low Income Loan Agreement, the Moderate Income Loan Agreement, and the Garage Loan Agreement, shall not exceed the \$22,747,350 cumulative not-to-exceed amount authorized by this Resolution; and'; 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 Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute an Amended and Restated Loan Agreement with MP Golden Gate Avenue Associates, L.P., a California limited partnership, ("Low Income Loan Agreement") for a total loan amount not to exceed (NTE) \$12,500,000 to finance the construction of a 55-unit multifamily rental housing development for low-income households with a preference for employees of the San Francisco Unified School District ("SFUSD") and San Francisco Community College District ("SFCCD"), which will be known as Golden Gate Avenue Phase I LIHTC (the "LIHTC Project"); 2) approving and authorizing the Director of MOHCD to execute a Loan Agreement with MP GGA Moderate LLC, a California limited liability company, ("Moderate Income Loan Agreement") for a total loan amount not to exceed \$10,200,000 to finance the development and construction of a 20-unit multifamily rental housing development for moderate-income households with a preference for employees of SFUSD and SFCCD, which will be known as Golden Gate Avenue Phase I Moderate (the "Moderate Project"); 3) approving and authorizing the Director of MOHCD to execute a Loan Agreement with Mid-Peninsula Hermanas, Inc., a California nonprofit public benefit corporation, ("Garage Loan Agreement") for a total loan amount not to exceed \$1,250,000 to finance the development of a parking garage ("Garage Project") for State of California employees with funds from the State's Infill and Infrastructure Grant ("IIG") program; for a cumulative amount, including all Loan Agreement amounts, not to exceed \$22,747,350; and 4) adopting findings that the loan agreements are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and to authorize the Director of MOHCD to enter into amendments or modifications to the Agreements that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Agreements or this Resolution. (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

240992 [Multifamily Housing Revenue Note - 750 Golden Gate Avenue - Not to Exceed \$32,132,689]**Sponsors: Mayor; Stefani and Mandelman**

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$32,132,689 for the purpose of providing financing for the construction of a 55-unit multifamily rental housing project known as "Golden Gate Avenue Phase 1 LIHTC"; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender identified therein to the City and for the execution and delivery of the note; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of an assignment of deed of trust and related documents; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note and the project; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

10/08/24; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Ryan Vanzuylen (Mayor's Office 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 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 10:40 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.