



MINUTES

REGULAR MEETING

CITY COUNCIL
CITY OF SOUTH SAN FRANCISCO

WEDNESDAY, FEBRUARY 10, 2021
7:00 p.m.

Teleconference via Zoom

*City Council conducted this meeting in accordance with
California Governor Newsom's Executive Orders N-29-20 and
N-63-20 and COVID-19 pandemic protocols.*

CALL TO ORDER

Mayor Addiego called the meeting to order at 7:00 p.m.

Meeting recessed: 7:01 p.m.

Meeting resumed: 8:10 p.m.

ROLL CALL

Present: Councilmembers Coleman, Flores and Nicolas, Vice Mayor Nagales, and Mayor Addiego

AGENDA REVIEW

No Changes

ANNOUNCEMENTS FROM STAFF

None

PRESENTATIONS

1. Presentation regarding financing the Civic Campus and Street Paving Program. *(Janet Salisbury, Finance Director; Matthew Ruble, Principal Engineer; Jacob Gilchrist, Capital Projects Director)*

Finance Director Salisbury presented the report and provided an overview of the 2015 Measure W voter-approved ½ cent sales tax current revenue and expenditures. She indicated that the city's rating is AAA. The Civic Campus funding total cost is \$191,800,000, which includes a 4.7 million dollar fundraising target. In 2019, the city established a Joint Powers Authority called the South San Francisco Public Facilities Financing Authority, revenue bond issuer, noting that the city's rating allows it to borrow at a favorable rate.

Capital Projects Director Gilchrist presented the photovoltaic (solar) panel options for the Civic Campus and Corporation Yard, an estimated additional cost of \$4 million. He provided an overview of the benefits, including providing a clean energy source for three major city facilities. The City Council expressed their support for solar panels and sustainable materials. Principal Engineer Ruble discussed the Street Paving and Bond program with an estimated cost of \$24 million.

The Council provided feedback to staff. City Manager Futrell indicated that, given the Council's consensus, staff would proceed with the full package with bonds to be issued in May 2021. The item will be brought back for Council approval in the near future.

REMOTE PUBLIC COMMENTS

2. *Members of the public were encouraged to submit public comments in writing in advance of the meeting via GoogleDocs by 5:00 p.m. on the day of the meeting.*

None

COUNCIL COMMENTS/REQUESTS

Councilmember Nicolas thanked Communications Director Arroyo for securing a \$15k grant from Peninsula Clean Energy to educate the community on climate change. She informed the community and residents 70 years and older about the Got Wheels! Program offered through the Peninsula Family Service. The program provides affordable transportation for Daly City, Colma, Brisbane, South San Francisco, San Bruno, Millbrae, Burlingame, Hillsborough, Half Moon Bay, Montara, Moss Beach, and El Granada residents. For more information, residents are encouraged to call the Got Wheels! Program Coordinator: (650) 403-4300, extension 4329. She requested to adjourn the meeting in memory of Nieves Calara, Glen Grivas, and Jacoba Perez.

Councilmember Flores expressed his appreciation for the support and guidance during his onboarding to the City Council. Through conversations with the Rotary Club and the partnership of CVS, he announced that residents of the Rotary Plaza age 65 and older would be receiving their vaccinations on February 25, 2021. He addressed food insecurities and urged the Council to consider programs that would offer relief to local businesses after and during the pandemic. He suggested implementing a comprehensive "shop local" program in collaboration with the South San Francisco Chamber of Commerce, similar to the Genentech Goes to Town program that would provide vouchers for community members and businesses. City Manager Futrell indicated that staff would explore the feasibility and update the Council via a Thursday memo. Councilmember Flores requested that Spanish translation services be implemented for the City Council meetings. City Clerk Govea Acosta indicated that her office would begin to offer interpretation services in Spanish, Chinese, and Tagalog beginning March 10, 2021.

Vice Mayor Nagales discussed Senate Bill COVID-19 (SB 91), which extended the eviction moratorium through June 30, 2021, and provided the State of California with \$2.6 billion in emergency rental assistance to households and landlords impacted by the COVID-19 pandemic. He indicated that the County of San Mateo would receive approximately \$47 million in funding and encouraged staff to reach out to the County of San Mateo for additional information. He requested a Drive through Food Distribution event within the next few months.

Councilmember Coleman discussed hosting a drive-up and in-home vaccination event for seniors in the old town neighborhood with limited mobility in partnership with Kaiser Permanente. He urged the Council to consider retroactive pay and daycare workers when the Hazard Pay ordinance is brought back for Council approval.

CONSENT CALENDAR

The City Clerk duly read the Consent Calendar, after which Council voted and engaged in discussion of specific item as follows: Item 3 was pulled by Mayor Addiego for further discussion.

3. Motion to approve the Minutes for the meetings of December 1, 2020, and December 9, 2020.
(Rosa Govea Acosta, City Clerk)

4. Report regarding Resolution No. 31-2021 authorizing the acceptance of \$31,370.66 in donations from the South San Francisco Association of Firefighters Local 1507 Charity Foundation. (*Jess Magallanes, Fire Chief*)
5. Report regarding Resolution No. 32-2021 determining the continued existence of an emergency and the need to continue emergency repairs in response to the Sign Hill Diamond Fire. (*Greg Mediati, Deputy Director of Parks and Recreation*)
6. Report regarding a resolution authorizing the filing of grant application(s) for all Cal Recycle grants for which the City of South San Francisco is eligible and for the resolution authorizing on its behalf the submittal of grant application(s) by a lead agency for which the City of South San Francisco is eligible. (*Eunejune Kim, Director of Public Works*)
- 6a. Resolution No. 33-2021 of City Council of the City of South San Francisco authorizing submittal of application(s) for all Cal Recycle grants for which the City of South San Francisco is eligible.
- 6b. Resolution No. 34-2021 of the City Council of the City of South San Francisco authorizing on its behalf the submittal of grant application(s) by a lead agency for which the City of South San Francisco is eligible.
7. Report regarding Ordinance No. 1617-2021 amending South San Francisco Municipal Code Section 2.04.010 to authorize the City Council to set regular meeting times by resolution (*Sky Woodruff, City Attorney*)

Motion — Vice Mayor Nagales/Second – Councilmember Flores: To approve Consent Calendar items 4-7 by roll call vote: AYES: Councilmembers Coleman, Flores, and Nicolas, Vice Mayor Nagales and Mayor Addiego; NAYS: None; ABSENT: None; ABSTAIN: None.

CONSENT CALENDAR – Agenda Item No. 3

Item No. 3: Mayor Addiego requested a separate motion to approve the meeting minutes since Councilmember Flores was appointed to the City Council January 2021.

3. Motion to approve the Minutes for the meetings of December 1, 2020, and December 9, 2020. (*Rosa Govea Acosta, City Clerk*)

Motion — Councilmember Nicolas/Second – Councilmember Coleman: To approve Consent Calendar Item 3, by roll call vote: AYES: Councilmembers Coleman, Nicolas, Vice Mayor Nagales and Mayor Addiego; NAYS: None; ABSENT: None; ABSTAIN: Councilmember Flores.

PUBLIC HEARING

Public Hearing opened: 9:12 p.m.

8. Report regarding a public hearing relating to the bond financing for the Grand and Linden Family Apartments (201-219 Grand Avenue and 418 Linden Avenue) including issuance of tax-exempt bonds by the California Statewide Communities Development Authority (CSCDA) in an aggregate principal amount not to exceed \$45 million. (*Julie Barnard, Economic Development Coordinator*)

8a. Resolution No. 35-2021 approving the issuance of multifamily housing revenue bonds for the Grand and Linden Family Apartments by the California Statewide Communities Development Authority.

Economic Development Coordinator Barnard presented the report relating to the bond financing for the Grand and Linden Family Apartments (201-219 Grand Avenue and 418 Linden Avenue) including issuance of tax-exempt bonds by the California Statewide Communities Development Authority (CSCDA) in an aggregate principal amount not to exceed \$45 million. In December 2015, the City approved the Grand and Linden Family Apartments project, planned for the following downtown properties: 201-219 Grand Avenue (Successor Agency-owned properties), entitled for a mixed-use project with 47 housing units, ground floor commercial, a leasing office, and a resident lounge; and 418 Linden (City-owned property), entitled for residential use only project with 37 housing units, with some flexibility to allow for live/work spaces. All 84 of the units would be affordable.

In March 2020, City Council approved amendments to the agreements with ROEM Development Corporation, which governs the disposition of the above referenced properties and the undertaking of the Project. At that time, the Close of Escrow was extended (along with subsequent performance milestones like start of construction) and now set for October 26, 2020. At that time, the City Council also considered and approved amendments to previous entitlements and the conversion of a \$3.5 million affordable housing grant to a loan, of which \$500,000 will be repaid in five years. She noted that the financing for this project was heavily dependent on the Developer securing \$78,755,000 in financing.

The Developer received a reservation letter for their Low-Income Housing Tax Credits in September 2020. Prior to this, the Developer had experienced some trouble securing tax credit financing. ROEM was unsuccessful in securing tax credit financing in the December 2019 application round because, although they submitted ahead of the deadline, the credits were allocated on a first-come-first-served basis and the TCAC had a much higher volume of applications than is typical. The Developer reapplied for tax credits in January 2020, which was the first competitive round for 4% bonds in more than a decade. The application was considered in April 2020 and was unsuccessful because it was less competitive than some other projects that reviewed by TCAC at that time.

Due to the effects of COVID-19 and the Shelter in Place (“SIP”) orders, TCAC delayed the next possible application date from May 2020 to July 2020. The Developer worked to ensure that their development would be far more competitive than their previous applications and, once again, submitted well ahead of the deadline. The project secured all requested tax credit financing at the September 2020 TCAC meeting and the project is now fully funded. Per the Developer’s Schedule of Performance, construction will commence on site immediately following close of escrow, which is set for March 15, 2021.

As part of its efforts to finance the Project, the Developer is pursuing tax-exempt bonds, which are issued by the California Statewide Communities Development Authority. California state statutes authorize cities and certain other public agencies to issue tax-exempt revenue bonds to reduce the financing costs of multifamily rental housing developments. Because repayment of the bonds is backed solely by project revenues, all liability and obligation relating to repayment of such bonds rests on the borrower of the bond sale proceeds (i.e. the developer/owner). Projects are generally financed on a secured, non-recourse basis, meaning that the borrower is obligated to make payments

on the debt from project revenues only, and the lender's primary security for the financing is the asset itself. In the event of the developer defaulting on the payments the property would revert to the investor who buys the bonds.

The bonds issued by the CSCDA for the Project will be the sole responsibility of the borrower, in this case ROEM Development Corporation. The City of South San Francisco would have no financial or legal obligation, liability, or responsibility for the Project or the repayment of the bonds for the financing of the Project. All financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City of South San Francisco or the State of California but are to be paid for solely from funds provided by the borrower, ROEM.

The City Council thanked staff for their efforts and the Developer for their dedication to the project.

Public Hearing closed: 8:01 p.m.

Motion — Vice Mayor Nagales/Second – Councilmember Nicolas: To add Resolution No. 35-2021 approving the issuance of multifamily housing revenue bonds for the Grand and Linden Family Apartments by the California Statewide Communities Development Authority, by roll call vote: AYES: Councilmembers Coleman, Flores, Nicolas, Vice Mayor Nagales and Mayor Addiego; NAYS: None; ABSENT: None; ABSTAIN: None.

ADMINISTRATIVE BUSINESS

9. Report regarding Resolution No. 36-2021 approving the parcel map for 201 Grand Avenue, authorizing the recordation of the parcel map and all related documents. (*Jason Hallare, Senior Civil Engineer*)

Senior Civil Engineer Hallare presented the report and indicated that on December 9, 2015, the City Council approved an entitlements request by the South San Francisco Successor Agency and Brookwood Group to construct a mixed-use building consisting of 47 residential units and 5,160 square feet of retail space. The project is located at and referred to as 201 Grand Avenue (previously 255 Cypress Avenue) which is at the corner of Grand Avenue and Cypress Avenue.

This site consists of addresses 201-219 Grand Avenue (APNs 012-316-100, 012-316-110, 012-316-080 and 012-316-090). The site, formerly owned by the South San Francisco Successor Agency, was transferred to the City of South San Francisco in 2016. Pursuant to the State of California Redevelopment Agency law, the City is in the process of selling former Redevelopment Agency sites. As part of this process the City selected the developer, ROEM Development Corporation, to develop 47 units on the 201-219 Grand Avenue property.

He indicated that the City Engineer and the City's technical reviewer, with concurrence of all affected city departments and divisions, have determined that parcel map 20-0478 for 201 Grand Avenue is in compliance with the Subdivision Map Act, the City's Subdivision Ordinance, and all applicable conditions of approval for said development. Parcel Map 20-0478 would merge the existing four parcels into a single 0.46 acre parcel to construct a mixed-use building. A subdivision improvement agreement is not included as part of this parcel map since the conditions of approval did not require a subdivision improvement agreement nor any major public improvements. The developer will obtain an encroachment permit prior to building.

Motion — Councilmember Flores/Second – Councilmember Coleman: To approve Resolution No. 36-2021 approving the parcel map for 201 Grand Avenue, authorizing the recordation of the parcel map and all related documents, by roll call vote: AYES: Councilmembers Coleman, Flores, Nicolas, Vice Mayor Nagales and Mayor Addiego; NAYS: None; ABSENT: None; ABSTAIN: None.

10. Report Regarding Resolution No. 37-2021 amending the Executive Salary Schedule for the City of South San Francisco to Incorporate Provisions of the Amended City Manager Employment Agreement (*Leah Lockhart, Human Resources Director*)

Human Resources Director Lockhart presented the report and indicated that on November 24, 2020 the City Council approved Amendment No. 6 to the employment agreement with City Manager C. Michael Futrell to modify his annual base salary of \$289,934.34 by three percent (3%), to \$298,632.37, effective April 22, 2020. She noted that the change in Mr. Futrell's compensation was consistent with the 2020 cost-of-living adjustments granted to all other regular City employees, pursuant to Council-approved Memorandums of Understanding with each employee group.

In accordance with Government Code §54953 and CalPERS requirements, the City's salary and wage schedule must be updated and made publicly available to reflect any approved changes to the local agency executive salaries. She presented amended Executive Salary Schedules effective April 22, 2020, as well as updated Salary Schedules for subsequent amendments effective July 10, 2020 and December 25, 2020. All amendments reflected the three percent (3%) increase to the City Manager's salary effective April 22, 2020, expressed as an hourly equivalent rate.

Motion — Councilmember Nicolas/Second – Councilmember Flores: To approve Resolution No. 37-2021 amending the Executive Salary Schedule for the City of South San Francisco to Incorporate Provisions of the Amended City Manager Employment Agreement, by roll call vote: AYES: Councilmembers Coleman, Flores, Nicolas, Vice Mayor Nagales and Mayor Addiego; NAYS: None; ABSENT: None; ABSTAIN: None.

11. Report regarding the Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, mid-year update for fiscal year ending June 30, 2021, and additional appropriation requests. (*Janet Salisbury, Director of Finance*)

11a. Resolution No. 38-2021 approving the Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, mid-year update for fiscal year ending June 30, 2021, and additional appropriation requests.

Director of Finance Salisbury presented the Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, mid-year update for fiscal year ending June 30, 2021, and additional appropriation requests. She discussed General Fund revenues and expenditures. The FY 2020-21 budgeted expenditures of \$122.4 million and total expense through December 31st of \$60 million. She provided an overview of the FY 2019-20 General Fund surplus and reserves including unfunded Capital Projects and Reserve considerations.

Councilmember Coleman requested clarification on the Oyster Point Sea Level Rise project. City Manager Futrell provided an overview of the project and funding.

Vice Mayor Nagales requested clarification on the Orange Memorial Park Ballfields. City Manager Futrell provided an overview of the project. Assistant City Manager Ranals provided an overview of funding and explained Caltrans's involvement with the project. He inquired about the additional staffing request and department vacancies. City Manager Futrell indicated that the City Manager's Office is not adding additional staff and that funding would cover temporary staff costs. He expressed his support of funding the position in the Finance Department due to increased responsibilities.

Motion — Councilmember Coleman/Second – Councilmember Nicolas: To approve Consent Calendar Item 3, by roll call vote: AYES: Councilmembers Coleman, Flores, Nicolas, Vice Mayor Nagales and Mayor Addiego; NAYS: None; ABSENT: None; ABSTAIN: None.

ITEMS FROM COUNCIL – COMMITTEE REPORTS AND ANNOUNCEMENTS

Mayor Addiego requested to adjourn the meeting in memory of longtime San Mateo County resident, Louise Duchi, Nieves Calara, Glen Grivas, and Jacoba Perez.

Meeting recessed: 10:00 p.m.

Meeting resumed: 10:05 p.m.

CLOSED SESSION

Entered into Closed Session: 10:06 p.m.

12. Closed Session: Conference with Legal Counsel - Anticipated Litigation

(Pursuant to Government Code section 54956.9(d)(4))

Initiation of Litigation: Three potential cases

(Sky Woodruff, City Attorney and Mike Futrell, City Manager)

Resumed from Closed Session: 10:36 p.m.

Report out of Closed Session by Mayor Addiego: Direction given. No reportable action.

ADJOURNMENT

Being no further business, Mayor Addiego adjourned the meeting in memory of Johnnie Rey and all holocaust victims at 10:37 p.m.

Respectfully submitted by:

Approved by:

Rosa Govea Acosta, CMC, CPMC
City Clerk

Mark Addiego
Mayor

Approved by the City Council: ____ / ____ / ____