

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING APRIL 28, 2020

### 1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 3:15 p.m. The following commissioners were present: Kimberly Brandon, Willie Adams, Gail Gilman, Victor Makras and Doreen Woo Ho.

### 2. APPROVAL OF MINUTES – March 10 and March 19, 2020

ACTION: Commissioner Woo Ho moved approval; Commissioner Makras seconded the motion. All of the Commissioners were in favor. The minutes of the March 10 and March 19, 2020 Port Commission meetings were adopted.

### 3. PLEDGE OF ALLEGIANCE

### 4. ANNOUNCEMENTS – The Port Commission Affairs Manager announced the following:

- A. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item. Please note that during the public comment period, the moderator will instruct dial-in participants to use their touch-tone phones to register any desire for public comment. Audio prompts will signal to dial-in participants when their Audio Input has been enabled for commenting.

### 5. EXECUTIVE DIRECTOR'S REPORT

- Update on Port revenue projections for FY 2019-20 and providing preliminary revenue estimates for FY 2020-21 and FY 2021-22

Michael Martin, acting executive director - I'll keep my items very brief. Then, I'll hand it over to Katie Petrucione, our CFO, to run through the revenue projection update. I wanted to thank all the Port staff who have been serving as disaster service workers including our executive director, Elaine Forbes. We've had 46 additional staff in addition to Executive Director Forbes answer the call for the city. We've been integrally involved in doing whatever we can to help respond to this crisis. It makes me real proud to be a Port employee and being able to pitch in as we have. I want to thank the rest of the Port staff who have helped me greatly as I've stepped into this role as acting director. There's a lot going on. I certainly couldn't do it without their help. I wanted to extend that thanks while I had this opportunity.

Katie Petrucione, Chief Financial Officer - I am so pleased to be with you all this afternoon. It feels like a little bit of normalcy, which I'm really excited about. I hope that all of you and your families are all safe and healthy as we continue to shelter in place. In light of the economic disruption that has been caused by COVID-19 and the subsequent shelter-in-place order, staff thought that it would be helpful to give the commission a brief update on revenue projections for the current fiscal year and to share some of our preliminary thinking on how this pandemic may affect revenue in the next two fiscal years.

To account for COVID's revenue impacts, the city is going to delay the budget process, which will give departments an opportunity to revise their budgets. I will conclude this afternoon with a quick summary of our next steps to update the budget in response to the revenue information that I am about to share with you.

In the current fiscal year, staff is projecting that operating revenue will fall short of the budget by 17 percent, which is about \$20.8 million dollars. This shortfall is going to come from a combination of loss to maritime revenue, reflecting the fact that there will be no cruise calls through the end of this fiscal year as well as the fact that Tesla has furloughed its factory, limiting auto exports at Pier 80 and also from the real estate division, which is seeing losses throughout its portfolio.

I do want to note that COVID's impacts to our real estate portfolio will be discussed in greater detail in Item 6B regarding rent relief. The Port expects to cover this revenue shortfall through \$9.4 million in expenditure savings, which includes salary savings from some vacant positions, savings to work orders with other departments as well as reductions to contractual services, to procurement of equipment and to materials and supplies. We are also projecting that we will defer contributing \$11.4 million in net operating income to future capital needs. With these changes, staff expects to be able to balance the Port's budget for the current fiscal year.

All of these revenue reductions are going to have an impact on the Port and on our budget for some time to come. It's still quite early to understand what those impacts will be but the finance staff has begun to develop revenue projections for the next two fiscal years. We have used an approach outlined by the controller, the mayor's office and the budget and legislative analysts in the city's March joint report to model two different economic-downturn scenarios.

The first scenario is an extended-impact scenario which proposes a six-month recession followed by a long recovery through calendar year 2021. This scenario represents the low end of the revenue range that we would expect. The second scenario is a more limited-impact scenario with a less severe six-month recession followed by a rapid recovery by the end of calendar year 2020. This scenario represents the higher end of our revenue range.

This table compares projections for fiscal year 2021 and 2021-'22 to the budget that this commission approved in February. You will note that the extended-impact revenue scenario projects that we will see nearly 50 percent less in

revenue next fiscal year compared to what we budgeted. The limited-impact scenario projects a 34 percent reduction to the revenue that we had budgeted in the budget that we submitted in February.

Staff believes that it is prudent to budget to the worst-case-revenue scenario. We have three levers at our disposal that will help us address this financial challenge. First, we have approximately \$67 million in available fund balance that can help to support the budget in the next two fiscal years.

Second, we have the ability to constrain operating expenses. Finally, we can reduce the funding that we were proposing to allocate to capital projects next year and the year after. Used together, staff believes that these tools will allow the Port to live within its reduced revenue, that it will allow us to protect existing staff from layoffs and that it will also support the Port's efforts to meet the challenges that will come with recovery from COVID-19.

As I mentioned, the mayor's office has notified departments that the city's budget process is going to be delayed in order to allow us all to revise our revenue-and-expenditure projections. We still don't have a final schedule from the mayor's office for the budget process but we expect that they are going to ask us to submit a revised budget sometime in the first couple weeks of June. The mayor's office has also notified departments including the Port who would normally have what's known as a closed two-year budget, that we are going to be expected to prepare a full budget again this coming winter.

This will allow departments to continue to refine our revenue-and-expenditure estimates as we get more information about the impacts of COVID-19 to our revenue. Yesterday, the finance unit asked each of the Port's divisions to start to review their budgets and to submit proposed budget reductions equal to 50 percent of their discretionary, non-salary spending.

Staff will compile this information into a revised budget proposal and will bring that revised budget to the Port Commission for your review either at the end of May or the beginning of June depending on the schedule that we get from the mayor's office. That's my quick overview. Nate Cruz and I are happy to answer questions.

Commissioner Brandon - Thank you, Katie. We appreciate the report. Mike, thank you so much for stepping up and supporting our staff and the Port during this time. Thank you for the weekly updates. Thank you for the new newsletter that is going out to the staff to keep everyone updated on what is going on. We really appreciate you stepping into this role. I would like to open it up for public comment. We will open the phone lines to take public comment from members of the public who are joining us on the phone.

Susan Melaney - I'm calling regarding the Seawall Lot 344. Is that intended to be a permanent homeless shelter?

Commissioner Brandon - Susan, we have not gotten to that item yet. We are on the executive director's report. The item that you're referring to is Item 6C. We really appreciate you calling.

Susan Melaney - I didn't understand the way the schedule was written but I'll stay on the line for when you get to that. Thank you.

Female Voice - Good afternoon, commissioners. I'm wanting to pipe in to say that this is very difficult to follow for the public. We can't hear clearly what is being said. Everybody's got different items that we are calling about. Hopefully, this will go smoother. But if the audio continues to be in and out, then I do suggest that you continue it because the public does have a right to public speaking and to understand what is being said.

Larry Collins calling from Pier 45 - I run the San Francisco Fishermen's Hall Association, which is the co-op down there. We also run the ice machine. I was president of Crab Boat Owners Association for 35 years. Now, I've let the next generation take that over but I'm still very involved in commercial fishing at the wharf. I've been on here when it started at 3:15. You guys had six weeks to get it together as far as not having meetings where we could sit face to face and talk to each other. I'm an Okie and I don't understand this new modern communication. Anyway, I wanted to talk to you about commercial fishing and the future here in San Francisco. I wanted to talk to you about what's going on with the supply chain and the seasons coming up and everything. I don't know if this is the right place to talk about that.

Commissioner Brandon - If you have a question or you want to make a comment, please do.

Larry Collins - I've been fishing 40 years at the wharf. I've never seen times like this. We've got salmon season starting May 1st and I can't find a market that'll commit. Like I said, I've never seen anything like this. After 9-11, we saw a month and a half the market went bad. But there was a light at the end of that tunnel. By the way this is going now, we're not sure what's going to happen. The whole fleet is not sure what's going to happen. We unload for the Seafood Producers Co-op out of Bellingham. They can pack a lot of fish in their freezers. The restaurants used to buy 60, 70 percent of the wild king salmon, during salmon season but the restaurants are all closed. We're a wholesale buyer. We sell to the distributors and the distributors sell to the restaurants. That market is gone. Everybody down there is looking at losing everything.

Commissioner Brandon - Thank you so much for calling. This is a very difficult time for everyone and we totally understand. The Port is here to work with you. If you need some type of help, please feel free to contact the Port.

Larry Collins - I've been trying to contact the Port, and I haven't gotten any calls back from anybody.

Commissioner Brandon - Amy, can you make sure that you follow up with Larry?

Amy Quesada - Will do, commissioner.

Commissioner Woo Ho - I'm going to try and speed through a little bit my questions because we're so far behind as far as time. Katie, I do understand what you said as far as this coming year that you could make it up through your spending the fund balance and cutting operating expenses and cutting capital projects. So that covers us for this year. I also wanted to know, what would our cash balance be? On slide three, can you just make sure that I understand the three columns, the CY, the BY and the BY+1, what they stand for?

Katie Petrucione - CY is the current fiscal year so fiscal year 2019-'20. We started this fiscal year with \$67 million in fund balance and that, at the conclusion of the year, we will have about \$52.7 million in fund balance available, which then can be used to support budget year (BY) fiscal year 2020-'21 and budget year plus one (BY+1) and that would be fiscal year 2021-'22.

Commissioner Woo Ho - Our fiscal year is through July, right?

Katie Petrucione - Yes, ma'am.

Commissioner Woo Ho - What is the cash position that you're projecting at the end of this current fiscal year?

Katie Petrucione - The ending fund balance number, which is the final line on this slide, is that we would have \$52.7 million in cash available to spend in the next two fiscal years, if necessary.

Commissioner Woo Ho - I always get confused whether fund balance is truly all cash. Okay.

Katie Petrucione - Yes. It is.

Commissioner Woo Ho - You're saying it is truly 100 percent cash.

Katie Petrucione - Yes.

Commissioner Woo Ho – Can you cover what our shortage will be as a result of this unfortunate situation that we're in? You have not told us yet how we're going to manage through next year's budget and the year after because the cash position is going to look a lot worse.

Katie Petrucione - Yes. We are going to dip in to fund balance or that cash reserves to help support the next two fiscal years but that we are also proposing to reduce our operating expenses and that we would propose to significantly reduce the capital budget that we appropriate in the next two fiscal years.

The budget that the commission approved in February assumed that we would appropriate \$84 million in capital. We are suggesting that we not do that and that will help constrain our budget in the next two years and help address the shortfall.

Commissioner Woo Ho - Even though you don't have the details totally yet and you're going to continue to work on the next two years' budget, how is this going to help maintain our bond covenants?

Katie Petrucione - We will absolutely continue to make our bond service, our debt-service payments. We are going to be out of compliance with the bond covenants for our revenue bonds. We will not be able to meet our coverage ratios, which is something that we will have to disclose.

Commissioner Woo Ho - It also affects our rating because that eventually will affect our rating.

Katie Petrucione - Yes. It may. The rating agencies have all reached out to the Port for an update. We've been communicating with them. We have not yet provided disclosure but we thought that we should get through this meeting with the commission today. Then, we actually really do need to put our budget together because it's the net operating income that is going to drive what our coverage ratio is. We don't know what that's going to be yet until we put together a revised expenditure budget.

Commissioner Woo Ho – As you mentioned, when we see this again, the numbers could change. This is just a preliminary look.

Katie Petrucione - This is absolutely preliminary. We have six weeks of data and not really even that on revenue. This is based on some assumptions. We're hopeful that, as rent comes in and we have a better picture of what revenue we're actually going to be able to collect, that will help us make a more informed set of choices about what to budget for revenue next year.

Commissioner Woo Ho - Later in another presentation, Mike is going to present to us the rent collection history that we have, which is only for one month. It's not really a trend yet. Is your budget forecast based on some of those assumptions or better than or worse than so we can correlate with all the other information that we're getting today?

Katie Petrucione - For the current year, when we first started doing some projection on revenue, our initial assumption was that we would receive no revenue basically for most of March, April, May or June. That was just our starting assumption, the absolutely worst-case scenario. But then, we did receive rent payments for the month of March. based on that, we have adjusted our revenue projection for the current fiscal year. It's worst-case scenario plus we did a little bit better than we were expecting to. That's what 2019-'20 is assuming.

Commissioner Woo Ho - I'm going to reserve the rest of my comments to when we talk about the programs that we want to put in place with the tenants because that will affect how your revenue forecast on the second round will look like as well. Thank you, Katie. I know it's been a lot of hard work to get here. I appreciate it.

Katie Petrucione - Thank you.

Commissioner Makras - Thank you, Katie. I have no questions. Thank you for the presentation.

Commissioner Gilman - Katie, I have one question. This might be for you or possibly for Mike Martin. My question was more around what efforts the Port's been taking from a federal perspective to lobby to be included in the stimulus funding packages that have flown through Congress. It's my understanding that the cruise ship industry is getting billions and billions of dollars or support and also that the airports including SFO will also be receiving large bailouts from the federal government. I'd like to know what our lobbying efforts have been to see that some of that money flows to the ports in the United States particularly since we're not going to see cruise ship revenue return to the Port anytime soon.

Katie Petrucione - Mike, is that a question that you can answer. I don't feel close enough to it to be able to give a good picture of what we're doing.

Mike Martin - I know that we've been working with the city's lobbyist to merge our request as part of the overall city strategy. We are a hard port to target in terms of our operations unlike other ports since we don't have a large container operation. It may be hard to define a relief program that goes directly to the Port. We've been focused on trying to figure out the federal, state and city relief opportunities for our tenants that then would provide them with rent dollars that would help Katie's projection. I can get you more specifics. I can work with Brad Benson, who has been directly in those conversations, to let you know what we've been doing.

Commissioner Gilman - Thank you very much.

Commissioner Adams - Commissioner, I might be able to answer a couple of your questions. First, Katie, appreciate the presentation. I heard it in Larry Collins's voice. I was glad that President Brandon directed him back to the Port. But through all this economic trauma that we're going on, I think Commissioner Woo Ho said it best. We need an economic reset. I don't know when that's going to happen. But that's something we're going to need.

Commissioner Gilman, as far as the cruise ships, I talked to Stefano who is the vice president. These cruise ships are not registered here in the United States. They pay no taxes. Carnival, which has nine lines under it, they're looking at laying up most of their ships. Carnival got a loan for \$3 billion. They're trying to raise another \$6 billion. But a lot of people, especially on the federal level, have

a problem with Carnival. Like most of the cruise ships, they pay no taxes here in America. They're asking the federal government to pay them out.

I understand because most of my members during this time of year from March to September, they get all those hours from Alaska to San Diego. It's definitely going to hurt it as far as man hours, paying into our health and welfare and our pension. I hope that helps you.

Commissioner Brandon - Thank you, Katie, for your report. I appreciate you taking the time to put all the numbers together. I know they're ever-changing. We're not going to know for a few months what it really looks like. But I really appreciate you keeping track of it and making sure that we're able to help our tenants and help ourselves.

## 6. REAL ESTATE & DEVELOPMENT

- A. Request approval of a Resolution authorizing the Executive Director to amend a Memorandum of Understanding between the Port and the Department of Homelessness and Supportive Housing to extend the term of the Central Waterfront Navigation Center for five years. (Resolution No. 20-17)

Boris Delepine - I'm the Port's legislative affairs director. I'm joined today by Emily Cohen, the interim director of strategy and external affairs from the Department of Homelessness and Supportive Housing, or HSH.

Since its opening in May 2017, the Central Waterfront Navigation Center has proven to be a successful, effective and innovative program to address homelessness in and along our waterfront. The current MOU between the Port and HSH to authorize use of the Navigation Center is set to expire in June. The item before you is an action item to (1) extend our existing MOU between the Port and HSH to operate the center for an additional five years and, (2) to increase the rent to keep it consistent with our parameter rent schedule.

The project conforms with a number of Port and citywide strategic goals including the city's objective to expand shelter for homeless residents and provide a pathway to permanent housing and the Port-wide livability goal to work with city and community partners to ensure that Port improvements result in advances in social equity and San Francisco's livability.

At this point, I will turn over the controls to Emily Cohen from HSH to give you some background about the Navigation Center, the center's operation and HSH's outreach efforts and community engagement. Then, I'll return to talk about the proposed MOU.

Emily Cohen - The Central Waterfront Navigation Center was the second Navigation Center we opened and has been a critical part of our social-service infrastructure especially in our emergency-shelter portfolio. As many folks are aware, we are still struggling with the homelessness crisis in our community. We



have over 8,000 people currently experiencing homelessness in San Francisco with 5,000 folks of those folks living unsheltered in our community. We have opened eight Navigation Centers since 2015 and currently have six in operation. We launched the Central Waterfront Navigation Center in 2017. We contract with Episcopal Community Services and the Providence Foundation to operate the program.

ECS brings significant shelter operation experience to the project, as does Providence Foundation. Providence has deep roots in District 10 where the Nav Center is located. They also bring an important community partnership element to the site. Like other Navigation Centers, the onsite services include case management, medical care, benefits enrollment and housing services and assistance. Since opening, the Navigation Center has served 681 unique individuals.

About 20 percent have left to permanent housing, which is actually quite high for a sheltering program. We are pleased with the outcomes of the Central Waterfront Navigation Center from a client perspective and also pleased with the outcomes from a neighborhood perspective. We've been able to reduce encampments in the immediate area, certainly on Warm Water Cove Park and Islais Creek but in the surrounding Dogpatch area through the use of the Navigation Center.

Community outreach is obviously a very important part of what we do in terms of opening and then extending Navigation Centers. Prior to the opening in 2017, HSH and the Port had a very robust and significant community engagement process that led to the creation of a community agreement, which is essentially an agreement between the Port, HSH, SFPD and Public Works in terms of our responsibility to the neighborhood as this site opened.

As we prepare to extend the project and come to you for approval for that, we have renegotiated that inner-agency agreement between the four departments and the Dogpatch Neighborhood Association. The Dogpatch Neighborhood Association has also since issued a letter supporting the five-year extension that is before you today. Additionally, we have worked closely with Supervisor Walton's office to engage the community to have discussions. They are also in support of the project.

I'm happy to answer any questions you have about operations or specifics on the site. It's a 64-bed facility. It's one of our smallest Navigation Centers. If folks have been there, it's truly beautiful. It's a very relaxing and welcoming environment. It's been overall a tremendous success for us and for the community.

Boris Delepine - The original MOU was adopted in 2016 and took effect on May 15, 2017 for use of the 14,000-square-foot site on 25th Street as a Navigation Center. The term of that agreement was 42 months with a rent of \$0.42 per square foot, or \$5,760 per month.

This was consistent with the parameter rent approved back in fiscal year 2016-'17. No rent was scheduled to be collected during the construction or removal periods of this site. Also, it's important to note is that both the original and proposed MOU allow for prompt termination of the use if the location is needed in connection with a Port program or project. That is a trust-consistent use.

The new or proposed MOU for your consideration today extends the terms of the original agreement by five years. The new proposed effective date is April 15, 2020. Because the original MOU did not charge rent during the demobilization period, that period would be happening right now between April and June.

The new MOU covers that rent-free demobilization period and has the April 15th effective date. The new rent is \$0.46 per square foot, or \$6,308 per foot, which is consistent with market rate based on the parameter rent schedule for paved land. No rent will be charged during the two-month removal period at the end of this MOU term.

In terms of next steps, Mayor London Breed introduced legislation last week to extend the street vacation ordinance granting access to 25th Street for operation of the center. That legislation is tentatively scheduled to go before the land use committee of the Board of Supervisors on Monday, May 4th with a vote at the full board of supervisors in mid-May.

Approval of the street vacation extension is required for the MOU to go into effect. We respectfully request that you approve the item before you, which extends the MOU between the Port and HSH to operate the Central Waterfront Navigation Center for an additional five years and increases the rent for the center by 3 percent to keep it consistent with our parameter rent schedule.

Finally, I'd like to thank HSH, DPW, planning department staff, Kimberley Beal from our real estate division and representatives from the city attorney's office who've come together weekly during these uncertain times to ensure a seamless and continued operation of the Central Waterfront Navigation Center.

Commissioner Brandon - Thank you, Boris and Emily. Can I have a motion?

**ACTION:** Commissioner Adams moved approval; Commissioner Makras seconded the motion.

Commissioner Brandon - I would now like to open it up to public comment. We will open the phone lines to take public comment from members of the public who are joining us on the phone. Jenica will be our operator and provide instructions now for anyone on the phone who would like to provide public comment.

Male Voice - I would like to see a plan on how you will ramp the project up and how you will shut down the project. It will take lots of coordination to do this. I also think there needs to be a time limit on how long the RVs will be parked

there. With all the moving parts and partners in concept, who is accountable to complete this thoroughly and implement this strategy? I'm speaking towards Pier 94 and 6D.

Commissioner Brandon - I'm sorry but we're not on that item yet. This is Item 6A regarding the Navigation Center. Do you have a comment regarding the Navigation Center?

Male Voice - No. Just a comment on 6D.

Commissioner Gilman - Thank you, Emily and Boris, for your presentation. I am supportive of the item and have no questions.

Commissioner Woo Ho - Thank you, Boris and Emily, for the presentation. I'm supportive of the item. I did want to ask just a couple of questions since this is our first Navigation Center and we have the other one in Embarcadero.

In terms of some of the statistics that you've presented on your slide six and particularly since the purpose of this was to help people get permanent housing and Emily, you in particular commented that the 20 percent was a successful standard. I have two questions (1) the other Navigation Centers, have they been at that level? Or above? Or below? What do we think can be done to improve that ratio over time?

Emily Cohen - That's a great question. Thank you, commissioner. 20 percent is obviously not ideal. We want this to be higher but the Navigation Center is the place where somebody stays while we work to house them. It's actually our larger housing placement system that is responsible for achieving that outcome. It is a metric that everyone is curious about and wants to know about and I agree. But it is actually not the responsibility of the Navigation Center to place people into housing. It's the responsibility of the homelessness response system and our coordinated entry work. This is fairly consistent with what we see across Navigation Centers in terms of the number of folks who we are able to successfully place into permanent housing, really depends on who we bring in and if they are among the most vulnerable.

When they are, we have higher success rate of placing them into housing from Navigation Centers. Our goal is forever to increase that percentage and to increase our housing placement rate. The way we do that is by speeding up our housing placement process and by expanding our housing exit opportunities.

Our housing placement numbers unfortunately are limited by the number of units we're able to place into. As we build and develop more permanent supportive housing, as we expand rental assistance programs, we are able to speed up our placement and have better success rates. The Navigation Center is fully doing its part to make sure that every guest is document ready, has their paperwork in order so they can move into housing. The slowdown is really the housing capacity on the backend.

Navigation Centers are intended to support someone in their journey as they transition to permanent housing. The success is dependent on how much of that housing we have available for them to exit into.

Commissioner Woo Ho - It's a supply issue is what you're saying and, if the supply was greater, that there would be a higher success rate.

Emily Cohen - Absolutely. That was a much more succinct way of saying that.

Commissioner Woo Ho - This is a little bit off topic but just for curiosity now that we got into it, given where we are with COVID and everything else, when is that supply going to ease up for the city?

Emily Cohen - That's a great question. Over the last couple of years, we've expanded our permanent supportive housing capacity both through master lease and new development programs. We have hundreds more units that we've opened just in the last couple of years. Our housing placements actually have improved. Through COVID and through the crisis, we've been able to eliminate some of the red tape to placement. We've actually sped up our housing placement process even though our staff is largely deployed on emergency response, which is one of the opportunities that we're able to move forward during the crisis.

what the post-COVID landscape looks like for affordable housing is challenging to say. Permanent supportive housing is certainly a priority for the city. Ensuring that we have the exits for folks experiencing homelessness is a top priority. But as the economic situation of the city changes, we'll have to see what we have in the pipeline and how the pipeline is affected by any economic downturn that we'll face.

Commissioner Makras - Thank you for the presentation. I support the item. I was not here when this was originally approved. I have more of a generic question just playing off of the Embarcadero Navigation Center in that there were certain commitments and promises to the community on the duration of the Navigation Center. Were there any such promises made on this one?

Emily Cohen - I can take this question or Boris. We have initially entered into a three-year MOU, again with the option to extend it. The neighborhood association had the most vocal concerns about the Central Waterfront Navigation Center, they wrote to us in 2019 and said, "Please extend it. This has turned out to be a great asset to our neighborhood." We worked closely with them to renegotiate this agreement and to move forward with an additional five years because we had initially planned for just three.

Boris Delepine - Supervisor Walton's office has been very involved and supportive of the extension.

Commissioner Makras - I just wanted to be sure because I would anticipate the Embarcadero Navigation Center coming to us and asking us for extended time also. I'm prepared to vote in favor of this item.

Commissioner Woo Ho - Can I just ask one more question following that question? When we talked about the Embarcadero Navigation Center, we were very clear about setting up metrics so that the neighbors would feel comfortable that we were monitoring and controlling some of the concerns that they had. I'm wondering if we are using some of those safety-and-security metrics for all the Navigation Centers? And is there regular reporting?

Emily Cohen – That is a great question. Each community has been a little bit different in terms of what they've requested in terms of data reporting back. The original metrics that the Central Waterfront Dogpatch neighbors asked us to report on we actually renegotiated to be in alignment with what we're reporting at the Embarcadero since that is more to the heart of what we're tracking across our system.

What we have made available upon request to the Dogpatch Neighborhood Association is very similar to what we're reporting monthly to the Embarcadero neighbors. We also have some additional projects in the pipeline where we've committed to similar reporting.

Commissioner Woo Ho - It sounds like, from the neighborhood response, that they have not had issues of security and safety.

Emily Cohen - No. In fact, the president of the Dogpatch Neighborhood Association just emailed me. She had been on the line for the last hour. Unfortunately, she had to get off during the technical difficulty. But the letter that they sent supporting the extension she hoped would speak for itself. But she had planned to be on the line.

Commissioner Adams - I'm very supportive of this. I also live a half a block from the Embarcadero Navigation Center and things seem to be going really well. I live in this neighborhood and community and I voted to support it. I think things are going a lot better than a lot of the negative people thought it was going to be. Thank you both. I support it.

Commissioner Brandon - Boris and Emily, thank you so much for the presentation. This Navigation Center has been a huge success. It's been a huge success because of so much community involvement and engagement prior to it happening. We set expectations. It was just wonderful last year when they came and asked us to extend it instead of us going to them. It's extremely important that we keep the community engaged, keep the outreach going on and working with Supervisor Walton throughout this to make sure it continues to be a success. Thank you for all the work that you have done to make it such a success.

Amy Quesada - Roll Call Vote

President Brandon – Aye  
Vice President Adams – Aye  
Commissioner Gilman – Aye  
Commissioner Makras - Aye  
Commissioner Woo Ho - Aye

President Brandon – The motion passes unanimously. Resolution No. 20-17 is approved.

- B. Request approval of a Resolution ratifying the rent deferral and other tenant relief provided under the March 27, 2020 staff-issued Executive Directive Regarding Enforcement of Lease Obligations during the COVID-19 Shelter in Place Orders, and extending the policy's applicability through May 31, 2020. (Resolution No. 20-18)

Michael Martin, real estate and development – I'm very pleased to be before you again to talk a little bit about the existing staff-issued rent-deferral policy and the potential resolution to extend it and then also to use this time to rough out some additional discussions we're having regarding potential additional relief beyond the limited deferral and forbearance of eviction proceedings that we've currently got in the policy.

As a recap, we all recall the fast-moving events of the crisis starting with the mayor's emergency declaration in February and then the eventful week that began with the Bay Area shelter-in-place order on Monday, March 16, the mayor's commercial eviction moratorium for small businesses on Tuesday, March 17 and the statewide shelter-in-place order that came down on Thursday, March 19. Over the course of that week and the following week, real estate staff engaged with the city administrator and other city departments to discuss what is best to do in sort of the crisis mode we were in to address the concerns that we were all hearing from tenants as to what to do with their April rent.

Our policy was very much in line with their policy for general fund departments by design because we all wanted to set up the same platform and we all understood that we'd have different agency considerations that would drive any further relief if we pursued it.

The key aspects of the Port staff-issued executive order are listed here. It covers nearly all tenants with a few exceptions being MOUs with city agencies, lay berthing agreements and berthing agreements at South Beach Harbor. We're also not extending relief to any master tenants who aren't extending equivalent relief to their subtenants. We've been talking with master tenants. They've all generally been doing so. We'll continue to verify that as we move forward.

The relief does not modify any lease provision. Rent is still due. But what it does do is waive late fees and default interest on rent payments for March and April if those payments are paid late due to COVID-19. We also established the Port policy of forbearance in pursuing eviction proceedings for unpaid rent due to the impacts of COVID-19. And by its terms, it explicitly said this was a temporary bridge to further relief.

We knew that there needed to be a follow-up conversation with you, commissioners, because our staff authority only goes so far. This is obviously a fundamental part of the Port's strategy to weather this storm and hopefully come out on the other side as we touched on during the executive director's report with the financial projections for the Port's budget.

To that point, we did a quick review of April rent collections. I'd like to thank the real estate and finance division staff who worked hard to do this on top of their regular duties trying to keep the ship running. We had a fast look at April rent collections as of April 15th. Typically, we get around 95 percent or more of tenants paying. This time, we had 201 tenants paying out of 520 tenants invoiced so there was a significant decrease.

In terms of categories, we saw frankly a surprising and positive development where 47 percent of our commercial rent tenants paid their rent in April. These tenants are the fixed rents, parameter leases, shed-type tenants so obviously a key backbone of the Port's portfolio. That was very encouraging that some of them were able to manage their resources and pay rent. On the other end of the spectrum are participant rent tenants, so tenants that pay rent based on a percentage of their revenues. Only 13 percent of those tenants paid for reasons that are very understandable in light of the severe restrictions under the shelter-in-place order. We received approximately \$2.5 million of the just under \$3.8 million not paid with the total coming to something around \$6.3 million.

This is rent collections by portfolio. From left to right, you have Fisherman's Wharf, the Northeast Waterfront portfolio, the Ferry Plaza South Beach portfolio, China Basin, which is the Central Waterfront and then the Southern Waterfront. Quick takeaways from this chart, it seems as though the Southern Waterfront performed the best in terms of collections or rents being paid. The opposite end of the spectrum, Fisherman's Wharf with a number of those participant rent tenants, a very significant majority of those rents were not paid.

Today's resolution seeks your approval to extend the tenant relief structure through May 31st and now expires April 30th. The goal for this extension is to allow further time to observe the impacts of the shelter-in-place order and the pace at which the restrictions will be lifted.

This slide was written yesterday. The staff report was written before yesterday where we heard the mayor say that the extension of the order will likely run through May. This extension period doesn't allow us to see what happens after shelter in place. I think it still allows us time to come back to you at your next

meeting and perhaps the May 26 meeting to flesh out the kind of tenant relief proposal you'd like to see going forward. Today's resolution would incorporate the same terms as the March 27th order along with that extension and one additional change, which is that this extended relief does not apply to new tenants who've signed new leases after April 1st.

This was to take account of tenants that have been in discussions with the Port and are aware of the circumstances. To avoid any doubt, if they're signing a lease with a rent in it, they should be signing that lease with the expectation they could pay under the current situation. If they can't, then we should talk about a different approach to the transaction. Again, this is new tenants with new leases. It's not intended to capture existing tenants who are signing lease renewals because, in those instances, those tenants are there. They unlike the new tenants, were there before the specifics of this crisis were evident.

That's the summary of today's action. This is a bit of a hybrid item because I wanted to outline for your benefit some of the thinking we're doing on further relief strategies. The guiding principle of this thinking is that each tenant who can regain its footing and become current on its rent by the end of next fiscal year, by June 2021, we find that to be a net financial benefit to the Port.

We all saw the somewhat dire projections that were shown in the executive director's report. But getting that rent in the door as structured under the leases is our primary goal. It avoids someone not being able to survive that long. If they aren't able, we have the cost and uncertainty of eviction proceedings. We have the potential deterioration of the broader real estate market, reducing demand for our space, potentially creating longer vacancies, potentially requiring lower rental rates to fill space.

All of that is a lesser outcome to the one where we can find the right balance and nurse our tenants to a point where they can operate again and pay their rents. The strategy is to strike that balance and incentivize tenants to operate, not just to try to weather the storm but to try to get out there and to do their business, which they're already incentivized to do to survive.

We think our structure can find a way to even further incentivize that and keep them to be rent-paying tenants for the Port. This whole strategy underscores a need to establish further conditions for this additional relief, things like tenant in good standing, things like the tenant taking action to mitigate damages such as applying for federal and state relief programs.

Those are things we're going to outline to you further in subsequent meetings, so you can understand what we're trying to do and why we're managing the Port's limited budget in such a way to incentivize the tenants that can survive to survive.

The backbone of a further strategy would be a general deferral and repayment plan. It's something we've been in discussions with the other city agencies as



well who are looking at this potential approach for their tenants. Right now, the existing March 27 executive order establishes a repayment deadline of the deferred rents of June 30th. We've retained that for this proposed resolution just to keep the limited nature of this initial for a limited, if that makes sense. But we realize that, to have several months of rent piled up and payable on a date that in the near future is going to be a burden for these tenants that weren't able to pay rent in the first place. We recognize that they're likely to need additional time in order to operate and generate revenues to pay those deferred rents.

We're considering a structure we can put in place that would have a longer deferral period so that there aren't late fees charged, would allow for a point in time to incentivize full payment. Then, interest comes in after that if we weren't able to incentivize payment after that first date. There'll be interest, hopefully a low interest rate, again not overburdening the tenants but something that incentivizes them to pay at the earliest date.

One potential structure that's been under discussion among different agencies would be to waive all late fees and default interest for rents between March 1st and December 31st of this year so long as the full amount is repaid by December 31st. For any amounts that are unpaid as of that date, repayment would be allowed over the following six months with interest so long as it's fully paid by June 30, 2021, again to come in on that next-fiscal-year timeline.

That is something we're working on. We welcome your feedback on any of those specifics. We'll come back to you with a more specific proposal. We are also looking at other targeted strategies for specific tenants in particular situations. A couple of them are outlined here. The percentage-rent tenants have been so hard hit among the parking tenants, our retail operators and our maritime excursions. Not being able to operate and generate revenues is one thing. If they were just paying percentage rents, that would just eliminate their obligation to pay rent to us. But all of these tenants generally have minimum base rents, which are set according to operating and market assumptions when they sign the lease to say. We can operate, and we can pay this base rent even in a down market.

Unfortunately, in this scenario, those assumptions have been totally challenged by the crisis. One potential approach would be to forgive base rents for a period of time during the most impacted public health orders and then phase those base rents in over time as we see how these businesses can get back operating. One great example of how this phase in may work, it has to do with restaurants. If the shelter-in-place orders evolve into something where they're allowed to do dine-in seating but they have to limit their seating. That obviously undercuts their ability to generate the revenues that they were before the crisis. This is something we're going to think hard about and come back to you with further thoughts. Those are definitely a set of tenants that we think would probably be deserving of a targeted relief strategy.

Similarly, we may want to see a targeted relief strategy for other trust-consistent tenants, specifically ones that advance the Port's mission such as there have been past instances where rent has been forgiven for certain aspects of the fishing industry in light of challenged seasons, etcetera. That's something we're going to consider and we'll bring back to you subject to any direction you want to share today.

Lastly, as referenced in the staff report, the retail leasing policy includes a direct negotiation exception for extensions. In most situations, that's reserved for tenants doing capital improvements. However, there is an additional direct negotiation exception for economic downturns. While this isn't a traditional recession that's measured in the same way as prior recessions, we think this is an economic downturn. We may bring back to you some considerations that, if retail tenants are willing to extend their leases, we may want to factor that in as part of the workout strategy.

To close with our staff recommendation, we would recommend that the Port Commission approve the attached resolution to this item extending the existing March 27 executive order through May 31st. And then any direction or advice you have to us as well going forward would be welcome as we structure our next item to come back to you to talk about further relief.

President Brandon – Thank you, Mike for the presentation. Commissioners, can I have a motion?

**ACTION:** Commissioner Adams moved approval; Commissioner Gilman seconded the motion.

Commissioner Brandon - We have a motion and a second. We will now open it up for public comment. Jenica will be our operator again and provide instructions for anyone on the phone who would like to provide public comment. We are on item 6B. If you have public comment on Item 6B, please join us.

Jenica Liu - Thank you, President Brandon. At this time, we will open the queue for anyone on the phone who would like to make public comment on Item 6B.

Commissioner Brandon - Thank you, Jenica. Do we have anyone on the phone?

Jenica Liu: President Brandon, we have one caller on the line.

Larry Collins - I know I already commented on this but I wanted to thank the Port for taking care of the commercial fishing industry when we had the Dungeness crab disaster and realize that this disaster that's happening right now is much worse. If any of us can talk to anybody down there and tell them how it's going, we'd be more than welcome to help. Thank you very much.

Commissioner Makras - I thought staff's presentation is well thought out. I support the rent deferment with the understanding of a repayment plan later. I'm glad to hear that you're pushing out the time for repayment beyond the date in the presentation. I would ask you to think hard of six months after the shutdown is lifted and maybe even up to a year of time for repayment, obviously waiving all late fees and interest for that whole period of time.

If you have a drop-dead date, say it's one year later, whatever is not paid would just fall under their normal terms and conditions of their lease for past-due rent. I don't necessarily support the idea of excluding people that signed their leases very recently. I think that the raw fact that the shutdown is statewide and people can't do any business, we should extend the same relief to that tenant that we're extending to all the tenants throughout our portfolio.

In general, if a tenant is asking for relief say for three months' rent or four months' rent and we just put them on a payment plan, I'm fine with that. If there's larger concessions that are being asked like a waiver of rent, I would encourage us to have a policy that they provide us with: full financial statements; if it's an LLC or a company, financial statements on the principal that's running the company, so we can have a sense of their overall financing. And then, we can negotiate in a better position.

I would caution us to balance out loans and grants that tenants can get to run their business like the PPP loan program. And if they do, they should be able to pay us their rent. We shouldn't put the Port in a double-jeopardy position that they get money and they get relief from us. They get two reliefs. If they're getting relief from the federal government through that program, the program does allow for 25 percent of their loan to be forgiven if they pay it towards rent. We should incorporate that, so we can best negotiate the deferment and repayment of rents.

Commissioner Woo Ho - I would echo what Commissioner Makras just said. I think that we should find out if any of our tenants do access PPP and now, there's another round, we should make sure that they are not on a full payment and deferment program if they have a PPP loan even if the PPP loan is not able to cover their full rent, that we should get at least a share of it that makes sense, as I don't think it would be fair not to get anything.

Whatever is written on the deferment and repayment program, that there is reference that, if they're on a PPP plan, there is some payment of rent, if not 100 percent, proportionate to what would make sense. If they want to have some other program on an individualized, customized basis, in addition to financial statements, we want to get a sense from that tenant what their business plan is.

What we want to be careful is that we don't want someone who is on a payment and deferment plan, and we can see that their business is not going to survive. For them and for us, we'd rather be able to make a decision on whether we have to go forward with a different tenant so as not to drag it out forever. I think we

want to have some activity going on. If they can't make it, then we need to figure out a way. I don't know how to incorporate that, Mike. If you can figure out, how do they demonstrate that there is activity even if it's under certain restrictions in terms of capacity of the restaurant, etcetera but that they are trying to obviously recover and that we just don't have an empty site that is just not operating. I think that is important.

You mentioned some of the special categories. We're obviously talking about the categories that we all know have been hit the hardest, the retail, etcetera. Some of our commercial office tenants and Autodesk in Pier Nine and the other tenants next to Pier One, they're working remotely. Even under the shelter in place, it's not like no economic activity or business activity is occurring. They're just working in a different mode and they're continuing. It's very different than having to have a direct interface with the public in order to succeed in their business model. We have to think about those tenants very differently if they ask us for deferment and repayment relief. Obviously, they may say, we are still not able to get our business revenue up and running. But it's very different from the people that rely upon restaurants where their cash is a daily affair in order for them to be able to pay their expenses. It's a very much direct business model where some of the other companies are able to continue and are able to recover more quickly.

We have to make a distinction. We need to be able to customize and understand and we want to be fair and balanced. But we also don't want to be taken advantage of. I would offer those as further thoughts as you come back on the next round to have some of this in your thinking.

Commissioner Gilman - Mike, thank you so much for the report. I share in the comments of my fellow commissioners. I don't want to belabor the points. I'm supportive of us extending the item. I'm excited to see what you bring back to us at the end of May or April on a long-term game plan to keep the viability of the waterfront.

Some comments I have or food for thought is I am very interested in seeing discrete, carved-out programs based on business model and type. Going back to what Commissioner Woo Ho said, our office tenants have a very different situation than our folks that just pay base rent and that we participate in their profit sharing. In the governor's announcement today on his stages of reopening the economy, his statewide order supersedes local orders unless they're more restrictive. When he spoke about phase four, which could possibly mean bringing people back to Pier 39 or other attractions, restaurants and bars were never mentioned by him and his team.

We need to anticipate that their ability to reopen the way they used to will be much more on the later side versus office and some curbside retail that his team is working on. I do think we need to have different approaches towards different tenants.

Going back to the public comment of Mr. Collins, it's unclear when commercial fishing or other activities will begin to take place also. I don't see how you social distance on a crab boat. I do think we should be tailoring our approaches to the businesses we attract on the waterfront because office clients, even some shed clients who work solo, who do manufacturing might be back to work much faster than others. I'd like to see a customized approach, so we can keep the waterfront as viable as possible. I support the item.

Commissioner Adams - Mike, good presentation. My fellow commissioners said mostly everything that needs to be said. I have a great concern about how many businesses are going to survive this coronavirus. I keep hearing 50 percent of all businesses may not survive. A lot of the restaurants, we don't really know. But I'm in favor of helping as many people. I remember when Mayor Lee was alive that we helped the crab fisherman. We didn't take any rent from them, Larry Collins and his group. I think that's a part of our mission statement. But I am concerned about how many of these businesses will survive. I'm sure Commissioner Makras is into real estate. He would know a little bit more. I don't have a gauge of how many of these businesses are going to survive. I will support the item.

Commissioner Brandon – Mike, thank you so much for the presentation. My fellow commissioners have made some really great recommendations. I know that, until we know exactly when this order is lifted and when each of the businesses can get back to work is going to make a difference in what we can recommend for our tenants. But we're very supportive of the extension and look forward to how we can help all of our tenants going forward.

Commissioner Makras - In the workup that you provided, you talked about doing some lease extensions basically in the recession so, if a recession comes, to have authority to extend leases from three to five years. I would caution that policy. Why on earth wouldn't you really want to negotiate a lease when the market is at its worst and give more time? We have a strong retention policy on tenants. If a tenant is in good standing, they know and we know that they can continue at their site long term. We do not have any policy that even suggests that we will vacate a place for a tenant. They have lots of comfort that they can stay long term. I would encourage us not to negotiate leases when the market is at the bottom. That's the additional component I'd like to staff to consider.

Mike Martin - Thank you, commissioner.

Amy Quesada - Roll call vote

President Brandon – Aye  
Vice President Adams - Aye  
Commissioner Gilman - Aye  
Commissioner Makras - Aye  
Commissioner Woo Ho - Aye

Commissioner Brandon - Resolution 20-18 has been approved unanimously.

- C. Request approval of (1) a Memorandum of Understanding with the Department of Public Health for use of Piers 30-32 as a CityTestSF COVID-19 testing site and waiving rent for such use, and (2) rent waivers for Seawall Lot 337 Associates, LLC, Port tenant at Seawall Lot 337, solely for use of a portion of Seawall Lot 337 in support of the City's public health response to the COVID-19 crisis. (Resolution No. 20-19)

Michael Martin, real estate and development. Today, I want to run through with you a couple of specific activities that have happened already on Port property noting that this is separate from item 6D, which is the Seawall Lot 344 Backlands proposal.

I will be talking about two other items that have already moved forward. The public health response has centered around a number of things that I think anyone following the headlines would recognize as a strategy the city is pursuing. The first bullet here obviously increasing the availability and accessibility of testing for COVID-19 infections is a huge strategy for managing the outbreak and the spread of the virus. In addition, providing shelter for those who cannot easily comply with social distancing regulations and associated quarantine requirements or medical care if needed obviously is a critical thing for the city's public health system to address.

Lastly, the impacts of the broader public response to COVID-19, keeping people from being able to access food or other services, those things are also on the mind of the emergency managers of the city and finding locations for food distribution or other services that support the general public as they continue to work to survive the deep crisis that we're in and hopefully will be relaxed in the future.

The first of the sites we're going to talk about is Piers 30-32, and it's addressing the first of those bullets, the testing for the COVID-19 infections. This drive-through site opened April 6th and was originally limited to specific frontline groups. But over time, as the capacity of the site has grown, the eligibility has expanded over time to a broader range of individuals whose critical work risks exposure. This is more broadly defined than the usual first-responders definition. This is grocery workers, cleaning workers, disaster service workers from the city. So that population that obviously is putting themselves at risk of exposure to deliver services and things that the community needs, this test site is very much tailored to them and addressing their concerns. It's currently capable of performing up to 500 tests per day by appointments.

Terms of the MOU. The tenant would be the city's department of public health. The MOU as negotiated includes the Port's standard parameter lease terms which include insurance, indemnity, regulatory requirements associated, making sure that the operations there are handled according to regulations and environmental rules.

The rents due under the parameter rate schedule for this space which equate to approximately \$220,000 per month. That is part of the request for waiver of rent. The lease term expires April 30, 2021. The MOU includes termination rates for both parties upon the close of the mayor's declaration of emergency. DPH can also terminate sooner with 30 days' notice at its election.

The other use that we wanted to present to you today for your approval and ratification is Seawall Lot 337, recreational vehicle staging. Seawall Lot 337, also known as Giants parking lot A, is currently leased to Seawall Lot 337 Associates, LLC. This is the master lease under the Mission Rock project. It is set up to operate as a parking facility but especially during the Giants' season.

With those demands not on the site, there was available parking space. The city human services agency (HSA) approached the tenant with a request to store the 29 recreational vehicles that are referenced in Item 6D while the human services agency works to determine how best to deploy them. In discussions with the tenant, the Port and the tenant came to agreement that the tenant is not charging rent or parking fees to HSA and requested the Port waive those at the staff level. We did that with the condition that we wanted to return to the commission for your consideration of that going forward.

The parking charges for March totaled \$7,603. The April amount is expected to be similar so a fairly de minimis amount. I believe all of the RVs have, as of today, been moved to the Backlands site. We'll be discussing that in the next item.

In these discussions with the Seawall Lot 337 tenant, we've become aware of other requests for space that they've been involved in. In coordination with the city's emergency operations center, we see that a number of these things may be worthwhile in the future. We wanted to propose a prospective waiver of rent for activities that are tightly defined but obviously support the COVID-19 response. The conditions we've proposed are that the Seawall Lot 337 tenant would not be collecting rent either so that the Port's waiver would not be ignoring revenues that are being generated.

The activity would be performed in direct coordination with the city's emergency operations center so that we're not doing a wildcat set of services that they're not aware of and don't think are well targeted. Number three, no fees to the public beyond some minimal cost recovery for administering the tests or providing the service. Our expectation would be no fees, but there may be a situation where somebody needs to collect some small amount of money as part of this. As long as it's de minimis, that would still be worthwhile.

Lastly, number four is the tenant would provide: detailed site layouts of these activities, so we could keep track of what's happening on our property; and a calculation of the rent that would have been payable each month as they did for

the RV parking so that we can track that and hopefully apply for relief funds in the future.

To close, the staff's recommendation is three different pieces. We'd like the commission to approve the attached resolution, which does three things. First, it would authorize entry into the Piers 30-32 MOU and would approve the waiver of rent for the CityTestSF use I've described above.

It would approve a retroactive waiver of rent for the RV staging that I believe is now complete at Seawall Lot 337 and would approve a prospective waiver of rent on the conditions I just mentioned for Seawall Lot 337 in the future.

**ACTION:** Commissioner Gilman moved approval; Commissioner Makras seconded the motion.

Commissioner Brandon- We will now open it up for public comment. We will open the phone lines to take public comment from members of the public who are joining us on the phone. Jenica will be our operator and provide instructions now for anyone on the phone who would like to provide public comment. This is item 6C. So, if you have public comment on 6C, we would love to hear from you.

Jenica Liu - Thank you, President Brandon. At this time, we will open the queue for anyone on the phone who would like to make public comment on item 6C.

Commissioner Brandon – Jenica, do we have anyone on the phone?

Jenica Liu - President Brandon, at this time, there look to be no callers on the line wishing to make public comment on this item.

Commissioner Brandon - Thank you, Jenica. Seeing no callers on the phone, public comment is closed.

Commissioner Woo Ho - Thank you, Mike, for this presentation. I wanted to confirm that Seawall Lot 337 is just going to be used for testing. Is that the only use that's being contemplated?

Mike Martin - They have been in conversations with a medical group looking to do a test site but I think that has fallen on the back burner. They're now in discussions about potential food distribution. I don't think anything's ready to move tomorrow but if they were going to move quickly, we want them to be ready for it.

Commissioner Woo Ho - Obviously, the Giants don't know when they're going to start playing again. This site is going to be available for at least an indefinite period of time, right?

Mike Martin - Correct.



Commissioner Woo Ho - It will be tied to, once they know if they ever get permission to be able to hold ballgames with audience and this site is obviously ideal for other purposes.

Mike Martin - That's exactly right, Commissioner. They are very realistic about the likelihood of having large gatherings and parking at the site. They've been trying to do their part and have been looking for opportunities to partner with people. They definitely share that assessment of going forward plans for the baseball team.

Commissioner Woo Ho - They were paying us base rent for that lot, is that correct? Then, there was a percentage rent based on the parking.

Mike Martin - That's correct. It's a high-season, low-season structure. It's quarterly. They hadn't gotten to the high season. This lot will be challenged like we talked about on the prior item. But right now, they are current on their rent.

Commissioner Woo Ho - If we go ahead with this recommendation, then they're obviously not going to charge. They actually control the lease there if they do. And they're asking us to waive the rent too. There will be zero for both sides.

Mike Martin - There will be no rent for this specific set of RVs or the specific COVID-19 responses in the future. But any other parking on the site still would be subject to percentage rent. We're just waiving one piece of what was payable for the month.

Commissioner Woo Ho - Let's say even for if it's a food distribution, we don't know how long that's going to last. That could last for several months too.

Mike Martin - Correct. We just wanted to make sure it did not extend past the emergency declaration. I think they're going to also try to judge exactly what you're talking about, that they don't want conflicting demands on the site if, in the future, we're coming out of this situation. We'll be mindful of that issue. But we're also thinking that they're going to be as able to determine that as anybody.

Commissioner Woo Ho - So I guess now it is tied then to when shelter in place is lifted for the city.

Mike Martin - I don't know that this item was written specifically that way but we can certainly take that up.

Commissioner Woo Ho - We want to be clear what we're approving in terms of the timeline for this. The COVID-19 impact is going to go beyond the shelter in place being lifted. At least we know how long the period of time or is there some way to determine that?

Mike Martin - The MOU that we're talking about, Piers 30-32 specifically calls out the end of the emergency declaration, which is a little different than the shelter-

in-place order. We're expecting that emergency declaration to last beyond the relaxing of shelter in place. To us, that was the outer bounds of when COVID-19 response would be appropriate. Also, that is probably the bounds of when those activities can get potential reimbursement from relief funds because the emergency declaration is what defines the emergency. If the commission wanted to amend the prospective waiver to limit it to the period of the emergency declaration, I think that would be totally appropriate and would be limiting in that way.

Commissioner Woo Ho - At least it's clearer.

Mike Martin - Agree.

Commissioner Gilman - I'm supportive of the item. I want to share the thought that Commissioner Woo Ho brought up. I do think we should limit it to the emergency declaration. I also think, while this bleeds a little bit into the next item we are going to hear, I also want to say I'm really proud of the Port that we are stepping up. We have large swaths of land that are surface parking lots, staging areas and backlands. Right now, with what we're seeing from food bank lines to seniors who cannot leave their homes to get meals, that we should be doing everything we possibly can to be encouraging any of our leaseholders who have land that could be utilized by the city and county or San Francisco or by relief efforts, to utilize them. I'm really proud actually of the Port that we're stepping up on all of these sites to be in conversation about how we can lend a helping hand to our fellow San Franciscans in this crisis.

Commissioner Adams - Mike, good job. I'm on board and I agree with what my fellow commissioners said.

Commissioner Brandon - Thank you so much for the presentation. Thank you for all the work that's being done at Piers 30-32 to help the city with the testing effort and recreational vehicle staging at Seawall Lot 337. I'm still a little confused about approving a prospective waiver of rent. Are we saying that if we need more space for testing or if we need more space for staging? What exactly can they do there where we would waive the rent?

Mike Martin - Realizing that these two ideas were out there, the test site and the food distribution, we were trying to create a set of conditions that would make sense and would be sufficiently limiting. So, you would have confidence that things happening on Port property made sense in the COVID-19 response. That is why we've linked this to the emergency operations center. We think there's a lot of people out there trying to do things that are helpful. But if they're uncoordinated with people at the city, at the Moscone Center that are trying to drive the city's response, it doesn't argue as well for us to provide any concession because we're part of the city. We should be supporting the official response.

Our goal was to link this to direction from the emergency managers who say we need the food distribution. We need a site of this size. We'd verify if this is helpful to you, we'll move ahead with the waiver. We're also open to coming back to you with each item. Again, it's just in this fast-moving world, if these conditions where it could be molded to make sense to you, that's why we were proposing this as something that could move forward and potentially capitalize on those opportunities.

Commissioner Brandon - I think that my concern is that we have certain sites that are available for certain things and not all sites are the same. So, because the RVs were staged there, I'm not quite sure why they couldn't stay there and create the same effort that is being done at Seawall Lot 344. I want to make sure that we're being open, transparent and fair with our property and our waivers. Personally, it's kind of hard for me to leave it open ended when we're not using the sites equally. I would prefer to know exactly what we're doing there if we can. But because the situations are fluid and it is an emergency situation, I can understand that there is a pressing need. But at this one, it sounds like there are no recommendations. There are just ideas maybe.

Mike Martin - There are two ideas that have gotten more defined than that. But Commissioner, your point is well taken. We can certainly move away from the prospective waiver and just come to you with each item as it's refined and as the details become available.

Commissioner Brandon - I think now that we're back to meeting regularly that we can decide on each item or each recommendation unless it's something that's a real emergency like if we were going to use a part of the Backland to set up a testing site for the community that really needs it. There are efforts that are emergencies and there are efforts that are part of the emergency. I want to make sure, when we are waiving the rent on our properties, that we are doing it fairly. I would appreciate it if we could approve the first two items and then, if possible, bring back any other recommendations to the commission.

Mike Martin - That makes sense to me. You would need a motion of the commission to amend the resolution but that certainly makes sense if that's the approach you all prefer to take.

Commissioner Brandon - With Seawall Lot 337, waiving \$7,000 is not a big deal. But what is the maximum amount of rent that could possibly be waived at Seawall Lot 337?

Mike Martin - It could be a large amount if they took up a lot of the space. We're trying to use the metrics of the lease. It's not just parking spaces. They also do special events there and there's a square-footage rate for those. So, it could be a significant amount. If that's going to happen, I totally understand bringing that back before we waive a large sum like that.

Commissioner Brandon - Because now, between Piers 30-32 and Seawall Lot 344, we're waiving \$250,000 a month. I think that we should make the decision case by case. I would ask for an amendment to the motion to approve the use of Piers 30-32 for testing, SWL 337 for the RV staging that has happened. But any further rent waivers should come before the commission. Can I have a second?

ACTION: Commissioner Brandon moved approval to amend the resolution that any further rent waivers should come before the Commission. Commissioner Adams seconded the motion.

Commissioner Brandon – Is there any conversation regarding the amended motion? Seeing, none, Amy, can we have a roll call vote?

Amy Quesada – Roll Call Vote

Commissioner Brandon – Aye  
Commissioner Adams – Aye  
Commissioner Gilman – Aye  
Commissioner Makras – Aye  
Commissioner Woo Ho - Aye

Commissioner Brandon – Resolution 20-19 has passed as amended.

- D. Request approval of a Memorandum of Understanding with the Human Services Agency for use of approximately 3.4 acre portion of Seawall Lot 344 located generally in the Backlands at Pier 94 in support of the City's public health response to the COVID-19 crisis and waiving rent for such use. (Resolution No. 20-20)

Randy Quesada, communications director for the Port - I will be brief, as I have been tipped that there are several members of the public who are interested in providing public comment on this item. I do want to take the opportunity to walk you through a little bit about the proposed MOU that we are considering with the human services agency. This would be for an agreement to use a portion of Seawall Lot 344 to provide temporary RV and trailer shelter to unhoused and sheltered people experiencing homelessness within District 10.

District 10 is home to our Southern Waterfront and many communities that are at high risk of exposure to COVID-19. As will be discussed, people experiencing homelessness are at increased risk as well. Providing this opportunity for people to come in off the street and to thin out the shelters within District 10 to provide for greater social distancing, it will improve the health outcomes of people in the community and protecting the health of all in District 10.

The agreement would be, as referenced earlier, through the end of the emergency declaration. At this point, it is unclear when that will happen but hopefully sooner rather than later. But we learn more and more about the COVID-19, and the city improves its response to managing and addressing this

disease. That said, it is unclear at this point when the emergency declaration will end. In addition, the request would be to waive rent for this use. The monthly rent would be \$52,520.30. Joining me are several members of the Human Services Agency as well as the Department of Homelessness and Supportive Housing and the Department of Public Health to describe the operations of the site and everything that will be happening there.

Trent Rhorer, the executive director of the Human Services Agency – I'm going to tee it off and then go to the mayor's meeting. I wanted to tee up this for you all to give you the city context within which we're asking for your approval for this MOU. As you know, the mayor declared the emergency on February 25th with respect to COVID. But it would be helpful for you all to understand is, in a declaration of emergency, the Human Services Agency is responsible for the provision of care and shelter for the city in accordance with the response.

Most typically, it would be an earthquake. Sometimes, it's El Nino. We've partnered with the Port in the past on an El Nino shelter a couple years ago. For this response and when we opened our operations center on March 9th, our direction was to provide housing resources for individuals who needed to quarantine or isolate but for whom their housing or lack of prevented their ability to do that. We're talking about homeless individuals living in our homeless shelters, homeless on the street as well as over 19,000 individuals living in single-room-occupancy hotels in the city.

The purposes to do this were two-fold. One is to help the city health system to manage the medical surge by discharging individuals from the hospital to ostensibly hotel rooms in order to keep the patient flow going. The hotel rooms provided an opportunity to isolate and an opportunity for the hospital not to have to discharge them to the street, which would not be in the interest of the public's health.

With respect specifically to homeless, clearly there were two main issues that we're struggling with or had to address with respect to the public health crisis. One are homeless individuals living in our shelter systems or Navigation Center. The other are homeless who are on the street. Clearly, a significant risk of acquiring COVID if one is homeless, living in an encampment where it's difficult to do handwashing stations, difficult to have the separation that's needed. Certainly, home isolation is impossible.

We wanted to look at both reducing the census in our homeless shelters to allow for six feet at least of distance between people and, in some cases, emptying entire shelters. And the other would be to get vulnerable individuals off of the street and into a safe place to isolate. We call these shelter-in-place hotels or shelter-in-place housing sites.

The vulnerable we defined as people age 60 and over or those with underlying health conditions for whom acquiring the COVID virus would be very dangerous to them. That's the vulnerable population.

As I mentioned, we wanted to secure hotels and shelters for people who are: COVID positive leaving the hospitals as well as people who are under investigation, meaning they have been tested but needed a place to isolate but clearly couldn't because of their homeless status; sheltering people so they could shelter in place to do the physical distancing, as I mentioned; and then, overall unsheltered vulnerable, and these are folks on the street; and then hotels for our frontline city workers, being hospital clinicians and others.

So far, we have done this primarily through hotel rooms. As of today, we have 2,741 hotel rooms under contract with the city. Special thanks to your director of real estate, Mr. Martin, for helping us with this initially. 1,805 of those rooms are for the vulnerable population that I described. The other 936 are for first responders.

Now, in addition to the hotel rooms, it was becoming increasingly clear, because of the fluid nature of this response and learning more about the virus literally every day from our guidance from Department of Public Health. What would be appropriate interventions?

We've had to pivot in a number of cases. For instance, we thought maybe a congregate shelter providing six feet of distance with people would be an okay intervention. It turns out later that it's really not an okay intervention. We had to pivot from that at Moscone West, for example. But we are doing other sites in addition to hotels, congregate sites. We have activated two congregate sites for individuals who have run the course of their COVID on the guidance from health that the antibodies that they produced from having COVID would allow them to be in a congregate setting.

We have that at Moscone West as well as at Multi-Service Center South, which is historically the city's largest shelter. In addition, we are activating two other congregate sites that we're looking at as basically COVID-positive or medical shelters. One is going to be at a former Navigation Center at Division Circle.

The other is we're in negotiation right now at a site on the northwest side of San Francisco. I bring those to your attention because at the end of February, early March, we secured 29 recreational vehicles that the city leased for potentially COVID-positive people or for other populations that we weren't yet sure needed an intervention.

In addition, the state has provided 119 trailers through Cal Office of Emergency Services for us to use as we deemed necessary. We have decided that these trailers would best be used to provide an isolation alternative for homeless individuals, unsheltered individuals in District 10. Now, these would not be COVID positive. These would be just simply similar to the hotel rooms that are primarily in the central city. These would be basically trailers and RVs that would serve as hotel rooms for isolation for our unsheltered residents in D10.

That gives you a sense. It's just literally another option for us to try to get to our goal of providing 7,000 isolation and quarantine areas for homeless individuals as well as those who are COVID positive.

I'll turn it over to Doris Barone, who's my lead for our entire activation. We also have on this call representatives from Department of Public Health who will talk a bit about outreach to the District 10 community as well as staffing. We also have Department of Public Health to talk about staffing and supports onsite.

Commissioner Brandon - Thank you so much. We really appreciate your time.

Doris Barone - I am the Human Services Agency department operation manager for COVID-19 response. I've been working with a really great group of partners getting this project together. I'm looking forward to giving you a brief snapshot of our operational picture around this project. I'm also joined by Emily Cohen from HSH and Dr. Bennett from DPH that may be able to add some additional context as I move through the next few slides and will also be able to answer questions.

As Trent mentioned, we do have currently a group of recreational vehicles that we are proposing to have at Seawall Lot 344. It's a total of 29 recreational vehicles as well as 29 residential trailers that have been provided by the State of California's Office of Emergency Services. Part of their effort with these trailers is to provide indoor spaces for homeless individuals to protect them from COVID-19. Those trailers did arrive in San Francisco earlier last week and are now kind of being set up.

We are getting ready to roll this out and push it along. It's a total of 120 vehicles that we're proposing at this site. In support of the city's efforts, Port staff has worked with city agencies and private parties to make Port land available to us on an urgent basis for safe sheltering space for these vulnerable population.

A portion of the Backland Seawall Lot is being proposed for this vulnerable homeless population, specifically those living on the streets or in shelters in District 10. So that is really our focus area. HSA and DPH anticipate opening the site to guests mid-May, -- the date is obviously still to be determined following the completion of some site improvements. At full utilization, this site will occupy a total of 3.4 acres and will accommodate the 120 recreational vehicles as well as trailers for administrative functions and support facilities.

This includes a medical trailer, a command or administrative trailer as well as a security trailer. We want to make sure that the guests have a place to stay and then also those that are supporting us also have comfortable accommodations on site to do the work that they need to do to support guests.

Following the assessment of several public lands, the city selected this location for a variety of reasons. It's publicly owned land. It's large enough to provide acreage for fire suppression. Three-plus acres is difficult to find in San Francisco.

This was an ideal site because of its size. Also, it falls within the jurisdiction of San Francisco law enforcement agencies and that is an important piece to note. There's a list of other sites that were previously evaluated. Those include: Pier 30 and 32; Pier 80; two state assets, the Cow Palace and Candlestick Point State Recreational Area; as well as the Presidio. None of those, unfortunately, panned out. Seawall Lot 344 remained at the top of the list through the duration.

This is an image of the way that the trailers were delivered to San Francisco. As you can see, these are the 91 trailers that were provided by the State of California. This image does not yet depict the additional 29 RVs. Those have been delivered today, so they're onsite as well. It's just an image to give you a visual of the starting point of the site.

We're talking a bit more about operations. We'll have DPH and HSH begin to talk a bit about the work that their agencies are going to be doing in partnership with HSA. We will manage and operate the site collectively. Together, we'll create a service plan for the shelter that'll include medical and non-medical care services, 24-hour, 24/7 onsite monitors within that same model that we are using for congregate sheltering as well as hotel sheltering.

We will also be doing meal delivery, supporting animal care -- animal care and control is partnering with us on this -- and providing security onsite as well. Guests will be required to follow the same stay-at-home orders as the general public and will only be allowed to leave for essential trips with the appropriate face coverings.

Similar to our leased hotels, we want to provide people with everything they need, again, to safely shelter in place and remain safely on the site. While Pier 94 location does not have any immediate residential neighbors, we're approaching the development of this temporary shelter in a responsible way.

We're addressing the safety and health concerns of the surrounding Port tenants and the community as well. HSA will engage San Francisco law enforcement along with private security. We're going to double up on our security efforts here to provide patrols and round-the-clock oversight to ensure public safety within the shelter and the surrounding community.

We're drawing on the expertise of our healthcare professionals to implement safety protocols as well and will continue to protect guests from the spread of coronavirus. DPH will provide clinical support to the site. Dr. Bennett, I'm not sure if you're on the line and would like to speak a little bit to what DPH will be providing?

Ayanna Bennett - We have levels of service for all of the sites for both congregate and non-congregate sites that we've created together with HSA and HSH. This would be one where we would have some level of nursing care and physician care available to people. The monitoring and screenings that'll happen will be done by both staff at the site but also as needed by our clinical staff.



Those screenings would lead to decisions about testing and about placement or treatment for people based on what we came up with at the screening. It would be as needed, regular check-ins. And then what happens would be based on what we found.

Emily Cohen from the Department of Homelessness and Supportive Housing - I think Doris covered well the services that we plan to provide onsite: certainly meals, care support, health screenings, which have been a big part of our strategy, at all of our sites, site monitoring, case management so similar to what we provide in other homeless service programs.

In terms of our guests at Seawall Lot 344, our current plan is to use the shelter-in-place opportunity for people experiencing both sheltered and unsheltered homelessness in District 10 so very similar to the approach we're using at the hotels. This site will provide essential temporary housing to 120 of our homeless neighbors in the southeast sector of the city. We will be prioritizing people who we consider vulnerable to COVID who are people over the age of 60 or who have underlying health conditions that make them much more susceptible to COVID-19.

Access to the site will be by referral only. And there will be no walk-ins or drop-in services available. It's really important to note that people will be invited into the site similar to the way they are at our Navigation Centers by our outreach teams that are focused on D10 and really ensuring that we are serving people who are homeless in this community.

We want to ensure that this site is an asset to the neighborhood, that it helps improve safety across the neighborhood for our housed and unhoused neighbors. As we know locally and nationally, people of color in low-income communities are the hardest hit by the coronavirus. Sadly, we know these disproportionate impacts are also here in San Francisco. DPH has reported that those communities most affected by health disparities, income inequality and structural racism are also the most affected by the pandemic to date.

This data trend of positive cases in our communities of color demonstrates the importance of the city's ongoing focus on equity and efforts to support vulnerable populations during the coronavirus response. By prioritizing people experiencing homelessness in District 10, this site will help reduce the spread of coronavirus in the neighboring community. Everyone is healthier and safer when people living unsheltered have safe alternative locations to be.

There were earlier discussions with the Port and staff around serving a COVID-positive population at this site. I want to be very clear that that is not the plan. The current plan is to serve people who are vulnerable, sheltered and unsheltered living in District 10. Exit planning was another question that came up in our pre-conversations with folks. They are trying to understand what happens when the shelter-in-place order is lifted, when people no longer need this service.

HSH will be using our entire homeless response system to accommodate the increased number of people who are housed in shelter-in-place accommodations, either these RVs and trailers or hotels. That includes our shelter system, our problem solving, homeward bound, rapid rehousing and permanent supportive housing. There's no one-size fits all for an exit from this.

We are actively working to think through as we house at this point almost 1,000 more people than we had previously in these hotels, and shelter-in-place-accommodation sites, what we're going to be able to do for them and with them as the orders wind down. If people are coming from existing shelter programs, they will have the opportunity to return to shelter for an additional 30-day stay. So that is something we've done across our shelter-in-place hotels as well.

last thing I just want to touch on is how we're going to refer guests into Seawall Lot 344. We have District-10-based homeless service providers who know the community extremely well. We will be working closely with them. Additionally, we'll be working with our homeless outreach team that is based in District 10 to help us identify the most vulnerable folks on the street.

We'll be using our existing data systems to help us pull out and identify people over the age of 60 and those with those specific health conditions that make them susceptible to COVID so that we have a really strong understanding of who it is in the neighborhood, in the community that needs this service the most. And we will outreach to them specifically.

Randy Quezada - Thank you, Emily, Dr. Bennett and Doris and Trent in absentia. This concludes our presentation. What we are bringing forth is a request for the Port to enter this MOU with HSA to operate a temporary shelter site for unhoused and unsheltered people in District 10, unsheltered and sheltered people experiencing homelessness in District 10 and to waive the rent requirements, which would total \$52,520.30 per month.

Commissioner Brandon - Thank you. Before I enter a motion, because the use of this site has changed from our resolution, I need to read into the resolution the amendments we'll be requesting.

If everyone can look at Resolution 20-20, I would like to read the changes in our amendment starting with the fifth whereas. As part of the city's response, DPH and the city's Human Services Agency (HSA) have determined a need for a safe site to provide shelter, prioritizing those who need it in District 10. Everything else is deleted.

Then, on the second page, the second resolved -- resolve that Seawall Lot 344 MOU shall include a good-neighbor policy and shall expire upon either a one-year term or 60 days after the rescission of the mayor's emergency declaration with no holdover. And be it further to the last resolve will be deleted. So, can I have a motion to move forward with the amendments in Resolution 20-20?

ACTION: Commissioner Makras moved approval of the resolution, as amended; Commissioner Adams seconded the motion.

Commissioner Brandon - Thank you. We will now open the phone line. We'll open it up for public comment. Jenica, please provide instructions again now.

Jenica Liu - Thank you, President Brandon. At this time, we will open the queue for anyone on the phone who would like to make public comment on Item 6D.

Commissioner Brandon - Thank you, Jenica. Do we have anyone on the phone?

Jenica Liu - President Brandon, it looks like we have one caller so far on the phone. I will open up the line now.

Donald Whiteside, resident of Bayview District 10 – I have listened to this whole procedure. If you approve using this area for a homeless RV park, for the sake of everyone, I suggest that you make sure the health department systematically tests both the residents and the staff for COVID-19. This makes sense because the health department has already confirmed District 10 has some of the highest number of COVID-19 cases in the city. Not implementing and enforcing this policy is not in the best interest of the District 10 residents and essential workers.

Janet Carpinelli - I live in the Dogpatch - I also work with Golden Gate Audubon. So, my concern is that I believe the site is quite close to the entryway to Hanson Aggregates and Pier 94 where the wetlands are. Is that correct?

Commissioner Brandon - Yes. It is.

Janet Carpinelli: - My concern is that, because the wetlands are a bird refuge and it's really not a public park per se, we're concerned about having it open to anybody who might walk in. So, what will be the protocol for that sort of thing? Will there be any signage put up? Or what's the story going to be on that? Also, my question is, in addition, you've mentioned 120 trailers and RVs. But you have not said how many people will actually be at the site.

Commissioner Brandon - Great question.

Janet Carpinelli - Also, the concern is people and dogs, quite frankly, because dogs are a real big problem for the birds at the site, especially now that it's nesting season for birds who nest in the grasses. I would like some answers. But in addition to this, I would like something put in writing in the MOU that states that the HSA, the city and the Port recognize that this is a bird refuge. It's possibly going to be under siege if you will. I don't know if people are going to find their way there or not. I would like to know what your understanding is. Do you even know that there was a bird refuge right across the way? And what would be your answer to my concerns? And if we could have it in writing in the MOU, so we know everybody is aware of it.

Dan Dodt - Nice to hear you all. Thank you very much for taking the call. My question relates to a comment that was made that priority will be given to those who are unhoused in District 10. My concern is that there are a number of residents of District 10, people who were born and raised here who have been rendered homeless over the decades. I'm wondering if there is priority given to those people first rather than having newly arrived homeless given access to the new location. I bring this up because what we've seen over the last few years is that places like Mother Brown's and so on are no longer available or not being utilized, I should say, by native homeless simply because they're being pushed out of the way. This is really problematic for people who are from the Bayview District who unfortunately are now homeless. So, could that be addressed, please?

Commissioner Brandon – Seeing no other callers on the line, public comment is now closed. Randy, do you want to address any of those questions or concerns?

Randy Quezada - My colleagues are best positioned to answer some of the specific questions regarding the populations to be served and operations at the site. But I would like to comment on the proximity to the wetland. We are, indeed, aware of its location and its proximity to the wetlands and the natural resources that are available there. Of course, everyone who will be staying at the site will be subject to the same shelter-in-place guidelines that everyone else is and be encouraged to stay on the site except for essential activities including walking and the rest of it.

Certainly, the Port can look at providing signage and things like that. But we are looking at this site as a place of refuge and a place of safety. To the extent that people will be there to shelter in place I think is a good thing. The fact that someone may need to take a walk off the premises for exercise or something, I think, is okay. I would defer that to the expertise that we've all received, that it is okay to go out and get some exercise. The site does provide space for pets, ample space for exercise. But people may need to come and go for various reasons. But the site is designed to have people shelter in place there. And people will be encouraged to stay there. They will have ample services and meals delivered to the site and have many of the kinds of things that people would go out to get for essential reasons on the site available.

Commissioner Brandon - Does anyone else want to jump in and answer any of those questions or concerns?

Emily Cohen from the Department of Homelessness and Supportive Housing - In terms of prioritizing folks in the Bayview, I do want to remind folks that this is an emergency operation. This is intended to be stood up quite quickly. We will be using our data systems and our outreach to identify known homeless folks in the neighborhood. Doing a chronological history of somebody's time in a particular neighborhood or time homeless is a time-consuming process. We don't want to delay placement.

While we are definitely going to prioritize folks in the Bayview and we certainly understand that there are newcomers, and there are folks who have been in the community for many, many years, we do really want to focus on people who are known to our service providers in the neighborhood, known to our outreach teams, known to have been a part of the homeless community in District 10 for more than a couple of weeks. The intent is to not have this be a resource that people like flock to the area to receive. This is a resource for the area. That's why we're working with known providers and known partners in the community who have a deep understanding of the community that they serve.

Ayanna Bennett - This is a very common and really important question for everyone in the public. It has specific meaning here but I understand that it is a question that many people have. There are two things that I always want people to understand in context to the testing question. And that is that we have two limitations. The first is a limitation on our supplies. There are no stable supply lines for any of the things that we need for this response really. One of those, the very strictest one really, has been on testing supplies and staffing to do that. The other limitation is on the usefulness of the test because it doesn't have very high sensitivity. If it says you're positive, you are positive. That's accurate.

If it says you're negative, it's less useful. And also, if you're negative in this moment, that really says nothing about what happens tomorrow or the next day. So, to really be aware of all the time where you are, we have to test you every day which is just not practically possible. So, within those two limitations, we are having to do a sense of priority around testing people where the result will be the most impactful. Our recommendation for everyone's safety, the thing that is most effective more than anything else we can do in a disease that has no treatment and no vaccine is to keep people away from each other so that the virus doesn't transmit to them.

That means we're asking everyone to shelter in place and isolate from one another. This is allowing people to do that isolation. So, if you're doing our most recommended response to this emergency already, testing you to then tell you to isolate is not really very helpful. People who are in congregate settings, who are with other people, who are making continual contacts, those are people in long-term care facilities, people in still-congregate shelters, people in our rehab center, all of those people we absolutely need to know if they're positive because they're in an environment where they're still transmitting possibly to other people.

Also, those are all populations that are at high risk for having a very severe kind of COVID or even dying. We have limited resources. And we want to give you a test when we know that it will change what you are doing, which means we might remove you from your long-term care or put you in a different room. Someone who is already isolating in an RV is not being asked to do anything different with their test result. So that wouldn't be a group that we would use our limited resources to test because you're doing what we want you to do, the most effective thing, isolating.

Commissioner Gilman - I want to start off by saying that I support this item. For my fellow commissioners, I support the waiver of rent. I just wanted to spend a little bit of time explaining why I feel that way. I actually wanted to invite, if possible, Dr. Bennett to come back or Ms. Cohen because I really want to highlight the health disparities that are happening in this virus. At this time, all of us in San Francisco who have been staying at home since March 17 recognize that we've had the privilege to stay at home. There are, besides 5,000 people living on our streets who are unsheltered, there are thousands of others who are living in SROs in the Mission and Chinatown and who are living in congregate that don't have the luxury that the majority of San Franciscans do to shelter in place, to have adequate access to sanitation, to handwashing and other amenities.

As I stated on the previous agenda item, I feel strongly that the Port has an obligation to assist in this crisis. My understanding from this resolution is that this would be in place through the emergency order with a breakdown opportunity to move off the site that I have every confidence that HSH and the Department of Homelessness and Supportive Housing can do.

What I'm really interested in is understanding a little deeper. For the public, hopefully why this commission makes the decision to support this item, Dr. Bennett, if you could just for a little bit, maybe dive into the health disparities among our African American and Latin populations that, from my understanding, besides having a higher rate of infection, have a much higher death rate compared to the Anglo and Asian-American populations. I think that could be helpful.

Dr. Ayanna Bennett - My job in this activation is the incident commander for DPH at the moment. My regular job is the director of health equity for the Department of Public Health. The last black health report and all of our other activities fall under me. This is my favorite topic. We have longstanding disparities that are both structural that impact what's happening with COVID and the ones that are actually individual and physical. We know that we have more hypertension, more hypertensive heart disease, more heart disease, many conditions particularly in our African American community by usually a factor of two or three or sometimes even more than we do in other communities.

If you have a disease that is worse for you if you have any of those conditions, then this will be worse for you if you get it. So that's true of our African American community. It's absolutely true of our Pacific Islander community. It's slightly less true of our Latin community and then on down the line. We know that, if they get it, they'll have a worse outcome in that order of severity. Beyond that though is the risk of getting COVID more likely. And that is anyone who is unable to stay in their house more or less alone.

If you live with yourself and two or three other people, your risk of getting COVID is quite different from somebody who is living in very compacted housing in one

of the neighborhoods where people might have to have 12 or 13 people in a house.

We have absolutely had clusters that look just like that, where every member of that household will then get COVID. Also, if you have to go out to get food every four days because that's how much money you have at a time, you can't order from Instacart and get enough for a month because you don't have a month's worth of money at any given time, every time you leave to do that you have a risk of getting COVID from somebody in the store or on the street.

If you also have to leave to work because you get your employment money a few days at a time like a day laborer or somebody doing some kind of gig economy job, all of those people, every time they leave have a greater chance. If you are a lawyer and you've been in your house and you've barely seen another human for a month, your chance of getting COVID is quite low. If you are the janitor in that law office, you may have had to leave seven or eight times during that month. And you are, therefore, seven or eight times more likely to have gotten COVID.

We have higher risk of transmission because people are exposed more. And you have higher risk of, once you have transmission, having to go to the hospital or even passing away from your COVID. It's a double whammy. And it's a different amount for each community. There's perhaps more transmission on the Latin community and more severity among our African American. Our numbers aren't big enough, thank goodness, to be very clear about some of those things.

But we know it's worse for both. And that part is already very clear. And looking at the national numbers, we think we're before they are because we've been so aggressive. And everyone in the city has been so cooperative about doing what we've asked them to do. We are much behind other places that, without doing that, have rushed ahead of us in terms of cases. But that doesn't mean we won't get closer to where they are and therefore see the disparities at the rate they've been seeing.

We only have 23 deaths. So that's not enough to see these great big disparities that they've seen in Chicago and New York. But we expect we'll have more. Now that we haven't seen that yet, doing the aggressive things in those communities to help them get to the level where everybody else is will help us not and decrease the disparities that we know are coming. We don't see them as much as we will in coming weeks. And that means that this is the time to act.

Commissioner Gilman - Thank you. I know you went over it, Emily. But could you just please walk us through again and I apologize because I should have maybe asked for you to bring the last-point-in-time count. Can you give us a rough estimate of what you think the unsheltered population is in District 10 and, again, how you're going to do targeted outreach to ensure that those individuals have the first opportunity for this?

Emily Cohen - Absolutely. As I pull up the point-in-time count so I can be as precise as possible, I will note that we have 8,000 people experiencing homelessness in San Francisco on any given night. And that's from the 2019 point-in-time count. We estimate that about 5,000 of those folks are living unsheltered. The remainder are in our existing shelter programs. District 10 has our second highest number of homeless people. In District 10, we have 1,820 people experiencing homelessness in the district. About 1,500 of those folks are unsheltered. The capacity here is significant. It will make a significant difference in the lives of the people who receive this care. We know it's not commensurate with the need.

As we look at 1,800 people experiencing homelessness in District 10 alone, we know we have more work to do. That's why this is one part of a larger toolbox of responding to the need. This is not the only thing we're doing.

Commissioner Gilman - Thank you. I'm sorry if I missed it. Someone from the public comment asked and I don't want to assume that it would be single-use trailers per one person because that's the point of sheltering in place. But can you please remind us what the occupancy will be of the folks staying at the site?

Emily Cohen – this is intended for homeless adults. There will not be families with children onsite. However, we will allow couples to shelter in place together. If you are a family unit on the street, the trailers are large enough for two people to comfortably shelter in place together if they are a couple. We will also allow people to bring in their dogs, support animals, etcetera. But generally, this is not a family site. It is for homeless adults.

Commissioner Makras - Thank you for the presentation, very detailed. I have no questions. I'm supportive of the item.

Commissioner Woo Ho - It's a very detailed presentation. I also don't have any further questions.

Commissioner Adams - It was a very detailed question. I think Commissioner Gilman did a good enough for me. I support it.

Commissioner Brandon - Thank you. I want to thank everyone, especially Commissioner Gilman. You asked some great questions. I want to thank everyone doing this presentation: Randy, Emily, Doris, Dr. Bennett, Trent. Everyone came together to do a great presentation.

After many meetings and many conversations, I'm glad that we got to a place where we can put together a resource that will be beneficial for D10. I do hope that, within the good-neighbor policy that is created and the outreach that is done to the community prior to anyone moving into this site, that we make D10 a priority and the vulnerable population within D10.



I think that there are a lot of shelters who are overloaded and need a site for sheltering. I appreciate the fact that we have all come together and made this site available. I just have a couple of questions. The first one is, how are we going to keep this site COVID-19 negative?

Ayanna Bennett - I speak to that somewhat. Our goal is to keep people isolated. If you develop COVID-19, they'll get as close to zero interactions as they can. But I'm sure they'll have some. There's always a risk. It's not zero. Then, our treatment for you if you are not ill is to continue to isolate so that you don't give it to anybody else. That's our first concern for somebody who's not ill. So that means you're already doing what we would want you to do if you had COVID, which is to not go out and to stay inside. If you are developing illness because of that and need to go get care, then we would have onsite staff to evaluate whether you can get minimal care there or need to be transferred to a higher level of care at a hospital or some other site.

If you have people isolating successfully, it's just like all the houses in any of our neighborhoods. Some of our neighbors are going to develop COVID and they will get better. And they will recover in their homes and then come back out. The expectation here is the same as it is for the rest of the community. The other thing that is a key for all of these sites for any place where we have people is that we're trying to create reasonably stable groups.

It doesn't mean there will be no movement but as little movement as possible and for the same people so that you're interacting with a very small number of people, and it's the same consistent movement so that if you do have any transmission, it's very limited to a small group. It's not throughout a large group. We have been able to do that in sites like this. We expect to be able to do that to some degree here.

Commissioner Brandon - Will these guests be offered permanent housing from this site? I'm not saying everyone will be provided permanent housing. But is that an option?

Emily Cohen - As I mentioned before, as we move to take down this site as well as the hotels, we'll be looking across our system to respond. Not everyone will get permanent housing out of this. But we are going to make efforts to assess people while they are in shelter-in-place accommodations to identify the most vulnerable folks in our community for placement into permanent supportive housing. We will make the resource available the same way we would make it at any of our shelters through assessment and prioritization. But I cannot guarantee that people will get permanent supportive housing.

Commissioner Brandon – I was just wondering if there would be a pathway for these guests to permanent housing.

Emily Cohen - Thank you. I really appreciate everyone. I appreciate all the hard work that has gone into this. I know this is an emergency situation. I know that

things are changing rapidly. But the work that all you are doing is critical to keeping us at the level that we are that's not increasing as rapidly as other places. But we do know that District 10 is ground zero for the virus here in San Francisco. We need to do everything that we can to make sure that it does not continue to spread within the community. I am happy that we have a resource available but I do want to make sure that our resource is used to keep people healthy. With that, Amy, could we have a roll call vote?

Amy Quesada – Roll Call Vote

President Brandon - Aye  
Vice President Adams – Aye  
Commissioner Gilman - Aye  
Commissioner Makras - Aye  
Commissioner Woo Ho - Aye

Commissioner Brandon - Resolution 20-20 has passed unanimously.

## 7. ENGINEERING

- A. Request authorization to award Construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation to The Dutra Group in the amount of \$11,920,300, and authorization for a contract contingency fund of 10% of the contract amount (or \$1,192,030) for unanticipated conditions, for a total authorization not to exceed \$13,112,330. (Resolution No. 20-21)

Rod Iwashita, the chief harbor engineer for the Port - This is an action item to award the Mission Bay Ferry Landing dredging and site preparation project contract to The Dutra Group, the lowest responsive and responsible bidder to the invitation for bids published on March 11th of this year. The amount of this contract is \$11,920,300. This authorization includes a 10 percent contingency request for a total authorization of \$13,112,330. Due to the funding restrictions discussed in more detail in the funding and budget section of this Port Commission memo, work under the contract must be completed during the 2020 in-water work window, which is June through November.

Given the funding constraints exacerbated by the COVID-19 pandemic, Port staff recommend the remainder of the Mission Bay Ferry Landing work be scheduled to take place in the 2022 in-water work window. The ferry landing would sit within a half mile of approximately 11,000 new housing units, seven million square feet of new office and commercial space, over one million square feet of new retail space and 70 acres of public open space.

The location is within a block of the Muni T Third line and will be within easy walking distance of the UCSF Mission Bay Hospital and campus. The project supports the overall Mission Bay Ferry Landing project by dredging and preparing the site for ferry landing construction.

The scope of work is to: perform marine demolition and disposal of marine debris; dredging and ocean disposal of approximately 80 percent of the site dredge materials; dredging, re-handling and landfill disposal of approximately 20 percent of the site dredge materials and import and placement of a sand cap on a portion of the site.

The overall dredge and site preparation footprint is shown in the figure on the left. The figure inset on the right shows an idealized section of the bottom of the sand cap, which is shaded blue. That is the part that's included in the scope of work. The orange portion, which is a grout-filled mattress and a top sand cap are not part of this contract. That will be part of the future ferry landing construction project.

The important piece of information to take away from here is that almost all of the permits and authorizations are in place. The last permit is scheduled to be approved by the end of this month. Port staff published the advertisement for bids on the Port's website on March 11th. Project bid solicitations were sent by email distribution to 142 LBE-certified contractors as well as all active chambers of commerce and the San Francisco Public Utilities Commission Contractors Assistance Center.

There are 31 project plan holders registered on the Port's website. Ten of the 31 plan holders are LBE firms. Based on the registered plan holder list, the project had interest from dredging contractors beyond the limits of the Bay Area region. Because of the public health order requiring shelter in place was effective March 17th, Port staff conducted its first virtual, optional pre-bid conference a day later on March 18th. This successful online experience gave us confidence to conduct the bid opening in a similar online fashion and ensure a public and transparent bid process. The pre-bid conference was attended by 15 contractors, six of which were LBE firms.

A highlight of the summary of the bidder requirements is shown on this slide. With low-bid contracting the city's public works contracting ordinance requires departments to award contracts to the lowest responsible and responsive bidder. A bidder's responsibility is based on the contractor's prior relevant experience. For the purposes of this solicitation, the bidder's requirements included the requirements shown on this slide. Of note is the requirement for a safety history in the past five years with less than three or six California or federal OSHA violations. This is a new standard the city is implementing to standardize safety requirements across city departments.

On April 14, 2020, the Port received two bids for the Mission Bay Ferry Landing dredging and site preparation contract. Both bidders were deemed to be responsive and responsible. On April 22nd, CMD determined The Dutra Group to be the lowest responsive responsible bidder. The final bid rankings and bid item prices are shown on the slide. Should note that the engineers' estimate for the project was \$11.8 million. Dutra's bid is within 1 percent of our engineers' estimate.

The contract monitoring division sets LBE subcontracting requirements based on the availability of LBE firms. CMD set an 11 percent LBE subcontracting goal for this project. The Dutra Group exceeded the 11 percent LBE subcontracting goal by committing to subcontract almost 17 percent of the overall contract to micro LBE firms.

Hoseley Corporation, a micro OBE/LBE firm, will be performing 16.6 percent of the contract work. They were the prime contractor for the Port's award-winning Pier 94 Backlands project in 2019. There is a typo on the slide here. The subcontractor, the third row leftmost column, instead of reading subcontractor, it should be PCH Survey. They are another micro OBE/LBE firm. They will provide hydrographic survey services.

The Dutra Group is a marine contractor that specializes in dredge operations not only in the San Francisco Bay Area but in Southern California as well as across the United States. They have significant dredging experience and expertise with over 100 years in business. They listed three dredging projects on their bidder's qualification form, all of which were completed in the last five years.

All the list of projects demonstrates substantial experience in dredging considerable quantities as well as the handling and disposal of material classified as not suitable for unconfined aquatic disposal, which is material that will be encountered in the Mission Bay Ferry Landing project. Harry Stewart, the chief operating officer of The Dutra Group, is online and prepared to answer questions at the end of the presentation if desired.

As Port staff noted at the March 10th Port Commission meeting, staff continues to develop the funding plan for the Mission Bay Ferry Landing project. Since that meeting, staff has made two updates to the funding plan. In light of the economic shock that the city is experiencing due to the COVID-19 pandemic and the shelter-in-place order, Port staff believes that it is unlikely that Mission Bay Ferry Landing will receive project funding from the general fund in fiscal year 2021-'22 budget.

However, the Port is currently pursuing a grant from the state SB1 transportation grant program. If awarded, this grant will replace the general fund as a project source. Staff will continue to update the Port Commission as the project funding plan evolves. The funding plan for this project includes the following sources: general fund support; Office of Community Investment and Infrastructure, or OCII funds; and Port capital funds. These sources fully fund the not-to-exceed amount of \$13,112,330.

It is important to note that, if the Port does not expend the OCII funding by December of 2020, the funds will be withdrawn. These funds, which are excess proceeds from tax-exempt bonds issued by the former redevelopment agency, were appropriated to the Mission Bay Ferry Landing project by the mayor in the fiscal year 2018-'19 budget and are subject to certain requirements.

OCII is a state-authorized local entity and the department of finance has authority over its expenditures. The department of finance has been managing the process to dissolve the state's redevelopment agency since 2012 and is pushing OCII to finally expend all of the remaining funding from the former redevelopment agency in the 2020-'21 fiscal year.

If the Port cannot spend these funds by the end of the calendar year, they will revert to OCII. As we discussed with you in March, we are going to borrow from the Port's dredge maintenance fund and will pay the fund back as we receive additional funding. The project funding and use of funds for the dredging and site-preparation project is shown here. This portion of the project is fully funded assuming we move ahead today and are able to complete the in-water portion of the work by the end of November 2020.

The major schedule constraint is the regulatory restriction on in-water work for dredging and site preparation, which is limited to between June 1st through November 30th of any given year. Because of this limitation, a delay in the start of construction beyond June could jeopardize completing the in-water work during the available time, thus delaying completion by a year and jeopardizing the \$8.4 million in OCII funds for the project.

As previously mentioned, due to the economic shock the city is experiencing due to the COVID-19 pandemic and the shelter-in-place order, Port staff believes that it is unlikely that Mission Bay Ferry Landing will receive project funding from the general fund in the fiscal year 2021-'22 budget. Port staff proposed to delay the rest of the ferry landing construction project to 2022 in order to give our finance team a chance to solidify funding for the project.

In conclusion, despite budgetary uncertainty due to the COVID-19 pandemic, staff recommends moving forward with the contract and utilizing OCII funding before it expires. Port staff requests the Port Commission's authorization to award construction contract number 2830, Mission Bay Ferry Landing dredging and site preparation to The Dutra Group in the amount of \$11,920,300 and authorization for a contract contingency fund of 10 percent of the contract amount for a total authorization not to exceed \$13,112,330.

Port staff also recommends that the Port Commission authorize the executive director to accept the work once it is complete.

Commissioner Brandon - Can I have a motion?

**ACTION:** Commissioner Adams moved approval; Commissioner Gilman seconded the motion.

Commissioner Brandon - Let's open it up for public comment. Jenica, please provide the instructions again.

Jenica Liu - Thank you, President Brandon. At this time, we will open the queue for anyone on the phone who would like to make public comment on item 7A.

Commissioner Brandon - Thank you, Jenica. Do we have anyone on the phone?

Jenica Liu - President Brandon, at this time, we do not have any members of the public on the phone wishing to make public comment on this item.

Commissioner Brandon - Thank you. Seeing no callers on the phone, public comment is closed.

Commissioner Makras - I support the item. I have no questions.

Commissioner Gilman - I support the item. I have no questions.

Commissioner Woo Ho - I support the item. I'm a little bit concerned, obviously given our current situation, that funding to continue this ferry landing is a little bit in peril. I understand the reason you're asking this is because of the OCCI funds might be unavailable if we don't proceed. But then, we're not quite sure how we're going to complete the project. You've already pointed that out. I'm not sure what your answer can be. But is there anything you'd like to elaborate on how we can make this project succeed in the long term?

Katie Petrucione, the Port's CFO - As Rod articulated, Port staff continued to work to build the capital stack for this project. I am hopeful that our grant for state funding through the SB1 program will be successful. I think it is also very likely that we will put this project in the queue for potential federal stimulus funding. Those two potential sources as well as our expectation that RM3 funding will ultimately be available to the project as well as potentially some funding from reimbursement from responsible parties for the contamination at adjacent Pier 64. I am hopeful that, through all of these sources, we will be able to put together the funding that we need in order to go to construction and complete the project.

Commissioner Adams - Rod, good presentation. Commissioner Woo Ho asked a couple questions I liked. I'm supportive of this project. I'm a little concerned but seems like all these projects that we've got going on something that might wind up down the road a little bit but I'm going to support it.

Commissioner Woo Ho - We are hearing now about an infrastructure bill at the federal level as part of this COVID response, I suggest that we watch all other sources of funding very carefully because this is a setback for the water transportation network plan if this project can't proceed because we don't have enough funds. I'm concerned about that in the long run. I know you can't answer the question but would like to make sure that we continue to keep priority not only in terms of just our own local resources but also to find out whether there's anything that we could see on a federal level.

Katie Petrucione - Absolutely, Commissioner. We are definitely going to pursue federal stimulus funding for this Mission Bay Ferry Landing project.

Commissioner Adams - I've got one other thing to say. Following up on Commissioner Woo Ho, this is Speaker Pelosi's district. I think this should be on Speaker's Pelosi's radar. She's the one that's going to be pushing the stimulus bill. I clearly hope that they'll reach out to the speaker because this is in her district. She needs to bring this home.

Commissioner Brandon - Rod, thank you very much for the presentation. Given the situation that we're in, everyone is a little leery of spending this much money for a project that is not totally funded. But because of the OCII funds that have to be spent this year, I think we do need to move forward. I am very supportive of this item.

Commissioner Brandon - So with that, Amy, can we do a roll call vote?

Amy Quesada - Roll Call Vote

Commissioner Brandon – Aye  
Commissioner Adams - Aye  
Commissioner Gilman - Aye  
Commissioner Makras - Aye  
Commissioner Woo Ho - Aye

Commissioner Brandon - Resolution 20-21 has been approved unanimously.

- B. Request authorization to award Construction Contract No. 2813, 19<sup>th</sup> Street Extension and Georgia Street, to Cazadoro Construction, Inc. in the amount of \$2,809,275, and authorization for a contract contingency fund of 10% of the contract amount (or \$280,928) for unanticipated conditions, for a total authorization not to exceed \$3,090,203. (Resolution No. 20-22)

Erica Petersen - I'm the Port's project manager for the Crane Cove Park project of which this contract is included. This is an action item to award the 19th Street extension and Georgia Street contract to Cazadoro Construction, Inc., the lowest responsive and responsible bidder to the invitation for bids published on March 2nd of this year. The amount of this contract is \$2,809,275. This authorization includes a 10 percent contingency request for a total authorization of \$3,090,203.

This contract supports the goals of the Port's strategic plan. It's described further in the staff report. This contract is part of the larger Crane Cove Park project, which has been split up into five construction contracts. The end product of the overall project will be to construct a park which includes Historic Building 49, a park and a street, which is this contract. Contract one and four in the table are complete. Contract two is anticipated to be complete this spring depending on

when the shelter in place is lifted. This is contract three in the table. Contract five, Building 49, was bid in May 2019 and the bids were rejected.

The strategy for Building 49 has been to value engineer and reduce the scope in order to lower the cost and stay within the current budget. More detail on a strategy for Building 49 completion will be discussed later. The scope of work for this 19th Street extension and Georgia Street contract includes construction of approximately 950 feet of new roadway and sidewalk along with street lights, fire hydrants and a combined sewer.

The road will be divided into two segments, a 700-foot extension of 19th Street eastward from the intersection at Illinois Street, after which the road will make a 90-degree turn and then a 250-foot long new Georgia Street will be constructed.

The roadway will provide access to the Pier 70 shipyard, the greater Pier 70 development area and serve as primary access to the new 19th Street parking lot, which is currently under construction. We advertised this contract on March 2, 2020 and held an optional pre-bid meeting on March 24th via video conference due to the COVID-19 pandemic. Port staff conducted outreach to companies representing the trades for this contract before and during the advertisement period.

This solicitation included local-business-enterprise, LBE, certified contractors. The pre-bid meeting was attended by 11 contractors, nine of which are LBE firms. The bid opening was held as a video conference on April 6th. And the Port received eight bids.

You may recall from the January 14th presentation that we had two separate cost estimates done that had a large range between them. This is why we decided upon a conservative budget at \$4.3 million, which included the 10 percent contingency and that's what we presented in January.

When we went out to advertise, we determined that the \$3.2 million estimate we received was more realistic engineers' estimate to use. We are pleased that there was so much interest in this contract, and there were eight bidders which are summarized here. As you can see, six of the eight bidders were LBE contractors including the low bidder. Cazadoro's low bid came in at \$2.8 million.

Cazadoro Construction, the lowest responsible and responsive bidder, is headquartered on Bayshore Boulevard in San Francisco. The firm is certified by CMD as a woman-owned business, or WBE. Cazadoro has participated in many San Francisco Public Works projects including recent projects for SF Rec and Park and SF Public Works.

The contractors listed in Cazadoro's bid were On the Level Concrete, Bay Area Lightworks and Compass Engineering Contractors. The disadvantaged business enterprise goal was set by Caltrans as 18 percent for this contract. And Cazadoro has committed to 19.8 percent. The two DBEs are also minority-



owned businesses headquartered in the Bayview neighborhood. With the prime as a WBE firm and the total LBE participation for this contract is 98 percent.

As mentioned previously, the Crane Cove Park project is divided into five contracts including this contract. The table and figure provide a summary of the status of each. The top table shows the funding sources. As a refresher, the budget for Crane Cove Park was adjusted between 2011 and 2018 to match the project scope adjustments and has not been changed since. The budget since February 2018 has remained as \$36.6 million.

The bottom table shows a summary of the budget and is color coded to match the plan view of the site for each contract. This is contract number three, the green line item. Bid packages one and four are complete. And big page two, park improvements, is nearly complete, having been delayed due to COVID-19.

The only remaining contract is yellow, number five, Building 49. As mentioned in the January 14th Port Commission presentation, the remaining Crane Cove Park budget will be used for Building 49, and the scope will be adjusted to accommodate the budget.

Originally, the Building 49 scope included: restrooms including the associated HVAC, plumbing, lighting and electrical work; a new roof; fire protection for the building; exterior work to replace damaged exterior siding panels and painting. The scope also included a seismic and structural retrofit of the foundation and superstructure, which involved installing piles, new concrete cap beams at the foundation and new steel framing on the building.

At this time, the estimated budget for Building 49 is \$2.36 million, as shown in the last table, plus the park improvements contract contingency amount remaining once that contract is complete. As of April 2020, we estimate this to be \$600,000. Therefore, the anticipated budget for Building 49 is \$2.96 million. We estimate that the available amount would be able to fund a scope of restrooms, roof and fire protection. The exterior work and painting are listed in this table as flexible because these are areas in which we can reduce the scope if necessary.

The building has already been painted as part of the HAZMAT abatement contract so it might just require touchups. The original exterior panel design was to replace some of the panels with see-through fiberglass panels. We believe the building can still function without these panels being replaced. Elements previously included that would not be funded under this would include the seismic and structural retrofit work. This is still in line with what we discussed in the January 14th presentation.

Engineering and real estate staff believe that, with these improvements, Building 49 can still feasibly be operated for the café and recreation support uses that were originally programmed with certain limitations on building occupancy. As always, this estimate is preliminary. Any contract scope is subject to bids received at the time it's advertised.

Including the 10 percent contingency, the total funding amount is \$3,090, 203. One million dollars of that will be funded through a federal grant received from MTC and administered through Caltrans. The remainder is funded through Port capital already set aside for Crane Cove Park.

I would like to note here that we noticed a mistake in the staff report today. The report says federal grant through Caltrans. We are correcting the report and updating the legislation in the seventh whereas clause to say Cazadoro's total bid price of \$2,809,275 plus a 10 percent contingency is within the contract budget and is fully funded by the federal grant received from MTC and administered through Caltrans and Port capital.

If you approve this authorization to advertise today, we anticipate notice to proceed in July and would be on track to have substantial completion in April 2021. In conclusion, we respectfully request that you authorize the award of this contract to the lowest responsible and responsive bidder, Cazadoro Construction, Inc. We are looking forward to completing this project and opening up more access to the Pier 70 area and the entrance to the newly completed Crane Cove Park and 19th Street lot.

Myself and other Port staff are here to answer questions. And I believe Cazadoro, the contractor, is on the line too in case you have questions for them. Thank you very much for your time.

Commissioner Brandon - Can I have a motion?

ACTION: Commissioner Gilman moved approval; Commissioner Adams seconded the motion.

Commissioner Brandon - Let's open the lines up to public comment, Jenica.

Jenica Liu - Thank you, President Brandon. At this time, we will open the queue for anyone on the phone who would like to make public comment.

Commissioner Brandon - Thank you, Jenica. Do we have anyone on the phone?

Jenica Liu - President Brandon, it looks like there are no callers on the line wishing to make public comment on this item.

Commissioner Brandon - Seeing no more public comment on the phone, public comment is closed.

Commissioner Woo Ho - Thank you very much for the presentation. It was very thorough. I don't have any further questions.

Commissioner Gilman - I'm excited to see the project move forward. I'm supportive and have no questions.

Commissioner Makras - I'm supportive of the item. No questions.

Commissioner Adams - I am supportive. No questions.

Commissioner Brandon - Erica, you did such a great job there's no questions. No comments. Thank you so much for the presentation. I'm so happy to see a woman-owned business doing the construction and the 98 percent LBE effort. I think that's absolutely wonderful. When will they be able to do the construction?

Erica Petersen - That is a great question. It's up to whatever the city decides. We are trying to plan assuming everything moves at a normal pace and that's why we have assumed July. Since this is infrastructure work, we may be able to get a special waiver to do the work. But we're hoping for July.

Commissioner Brandon - Amy, can we have a roll call vote?

Amy Quesada - Roll call vote

President Brandon - Aye

Vice President Adams - Aye

Commissioner Gilman - Aye

Commissioner Makras - Aye

Commissioner Woo Ho - Aye.

Commissioner Brandon - Resolution 20-22 has been approved unanimously.

## **8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA**

Commissioner Brandon - Jenica, let's open up the line for public comment.

Jenica Liu - Thank you. At this time, we will open the queue for anyone on the phone who would like to make public comment.

Commissioner Brandon - Thank you, Jenica. Do we have anyone on the phone?

Jenica Liu - President Brandon, we have no callers on the phone wishing to make public comment.

Commissioner Brandon - Thank you. Public comment is closed.

## **9. NEW BUSINESS**

Commissioner Makras - Under the circumstances, I'd like to explore with the contractor for the Jefferson Street improvement project that we have going on if there's a possibility on fast-tracking that project now that the street is closed and business will be slower. There's obviously advantages for the city if we could fast-track that job from the schedule that we have. I'd like staff to be able to explore that.

Mike Martin - I believe they have accelerated some aspects. But we'll provide a full report. That's a very good thing that we hope people are doing.

Commissioner Gilman - I would hope possibly in May, it would be helpful to get a breakdown, Mike, of tenants by type, office, shed, restaurant, bar, retail because I am very concerned. Pier 39 is an example. Pier 23 is another example, one of our top grossing restaurants. Boudin's will be coming back much, much slower than other aspects of the Port. I would be interested to see a breakdown by business type and how we budgeted based on the revenue they would be generating, so we could have a clearer picture moving forward because it's going to be phased. As the governor's famous quote is, it's going to be toggling on, toggling off. It would be useful for us to have a better understanding of the portfolio by type and use so that we can understand what our financial risk factors are.

Mike Martin - Thanks, Commissioner. We'll definitely provide that at the next meeting.

Commissioner Brandon - I would like to thank the Port staff for putting this meeting together. I know it's our second virtual meeting but our first big virtual meeting. I know that there were some technical difficulties. Hopefully, prior to the next meeting, we will be able to work through them all. I think this was an extremely successful meeting. I want to thank Tedman and Jenica and the entire Port staff for making this happen. Thank you for all the work that you're doing throughout the city during this crisis.

## **10. ADJOURNMENT**

**ACTION:** Commissioner Woo Ho moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor.

Port Commission President adjourned the meeting at 7:36 p.m.