

City and County of San Francisco

*City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689*



MEETING MINUTES

Monday, July 21, 2008

10:00 AM

City Hall, Room 250

Regular Meeting

Government Audit and Oversight Committee

Members: Aaron Peskin, Tom Ammiano, Sophie Maxwell

Clerk: Annette Lonich (415) 554-7706

Members Present: *Aaron Peskin, Tom Ammiano, Sophie Maxwell.*

Members Excused: *None.*

Members Absent: *None.*

FONTSIZE= +1MEETING CONVENED.

The meeting convened at 10:08 a.m.

FONTSIZE= +1REGULAR AGENDA

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081013 [Economic Impact Analysis of Proposed Daytime Street Closure] Supervisors Peskin, Elsbernd,
Alioto-Pier

Resolution directing the Office of Economic Analysis and the Office of Small Business to conduct an analysis of the economic impact of the proposed "Sunday Streets" street closure planned for August 31st and September 14th on local businesses and requesting the City postpone any street closure until such analysis is completed.

7/16/08, RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Hearing held. Speakers: Supervisor Peskin; Supervisor Sandoval; Supervisor Ammiano; Supervisor Maxwell; Mike Farrah, Mayor's Office; Sue King; Karen Bell, Fisherman's Wharf CBD; Jim Lazuras,

Chamber of Commerce; Nunzio Alioto, Alioto Restaurant; Tim Paulson; Andy Thornley, SF Bicycle Coalition; Cheryl Brinkman, Livable City; Chris , SF Tomorrow; Tom Creedon, Scomas Restaurant; Jeffrey Pollack, Fisherman's Wharf Restaurant Assoc.; Steve Wifzbowski; Tom Escher, Red & White Fleet; Frank Rescino; Maggie King, Local 648; Mariann Costello, Scoma's Restaurant;

REFERRED WITHOUT RECOMMENDATION AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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081012 [Requiring Board of Supervisors' approval of the route for certain athletic events that require temporary street closures] Supervisors Peskin, Alioto-Pier

Ordinance amending Section 9.11 of the Transportation Code to require Board of Supervisors' approval of the route for an athletic event requiring temporary street closures that has not been held on substantially the same route for three or more years.

7/16/08, RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Hearing held. Speakers: Supervisor Peskin; Supervisor Sandoval; Supervisor Ammiano; Supervisor Maxwell; Mike Farrah, Mayor's Office; Sue King; Karen Bell, Fisherman's Wharf CBD; Jim Lazuras, Chamber of Commerce; Nunzio Alioto, Alioto Restaurant; Tim Paulson; Andy Thornley, SF Bicycle Coalition; Cheryl Brinkman, Livable City; Chris , SF Tomorrow; Tom Creedon, Scomas Restaurant; Jeffrey Pollack, Fisherman's Wharf Restaurant Assoc.; Steve Wifzbowski; Tom Escher, Red & White Fleet; Frank Rescino; Maggie King, Local 648; Mariann Costello, Scoma's Restaurant;

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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081001 [To offer PG&E Company an opportunity to testify on the proposed SmartMeter project] Supervisor Peskin

Hearing to offer Pacific Gas & Electric Company an opportunity to testify on the proposed SmartMeter project.

7/16/08, RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heaing held. Speakers: Supervisor Peskin
Continued to August 4, 2008.

CONTINUED by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080953 [Approval of an historical property contract for 690 Market Street ("Chronicle Building")] Supervisor Peskin

Resolution under Chapter 71 of the San Francisco Administrative Code, approving an historical property contract between RC Chronicle Building LP and 690 Market Master Association, the owners of 690 Market Street ("Chronicle Building"), and the City and County of San Francisco; authorizing the Director of Planning and the Assessor to execute the historical property contract.

(Fiscal Impact.)

7/8/08, RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

7/14/08, CONTINUED. Hearing held. Speakers: Supervisor Peskin; Supervisor Maxwell 7/14/08 - Consideration continued to 7/21/08.

Hearing held. Speakers: Supervisor Peskin

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080791 [Declaration of Policy - Repealing the Emergency Response Fee and Enactment of an Access Line Tax]

Mayor, Supervisors Peskin, Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Sandoval

Motion submitting a policy declaration to the qualified electors of the City and County of San Francisco at the November 4, 2008 election concerning the voter's non-binding recommendation that Article 10A (the Emergency Response Fee) be repealed, that Article 10B (Access Line Tax) be added to the Business and Tax Regulations Code and that the proposed Access Line Tax revenues be expended to support public safety and health by funding San Francisco's 911 Emergency Communications Center.

6/10/08, RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

7/14/08, CONTINUED. Hearing held. Speakers: Supervisor Peskin; Jim Lazuras, Chamber of Commerce; Tom Long, Deputy City Attorney; Jennifer Maas, Mayor's Office of Economic Development; Ben Rosenfield, Controller. 7/14/08 - Continued to 7/21/08.

Hearing held. Speaker: Supervisor Peskin

TABLED by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080792 [Replacing the Emergency Response Fee, with a general tax at the same rates and with the same exemptions and modernizing the Telephone Users Tax without changing the rate or exemptions.]

Mayor, Supervisors Peskin, Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Sandoval

Ordinance submitting to the voters an ordinance amending the Business and Tax Regulations Code by: (1) adding Article 10B, Sections 780-786, to replace the current Emergency Response Fee with a general tax at the same rates and with the same exemptions; (2) repealing Article 10A, Sections 750-770, to eliminate the existing Emergency Response Fee; (3) amending Article 10 by adding Sections 721, 722, and 723, amending Sections 701, 703, 707.1, and 708, and repealing Sections 702 and 707.3, all to modernize and update the Telephone Users Tax without changing the tax rate or exemptions; and (4) amending Article 6, Section 6.1-1, to make conforming changes; and ratifying past collection of the Telephone Users Tax and the Emergency Response Fee.

6/10/08, ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/10/2008. 6/23/08 - Referred to Small Business Commission for review and comment. 6/23/08 - Referred to Planning Department for environmental review. 06/30/08 - Response received from Planning, exempt from CEQA.

7/14/08, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Hearing held. Speakers: Supervisor Peskin; Jim Lazuras, Chamber of Commerce; Tom Long, Deputy City Attorney; Jennifer Maas, Mayor's Office of Economic Development; Ben Rosenfield, Controller. 7/14/08 - Consideration continued to 7/21/08.

7/14/08, CONTINUED.

Hearing held. Speakers: Supervisor Peskin; Ben Rosenfield, Controller.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080827 [To increase rates of Real Property Transfer Tax for sales in excess of \$1 million]

Supervisor McGoldrick

Ordinance amending Section 1102 of Article 12-C of the Business and Tax Regulations Code to increase the Real Property Transfer Tax rate from 0.75% to 1% if value or consideration for transfer exceeds \$1 million but is less than or equal to \$1.25 million, to 1.25% if value or consideration for transfer exceeds \$1.25 million but is less than or equal to \$1.75 million, to 1.5% if value or consideration for transfer exceeds \$1.75 million but is less than or equal to \$2 million, and to 1.75% if value or consideration for transfer exceeds \$2 million.

(Economic Impact)

6/10/08, ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/10/2008.

6/17/08, ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/10/2008. 6/23/08 - Referred to Small Business Commission for review and comment. 6/23/08 - Referred to Planning Department for environmental review. 06/30/08 - Response received from Planning, exempt from CEQA.

6/17/08, SUBSTITUTED. Supervisor McGoldrick submitted a substitute ordinance bearing new title.

7/14/08, CONTINUED. 7/14/08 - Continued to July 21, 2008.

Hearing held. Speakers: Supervisor Peskin; Debbi Lerman, SF Human Services Network; Ben Rosenfield, Controller.

TABLED by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080832 [Real Property Transfer Tax]

**Supervisors Peskin, Dufty,
Ammiano**

Ordinance submitting to the voters an ordinance amending the Business and Tax Regulations Code by: (1) amending Section 1102 to increase the Real Property Transfer Tax rate from 0.75% to 1.5% if the consideration for or value of the transfer exceeds \$5 million; (2) amending Section 1105 to reduce the tax on transfers of residential property by up to one third (1/3) if, after January 1, 2009, the transferor has installed an active solar system or made seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies; (3) amending Section 1114 to clarify application of tax to transfers of ownership interests in legal entities that own real estate; and (4) amending Section 1108.3 to apply transfer tax to transfers of 35 year or longer leasehold interests.

(Economic Impact)

6/10/08, ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/10/2008. 6/23/08 - Referred to Small Business Commission for review and comment. 6/23/08 - Referred to Planning Department for environmental review. 06/30/08 - Response received from Planning, exempt from CEQA.

6/26/08, CLERICAL CORRECTION. Clerical correction per request of City Attorney. On page 1, line 6, change "Section 1115" to read "Section 1114."

7/14/08, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Hearing held. Speakers: Supervisor Peskin; Supervisor McGoldrick; Cheryl Adams, Deputy City Attorney; Ben Rosenfield, Controller; Jennifer Maas, Mayor's Office; Ted Egan, Office of Economic Analysis; Selvin Cambell, Budget Analyst; Bill Hirst; Steve Fields; Sherilyn Adams; Jim Fabris; Jim Lazuras; SEIU Rep; Female Speaker, IHSS Public Authority; Eve Meyer; Coleman Advocate Rep.

7/14/08, CONTINUED. 7/14/08 - Consideration continued to 7/21/08.

Hearing held. Speakers: Supervisor Peskin; Debbi Lerman, SF Human Services Network; Ben Rosenfield, Controller.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080831 [Payroll Expense Tax]

Supervisor Peskin

Ordinance submitting to the voters an ordinance amending the Business and Tax Regulations Code by (1) amending Section 902.1 and adding Section 902.2 to clarify the tax liability of "pass through entities" under the Payroll Expense Tax Ordinance, including partnerships, Subchapter S corporations, limited liability companies, limited liability partnerships and other persons or entities not subject to federal income tax or which are allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such persons or entities and specifying safe harbor measure of taxable payroll expense for owners of pass through entity (80% of net earnings from self-employment); and (2) amending Section 905-A to increase the Small Business Tax Exemption to include all taxpayers whose taxable payroll expense is \$250,000 or less.

(Economic Impact)

6/10/08, ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 7/10/2008. 6/23/08 - Referred to Small Business Commission for review and comment. 6/23/08 - Referred to Planning Department for environmental review. 06/30/08 - Response received from Planning, exempt from CEQA.

7/14/08, DIVIDED. Hearing held. Speakers: Supervisor Peskin; Supervisor Ammiano; Cheryl Adams, Deputy City Attorney; Ben Rosenfield, Controller; Jennifer Maas, Mayor's Office; Ted Egan, Office of Economic Analysis; Selvin Cambell, Budget Analyst.

7/14/08, CONTINUED AS AMENDED. 7/14/08 - Consideration continued to 7/21/08.

Hearing held. Speakers: Supervisor Peskin; Debbi Lerman, SF Human Services Network; Ben Rosenfield, Controller.

TABLED by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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081030 [Payroll Expense Tax]

Supervisors Peskin, Dufty

Ordinance submitting to the voters an ordinance amending the Business and Tax Regulations Code by (1) amending Section 902.1 and adding Section 902.2 to clarify the tax liability of "pass through entities" under the Payroll Expense Tax Ordinance, including partnerships, Subchapter S corporations, limited liability companies, limited liability partnerships and other persons or entities not subject to federal income tax or which are allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such persons or entities; and specifying safe harbor measure of taxable payroll expense for owners of pass through entity (200% of compensation for its most highly paid quartile of employees); and (2) amending Section 905-A to increase the Small Business Tax Exemption to include all taxpayers whose taxable payroll expense is \$250,000 or less.

7/14/08, CONTINUED AS DIVIDED. See File 080831.

Hearing held. Speakers: Supervisor Peskin; Debbi Lerman, SF Human Services Network; Ben Rosenfield, Controller.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080283 [San Francisco Special Tax Financing Law]

Supervisor Sandoval

Ordinance amending the San Francisco Administrative Code by adding Article 43.10, Sections 43.10.1 through 43.10.23, to enact the Special Tax Financing Law establishing procedures for the formation of special tax districts, the imposition of special taxes and the issuance of bonds secured by such special tax funds.

2/26/08, ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 3/24/2008.

Hearing held. Speakers: Supervisor Sandoval; Supervisor Peskin; Nadia Sesax, Public Finance; Kenneth Roux, Deputy City Attorney.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

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Ordinance amending the San Francisco Administrative Code by adding Article 43.10, Sections 43.10.1 through 43.10.23, to enact the Special Tax Financing Law establishing procedures for the formation of special tax districts, the imposition of special taxes and the issuance of bonds secured by such special tax funds.

RECOMMENDED by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

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080842 [Funding the Guarantee Pool for the Local Business Enterprise Bonding and Financing Assistance Program] Supervisor Maxwell

Hearing on the status and future plans for agency coordination and funding the Guarantee Pool of the Local Business Enterprise Bonding and Financing Assistance Program.

6/24/08, RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Hearing held. Speakers: Supervisor Maxwell; Chris Igelsias, Human Rights Commission; Ed Lee, City Administrator; Matt Hanson, Risk Management Office; Peg Stevenson, Controller's Office; Dave Augustine, Treasurer's Office; Ed Ruskin, Department of Public Works; Sandra Crumpler, Airport; James Fields, Redevelopment Agency; Todd Rydstrom, PUC; Virginia Harmon, MTA; Ingrid Merriwether, Merriwether & Williams; Michael Spencer; Russell Snyder, Assoc. of General Contractors; Michael Baines; Marta A.; Rene Angel; Laura Luster; Matthew Huey; Len Turner; Sean Smith;

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Peskin, Ammiano, Maxwell

FONTSIZE= +1ADJOURNMENT

The meeting adjourned at 1:02 p.m.