



**City and County of San Francisco**  
**Meeting Minutes - Final**  
**Budget and Finance Committee**

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

*Members: Hillary Ronen, Ahsha Safai, Connie Chan*

*Clerk: Brent Jalipa (415) 554-7712*

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Wednesday, October 26, 2022

12:30 PM

Regular Meeting

**IN-PERSON MEETING**  
**City Hall, Legislative Chamber, Room 250**

**(remote access provided)**  
**(remote public comment provided via teleconference)**

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**Present:** 3 - Hillary Ronen, Ahsha Safai, and Connie Chan

*The Budget and Finance Committee met in a regular session, in-person with remote access and public comment via telephone, on Wednesday, October 26, 2022, with Chair Hillary Ronen presiding. Chair Ronen called the meeting to order at 12:32 p.m.*

### **Remote Access to Information and Participation**

*The Board of Supervisors and its committees convene hybrid meetings that allow in-person attendance, remote access, and public comment via teleconference. Visit the SFGovTV website ([www.sfgovtv.org](http://www.sfgovtv.org)) to stream the live meetings and watch meetings on demand or watch live meetings on San Francisco Cable Channels 26, 28, 78 or 99 (depending on your provider). Members of the public may provide public comment in-person or remotely via teleconference (detailed instructions available at: <https://sfbos.org/remote-meeting-call>).*

*Members of the public may participate by phone or may submit their comments by email to: [brent.jalipa@sfgov.org](mailto:brent.jalipa@sfgov.org); all comments received will be made a part of the official record. Regularly scheduled Budget and Finance Committee Meetings begin at 12:30 p.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.*

*Please visit the Board's website ([www.sfbos.org](http://www.sfbos.org)) regularly to be updated on the current situation as it affects the legislative process. For more information contact the Budget and Finance Committee Clerk at (415) 554-7712 or [brent.jalipa@sfgov.org](mailto:brent.jalipa@sfgov.org).*

### **ROLL CALL AND ANNOUNCEMENTS**

*On the call of the roll, Chair Ronen and Member Chan were noted present. Vice Chair Safai was noted not present. A quorum of the Committee was present.*

## COMMUNICATIONS

*Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public, when general public comment is called, to contribute live comments for up to two minutes in-person or by dialing the provided telephone number. In-person public comment will be taken before remote public comment is called. Those who are providing public comment remotely must dial \* 3 to be added to the remote queue to speak. Written comments may be submitted through email to the Budget and Finance Committee Clerk ([brent.jalipa@sfgov.org](mailto:brent.jalipa@sfgov.org)) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.*

## AGENDA CHANGES

*There were no agenda changes.*

## REGULAR AGENDA

Vice Chair Safai was noted present at 12:34 p.m.

### **220970 [Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses]**

**Sponsors: Ronen; Chan and Safai**

Ordinance amending the program established in Ordinance No. 143-21 waiving certain first-year permit, license, and business registration fees for certain businesses, retroactive to November 1, 2021, to 1) extend the program through June 30, 2023; 2) increase the gross receipts permissible for a business to qualify for the tax and fee waiver from \$2,000,000 to \$5,000,000; 3) remove the requirement that the business be located on the ground floor; (4) expand the business types covered by the waiver from commercial businesses in certain Planning Code categories to all commercial businesses; 5) extend the period for refunds to the later of one year from the date of payment or June 30, 2023; 6) revise the procedures for challenging Tax Collector determinations that a business improperly claimed a waiver under this Ordinance; 7) increase the gross receipts above which the waiver would be retroactively revoked from \$10,000,000 to \$15,000,000 in the calendar year of, or in any calendar year during the three full calendar years following, the date the business commenced business within San Francisco or opened a new business location for commercial use; and 8) make other administrative and reporting changes, as defined herein.

(Fiscal Impact)

09/13/22; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/13/2022.

09/19/22; REFERRED TO DEPARTMENT. Referred to the Office of the Treasurer and Tax Collector for informational purposes; and referred to the Small Business Commission for review and report.

10/13/22; RESPONSE RECEIVED. On October 11, 2022, the Small Business Commission met and recommended support to the proposed legislation.

10/19/22; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Amanda Fried (Office of the Treasurer and Tax Collector); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Sharky Laguana, spoke in support of the hearing matter.

Supervisor Safai requested to be added as a co-sponsor.

10/19/22; CONTINUED AS AMENDED. Chair Ronen moved that this Ordinance be RECOMMENDED AS AMENDED. Before the vote was taken, Chair Ronen withdrew this motion to recommend as amended.

*Heard in Committee. Speakers: None.*

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

Ayes: 3 - Ronen, Safai, Chan

**220931 [Real Property Lease Extension - SFII 1390 MARKET ST, LLC - 1390 Market Street - Not to Exceed \$4,959,042 in Initial Year]**

Resolution approving a lease amendment extending the term from January 1, 2023 to the date that is 5 years after the completion of certain tenant improvements for approximately 75,137 square feet at 1390 Market Street (Fox Plaza), with SFII 1390 MARKET ST, LLC as Landlord, for use by the Office of the City Attorney, at an initial annual rent of \$4,959,042 (or \$413,253.50 per month) with 3% annual increases thereafter, and City contributing \$1,600,000 toward the cost of the tenant improvements; and approving the continued use of a portion of the premises for childcare services. (Real Estate Department)  
(Fiscal Impact)

08/15/22; RECEIVED FROM DEPARTMENT.

09/06/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/21/22; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Andrico Penick, Director (Real Estate Division); Nicolas Menard (Office of the Budget and Legislative Analyst); Katharine Porter (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

10/19/22; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speaker: Nicolas Menard (Office of the Budget and Legislative Analyst); Claudia Gorham (Real Estate Division); Charles Sullivan (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

10/19/22; CONTINUED AS AMENDED.

*Heard in Committee. Speaker: Katie Porter (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.*

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

Ayes: 3 - Ronen, Safai, Chan

**220989 [Airport Professional Services Agreement - SFO Hotel Shuttle, Inc. - Airport Shuttle Bus Services - Not to Exceed \$72,612,418]**

Resolution approving a Professional Services Agreement for Airport Contract No. 50303 to provide shuttle bus services at the San Francisco International Airport (Airport), between SFO Hotel Shuttle, Inc., and the City and County of San Francisco, acting by and through its Airport Commission, in an amount not to exceed \$72,612,418 for a period of five years to commence upon Board of Supervisors approval, pursuant to Charter, Section 9.118(b). (Airport Commission)  
(Fiscal Impact)

09/12/22; RECEIVED FROM DEPARTMENT.

09/27/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speakers: Dyanna Volek (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Kim Tavaglione (San Francisco Labor Council); spoke in support of the hearing matter.*

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

Ayes: 3 - Ronen, Safai, Chan

**220991 [Contract Agreement - Retroactive - California Department of Health Care Services - Substance Use Disorder Services - Not to Exceed \$248,687,500]**

Resolution retroactively approving Agreement No. 22-20154, between the Department of Public Health, Behavioral Health Services and the California Department of Health Care Services, to provide substance use disorder services, for an amount not to exceed \$248,687,500 for the seven year term of July 1, 2022, through June 30, 2027; and to authorize the Department of Public Health to enter into amendments or modifications to the agreement prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Public Health Department)

09/16/22; RECEIVED FROM DEPARTMENT.

09/27/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker: Max Rocha (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.*

**Chair Ronen moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Line 6, by replacing 'seven year term' with 'five year term'. The motion carried by the following vote:**

Ayes: 3 - Ronen, Safai, Chan

Resolution retroactively approving Agreement No. 22-20154, between the Department of Public Health, Behavioral Health Services and the California Department of Health Care Services, to provide substance use disorder services, for an amount not to exceed \$248,687,500 for the five year term of July 1, 2022, through June 30, 2027; and to authorize the Department of Public Health to enter into amendments or modifications to the agreement prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Public Health Department)

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

Ayes: 3 - Ronen, Safai, Chan

**221003 [Administrative Code - Low-Value Real Property and Possessory Interest Tax Exemptions]**

**Sponsor: Stefani**

Ordinance amending the Administrative Code to exempt from property taxation real property valued at \$1,000 or less and possessory interests valued at \$4,000 or less, beginning in the 2023-2024 assessment year.

09/20/22; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/20/2022.

09/23/22; REFERRED TO DEPARTMENT. Referred to the Office of the Treasurer and Tax Collector, and Office of the Assessor-Recorder for informational purposes.

*Heard in Committee. Speakers: Lauren Philibosian (Office of the Treasurer and Tax Collector); Holly Lung (Office of the Assessor-Recorder); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.*

**Vice Chair Safai moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the threshold value of the exemption from property taxation of real property from '\$1,000' to '\$500' throughout the legislation. The motion carried by the following vote:**

Ayes: 3 - Ronen, Safai, Chan

Ordinance amending the Administrative Code to exempt from property taxation real property valued at \$500 or less and possessory interests valued at \$4,000 or less, beginning in the 2023-2024 assessment year.

**Vice Chair Safai moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:**

Ayes: 3 - Ronen, Safai, Chan

### **221034 [Hearing - Felton Institute - Employee Wages and Benefits]**

**Sponsors: Melgar; Safai, Preston and Walton**

Hearing to discuss employee wages and benefits at the Felton Institute, which receives \$20,000,000 from the City and County of San Francisco, and the operational impact of labor disruptions on the employees and clients seeking social services at the Felton Institute; and requesting representatives from the Felton Institute, SEIU 1021, Felton unaffiliated workers, and the Department of Early Childcare to report.

09/27/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

09/30/22; REFERRED TO DEPARTMENT. Referred to the Felton Institute, SEIU 1021, and the Department of Early Childcare for informational purposes.

*Heard in Committee. Speakers: Supervisor Myrna Melgar (Board of Supervisors); Brandon Dawkins, Hector Jimenez Cardenas, and Grecia Rojas (Service Employees International Union, Local 1021); Courtney Lorraine; Melanie Carrol; Sarah Tiffany Richardson-Baker (Felton Institute); provided an overview and responded to questions raised throughout the discussion. Aida Palomera; Hillandro Castro; Anna Pedrosa; Verica Gombo; Grace Jimenez Ayella; Jason; Courtney Lorraine; Stephanie; James Chung, Nicole Christian, Angel Valdez, Grecia Rojas; Brandon Dawkins, Jamaica Reddick; and Kirstin Hardy (Service Employees International Union, Local 1021); Sam Meredith (Tenderloin Housing Clinic); Kim Tavaglioni (San Francisco Labor Council); Rudy Gonzales (Building and Construction Trade Council); Mariah Sennett; Speaker; Symphony Wren; Speaker; Jessica; Portia; Sierra Packs; Debbie Dobson; Jen Lontoc; Lou; Nicole; Ruth Soto; Melissa Serrano; Speaker; spoke on various concerns relating to the hearing matter.*

**Member Chan moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:**

Ayes: 3 - Ronen, Safai, Chan

### **220973 [Accept and Expend Grant - Retroactive - California Board of State and Community Corrections - Public Defense Pilot Program - \$1,194,950]**

**Sponsors: Mayor; Ronen**

Resolution retroactively authorizing the Public Defender's Office to accept and expend a grant in the amount of \$1,194,950 from the California Board of State and Community Corrections, to comply with Penal Code, Sections 170(d)/1170.03/1172.1, 1170.95/1172.6, 1473.7 and 3501's mandate to use these funds to support the resentencing of individuals, for the period March 1, 2022, through March 1, 2025. (Public Defender)

09/13/22; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker: Danielle Harris (Office of the Public Defender); provided an overview and responded to questions raised throughout the discussion.*

*Supervisor Ronen requested to be added as a co-sponsor.*

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

Ayes: 3 - Ronen, Safai, Chan

## **ADJOURNMENT**

*There being no further business, the Budget and Finance Committee adjourned at the hour of 2:56 p.m.*

*N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.*