



City and County of San Francisco
Meeting Minutes
Budget and Finance Committee

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

Members: Sandra Lee Fewer, Shamann Walton, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, November 4, 2020

10:30 AM

Regular Meeting

Present: 3 - Sandra Lee Fewer, Shamann Walton, and Rafael Mandelman

The Budget and Finance Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Wednesday, November 4, 2020, with Chair Sandra Lee Fewer presiding. Chair Fewer called the meeting to order at 10:31 a.m.

Remote Access to Information and Participation

In accordance with Governor Newsom's Executive Order No. N-33-20 declaring a State of Emergency regarding the COVID-19 outbreak and Mayor London N. Breed's Proclamation declaring a Local Emergency issued on February 25, 2020, including the guidance for gatherings issued by the San Francisco Department of Public Health Officer, aggressive directives were issued to reduce the spread of COVID-19. On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand. Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>.

Members of the public may participate by phone or may submit their comments by email to: linda.wong@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Budget and Finance Committee Meetings begin at 10:30 a.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Fewer, Vice Chair Walton, and Member Mandelman were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Fewer was noted absent at 10:45 a.m.

Vice Chair Walton recessed the meeting at 10:49 a.m.

Chair Fewer reconvened the meeting at 10:55 a.m.

Chair Fewer was noted present at 10:55 a.m. and for the remainder of the meeting.

201163 [Amendments to Port Leases - Forgive Tenant Rent During COVID-19 Pandemic]

Ordinance authorizing the Port Commission to amend certain leases under the Port's Rent Forgiveness Program with nonresidential tenants without Board of Supervisors approval under Charter, Section 9.118, and waiving Administrative Code and Environment Code requirements enacted after the most recent modification of each lease for lease amendments under the Port's Rent Forgiveness Program, in order to allow for expeditious rent forgiveness necessitated by Port tenants' financial hardships caused by the public health emergency related to the COVID-19 pandemic. (Port) (Fiscal Impact)

10/09/20; RECEIVED FROM DEPARTMENT.

10/20/20; ASSIGNED to Budget and Finance Committee. 10/15/2020 - President Yee waived the 30-Day Rule pursuant to Board Rule No. 3.23.

Heard in Committee. Speakers: Elaine Forbes, Executive Director and Crezia Tano-Lee (Port); Nick Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Walton, Mandelman

201009 [Business and Tax Regulations Code - Temporary Suspension of Cannabis Business Tax, and Tax Reduction]**Sponsor: Mandelman**

Ordinance amending the Business and Tax Regulations Code to suspend the imposition of the Cannabis Business Tax through December 31, 2021; beginning January 1, 2022, to increase the exemption of gross receipts attributable to the City from cannabis business activities, from the first \$500,000 to the first \$1,000,000; and also beginning January 1, 2022, to increase the upper range of gross receipts attributable to the City from cannabis business activities subject to the 2.5% tax rate on gross receipts from retail sales and the 1% tax rate on gross receipts from other than retail sales, from \$1,000,000 to \$1,500,000.

(Fiscal Impact)

09/01/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/1/2020.

09/16/20; REFERRED TO DEPARTMENT. Referred to the Offices of Cannabis, Treasurer and Tax Collector, and Controller for informational purposes. Referred to the Small Business Commission for review and comment.

Heard in Committee. Speakers: Nick Menard (Office of the Budget and Legislative Analyst); Tom Temprano (Office of Supervisor Rafael Mandelman); Ray Law (Office of Cannabis); provided an overview and responded to questions raised throughout the discussion. David Goldman; Kathleen; Nina Parks; Speaker; Rudy Cortis; spoke in support of the hearing matter.

Member Mandelman moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

201085 [Appropriation - General Obligation Bond Proceeds - Public Health and Safety Series 2020D - DPH and DPW - \$126,925,000 - Affordable Housing Series 2020C - MOHCD - \$260,000,000 - Affordable Housing Series 2020F - MOHCD - \$102,580,000 - FY2020-2021]**Sponsor: Mayor**

Ordinance appropriating \$126,925,000 of Series 2020D Public Health and Safety General Obligation Bond Proceeds to the Department of Public Health (DPH) and Department of Public Works (DPW) in Fiscal Year (FY) 2020-2021 for facility upgrades in Zuckerberg San Francisco General Hospital, Southeast and other community health centers and neighborhood fire stations; \$260,000,000 of Series 2020C Affordable Housing General Obligation Bond Proceeds to the Mayor's Office of Housing and Community Development (MOHCD) for public, low-income, preservation and middle-income, and senior housing projects; \$102,580,000 of Series 2020F Affordable Housing, Preservation and Seismic Safety General Obligation Bond to MOHCD for preservation and seismic safety projects, and placing these funds on Controller's Reserve pending sale of the bonds.

(Fiscal Impact)

09/22/20; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/22/2020.

10/28/20; CONTINUED. Heard in Committee. Speakers: Marisa Tully Pereira (Office of the Controller); Severin Campbell (Office of the Budget and Legislative Analyst); Jonah Lee (Mayor's Office of Housing and Community Development); Anne Pearson (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speaker: Lydia Ely (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Walton, Mandelman

201191 [Accept and Expend Grant - Retroactive - Centers for Disease Control and Prevention - California Department of Public Health - Coronavirus (COVID-19) Epidemiology and Laboratory Capacity (ELC) Enhancing Detection Funding - \$6,540,700]

Sponsor: Mayor

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$6,540,700 from the Centers for Disease Control and Prevention through the California Department of Public Health for participation in a program, entitled "Coronavirus (COVID-19) Epidemiology and Laboratory Capacity (ELC) Enhancing Detection Funding," for the period of May 18, 2020, through November 17, 2022. (Public Health Department)

10/20/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

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

Ayes: 3 - Fewer, Walton, Mandelman

201192 [Contract Amendment - Color Genomics, Inc. - COVID-19 Testing Services - Not to Exceed \$84,382,042]

Sponsor: Mayor

Resolution approving Amendment No. 3 to the agreement between Color Genomics, Inc. and the Department of Public Health, for COVID-19 testing services, to increase the agreement amount by \$74,482,042 for a total not to exceed amount of \$84,382,042; and to establish a specific term end date of March 31, 2021, for a total agreement term of April 6, 2020, through March 31, 2021. (Fiscal Impact)

10/20/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Drew Murrell (Department of Public Health); Risa Sandler (Office of the Controller); Nick Menard (Office of the Budget and Legislative Analyst); Naveena Bobba (Department of Public Health); Caroline Savello (Color Genomics Inc.); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to provide for a term end date of April 5, 2021, rather than March 31, 2021. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

Resolution approving Amendment No. 3 to the agreement between Color Genomics, Inc. and the Department of Public Health, for COVID-19 testing services, to increase the agreement amount by \$74,482,042 for a total not to exceed amount of \$84,382,042; and to establish a specific term end date of April 5, 2021, for a total agreement term of April 6, 2020, through April 5, 2021. (Fiscal Impact)

Chair Fewer moved that this Resolution be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of November 18, 2020. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman

201193 [Standard Agreement - California Department of Housing and Community Development - Homekey Grant - Permanent Supportive Housing - Tourist Hotel at 440 Geary Street - Not to Exceed \$30,000,000]

Sponsor: Mayor

Resolution authorizing the Department of Homelessness and Supportive Housing (HSH) to execute a Standard Agreement and Homekey Documents for up to \$30,000,000 of Homekey grant funds from the California Department of Housing and Community Development to Episcopal Community Services for the acquisition of a 130-room tourist hotel located at 440 Geary Street (Assessor's Parcel Block No. 0306, Lot No. 007) for use as proposed future permanent supportive housing; approving and authorizing HSH to commit approximately \$27,473,340 in City funds to satisfy local match and operational subsidy requirements for five years, to commence following Board approval and upon the final award; and affirming the Planning Department's determination under the California Environmental Quality Act. (Department of Homelessness and Supportive Housing) (Fiscal Impact)

10/20/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Gigi Whitney (Department of Homelessness and Supportive Housing); Nick Menard (Office of the Budget and Legislative Analyst); Anne Pearson (Office of the City Attorney); Joy Navarrete (Planning Department); provided an overview and responded to questions raised throughout the discussion. Rebecca Foster; Rebecca Gigi; spoke in support of the hearing matter.

Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 3, Lines 17-19, after '65913.4' by inserting 'and is otherwise categorically exempt from environmental review under California Public Resources Code section 21083 and CEQA Guidelines section 15301, and'; on Page 3, Line 23, after 'subject to' by inserting 'or are exempt from'; and to make other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Fewer, Walton, Mandelman
(Fiscal Impact)

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

Ayes: 3 - Fewer, Walton, Mandelman

201195 [Accept and Expend In-Kind Gift - University of San Francisco School of Law - Racial Justice Clinic Work - Estimated at \$250,000]

Sponsor: Fewer

Resolution authorizing the Office of the District Attorney to accept and expend an in-kind gift estimated at \$250,000 from the University of San Francisco School of Law's Racial Justice Clinic to hire two staff attorneys to support the District Attorney's efforts to evaluate and remedy cases involving a claim or excessive sentence or wrongful conviction. (District Attorney)

10/20/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Tara Anderson (Office of the District Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Walton, Mandelman

201082 [Lease Agreement - Minute Suites Travelers Retreat SFO, LLC - \$150,000 Minimum Annual Guarantee]

Resolution approving Lease No. 20-0045, between Minute Suites Travelers Retreat SFO, LLC, as tenant, and the City and County of San Francisco, as landlord, acting by and through its Airport Commission, at the Harvey Milk Terminal 1 Retail Concession, for a term of 12 years, and a minimum annual guarantee of \$150,000 for the first year of the Lease, to commence upon approval by the Board of Supervisors. (Airport Commission)

09/14/20; RECEIVED FROM DEPARTMENT.

09/29/20; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Dyanna Quizon (Airport Department); Nick Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Walton, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:39 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.