



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

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

Members: Connie Chan, Rafael Mandelman, Ahsha Safai, Hillary Ronen, Shamann Walton

Clerk: Brent Jalipa
(415) 554-7712 ~ brent.jalipa@sfgov.org

Wednesday, July 12, 2023

10:00 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Present: 3 - Connie Chan, Ahsha Safai, and Shamann Walton

Excused: 2 - Rafael Mandelman, and Hillary Ronen

The Budget and Appropriations Committee met in a rescheduled session, in-person with remote access and public comment via telephone, on July 12, 2023, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:02 am.

Remote Access to Information and Participation

The Board of Supervisors (www.sfbos.org) and its committees convene hybrid meetings that allow in-person attendance, in-person public comment (prioritized before remote public comment), remote access (watch: www.sfgovtv.org), and remote public comment via teleconference (<https://sfbos.org/remote-meeting-call>). Members of the public may also submit their comments by email to the Clerk listed above; all comments received will be made a part of the official record.

ROLL CALL AND ANNOUNCEMENTS

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

COMMUNICATIONS

Brent Jalipa, Budget and Appropriations Committee Clerk, instructed members of the public, that if general public comment is called, to contribute live comments in-person or by dialing the telephone number published on the agenda and scrolling across the screen. Clerk Jalipa further announced that 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 (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

Supervisors Mandelman and Ronen Excused from Attendance

Chair Chan, seconded by Member Walton, moved to excuse Supervisors Mandelman and Ronen from attending the Budget and Appropriations Committee meeting on July 12, 2023. The motion carried by the following vote:

Ayes: 3 - Chan, Safai, Walton

Excused: 2 - Mandelman, Ronen

230155 [Business and Tax Regulations Code - Gross Receipts Tax Rate Increase Postponement and Credits for Opening City Location]

Sponsors: Mayor; Engardio

Ordinance amending the Business and Tax Regulations Code to extend through December 31, 2024, the Gross Receipts Tax rates in effect on January 1, 2022, for the business activities of retail trade, certain services, manufacturing, food services, accommodations, and arts, entertainment and recreation, and postpone to January 1, 2025, the imposition of the Gross Receipts Tax rates otherwise set to go into effect beginning January 1, 2023, for those business activities; and to provide for businesses that open a physical location in certain zip codes in the City on or after January 1, 2023, through December 31, 2027, and that did not have a physical location in the City for at least three years prior to that opening, an annual Gross Receipts Tax credit equal to 0.45% of the business's San Francisco taxable gross receipts from one or more of the business activities of information, administrative and support services, financial services, insurance, and professional, scientific and technical services, for businesses not engaged in business in the City as an administrative office, or 0.7% of the taxable payroll expense of a business that engages in business in the City as an administrative office, for each of up to three tax years immediately following the tax year in which the business opened the physical location, but no later than the 2028 tax year, and not to exceed \$1,000,000 per tax year.

(Economic Impact)

(Fiscal Impact)

02/14/23; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 3/16/2023.

03/21/23; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee. Mayor Breed substituted the Ordinance bearing a new title.

03/29/23; REFERRED TO DEPARTMENT. Referred to the Office of the Treasurer and Tax Collector for informational purposes; and Small Business Commission for comment and recommendation.

06/28/23; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Anna Duning, Budget Director (Mayor's Office of Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion.

06/28/23; CONTINUED AS AMENDED.

Heard in Committee. Speaker: Eileen Boken; spoke in opposition to the hearing matter.

Chair Chan, seconded by Member Safai, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Safai, Walton

Excused: 2 - Mandelman, Ronen

230657 [Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax - Services to Prevent Homelessness - \$16,360,000]**Sponsor: Mayor**

Ordinance reallocating approximately \$16,360,000 in unappropriated earned interest revenues from the Our City, Our Home Fund to allow the City to use such revenues from the Homelessness Gross Receipts Tax for certain types of services to prevent homelessness; temporarily suspending the limit on funding for short-term rental subsidies; and finding that these changes are necessary to achieve the purposes of the Our City, Our Home Fund pursuant to Business and Tax Regulations Code, Section 2811.

(Pursuant to Business and Tax Code, Section 2811, the Board of Supervisors may amend Article 28 by ordinance, by a two-thirds vote and only to further the overall findings and intent of Proposition C.)

(Fiscal Impact)

06/01/23; RECEIVED.

06/06/23; ASSIGNED to Budget and Appropriations Committee. 6/5/23 - President Peskin waived the 30-day rule pursuant to Board Rule No. 3.22.

06/15/23; CONTINUED. Heard in Committee. Speakers: Shireen McSpadden, Director, and Gigi Whitley (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Adbul Reyes; Miguel Cabrera (Coalition on Homelessness); Speaker; Marne Regan (Larkins Street Youth Services); Rachel Stoltzfus, Jamie Lang, and Martha Ryan (Homeless Prenatal Program); Jennifer Friedenbach (Coalition on Homelessness); Celia Rivera (Compass Family Services); Jovita Jilorio; Speaker; Jose Angel; Norma Elizabeth Ishkoy; Surri; Angeline; Eric; Rosie; Sherilyn Adams (Larkin Street Youth Services); Beverly Upton. Director (San Francisco Domestic Violence Consortium); Charles Deffarges (Episcopal Community Services of San Francisco); Speaker; Ephraim; Fred Mulheim; Li Lovett (SFccho); Flo Kelly; Mark Nagle and Carolyn Kenady (Rescue SF); Speaker; Jessica Hernandez; Maricela Laia; Kristin Evans; Arevalo; Karin Adams (Homeless Youth Alliance); Joe Wilson (Hospitality House); Joy Jackson-Morgan; spoke on various concerns relating to the hearing matter.

06/28/23; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: None.

06/28/23; CONTINUED AS AMENDED.

Heard in Committee. Speakers: None.

Chair Chan, seconded by Member Safai, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Safai, Walton

Excused: 2 - Mandelman, Ronen

ADJOURNMENT

There being no further business, the Budget and Appropriations Committee adjourned at the hour of 10:12 a.m.

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