



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: Malia Cohen, Sandra Lee Fewer, Catherine Stefani

Clerk: Linda Wong (415) 554-7719

Thursday, February 8, 2018

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Malia Cohen, Sandra Lee Fewer, and Catherine Stefani

The Budget and Finance Committee met in regular session on Thursday, February 8, 2018, with Chair Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 10:08 a.m. On the call of the roll, Chair Cohen, Vice Chair Fewer, and Member Stefani were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

180100 [Accept and Expend Grant - Association of Bay Area Governments - Bay Area Regional Network - Energy Efficiency Program Implementation - \$511,017]

Sponsor: Yee

Resolution retroactively authorizing the Department of the Environment to accept and expend grant funds from the Association of Bay Area Governments in the amount of \$511,017 to perform energy efficiency program implementation, as part of a Bay Area Regional Energy Network program, an energy efficiency program for the term from January 1, 2018, to December 31, 2018.

01/23/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Supervisor Norman Yee (Board of Supervisors); Peter Gallotta (Department of the Environment); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Fewer moved that this Resolution be AMENDED on Page 2, Line 18, by replacing '161248' with '25-17'. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

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

Ayes: 3 - Cohen, Fewer, Stefani

180070 [Real Property Lease Renewal and Amendment - BRCP 1390 Market, LLC - 1390 Market Street - Initial Annual Base Rent of \$1,801,119.96]

Resolution authorizing the potential three year renewal and amendment of a lease of approximately 27,826 square feet of space at 1390 Market Street with BRCP 1390 Market, LLC, as Landlord, for use by the Department of Public Health at the initial annual cost of \$1,801,119.96 (or \$150,093.33 monthly) and 3% annual increases thereafter, for a three year term from December 1, 2018, through November 30, 2021, subject to City's right to terminate early, and two five-year options to extend. (Real Estate Department)
(Fiscal Impact)

01/05/18; RECEIVED FROM DEPARTMENT.

01/23/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: None.

Chair Cohen moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of February 15, 2018. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180097 [Real Property Lease - HV Partners Block 10, L.P. - 901 Fairfax Avenue, Hunters View Phase 2B, Block 10 - \$0 Monthly Base Rent with Reimbursement to Landlord Up to \$100,000]

Sponsor: Cohen

Resolution authorizing the lease of approximately 794 square feet at 901 Fairfax Avenue, Hunters View Phase IIB - Block 10 with HV Partners Block 10, L.P., a California limited partnership, at the monthly base rent of \$0 with reimbursement up to \$100,000 to the landlord for tenant improvements, furniture, fixtures, and equipment, and additional \$800 charge for utilities and services per month, for a 15-year term with options to extend for one-year terms commencing upon approval by the Board of Supervisors and Mayor; adopting findings under the California Environmental Quality Act, Public Resources Code, Section 21000 et seq.; and finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

01/23/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Rhea Bailey (Department of Public Health); Claudia Gorham (Real Estates Division); provided an overview and responded to questions raised throughout the discussion.

Member Stefani moved that this Resolution be AMENDED to correctly state that the General Plan Referral dated January 19, 2018, found that the proposed Lease is a part of a larger project developed by HV Partners Block 10, L.P. for which an Environmental Impact Report (2007.0168E) was prepared pursuant to the California Environmental Quality Act and was certified by the San Francisco Planning Commission on June 12, 2008, rather than categorically exempt from environmental review under Class 1 (CEQA Guidelines Section 15301). The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

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

Ayes: 3 - Cohen, Fewer, Stefani

171294 [Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Additional Gross Receipts Tax on Commercial Rents]**Sponsor: Peskin**

Motion ordering submitted to the voters, at an election to be held on June 5, 2018, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an additional tax of 2% on the gross receipts from the lease of commercial space in the City, to fund transportation operations and infrastructure; and increasing the City's appropriations limit by the amount collected under the new tax for four years from June 5, 2018.

(Economic Impact)

12/05/17; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/4/2018.

12/22/17; REFERRED TO DEPARTMENT. Referred to Small Business Commission for comment and recommendation.

12/27/17; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; Office of the Controller for financial analysis report; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, Office of the City Administrator, Office of the Treasurer and Tax Collector, and Real Estate Division for reports and/or comments, pursuant to Rules of Order 2.22.4.

Heard in Committee. Speaker: Ace Washington; spoke neither in support nor opposition to the hearing matter.

Chair Cohen moved that this Motion be TABLED. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180058 [Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Commercial Rents Tax - Early Child Care and Education]

Sponsors: Kim; Yee, Ronen, Fewer and Peskin

Motion ordering submitted to the voters, at an election to be held on June 5, 2018, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an additional tax on the gross receipts from the lease of commercial space in the City, in the amount of 1% for warehouses and 3.5% for other commercial uses, to fund the Babies and Families First Fund for quality early care and education for children from birth through five years of age and the General Fund; exempting from the additional tax rents from industrial, artist, non-formula retail, nonprofit, and government uses; increasing the City's appropriations limit by the amount collected under the new tax for four years from June 5, 2018; and affirming the Planning Department's determination under the California Environmental Quality Act.

(Economic Impact)

01/09/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 2/8/2018.

01/12/18; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; Office of the Controller for financial analysis report; Small Business Commission for comment and recommendation; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, Office of the City Administrator, Office of the Treasurer and Tax Collector, Office of Early Care and Education, and Budget and Legislative Analyst for reports and/or comments, pursuant to Rules of Order 2.22.4.

Heard in Committee. Speakers: Supervisor Norman Yee (Board of Supervisors); Ivy Lee (Office of Supervisor Jane Kim); Ted Egan (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Michael Weinberg; John Bozeman (BOMA San Francisco); spoke neither in support nor opposition to the hearing matter.

Member Fewer moved that this Ordinance be CONTINUED to the Budget and Finance Committee meeting of February 15, 2018. The motion carried by the following vote:

Ayes: 2 - Fewer, Stefani

Noes: 1 - Cohen

Chair Cohen moved to rescind the previous vote. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Member Stefani moved that this Ordinance be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

171296 [Hearing - Business Tax Reform Transition and Progress]

Sponsor: Cohen

Hearing to provide an update on the Business Tax Reform plan, its affect on revenue levels, and their impact on business and job growth; and requesting the Office of the Controller, Mayor's Office of Budget, and Office of Small Business to report.

12/05/17; RECEIVED AND ASSIGNED to Budget and Finance Committee.

12/22/17; REFERRED TO DEPARTMENT. Referred to Office of the Controller, Mayor's Office of Budget, and Office of Small Business for informational purposes.

Heard in Committee. Speakers: Ted Egan (Office of the Controller); Supervisor Norman Yee (Board of Supervisors); Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. John Bozeman (BOMA San Francisco); spoke neither in support nor opposition to the hearing matter.

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

Ayes: 3 - Cohen, Fewer, Stefani

180067 [Hearing - Annual Review and Adoption of the Board of Supervisors/Clerk of the Board Draft Budget - FYs 2018-2019 and 2019-2020]

Hearing to consider the annual review and adoption of the Proposed Draft Budget for FYs 2018-2019 and 2019-2020 for the Board of Supervisors/Office of the Clerk of the Board; and requesting the Office of the Clerk of the Board to report. (Clerk of the Board)

01/09/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Angela Calvillo, Clerk of the Board (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:58 a.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.