



City and County of San Francisco
Meeting Minutes
Budget and Finance Sub-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, July 19, 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 Sub-Committee met in a regular session on Thursday, July 19, 2018, with Chair Malia Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 10:02 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

180441 [Airport Professional Services Contract - Management and Operation of the Airport's Public and Employee Parking Facilities - Not to Exceed \$124,812,393]

Resolution retroactively approving Professional Services Contract No. 50107.01 for the Management and Operation of the Airport's Public and Employee Parking Facilities between New South Parking - California, GP, and the City and County of San Francisco, acting by and through its Airport Commission, in an amount not to exceed \$124,812,393 over a five year term from July 1, 2018, through June 30, 2023. (Airport Commission)
(Fiscal Impact)

04/27/18; RECEIVED FROM DEPARTMENT.

05/08/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

07/12/18; CONTINUED. Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Representatives (Air India Limited); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Cohen moved that this Resolution be REFERRED WITHOUT RECOMMENDATION AS COMMITTEE REPORT. The motion failed by the following vote:

Noes: 3 - Cohen, Fewer, Stefani

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

Ayes: 3 - Cohen, Fewer, Stefani

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Patricia Rodriguez (SF Parking, LLC); John Newman (Newman Group); Joy Riddle; provided an overview and responded to questions raised throughout the discussion. Doug Parrish (Red Dipper, Inc.); Benny Yee; Speaker; spoke in opposition to the hearing matter.

Chair Cohen moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Chair Cohen requested File No. 180422 and 180379 be called together.

180422 [Airport Professional Services Agreement Modification - WCME JV - Terminal 3 West Modernization Project - Not to Exceed \$14,000,000]

Resolution approving Modification No. 4 to Airport Contract 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, between WCME JV, and the City and County of San Francisco, acting by and through its Airport Commission, for a total amount not to exceed \$14,000,000 for services, extending the term by seven months, for a total term of April 4, 2017, through April 4, 2019, pursuant to Charter, Section 9.118(b); and approving an amount not to exceed of \$60,000,000 for further modifications. (Airport Commission)
(Fiscal Impact)

04/20/18; RECEIVED FROM DEPARTMENT.

05/01/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

06/21/18; TRANSFERRED to Budget and Finance Sub-Committee. President Breed transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); and provided an overview and responded to questions raised throughout the discussion.

Vice Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by removing language on future contract modifications without the Board of Supervisors approval. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Resolution approving Modification No. 4 to Airport Contract 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, between WCME JV, and the City and County of San Francisco, acting by and through its Airport Commission, for a total amount not to exceed \$14,000,000 for services, extending the term by seven months, for a total term of April 4, 2017, through April 4, 2019, pursuant to Charter, Section 9.118(b). (Airport Commission)
(Fiscal Impact)

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

Ayes: 3 - Cohen, Fewer, Stefani

180379 [Modification to the Airport Professional Services Agreement - Faith Group, LLC - Program Management Support Services for the Airport Security Infrastructure Program - Not to Exceed \$13,741,320]

Resolution approving Modification No. 6 to Airport Contract No. 10511.41, Program Management Support Services for the Airport Security Infrastructure Program, between Faith Group, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a total amount not to exceed \$14,629,565 for services, pursuant to Charter, Section 9.118(b), extending the term by one year and five months from August 16, 2018, through December 31, 2019; and approving a not to exceed amount of \$15,600,000 for further modifications through April 19, 2020. (Airport Commission) (Fiscal Impact)

04/13/18; RECEIVED FROM DEPARTMENT.

04/24/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Severin Campbell (Office of the Budget and Legislative Analyst); and provided an overview and responded to questions raised throughout the discussion.

Vice Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to reduce the not to exceed amount by to \$13,741,320 and to remove the language on future contract modifications without further Board of Supervisor approval. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Resolution approving Modification No. 6 to Airport Contract No. 10511.41, Program Management Support Services for the Airport Security Infrastructure Program, between Faith Group, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a total amount not to exceed \$13,741,320 for services, pursuant to Charter, Section 9.118(b), extending the term by one year and five months from August 16, 2018, through December 31, 2019. (Airport Commission) (Fiscal Impact)

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

Ayes: 3 - Cohen, Fewer, Stefani

Chair Cohen requested File Nos. 180381, 180382, and 180383 be called together.

180381 [Contract Amendment - Central Computers, Inc. - Technology Marketplace, Tier 1A - \$14,000,000]

Resolution authorizing the Office of Contract Administration to enter into the Second Amendment to the contract agreement between the City and County of San Francisco and Central Computers, Inc., a Technology Marketplace, Tier 1A Generalist contractor, to increase the contract limit from \$12,000,000 to \$14,000,000, with no change to the length of term for the period of October 1, 2014, through September 30, 2018, with the option to extend for up to one year. (Office of Contract Administration) (Fiscal Impact)

04/16/18; RECEIVED FROM DEPARTMENT.

04/24/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Rob Henning (Office of the City Administrator); Severin Campbell (Office of the Budget and Legislative Analyst); and provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180382 [Contract Amendment - InterVision Systems LLC - Technology Marketplace, Tier 1B - \$32,000,000]

Resolution authorizing the Office of Contract Administration to enter into the Fifth Amendment of the contract agreement between the City and County of San Francisco and InterVision Systems LLC, a Technology Marketplace, Tier 1B Specialist contractor, to increase the contract limit from \$30,000,000 to \$32,000,000, with no change to the length of term for the period of October 1, 2014, through September 30, 2018, with the option to extend for up to one year. (Office of Contract Administration)
(Fiscal Impact)

04/16/18; RECEIVED FROM DEPARTMENT.

04/24/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Rob Henning (Office of the City Administrator); Severin Campbell (Office of the Budget and Legislative Analyst); and provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180383 [Contract Amendment - Xtech JV - Technology Marketplace, Tier 1A - \$109,000,000]

Resolution authorizing the Office of Contract Administration to enter into the Fifth Amendment to the contract agreement between the City and County of San Francisco and Xtech JV, a Technology Marketplace, Tier 1A Generalist contractor, to increase the contract limit from \$94,000,000 to \$109,000,000, with no change to the length of term for the period of October 1, 2014, through September 30, 2018, with the option to extend for up to one year. (Office of Contract Administration)
(Fiscal Impact)

04/16/18; RECEIVED FROM DEPARTMENT.

04/24/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Rob Henning (Office of the City Administrator); Severin Campbell (Office of the Budget and Legislative Analyst); and provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

Chair Cohen requested File Nos. 180687 and 180688 be called together.

180687 [Multifamily Housing Revenue Note - 490 South Van Ness Avenue - Not to Exceed \$35,712,500]**Sponsors: Mayor; Ronen**

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$35,715,500 for the purpose of providing financing for the construction of an 81-unit multifamily rental housing project known as "490 South Van Ness Avenue"; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender to the City and the execution and delivery of the note; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note and the project; granting general authority to City officials to take actions necessary to implement this Resolution and related matters, as defined herein.

06/26/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: None.

Chair Cohen moved that this Resolution be CONTINUED to the Budget and Finance Sub-Committee meeting of July 26, 2018. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180688 [Ground Lease - 490 South Van Ness Avenue - 490 SVN Housing Associates, LP - \$15,000 Annual Base Rent]**Sponsors: Mayor; Ronen**

Resolution approving and authorizing a long term Ground Lease with 490 SVN Housing Associates, LP, on City owned land at 490 South Van Ness Avenue ("Property") for a term of 75 years, to commence following Board approval, with one 24-year extension option, and with an annual based rent of \$15,000 in order to construct a 100% affordable, 80-unit multifamily rental housing development (plus one manager unit) for low-income persons ("Project"); adopting findings that the Ground Lease is consistent with the California Environmental Quality Act, the General Plan, and the priority policies of Planning Code, Section 101.1; and authorizing the Acting Director of Property and Director of Mayor's Office of Housing and Community Development to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein. (Fiscal Impact)

06/26/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: None.

Chair Cohen moved that this Resolution be CONTINUED to the Budget and Finance Sub-Committee meeting of July 26, 2018. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180689 [Authorizing Expenditures - SoMa Community Stabilization Fund - \$1,249,999]**Sponsor: Kim**

Resolution authorizing the Mayor's Office of Housing and Community Development to expend SoMa Community Stabilization Fund dollars in the amount of \$1,249,999 to address various impacts of destabilization on residents and businesses in SoMa.

(Fiscal Impact)

06/26/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Kitty Fong (Office of Supervisor Jane Kim); Claudine Del Rosario (Mayor's Office of Housing and Community Development); Severin Campbell (Office of the Budget and Legislative Analyst); and provided an overview and responded to questions raised throughout the discussion.

Chair Cohen moved that this Resolution be AMENDED for retroactive approval to July 1, 2018. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Resolution retroactively authorizing the Mayor's Office of Housing and Community Development to expend SoMa Community Stabilization Fund dollars in the amount of \$1,249,999 to address various impacts of destabilization on residents and businesses in SoMa from July 1, 2018, to June 30, 2019.

(Fiscal Impact)

Chair Cohen moved that this Resolution be RECOMMENDED AS AMENDED AS A COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Chair Cohen requested File Nos. 180691 and 180692 be called together.

180691 [Multifamily Housing Revenue Bonds - 211 Putnam Street, 291 Putnam Street, and 1000 Tompkins Avenue - Not to Exceed \$30,000,000]**Sponsor: Ronen**

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development ("Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$30,000,000 for 211 Putnam Street, 291 Putnam Street, and 1000 Tompkins Avenue; authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$30,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

06/26/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Adam Cray (Mayor's Office of Housing and Community Development); and provided an overview and responded to questions raised throughout the discussion. Speaker; spoke on the hearing matter.

Chair Cohen moved that this Resoluton be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180692 [Multifamily Housing Revenue Bonds - 3101 Mission Street, 141 Precita Avenue, and 143 Precita Avenue - Not to Exceed \$35,000,000]**Sponsor: Ronen**

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development ("Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$35,000,000 for 3101 Mission Street, 141 Precita Avenue, and 143 Precita Avenue; authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$35,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

06/26/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Adam Cray (Mayor's Office of Housing and Community Development); and provided an overview and responded to questions raised throughout the discussion. Speaker; spoke on the hearing matter.

Chair Cohen moved that this Resoluton be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180737 [Apply for Grants - 2018 Emergency Preparedness Grants]**Sponsor: Mayor**

Resolution authorizing designated City and County officials to execute and file on behalf of the City and County of San Francisco any actions necessary for the purpose of obtaining State and Federal financial assistance under various grant programs, including: the Federal Fiscal Year 2018 Urban Areas Security Initiative Grant, the Federal Fiscal Year 2018 State Homeland Security Grant Program, the 2018 Emergency Management Performance Grant, and the 2018 Local Government Oil Spill Contingency Plan Grant Program.

07/10/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Ann Kronenberg, Executive Director (Department of Emergency Management); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. 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

180736 [Business and Tax Regulations Code - Validation Actions and Statute of Repose for June 2018 Ballot Measures]**Sponsors: Yee; Kim**

Ordinance amending the Business and Tax Regulations Code to permit validation actions and impose a statute of repose with respect to Propositions C and G, adopted by San Francisco voters on June 5, 2018.

07/10/18; ASSIGNED to Budget and Finance Sub-Committee. President Cohen waived the 30-day rule, per Board Rule 3.22.

Heard in Committee. Speakers: Supervisor Norman Yee (Board of Supervisors); Jon Givner (Office of the City Attorney); and provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Cohen, Fewer, Stefani

180480 [Administrative Code - Office of Sexual Harassment and Assault Response and Prevention]**Sponsors: Ronen; Stefani, Kim, Fewer, Cohen, Tang, Safai, Yee and Peskin**

Ordinance amending the Administrative Code to establish, and to set rules governing the appointment of the Director and the qualifications and duties of employees of the Office of Sexual Harassment and Assault Response and Prevention (Office) as a City department under the direction and oversight of the Human Rights Commission, which Office shall be responsible for: 1) receiving complaints concerning the manner in which any City department has responded or failed to respond to allegations of sexual assault or sexual harassment, and assisting complainants in navigating within City government to resolve those complaints; 2) compelling the attendance of City officers or employees at meetings with complainants; 3) notifying relevant City departments of any failure, in connection with a complaint of sexual assault or sexual harassment, to perform a duty imposed by law, or to perform a promised act, or to respond reasonably to the complainant's or Office's requests, or to otherwise fully and conscientiously respond to the complainant's or the Office's concerns, and reporting to the Mayor and the Board of Supervisors if any City department so notified fails to take timely and adequate corrective action; 4) in certain cases, referring City officers and employees to appropriate disciplinary authorities for possible professional or administrative discipline; 5) requiring City departments to report aggregated or otherwise de-identified information concerning the department's handling of allegations of sexual assault and harassment; 6) engaging with community members to develop recommendations for improving the City's efforts to combat sexual assault and harassment, and making related recommendations to City policymakers; 7) making regular reports to the Human Rights Commission; and 8) maintaining the confidentiality of information required by law to be kept confidential, and respecting complainants' wishes for confidentiality to the maximum extent permitted by law.

(Fiscal Impact)

05/08/18; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 6/7/2018.

05/18/18; REFERRED TO DEPARTMENT. Referred to Human Rights Commission, Police Department, Sheriff's Department, Office of the District Attorney, Office of the Public Defender, Department of Public Health, Department of Human Resources, and Office of the Controller for informational purposes.

06/14/18; RESPONSE RECEIVED. The Department on the Status of Women provided a memo with recommendations and concerns related to the proposed legislation.

06/19/18; RESPONSE RECEIVED. The Department on the Status of Women provided suggested amendments to the proposed legislation.

06/20/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Supervisor Hillary Ronen (Board of Supervisors); Dr. Emily Murase (Department on the Status of Women); Jon Givner (Office of the City Attorney); Susan Gard (Department of Human Resources); Dr. Naveena Bobba (Department of Public Health); provided an overview and responded to questions raised throughout the discussion. Jane Doe; Speaker; Ms. Letivas; Rachel Zaderson; Speaker; Erica Rodriguez; Maria Luis Sanchez; Mary Fitzgerald; Aldre Martinez; Biaca Delocica; Speaker; Ms. Gutierrez; Marsela Rodriguez; Whitney; Jordan Davis; Jesse Santos; Martha Rodrigo; Norma Rodriguez; Maria Marcado; Tiffany Tonel; Megan Waaland; Tina Shapahar; Ms. Hernandez; Durette; spoke in support of the matter.

06/20/18; REFERRED AS AMENDED to Budget and Finance Committee.

07/12/18; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor Hillary Ronen (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Sara Hutzer; spoke in support of the hearing matter.

Chair Cohen moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

(Fiscal Impact)

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

Ayes: 3 - Cohen, Fewer, Stefani

180122 [Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Hotel Tax Allocations]

Sponsors: Tang; Peskin

Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to allocate a portion of hotel tax revenues for arts and cultural purposes and remove obsolete provisions; and affirming the Planning Department's determination under the California Environmental Quality Act.

01/30/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 3/1/2018.

02/12/18; 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 Arts Commission for reports and/or comments, pursuant to Rules of Order 2.22.4; Small Business Commission for comment and recommendation.

02/21/18; RESPONSE RECEIVED. CEQA Determination received from the Planning Department stating that the project is not defined under CEQA Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

07/03/18; TRANSFERRED to Budget and Finance Sub-Committee.

07/12/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Supervisor Katy Tang (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Rodrigus; Kevin Seaman; Honey Mahogany; Marie Jackson; Susie McKennon; Rachel Ng; Speaker; Suzanne Harris; Sophie; Eric Raphael; Kelly Ground; Speaker; Jordan Amid; Sunshine Lampitoc Smith; Hanna Rachel Gerry; Alma Robinson; Vinny Patel; Mario DeMara; Speaker; Paul Herrera; Rachel Espinosa; Nina Parks; Steve Nikagio; spoke on the hearing matter.

07/12/18; CONTINUED AS AMENDED.

07/13/18; REFERRED TO DEPARTMENT. Referred (Version 2) 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 Arts Commission for reports and/or comments, pursuant to Rules of Order 2.22.4; Small Business Commission for comment and recommendation.

Heard in Committee. Speakers: None.

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

Ayes: 3 - Cohen, Fewer, Stefani

180373 [Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on Transportation Network Company Services, Private Transit Vehicle Services, and Autonomous Vehicle Passenger Services; Economic Nexus]

Sponsors: Peskin; Kim, Ronen, Yee and Fewer

Motion ordering submitted to the voters at an election to be held on November 6, 2018 an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services, private transit vehicle services, and autonomous vehicle passenger services; revise the application of the gross receipts tax for persons engaged in multiple business activities; and expand the activities that subject a person to certain business taxes by including persons with more than \$500,000 in annual gross receipts in the City; and increasing the City's appropriations limit each year by the increase in the amount of those business taxes collected compared to the prior year for four years from November 6, 2018.

(Economic Impact)

04/10/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/10/2018.

04/19/18; 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, and Office of the Treasurer and Tax Collector for reports and/or comments, pursuant to Rules of Order 2.22.4.

05/01/18; RESPONSE RECEIVED. Response received from the Planning Department stating that this is not a project under CEQA Guidelines Sections 15378 and 15060 (c) (2) because it does not result in physical change in the environment.

05/17/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Sunny Angulo (Office of Supervisor Aaron Peskin); provided an overview and responded to questions raised throughout the discussion. Randy Shaw (Tenderloin Housing Associates); Emily Low (Bay Area Council); DeeDee Workman (San Francisco Chamber of Commerce); spoke in opposition of the matter.

05/17/18; CONTINUED TO CALL OF THE CHAIR AS AMENDED.

05/24/18; REFERRED TO DEPARTMENT. Referred (version 2) 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, and Office of the Treasurer and Tax Collector for reports and/or comments, pursuant to Rules of Order 2.22.4.

06/01/18; RESPONSE RECEIVED. Response received from the Planning Department stating that this is not a project under CEQA Guidelines Sections 15378 and 15060 (c) (2) because it does not result in physical change in the environment.

07/12/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Sunny Angulo (Office of Supervisor Aaron Peskin); provided an overview and responded to questions raised throughout the discussion. Janice Lee; Rachel Ridden; spoke in support of the hearing matter. Jim Lazarus; spoke in opposition to the hearing matter.

07/12/18; CONTINUED AS AMENDED.

07/18/18; REFERRED TO DEPARTMENT. Referred (version 3) 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, and Office of the Treasurer and Tax Collector for reports and/or comments, pursuant to Rules of Order 2.22.4.

Heard in Committee. Speakers: Supervisor Aaron Peskin (Board of Supervisors); and provided an overview and responded to questions raised throughout the discussion. Nima Rahime; Kristen Shoemaker; Peter Strauts; spoke on the hearing matter.

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

Ayes: 2 - Cohen, Fewer
Noes: 1 - Stefani

180629 [Initiative Ordinance - Business and Tax Regulations Code - Additional Gross Receipts Tax on Cannabis]

Sponsor: Cohen

Motion ordering submitted to the voters, at an election to be held on November 6, 2018, an ordinance amending the Business and Tax Regulations Code to impose an additional gross receipts tax, starting January 1, 2020, on gross receipts from cannabis business activities, but exempting the first \$500,000 of gross receipts and exempting retail sales of medicinal cannabis; said tax for 2020 to be set at a rate of 1%, which will increase in 2021 to between 1% and 5% depending on the type of cannabis business activity and amount of gross receipts, and which may be adjusted at any time within a range of 0% to 7% by an ordinance adopted by a two-thirds vote of the Board of Supervisors for any increase (which is limited to 1% annually) or an ordinance adopted by a majority vote of the Board of Supervisors for any decrease; and increasing the City's appropriations limit by the amount collected under the new tax for four years from November 6, 2018.

06/05/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/5/2018.

06/12/18; 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, Treasurer and Tax Collector, and Office of Cannabis for reports and/or comments, pursuant to Rules of Order 2.22.4.

07/03/18; TRANSFERRED to Budget and Finance Sub-Committee.

07/03/18; RESPONSE RECEIVED. Response received from the Planning Department stating that this matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060 (c) (2) because it does not result in a direct or reasonably foreseeable physical change in the environment.

07/12/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Jon Givner (Office of the City Attorney); Ted Egan, City Economist (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Michael Dillingham; Alan Flynn; Bruce Livingston; Brigitte May; Spencer Paquin; Jim Lazarus; Speaker; Johnny Delepine; Rob King; Daniel; David Goldman; Speaker (On behalf of David Goldman); Jim Fleeter; Speaker; Nicole; Speaker; Ross Gordan; Margaret Walburg; Speaker; spoke on the hearing matter.

07/12/18; CONTINUED AS AMENDED.

07/18/18; REFERRED TO DEPARTMENT. Referred (Version 2) 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, Treasurer and Tax Collector, and Office of Cannabis for reports and/or comments, pursuant to Rules of Order 2.22.4.

Heard in Committee. Speakers: Jon Givner (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. David Goldman; Jessica Sharp; Cythnia; Rob King; Sara Rodriguez; Kenneth Michael Cohen; Speaker; Brandon Brown; Jim Lazarus; Mr. Wright; Speaker; spoke on the hearing matter.

Chair Cohen moved that this Ordinance be AMENDED by removing the 2020 tax implementation date. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Motion ordering submitted to the voters, at an election to be held on November 6, 2018, an ordinance amending the Business and Tax Regulations Code to impose an additional gross receipts tax, starting January 1, 2021, on gross receipts from cannabis business activities, but exempting the first \$500,000 of gross receipts and exempting retail sales of medicinal cannabis; said tax to be between 1% and 5% depending on the type of cannabis business activity and amount of gross receipts, but may be adjusted at any time within a range of 0% to 7% by an ordinance adopted by a two-thirds vote of the Board of Supervisors for any increase (which is limited to 1% annually) or an ordinance adopted by a majority vote of the Board of Supervisors for any decrease; and increasing the City's appropriations limit by the amount collected under the new tax for four years from November 6, 2018.

Chair Cohen requested that this Ordinance be DUPLICATED AND AMENDED.

See duplicated File No. 180765.

Chair Cohen moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Sub-Committee meeting of July 26, 2018. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

180765 [Initiative Ordinance - Business and Tax Regulations Code - Additional Gross Receipts Tax on Cannabis; Additional Conditions Subjecting Persons to Business Taxes]

Sponsor: Cohen

Motion ordering submitted to the voters, at an election to be held on November 6, 2018, an ordinance amending the Business and Tax Regulations Code to impose an additional gross receipts tax, starting January 1, 2021, on gross receipts from cannabis business activities, but exempting the first \$500,000 of gross receipts and exempting retail sales of medicinal cannabis; said tax to be between 1% and 5% depending on the type of cannabis business activity and amount of gross receipts, but may be adjusted at any time within a range of 0% to 7% by an ordinance adopted by a two-thirds vote of the Board of Supervisors for any increase (which is limited to 1% annually) or an ordinance adopted by a majority vote of the Board of Supervisors for any decrease; and increasing the City's appropriations limit by the amount collected under the new tax for four years from November 6, 2018.

Chair Cohen moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

Motion ordering submitted to the voters, at an election to be held on November 6, 2018, an ordinance amending the Business and Tax Regulations Code to impose an additional gross receipts tax, starting January 1, 2021, on gross receipts from cannabis business activities, but exempting the first \$500,000 of gross receipts and exempting retail sales of medicinal cannabis; said tax to be between 1% and 5% depending on the type of cannabis business activity and amount of gross receipts, but may be adjusted at any time within a range of 0% to 7% by an ordinance adopted by a two-thirds vote of the Board of Supervisors for any increase (which is limited to 1% annually) or an ordinance adopted by a majority vote of the Board of Supervisors for any decrease; and, starting January 1, 2019, to expand the conditions that subject a person to certain business taxes by including persons with more than \$500,000 in annual gross receipts in the City; and increasing the City's appropriations limit by the increase in the amount of those business taxes collected compared to the prior year and by the amount collected under the new Cannabis Business Tax, for four years from November 6, 2018.

Chair Cohen moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Sub-Committee meeting of July 26, 2018. The motion carried by the following vote:

Ayes: 3 - Cohen, Fewer, Stefani

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 11:46 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.