



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: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, July 17, 2019

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President Norman Yee appointed Supervisor Aaron Peskin, replacing Supervisor Catherine Stefani, to the Budget and Finance Sub-Committee meeting of July 17, 2019.

Present: 3 - Sandra Lee Fewer, Rafael Mandelman, and Aaron Peskin

Excused: 1 - Catherine Stefani

The Budget and Finance Committee met in regular session on Wednesday, July 17, 2019, with Chair Sandra Lee Fewer presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Fewer called the meeting to order at 10:06 a.m. On the call of the roll, Chair Fewer, Member Mandelman, and Member Peskin were noted present. Vice Chair Stefani was noted not present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

Supervisor Stefani Excused from Attendance

Member Mandelman moved that Vice Chair Stefani be excused from the regular Budget and Finance Sub-Committee meeting of July 17, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

REGULAR AGENDA

190656 [Administrative Code - Establish Low Carbon Fuel Standard Credits Sales Fund - Authorizing Agreements to Sell Low Carbon Fuel Standard Credits - Public Utilities Commission]

Sponsor: Mayor

Ordinance delegating authority under Charter, Section 9.118(a), to the General Manager of the Public Utilities Commission to enter into one or more agreements to sell Low Carbon Fuel Standard Credits accrued by the Municipal Transportation Agency when revenue from such an agreement will be \$1,000,000 or more; and amending the Administrative Code to establish a Low Carbon Fuel Standard Credits Sales Fund to receive funds from the credits sales for use in connection with projects that will reduce San Francisco's carbon footprint and/or advance its sustainability goals.

06/04/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 7/4/2019.

07/08/19; REFERRED TO DEPARTMENT. Referred to the Office of the Controller, Municipal Transportation Agency, and Public Utilities Commission for informational purposes.

07/10/19; CONTINUED. Heard in Committee. Speaker: Mr. Wright; spoke neither in support nor opposition on the matter.

Heard in Committee. Speakers: Jill Hendry (Public Utilities Commission); Severin Campbell (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 AMENDED to require that the Public Utilities Commission report on the protocols for selling Low Carbon Fuel Standard Credits and report annually on the sale of Low Carbon Fuel Standard Credits, including the number sold, the price per credit, and the total amount of the sales. The motion carried by the following vote:

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

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

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190579 [Revenue Agreement - Retroactive - JC Decaux San Francisco, LLC. - Public Toilets and Public Service Kiosk Agreement - \$12,950,000]**Sponsor: Peskin**

Resolution retroactively approving a Revenue Agreement between Public Works and JC Decaux San Francisco, LLC, for an automatic public toilet and public service kiosk program with anticipated revenues of over \$12,950,000 and a term of 21.5 years commencing on July 1, 2019; and affirming the Planning Department's determination under the California Environmental Quality Act.

05/21/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

07/10/19; CONTINUED. Heard in Committee. Speaker: Mr. Wright; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speakers: Julia Dawson (Public Works); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Speaker; Marcus Turner; Natalie Garcia; Archie Gilbert; Mike; spoke in support of the hearing matter.

Chair Fewer moved to accept the changes to the agreement as presented by Public Works. The motion carried by the following vote:

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

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

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190709 [Health Service System Plans and Contribution Rates - Calendar Year 2020]**Sponsor: Mandelman**

Ordinance approving Health Service System plans and contribution rates for calendar year 2020. (Pursuant to Charter, Section A8.422, this matter shall require a vote of three-fourths (9 votes) of all members of the Board of Supervisors to approve passage of this Ordinance.)

(Fiscal Impact)

06/18/19; ASSIGNED to Budget and Finance Sub-Committee. 6/21/19 - President Yee waived the 30-Day Rule.

07/10/19; CONTINUED. Heard in Committee. Speaker: Mr. Wright; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speakers: Abbie Yant, Executive Director (Health Service System); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190599 [Contract Amendment - Manatron, Inc. - Maintenance of Government Revenue Management Software - Not to Exceed \$2,275,548]

Resolution authorizing the Office of the Treasurer & Tax Collector to amend a service and maintenance contract with Manatron, Inc. for government revenue management software, to extend to a ten-year term with an additional four-year option to extend, increasing the contract amount by \$1,265,607 for a total amount not to exceed \$2,275,548 to commence upon Board of Supervisors and Mayoral approval for the period of July 1, 2014, through June 30, 2024. (Treasurer-Tax Collector) (Fiscal Impact)

05/17/19; RECEIVED FROM DEPARTMENT.

06/04/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Amanda Fried (Office of the Treasurer and Tax Collector); Severin Campbell (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, Mandelman, Peskin

Excused: 1 - Stefani

190732 [Contract Agreement - Retroactive - Bay Area Rapid Transit District - Administration of Capital Funding - BART/Muni Market Street Entrance Modernization Project - Up to \$45,000,000]

Sponsor: Mayor

Resolution retroactively approving an agreement between the City and County of San Francisco and the San Francisco Bay Area Rapid Transit District (BART) regarding administration of capital funding to fund half of the cost of the BART/Muni Market Street Entrance Modernization Project with proceeds from the sale of General Obligation bonds, in an amount not to exceed \$45,000,000 for an agreement term from February 1, 2018, through December 31, 2025. (Municipal Transportation Agency) (Fiscal Impact)

06/25/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Leo Levenson (Municipal Transportation Agency); Mark Dana (Bay Area Rapid Transit District); Severin Campbell (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 CONTINUED to the Budget and Finance Sub-Committee meeting of July 24, 2019. The motion carried by the following vote:

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190606 [Lease Agreement - Rylo Management, LLC - Terminal 3 Boarding Area F Café Lease - a Small Business Enterprise Set-Aside - Lease No. 19-0054 - \$310,000 Minimum Annual Guarantee]

Resolution approving the Terminal 3 Boarding Area F Café Lease - a Small Business Enterprise Set-Aside - Lease No. 19-0054, between Rylo Management, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years to commence upon Board approval, and a minimum annual guarantee of \$310,000 for the first year of the Lease. (Airport Commission)

05/22/19; RECEIVED FROM DEPARTMENT.

06/04/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (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, Mandelman, Peskin

Excused: 1 - Stefani

190674 [Purchase of Renewable Electricity - Public Utilities Commission - Not to Exceed \$15,775,000]

Resolution authorizing the General Manager of the Public Utilities Commission to enter into an agreement with Southern California Edison Company for CleanPowerSF to purchase renewable energy for the period of January 1, 2020, through December 31, 2021, for a total cost of \$15,775,000. (Public Utilities Commission)
(Fiscal Impact)

06/10/19; RECEIVED FROM DEPARTMENT.

06/18/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Michael Hyams, Director of Clean PowerSF (Public Utilities Commission); Severin Campbell (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, Mandelman, Peskin

Excused: 1 - Stefani

190739 [Lease Amendment - Increasing City Allowance Provided for Tenant Improvements - Volunteers in Medicine - 35 Onondaga Avenue - Reimbursement of Up to \$1,410,000]

Sponsor: Safai

Resolution authorizing the Director of Property to execute an amended and restated ten-year commercial lease, with two, five-year extension options, between the City and County of San Francisco, as Landlord, and Volunteers in Medicine, DBA Clinic By the Bay, as Tenant, for the City-owned property located at 35 Onondaga Avenue; authorizing the reimbursement of up to a total of \$1,410,000 for tenant improvements, to commence following Board approval upon execution of the lease. (Real Estate Department)
(Fiscal Impact)

06/25/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Monica Chinchilla (Office of Supervisor Ahsha Safai); Severin Campbell (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, Mandelman, Peskin

Excused: 1 - Stefani

190463 [Lease of City Property - South End Rowing Club - 500 Jefferson Street - Gross Receipts Rent]

Sponsor: Stefani

Ordinance approving a Lease between the City and County of San Francisco and the South End Rowing Club, a California non-profit corporation, for City property at 500 Jefferson Street, with an annual rent of 10% of all gross receipts that are not derived from the Alcatraz Invitational and 4% of all gross receipts that are derived from the Alcatraz Invitational, for a term of 25 years to commence following Board approval, with an option to extend for 24 years, and general public access requirements; waiving the Administrative Code's market rent determination requirement that otherwise would apply to this Lease; and affirming the Planning Department's determination under the California Environmental Quality Act.

04/30/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/30/2019.

05/06/19; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

05/29/19; 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 would not result in a direct or indirect physical change in the environment.

Heard in Committee. Speakers: Jackie Suen (Recreation and Park Department); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Peter Ross; spoke in support of the hearing mater.

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

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190464 [Lease of City Property - Golden Gate Yacht Club - 1 Yacht Road - \$85,000 Annual Minimum Rent Guarantee]**Sponsor: Stefani**

Ordinance approving a Lease between the City and County of San Francisco and the Golden Gate Yacht Club, a California non-profit corporation, for City property at 1 Yacht Road, with an initial annual rent at the greater of 10% gross receipts or \$85,000 for a term of 18 years to commence following Board approval, and youth programming and general public access requirements; waiving the Administrative Code's market rent determination requirement that otherwise would apply to this Lease; and affirming the Planning Department's determination under the California Environmental Quality Act.

04/30/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/30/2019.

05/07/19; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

05/29/19; 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 would not result in a direct or indirect physical change in the environment.

Heard in Committee. Speakers: Jackie Suen (Recreation and Park Department); Leslie Jacopi (Golden Gate Yacht Club); Severin Campbell (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 AMENDED to urge that the Golden Gate Yacht Club be accessible to the public on all days and hours that Golden Gate Yacht Club is open to members. The motion carried by the following vote:

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

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

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190713 [Accept and Expend In-Kind Grant - Retroactive - Trust for Public Land - Buchanan Street Mall - \$900,000]**Sponsors: Mayor; Brown**

Resolution retroactively authorizing the Recreation and Park Department to accept an in-kind grant of up to \$900,000 from the Trust for Public Land for project management, planning and design services, and community engagement for the Buchanan Mall 5 block project, including a Let'sPlaySF! play area renovation project for the project term of February 21, 2019, through December 31, 2021. (Recreation and Park Commission)

06/18/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Abigail Maher (Recreation and Park Department); 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, Mandelman, Peskin

Excused: 1 - Stefani

190602 [Grant Agreement Amendment - Retroactive - San Francisco Unified School District - Preschool for All - \$17,002,791]

Resolution retroactively approving the second amendment of the grant between the City and County of San Francisco and the San Francisco Unified School District for the provision of preschool support and staff training, to increase the amount by \$7,979,733 for a total amount of \$17,956,847 and to extend the grant term by two years to commence July 1, 2019, for the total agreement term of July 1, 2016, through June 30, 2021. (Human Services Agency)
(Fiscal Impact)

05/17/19; RECEIVED FROM DEPARTMENT.

06/04/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Graham Dobson (Office of Early Care and Education); Severin Campbell (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 AMENDED to reduce the contract not-to-exceed amount by \$954,057, from \$17,956,847 to \$17,002,791. The motion carried by the following vote:

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

Resolution retroactively approving the second amendment of the grant between the City and County of San Francisco and the San Francisco Unified School District for the provision of preschool support and staff training, to increase the amount by \$7,025,677 for a total amount of \$17,002,791 and to extend the grant term by two years to commence July 1, 2019, for the total agreement term of July 1, 2016, through June 30, 2021. (Human Services Agency)
(Fiscal Impact)

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

Ayes: 3 - Fewer, Mandelman, Peskin

Excused: 1 - Stefani

190716 [Apply for, Accept, and Expend Grant - Retroactive - California Department of Parks and Recreation Local Assistance Specified Grant - Richmond Community Center - \$2,000,000]

Sponsor: Fewer

Resolution retroactively authorizing the Mayor's Office of Housing and Community Development to apply for, accept, and expend a grant in the amount of \$2,000,000 from the California Department of Parks and Recreation Local Assistance Specified Grant for the project at the Richmond Community Center for the grant period of January 1, 2019, through June 30, 2021.

06/18/19; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speaker: Gloria Wu (Mayor's Office of Housing and Community Development); 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, Mandelman, Peskin

Excused: 1 - Stefani

Chair Fewer was noted absent at 12:33 p.m. and for the remainder of the meeting.

190508 [Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Stock-Based Compensation Tax]

Sponsors: Mar; Yee, Haney, Ronen, Walton, Fewer and Mandelman

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an additional tax on stock-based compensation payroll expense to fund affordable housing, programs for families, education, and youth, support for the low- and moderate-income workforce, and small business stabilization; to create an advisory oversight committee regarding the tax and funding; and to increase the City's appropriations limit by the amount collected under the additional tax for four years from November 5, 2019.

(Economic Impact; No Office of Economic Impact Analysis Report.)

05/07/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 6/6/2019.

05/14/19; REFERRED TO DEPARTMENT. Referred to Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, Office of the City Administrator, Mayor's Office of Housing and Community Development, Small Business Commission, Office of Economic and Workforce Development, Youth Commission, and Department of Children, Youth and Their Families for informational purposes.

05/16/19; REFERRED TO DEPARTMENT. Referred to the Office of the Controller for financial analysis report.

05/17/19; REFERRED TO DEPARTMENT. Referred to Planning for environmental review.

05/24/19; TRANSFERRED to Government Audit and Oversight Committee.

05/31/19; TRANSFERRED to Budget and Finance Committee.

06/13/19; RESPONSE RECEIVED. Not defined as a project un CEQA Guideline Sections 15378 and 1560(c)(2)

07/09/19; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor Gordon Mar (Board of Supervisors); Ted Egan, Chief Economist (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Miriam Scarla; Mr. Wright; Deema Hindawi (SF Rising); Benjamin Peterson; Speaker; Jeremy Clark King (Faith in Action); Speaker; Felicia Aguliar and Celi Tamago-Lee (SF Rising); Michelle Lennar Bell; Luisi Wong and Sophia Pham (Chinese Progressive Association); Eddie On (Brightline Defense); Beatriz Herrera (SF Rising); Theresa Rutherford (SEIU Local 1021); Norman Tan; David Chang; Cathleen Welch; spoke on various concerns relating to the hearing matter.

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

Ayes: 2 - Mandelman, Peskin

Excused: 1 - Stefani

Absent: 1 - Fewer

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

190584 [Initiative Ordinance - Business and Tax Regulations, Administrative Codes - Tax on Net Rider Fares of Commercial Ride-Share Companies, Autonomous Vehicles, and Private Transit Services Vehicles]

Sponsors: Mayor; Peskin, Yee, Ronen, Mandelman, Brown, Fewer, Haney, Walton, Stefani, Safai and Mar

Motion ordering submitted to the voters at an election to be held on November 5, 2019, an Ordinance amending the Business and Tax Regulations Code and Administrative Code to impose an excise tax on the net rider fares for rides facilitated by commercial ride-share companies and rides provided by autonomous vehicles and private transit services vehicles, to fund transportation operations and infrastructure for traffic congestion mitigation in the City; and to increase the City's appropriations limit by the amount collected under the tax for four years from November 5, 2019.

(Economic Impact)

05/21/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 6/20/2019.

05/28/19; 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, Municipal Transportation Agency, Office of Small Business, Public Works, and Office of the Treasurer and Tax Collector for reports and/or comments, pursuant to Rules of Order 2.22.4.

07/03/19; RESPONSE RECEIVED. Received response from the Planning Department stating that CEQA does not apply to a measure submitted to the voters by the Mayor or 4 Supervisors.

07/10/19; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Supervisor Aaron Peskin (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Mya Collie; spoke in support of the matter. Mr. Wright; spoke on various concerns relating to the hearing matter.

07/10/19; CONTINUED AS AMENDED.

07/16/19; REFERRED TO DEPARTMENT. Referred (Version 2) to the 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, Municipal Transportation Agency, Office of Small Business, Public Works, 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: Ted Egan, Chief Economist (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Mr. Wright; spoke on various concerns relating to the hearing matter.

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

Ayes: 2 - Mandelman, Peskin

Excused: 1 - Stefani

Absent: 1 - Fewer

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 1:12 p.m.

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