BUDGET AND APPROPRIATIONS COMMITTEE  
CITY AND COUNTY OF SAN FRANCISCO

MEETING MINUTES - DRAFT

Wednesday, June 28, 2023 - 10:00 AM

City Hall, Legislative Chamber, Room 250

Recessed Meeting

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

Clerk: Brent Jalipa

(415) 554-7712 ~ brent.jalipa@sfgov.org

Angela Calvillo, Clerk of the Board

BOARD COMMITTEES

<table>
<thead>
<tr>
<th>Committee Membership</th>
<th>Meeting Days</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget and Appropriations Committee</strong></td>
<td>Wednesday</td>
</tr>
<tr>
<td>Supervisors Chan, Mandelman, Safai, Ronen, Walton</td>
<td>1:30 PM</td>
</tr>
<tr>
<td><strong>Budget and Finance Committee</strong></td>
<td>Wednesday</td>
</tr>
<tr>
<td>Supervisors Chan, Mandelman, Safai</td>
<td>10:00 AM</td>
</tr>
<tr>
<td><strong>Government Audit and Oversight Committee</strong></td>
<td>1st and 3rd Thursday</td>
</tr>
<tr>
<td>Supervisors Preston, Stefani, Chan</td>
<td>10:00 AM</td>
</tr>
<tr>
<td><strong>Homelessness and Behavioral Health Select Committee</strong></td>
<td>2nd and 4th Friday</td>
</tr>
<tr>
<td>Supervisors Ronen, Mandelman, Walton</td>
<td>10:00 AM</td>
</tr>
<tr>
<td><strong>Land Use and Transportation Committee</strong></td>
<td>Monday</td>
</tr>
<tr>
<td>Supervisors Melgar, Preston, Peskin</td>
<td>1:30 PM</td>
</tr>
<tr>
<td><strong>Public Safety and Neighborhood Services Committee</strong></td>
<td>2nd and 4th Thursday</td>
</tr>
<tr>
<td>Supervisors Stefani, Engardio, Dorsey</td>
<td>10:00 AM</td>
</tr>
<tr>
<td><strong>Rules Committee</strong></td>
<td>Monday</td>
</tr>
<tr>
<td>Supervisors Dorsey, Walton, Safai</td>
<td>10:00 AM</td>
</tr>
</tbody>
</table>

First-named Supervisor is Chair, Second-named Supervisor is Vice-Chair of the Committee.
The Budget and Appropriations Committee met in a recessed session, in-person with remote access and public comment via telephone, on June 28, 2023, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:05 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

Chair Chan recessed the meeting at 10:08 a.m., and reconvened the meeting at 1:02 p.m.

Vice Chair Mandelman and Member Ronen were noted present at 1:02 p.m.

Chair Chan recessed the meeting at 1:43 p.m., and reconvened the meeting at 3:02 p.m.

Chair Chan recessed the meeting at 3:04 p.m., and reconvened the meeting at 5:06 p.m.

Member Ronen was noted not present at 5:06 p.m.

Chair Chan recessed the meeting at 5:07 p.m., and reconvened the meeting at 7:26 p.m.

Member Ronen was noted present at 7:26 p.m.

Vice Chair Mandelman was noted not present at 7:26 p.m.

Chair Chan recessed the meeting at 7:26 p.m., and reconvened the meeting at 9:04 p.m.

Vice Chair Mandelman was noted present at 9:04 p.m.

Member Ronen was noted not present at 9:04 p.m.

Chair Chan recessed the meeting at 9:05 p.m., and reconvened the meeting at 10:13 p.m.

Chair Chan recessed the meeting at 10:13 p.m., and reconvened the meeting at 10:37 p.m.

Member Ronen was noted present at 10:37 p.m.

Member Walton was noted not present at 10:37 p.m.

Chair Chan recessed the meeting at 10:37 p.m., and reconvened the meeting at 11:57 p.m.

Member Walton was noted present at 11:57 p.m.

SPECIAL MEETING OF THE BOARD OF SUPERVISORS

Supervisors Joel Engardio and Myrna Melgar were noted present at 11:57 p.m.; thereby constituting a quorum of the Board of Supervisors. A special meeting of the Board of Supervisors was convened at 11:57 p.m.; although, the meeting was conducted in all respects as a committee meeting for items on the agenda and any substantive decisions constitute a recommendation of the committee and not action taken by the board.

Present: Supervisors Chan, Mandelman, Safai, Ronen, Walton, Engardio, and Melgar
[Budget and Appropriation Ordinance for Departments - FYs 2023-2024 and 2024-2025]

Sponsor: Mayor

Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for Departments of the City and County of San Francisco as of June 1, 2023, for the Fiscal Years (FYs) ending June 30, 2024, and June 30, 2025.

(Fiscal Impact)

Heard in Committee. Speaker: Supervisor Myrna Melgar (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion.

Chair Chan, seconded by Vice Chair Mandelman, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to reflect the Committee’s final changes as indicated in the summary entitled, “Board of Supervisors Budget Spending Plan”; to authorize the City Controller to make adjustments necessary to implement the Committee’s actions, to balance accounts and to update descriptive codes contained in the Budget Spending Plan. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

Chair Chan, seconded by Vice Chair Mandelman, moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

[Annual Salary Ordinance - FYs 2023-2024 and 2024-2025]

Sponsor: Mayor

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Years (FYs) ending June 30, 2024, and June 30, 2025, continuing, creating, or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefore.

(Fiscal Impact)

Heard in Committee. Speaker: Supervisor Myrna Melgar (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion.

Chair Chan, seconded by Vice Chair Mandelman, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE to reflect the Committee’s final changes as indicated in the summary entitled, "Board of Supervisors Budget Spending Plan"; to authorize the City Controller to make adjustments necessary to implement the Committee’s actions, to balance accounts and to update descriptive codes contained in the Budget Spending Plan. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

Chair Chan, seconded by Vice Chair Mandelman, moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
Chair Chan requested that File Nos. 230312 and 230664 be called together.

230312 [Public Works, Administrative Codes - Curbside Shared Spaces Permit and License Fees]
Sponsor: Safai
Ordinance amending the Public Works Code to eliminate permit fees for a Curbside Shared Spaces permit approved before June 30, 2025; amending the Administrative Code to increase the gross receipts threshold from $2,000,000 to $2,500,000 for reductions to annual Curbside Shared Spaces permit and license fees; and affirming the Planning Department’s determination under the California Environmental Quality Act.
(Fiscal Impact)

Heard in Committee. Speaker: Anna Duning, Budget Director (Mayor’s Office of Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion.

Member Safai, seconded by Chair Chan, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by limiting the permit fee waiver to one year from 'June 30, 2025' to 'June 30, 2024' throughout the legislation. The motion carried with the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

Ordinance amending the Public Works Code to eliminate permit fees for a Curbside Shared Spaces permit approved before June 30, 2024; amending the Administrative Code to increase the gross receipts threshold from $2,000,000 to $2,500,000 for reductions to annual Curbside Shared Spaces permit and license fees; and affirming the Planning Department’s determination under the California Environmental Quality Act.
(Fiscal Impact)

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

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

230658 [Building Code - Increase Fees]
Sponsor: Mayor
Ordinance amending the Building Code to increase fees charged by the Department of Building Inspection by 15%; and affirming the Planning Department’s determination under the California Environmental Quality Act.
(6/9/23 - Pending further review for Economic Impact)

Heard in Committee. Speaker: Anna Duning, Budget Director (Mayor’s Office of Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
230664  [Business and Tax Regulations Code - Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses]
Sponsors: Mayor; Ronen, Engardio, Dorsey and Mandelman
Ordinance amending the Business and Tax Regulations Code to waive, retroactively to July 1, 2023, certain first-year permit, license, and business registration fees for specified small businesses that newly form or that open a new location; and refunding any waived fees that have been paid to the City.
(Fiscal Impact)

Heard in Committee. Speaker: Anna Duning, Budget Director (Mayor’s Office of Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion.

Member Ronen requested that this Ordinance be DUPLICATED.

See Duplicate File No. 230785.

Member Ronen, seconded by Chair Chan, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 9, Lines 16-20, to read ‘(j) The waiver of fees provided by this Section 76.3 shall expire by operation of law at the end of the day on June 30, 2024. No Permit Fees, initial License Fees, or Business Registration Fees shall be waived for applications for permits, licenses, or Business Registration Certificates filed on or after July 1, 2024. By December 31, 2025, the City Attorney shall cause the Section 76.3 to be removed from the Business and Tax Regulations Code.’; and by making other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
(Fiscal Impact)

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

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

230785  [Business and Tax Regulations Code - Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses]
Sponsors: Mayor; Ronen, Engardio, Dorsey and Mandelman
Ordinance amending the Business and Tax Regulations Code to waive, retroactively to July 1, 2023, certain first-year permit, license, and business registration fees for specified small businesses that newly form or that open a new location; and refunding any waived fees that have been paid to the City.
(Fiscal Impact)

Duplicated from File No. 230664.

Member Ronen, seconded by Chair Chan, moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
Chair Chan requested File Nos. 230657 and 230675 be called together.

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

Sponsor: Mayor

Ordinance reallocating approximately $60,000,000 in unencumbered revenues from the Our City, Our Home Fund to allow the City to use revenues from the Homelessness Gross Receipts Tax for certain types of services to prevent homelessness; and finding that the reallocation is necessary to achieve 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)

Heard in Committee. Speakers: None.

Member Ronen, seconded by Chair Chan, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 3-9, to read '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.'; Page 2, Line 19, through Page 3, Line 11, to read 'And yet, there is a significant unencumbered balance in the Fund, in large part because the expenditures from the Fund could not occur while the City was successfully defending the measure against legal challenge. This balance has generated significant interest income. The original percentage allocations in Section 2810 are based on the total Fund balance and did not anticipate this interest, and as it accrues, thousands are still on the streets without adequate shelter. In April 2023, the City published a new citywide Strategic Plan that concludes it is necessary to urgently fund shelter, prevention, and housing resources to significantly reduce homelessness in the next five years. The Board of Supervisors finds that to achieve the purposes of November 2018 Proposition C, the City must meet the crisis where it is currently most acute, and hereby approves, for the next two fiscal years only, a lifting of the cap on short-term rental subsidies of five years or less, and a reallocation of certain unappropriated and future interest revenues so it can spend these interest revenues during the next two fiscal years on shelter and, homelessness prevention, as generally set forth in the Strategic Plan.'; on Page 3, Line 12-13 by replacing 'funds' with 'interest earnings and lifting of certain spending caps', on Page 3, Line 18, through Page 4, Line 6, to read 'Section 3. Under the authority in Business and Tax Regulations Code Section 2811, for fiscal years 2023-2024 and 2024-2025, the expenditures under Section 2810 shall remain unchanged except as follows: (a) Expenditures on short-term rental subsidies may exceed the percentage specified in Section 2810(b)(3)(A)(i); and, (b) Up to $16,360,000 of interest earned in the Fund during Fiscal Years 2023-24, 2024-25, and prior Fiscal years, which would otherwise have accrued to affordable housing for transitional age youth ($3,444,000), affordable housing for families ($4,305,000), and mental health programs ($8,610,000), shall instead be allocated to the shelter and prevention categories as follows: (i) $1,340,000 to shelter in fiscal year 2023-24; (ii) $6,482,000 to shelter in fiscal year 2024-25; (iii) $4,643,000 to prevention in fiscal year 2023-24; and (iv) $3,894,000 to prevention in fiscal year 2024-25.', and by making other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
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)

Member Ronen, seconded by Chair Chan, moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Appropriations Committee meeting of July 12, 2023. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

[Homelessness and Supportive Housing Fund - FYs 2023-2024 and 2024-2025 Expenditure Plan]
Sponsor: Mayor
Resolution approving the Fiscal Years (FYs) 2023-2024 and 2024-2025 Expenditure Plan for the Department of Homelessness and Supportive Housing Fund.

Heard in Committee. Speakers: None.

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

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

Chair Chan requested File Nos. 230680 and 230681 be called together.

[Grant Agreement Amendment - San Francisco Tourism Improvement District Management Corporation - Downtown Welcome Ambassador Program - Not to exceed $21,377,000]
Sponsor: Mayor
Resolution approving Amendment No. 5 to a grant agreement between the Office of Economic and Workforce Development and the San Francisco Tourism Improvement District Management Corporation, for management of the Downtown Welcome Ambassador Program; to increase the grant amount by $5,150,000 for a total not to exceed amount of $21,377,000 and to increase the term for one year and eight months for a new term from July 1, 2021, through June 30, 2025; effective upon approval of this Resolution; and to authorize the Director of the Office of Economic and Workforce Development to enter into amendments or modifications to the contract prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the contract. (Department of Economic and Workforce Development) (Fiscal Impact)

Heard in Committee. Speakers: None.

Chair Chan, seconded by Vice Chair Mandelman, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
[Grant Agreement Amendment - Mid-Market Foundation - Mid-Market/Tenderloin Community-Based Safety Program - Not to Exceed $61,090,570]

Sponsor: Mayor

Resolution approving Amendment No. 3 to a grant agreement between the Office of Economic and Workforce Development and Mid-Market Foundation, for management of the Mid-Market/Tenderloin Community-Based Safety Program; to increase the grant amount by $31,000,000 for a total not to exceed amount of $61,090,570 and to extend the term from October 15, 2023, for a total period of July 1, 2022, through June 30, 2025; effective upon approval of this Resolution; and to authorize the Director of the Office of Economic and Workforce Development to enter into amendments or modifications to the contract prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the contract. (Fiscal Impact)

Heard in Committee. Speakers: None.

Chair Chan, seconded by Vice Chair Mandelman, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
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 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 in the City, but no later than the 2028 tax year, and not to exceed $1,000,000 per tax year.

(Fiscal Impact)

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.

Chair Chan, seconded by Vice Chair Mandelman, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Line 9, by adding 'in certain zip codes' after 'location'; on Page 5, Line 24, and Page 7, Line 22, by replacing 'City' with 'Designated Areas'; on Page 6, Lines 5-8, by replacing 'City' with 'Designated Areas, provided the person or combined group maintains a physical location in the Designated Areas in the tax year that the credit is taken. To be eligible for the credit, the person or combined group must take the credit for each tax year on an original Gross Receipts Tax return filed with the Tax Collector.'; and Lines 20-22, by adding '(1) “Designated Areas” means the areas in the City located in zip codes 94102, 94103, 94104, 94105, 94107, 94108, 94109, 94111, 94133, and 94158, as those zip codes exist on the effective date of the ordinance adding this Section 960.1; on Page 7, Lines 12-20 to read '(A) A physical location shall not include a home or other residential location and shall also not include a location for a short-term residential rental use, as that term is defined in Section 41A.4 of Chapter 41A of the Administrative Code, as may be amended from time to time; and (B) A person or combined group that owned or leased real property all of which such person or combined group leased or subleased to a third party that was not in such person’s combined group and did not lease back shall not be considered to have had or opened a physical location as a result of owning or leasing that real property for the time period in which the real property was leased or subleased to the third party.; and by making other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
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)

Chair Chan, seconded by Vice Chair Mandelman, moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Appropriations Committee meeting of July 12, 2023. The motion carried by the following vote:

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

230660 [Business and Tax Regulations Code - Early Care and Education Commercial Rents Tax Sublessor Deduction]

Sponsor: Mayor

Ordinance amending the Business and Tax Regulations Code to allow a sublessor to deduct rent for commercial space the sublessor pays up to the amount of rent the sublessor receives for that space when determining its Early Care and Education Commercial Rents Tax for the tax years 2023 through and including 2029.

(Fiscal Impact)

Heard in Committee. Speakers: None.

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

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton

230661 [Business and Tax Regulations Code - Early Care and Education Commercial Rents Tax Baseline]

Sponsor: Mayor

Ordinance modifying the baseline funding requirements for early care and education programs in Fiscal Years 2023-2024 and 2024-2025, to enable the City to use Early Care and Education Commercial Rents Tax revenues for those programs.

(Fiscal Impact)

Heard in Committee. Speakers: None.

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

Ayes: 5 - Chan, Mandelman, Safai, Ronen, Walton
ADJOURNMENT

There being no further business, the Budget and Appropriations Committee adjourned on June 29, 2023, at the hour of 12:24 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.