Resolution authorizing the Port Commission to accept and expend a grant from the California State Lands Commission, through the American Rescue Plan Act of 2021 allocation, in the amount of $14,044,498 plus additional amounts up to 15% of the original grant amount that may be offered, for eligible operating and capital expenses, and any lawful purpose for Fiscal Year (FY) 2021-2022, effective upon execution of the Funding Agreement, through June 30, 2024.

WHEREAS, Pre-pandemic the Port of San Francisco ("Port") welcomed more than 24 million visitors annually, nearly 300,000 from cruises, with cruise visitors contributing $27 million to San Francisco’s economy in 2018; and

WHEREAS, During the onset of the COVID-19 pandemic tourism, travel, and hospitality services such as cruise, hotels, restaurants, tourist attractions, and conventions stalled and then ground to a halt; and

WHEREAS, The economic downturn had an outsized impact on the Port’s leasing revenue due to loss of tourism, empty offices and a sharp reduction of visitors to the waterfront; and

WHEREAS, The Port’s leasing revenue provides 75% of the Port’s revenue budget and subsidizes critical Port operations and public benefits; and

WHEREAS, As a result of the pandemic total Port revenues fell by 40% of their pre-pandemic levels, for a loss of $60,000,000 since the beginning of the pandemic, and $80,000,000 over the next two years, within a total operating budget of $110,000,000; and

WHEREAS, Based on projections, the Port anticipates a five-year recovery timeframe to return to pre-pandemic revenues; and WHEREAS, On March 11, 2021, President Joe
Biden signed the American Rescue Plan Act of 2021 ("ARPA"), a $1.9 trillion economic stimulus bill to address the pandemic, including financial relief to state and local governments; and

WHEREAS, House Speaker Nancy Pelosi amended the ARPA to include transfer language to allow the State of California to help California ports recover from the devastating financial impacts of the pandemic and restore desperately needed revenue; and

WHEREAS, The ARPA was the first financial relief package made available to public seaports; and

WHEREAS, In May 2021, Governor Gavin Newsom announced a one-time $250 million allocation from the ARPA to California’s ports to mitigate the negative economic impacts resulting from the COVID-19 pandemic; and

WHEREAS, On December 8, 2021, the California State Lands Commission authorized the disbursement of $56,616,130 to the Port of San Francisco to recover revenue losses and direct costs incurred from the COVID-19 pandemic in calendar 2020; and

WHEREAS, In spring of 2022 the Port anticipates receiving an additional allocation of ARPA funds from the State of California to recover revenue losses and direct costs incurred in calendar year 2021 due to the COVID-19 pandemic, for a total allocation of up to $114,800,000; and

WHEREAS, Under Administrative Code, Section 10.170-1, the acceptance and expenditure of federal, state, or other grant funds in the amount of $100,000 or more is subject to the approval by resolution of the Board of Supervisors; and

WHEREAS, The Port of San Francisco proposes to maximize the use of grant funds on the program expenditures by not including indirect costs in the grant budget; and
WHEREAS, The Port proposes to use approximately $14,044,498 of ARPA funds for eligible operating and capital expenses in the current fiscal year, and $100,800,000 of ARPA funds for additional operating and capital expenses in Fiscal Year (FY) 2022-2023, and FY2023-2024; and

WHEREAS, The Port will request the acceptance and approval of $100,800,000 of ARPA funding for expenses in FYs 2022-2023 and 2023-2024 during the upcoming biennial budget process; now, therefore, be it

RESOLVED, That the Port Commission is hereby authorized to accept and expend ARPA funding from the State of California in the amount of $14,044,498 for eligible expenses in FY2021-2022, plus additional amounts up to 15% of the original grant amount that may be offered or applied to FY2021-2022 expenses; and, be it

FURTHER RESOLVED, That the Port Commission is hereby authorized to accept and expend ARPA funding from the State of California pursuant to Administrative Code, Section 10.170-1; and, be it

FURTHER RESOLVED, That the Port Director is authorized to enter into one or more grant agreements with the State of California on behalf of the City for acceptance of the $14,044,498 in grant funds authorized by the State of California on December 8, 2021; and be it

FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs as part of this Grant budget; and be it

FURTHER RESOLVED, That within thirty (30) days of each such grant agreement being fully executed by all parties, the Port Commission shall provide a copy to the Clerk of the Board of Supervisors for inclusion in the official file.
Recommended:

/s/

Executive Director, Port of San Francisco

Approved:

/s/ Mayor

Approved:

/s/ Controller
Resolution authorizing the Port Commission to accept and expend a grant from the California State Lands Commission, through the American Rescue Plan Act of 2021 allocation, in the amount of $14,044,498 plus additional amounts up to 15% of the original grant amount that may be offered, for eligible operating and capital expenses, and any lawful purpose for Fiscal Year (FY) 2021-2022, effective upon execution of the Funding Agreement, through June 30, 2024.

March 23, 2022 Budget and Finance Committee - RECOMMENDED

April 05, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 4/5/2022 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved 4/15/2022