



City and County of San Francisco

Meeting Minutes - Final

Budget and Finance Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Connie Chan, Matt Dorsey, Joel Engardio

Clerk: Brent Jalipa
(415) 554-7712 ~ brent.jalipa@sfgov.org

Wednesday, September 17, 2025

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President Rafael Mandelman appointed Supervisor Chyanne Chen, in place of Supervisor Joel Engardio, to the Budget and Finance Committee for the regular meeting of September 17, 2025.

Present: 3 - Connie Chan, Matt Dorsey, and Chyanne Chen

Excused: 1 - Joel Engardio

The Budget and Finance Committee met in regular session on September 17, 2025, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:00 am.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan, Vice Chair Dorsey, and Member Chen were noted present.

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public that public comment is taken on each item on the agenda. Alternatively, 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.

Supervisor Engardio Excused from Attendance

Chair Chan moved to excuse Supervisor Engardio from attending the Budget and Finance Committee meeting on September 17, 2025. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

REGULAR AGENDA

250192 [Administrative, Labor and Employment Codes - City Contract Processes and Requirements]**Sponsors: Mandelman; Dorsey and Mahmood**

Ordinance amending the Administrative Code to 1) create a procurement legislative analysis authority for the City Administrator; 2) revise or create threshold dollar amounts for application of various contract requirements tied to the statutory Minimum Competitive Amount or statutory federal Single Audit Standard; 3) reorganize, standardize, and narrow Chapter 12F (relating to the MacBride Principles concerning Northern Ireland; including sunset of ordinance in 2035); 4) repeal Chapter 12J (relating to City business with Burma); and 5) narrow coverage of, and reduce meeting requirements in, Chapter 12L (relating to certain non-profit organizations receiving funds from the City); and amending the Labor and Employment Code to 6) reorganize, standardize, revise exemptions and waivers narrowing coverage, create threshold dollar amount for application tied to the statutorily based Minimum Competitive Amount, and update Article 131 (relating to nondiscrimination under City contracts; including sunset of ordinance in 2036) and repeal Article 132 (relating to nondiscrimination under City property contracts), while incorporating some of its provisions under Article 131; 7) reorganize, standardize, revise exemptions and waivers narrowing coverage, create a threshold dollar amount for application tied to the statutorily based Minimum Competitive Amount and update Article 151 (relating to City procurement of sweatfree goods; including abolition of the Sweatfree Procurement Advisory Group and sunset of ordinance in 2035); and 8) repeal Article 141 (relating to salary history in the hiring process of City contractors), Article 142 (relating to criminal history in the hiring and employment process of City contractors), and Article 161 (relating to earned income credit forms for employees of City contractors).

02/25/25; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 3/27/2025.

03/03/25; REFERRED TO DEPARTMENT. Referred to the Offices of the City Administrator and their Contract Monitoring and Real Estate Divisions, Small Business, Labor Standards and Enforcement, Contract Administration, and the Human Rights and Public Utilities Commissions for informational purposes.

06/04/25; CONTINUED. Heard in Committee. Speaker(s): None.

07/09/25; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

07/09/25; DUPLICATED AS AMENDED.

07/09/25; RECOMMENDED AS AMENDED. See Duplicate File No. 250748.

07/15/25; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Without objection, Rule 5.27 (Precedence of Motions During Debate) of the Rules of the Board of Supervisors was suspended to allow the motion to amend be taken before the motion to refer the matter to committee.

07/15/25; RE-REFERRED AS AMENDED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Melanie Mathewson (Office of Supervisor Rafael Mandelman); provided an overview and responded to questions raised throughout the discussion. Rosa Shields (SF Labor Council); Cory Hallman (Teamsters, Local 856); Adam Wood; spoke in support of the ordinance matter.

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 8-15, by changing the sunset of ordinances relating to the MacBride Principles and non discrimination under City contracts from '2035' to '2036'; on Page 1, Lines 20-21, by striking '; including abolition of the Sweatfree Procurement Advisory Group and sunset of ordinance in 2035'; on Page 78, Line 17, through Page 80, Line 13, by restoring the entire section related to the Sweatfree Procurement Advisory Group and adding '(4) Enactment of the ordinance in Board File No. 250192 revising and reorganizing this Article, shall not impact the existing membership of the Sweatfree Procurement Advisory Group, or the terms of said members.'; on Page 83, Lines 3-7, to read 'This Article 151 shall become operative on January 1, 2026 and shall have prospective effect only.'; on Page 147, Lines 11-14, to read 'Section 2 of this ordinance shall become operative upon enactment. Section 3 and 4 of this ordinance shall become operative on April 1, 2026. Sections 5-15 of this ordinance shall become operative on January 1, 2026.'; and by making other clarifying and conforming changes throughout the ordinance text. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

Ordinance amending the Administrative Code to 1) create a procurement legislative analysis authority for the City Administrator; 2) revise or create threshold dollar amounts for application of various contract requirements tied to the statutory Minimum Competitive Amount or statutory federal Single Audit Standard; 3) reorganize, standardize, and narrow Chapter 12F (relating to the MacBride Principles concerning Northern Ireland; including sunset of ordinance in 2036); 4) repeal Chapter 12J (relating to City business with Burma); and 5) narrow coverage of, and reduce meeting requirements in, Chapter 12L (relating to certain non-profit organizations receiving funds from the City); and amending the Labor and Employment Code to 6) reorganize, standardize, revise exemptions and waivers narrowing coverage, create threshold dollar amount for application tied to the statutorily based Minimum Competitive Amount, and update Article 131 (relating to nondiscrimination under City contracts; including sunset of ordinance in 2036) and repeal Article 132 (relating to nondiscrimination under City property contracts), while incorporating some of its provisions under Article 131; 7) reorganize, standardize, revise exemptions and waivers narrowing coverage, create a threshold dollar amount for application tied to the statutorily based Minimum Competitive Amount and update Article 151 (relating to City procurement of sweatfree goods); 8) repeal Article 141 (relating to salary history in the hiring process of City contractors), Article 142 (relating to criminal history in the hiring and employment process of City contractors), and Article 161 (relating to earned income credit forms for employees of City contractors).

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250944 [Hearing - Release of Reserved Funds - San Francisco Zoo - San Francisco Zoological Society - \$3,000,000]

Hearing to consider the release of reserved funds to the San Francisco Zoo, placed on Budget and Finance Committee reserve by Board of Supervisors Ordinance No. 119-25 in the amount of \$3,000,000 to fund the general operating needs for the San Francisco Zoological Society. (Recreation and Park Commission)

09/11/25; RECEIVED.

09/11/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jeff Pace, Co-Chief Executive Officer (Zoo); Dan Goncher (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved to release reserved funds to the Zoo in the amount of \$3,000,000 and that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250876 [Setting Property Tax Rate and Establishing Pass-Through Rates for Residential Tenants - FY2025-2026]

Resolution levying property taxes at a combined rate of \$1.18268325 on each \$100 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco County Office of Education, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District; and establishing pass-through rates per \$100 of assessed value for residential tenants and based on tenancy commencement dates pursuant to Administrative Code, Chapter 37, for the Fiscal Year (FY) ending June 30, 2026.

(Controller)

(Fiscal Impact)

08/21/25; RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jamie Whitaker (Office of the Controller); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250774 [Airport Professional Services Agreement - WCME JV - Project Management Support Services for the Terminal 3 West Modernization Project - Further Modifications Not to Exceed \$126,000,000]

Resolution approving Modification No. 15 to Airport Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, with WCME JV, to increase the Contract amount by \$76,000,000 for a new not to exceed amount of \$126,000,000 and extend the Contract for services for an additional five years from December 31, 2025, for a total term of April 12, 2016 through December 12, 2030, pursuant to Charter, Section 9.118(b). (Airport Commission) (Fiscal Impact)

07/17/25; RECEIVED FROM DEPARTMENT.

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dyanna Volek and Derrick Homer (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250877 [Cooperative Agreement - Presidio Trust - Animal Control and Welfare Services]

Resolution authorizing the San Francisco Animal Care and Control (SFACC) to enter into a Cooperative Agreement with the Presidio Trust to provide animal control and welfare services for an initial term of five years, with an option to extend for an additional five years, effective upon approval of this Resolution; and to authorize the SFACC Executive Director to enter into amendments or modifications to the Cooperative Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Cooperative Agreement or this Resolution. (Animal Care and Control)

08/22/25; RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Virginia Donohue, Director (Animal Care and Control); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250872 [Real Property Lease - Innes Group, LLC - 1908-1950 Innes Avenue - \$631,800 Initial Base Year Rent - Up to \$349,092 in Tenant Improvements]

Resolution approving and authorizing the Director of Property, on behalf of the Fleet Management Department ("Central Shops"), to execute a Lease Agreement for 1908-1950 Innes Avenue for a term of six years to commence on October 1, 2025, through September 30, 2031, with one five-year option to extend the term with Innes Group, LLC, at a base annual rent of \$631,800 per year (approximately \$21.60 per square foot) with three percent annual rent increases, and the City will contribute up to an additional \$349,092 for tenant improvements; and authorizing the Director of Property to execute any amendments or modifications to the Lease including exercising options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City, and are necessary to effectuate the purposes of the Lease or this Resolution. (Real Estate Department) (Fiscal Impact)

07/25/25; RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jeff Seuss (City Administrator's Real Estate Division); Don Jones, Director of Fleet Management (Office of the City Administrator); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

Chair Chan requested File Nos. 250898 and 250987 be called together.

250898 [Purchase of Real Property - 290 Division (EAT) LLC, 1660 Mission LLC, Skyline Capital - 1660 and 1670 Mission Street - \$18,500,000 and \$30,000 in Escrow Costs]

Sponsors: Mayor; Dorsey

Resolution 1) approving and authorizing the Director of Property to acquire certain real property located at 1660 and 1670 Mission Street ("Property"); 2) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property for the purchase price of \$18,500,000 plus an estimated \$30,000 for typical closing costs, for a total amount of \$18,530,000 from 290 Division (EAT) LLC, 1660 Mission LLC, a California limited liability company, and Skyline Capital, a Wyoming limited liability company ("Purchase Agreement"); 3) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Purchase Agreement, as defined herein, effective upon approval of this Resolution; 4) affirming the Planning Department's determination under the California Environmental Quality Act; and 5) adopting the Planning Department's findings that the Purchase Agreement, and the transaction contemplated therein, is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.
(Fiscal Impact)

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jeff Seuss (City Administrator's Real Estate Division); Kelly Kirkpatrick (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250897 [Grant Agreement - California Department of Health Care Services - BHCIP Round 5 - Anticipated Revenue to the City \$10,000,000]

Sponsors: Mayor; Dorsey

Resolution authorizing the Department of Public Health to enter into a Grant Agreement for a term commencing on execution of the Grant Agreement, through June 30, 2027, between the City and County of San Francisco ("City"), acting by and through its Department of Public Health ("DPH"), and the California Department of Healthcare Services and its third-party administrator Advocates for Human Potential, Inc., having anticipated revenue to the City of \$10,000,000; including a Permitted and Restricted Use; authorizing DPH to accept and expend grant funds; authorizing the Grantor to apply for a Receiver in the event of the City's default; and authorizing DPH to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purpose of the Grant.

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jeff Seuss (City Administrator's Real Estate Division); Kelly Kirkpatrick (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250878 [Contract Amendment - Edgewood Center for Children and Families - Hospital Diversion and Crisis Stabilization Unit - Not to Exceed \$31,603,801]

Resolution approving Amendment No. 2 to the agreement between City, acting by and through, the Department of Public Health (DPH), and Edgewood Center for Children and Families, to provide hospital diversion and crisis stabilization unit services, to extend the term by four years and nine months from September 30, 2025, for a total term of October 1, 2023, through June 30, 2030, and to increase the amount by \$22,048,994 for a total not to exceed amount of \$31,603,801; and to authorize DPH to enter into amendments or modifications to the agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Public Health Department)
(Fiscal Impact)

08/22/25; RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Farahnaz Farahmand (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

**250895 [Subgrant Agreement - Accept and Expend Grant - Retroactive - The Urban Institute - Just Home Cohort 1 Continuation Funds - Not to Exceed \$200,000]
Sponsors: Mayor; Walton**

Resolution authorizing the Department of Homelessness and Supportive Housing ("HSH") to execute a Subgrant Agreement with The Urban Institute for a total amount not to exceed \$200,000 of Just Home Cohort 1 Continuation Funds; to retroactively accept and expend those grant funds to support continued project management of the Just Home Program for costs incurred June 15, 2025, through September 30, 2026; and authorizing HSH to enter into any additions, amendments, or other modifications to the Subgrant Agreement that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City. (Department of Homelessness and Supportive Housing)

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

250896 [Grant Agreement Amendment - Urban Alchemy - Shelter Services and Operations - 711 Post Street - Not to Exceed \$27,594,252]**Sponsor: Mayor**

Resolution approving the third amendment to the grant agreement between Urban Alchemy and the Department of Homelessness and Supportive Housing ("HSH") for shelter services and operations at 711 Post Street; extending the grant term by six months from September 30, 2025, for a total term of March 21, 2022, through March 31, 2026; increasing the agreement amount by \$4,879,570 for a total amount not to exceed \$27,594,252; and authorizing HSH to enter into any amendments or other modifications to the amendment that do not materially increase the obligations or liabilities, or materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the Agreement. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

09/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen and Gigi Whitley (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Supervisor Danny Sauter (Board of Supervisors); Sally Ma and Laura Marshall (Office of the Controller); Melek Totah, Chief Financial Officer (Urban Alchemy); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Chen

Excused: 1 - Engardio

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:11 p.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.