



# 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, Danny Sauter*

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

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**Wednesday, February 4, 2026**

**10:00 AM**

**City Hall, Legislative Chamber, Room 250**

### **Regular Meeting**

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**Present:** 3 - Connie Chan, Matt Dorsey, and Danny Sauter

*The Budget and Finance Committee met in regular session on February 4, 2026, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:02 a.m.*

## **ROLL CALL AND ANNOUNCEMENTS**

*On the call of the roll, Chair Chan, Vice Chair Dorsey, and Member Sauter 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](mailto: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

**251255 [De-Appropriation and Appropriation - District 10 General City Responsibility - District 10 Projects - Department of Children, Youth and Their Families - Participatory Budgeting - \$250,000 - FY2025-2026]**

**Sponsor: Walton**

Ordinance de-appropriating \$250,000 from General City Responsibility (GEN) and appropriating \$250,000 to Department of Children, Youth and Their Families (CHF) to support the District 10 safety plan, including services at the Hope SF sites, violence prevention events, safe passages, response to schools, and as needed support to the youth and residents most impacted by violence in Fiscal Year (FY) 2025-2026.

(Fiscal Impact)

12/16/25; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/15/2026.

*Heard in Committee. Speaker(s): Tracy Gallardo (Office of Supervisor Shamann Walton); 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 Ordinance be RECOMMENDED. The motion carried by the following vote:**

Ayes: 3 - Chan, Dorsey, Sauter

**251198 [Hearing - Expanding Eligibility for Subsidized Child Care under Proposition C (June 2018)]**

**Sponsors: Sherrill; Melgar, Wong and Sauter**

Hearing on the Proposition C (June 2018) reserve fund balance, totaling \$572,500,000 at the conclusion of Fiscal Year 2024-2025 according to the Department of Early Childhood, and how the City can use this reserve balance to expand eligibility for child care subsidies to families earning up to 200% area median income; and requesting Department of Early Childhood to report.

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

12/08/25; REFERRED TO DEPARTMENT. Referred to the Department of Early Childhood for informational purposes and the Youth Commission for comment and recommendation.

01/07/26; RESPONSE RECEIVED. On December 15, 2025, the Youth Commission met and discussed the hearing matter and submitted a memorandum with questions for the hearing.

*Heard in Committee. Speaker(s): Supervisors Stephen Sherrill and Myrna Melgar (Board of Supervisors); Ingrid Mezquita, Executive Director, and Brenda Taylor (Department of Early Childhood); Devin Macaulay (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Gwen Chong, Maria Jondres, Maria Luz Torre (Parent Voices); Selam Jazir; Tracy Ziropoulos; Kula Koenig (Safe and Sound); Claudia Quiñonez (Children's Council); Mark Ryle (Wu Yee Children's Services); Sara Hicks-Kilday and ReGina Chavez (Early Care Educators of San Francisco); Dr. Megan Rhorer (Compass Family Services); May Wa; Liz Winograd; spoke on various concerns relating to the hearing matter.*

**Chair Chan moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:**

Ayes: 3 - Chan, Dorsey, Sauter

**250967 [Health, Business and Tax Regulations, Public Works Codes - Compact Mobile Food Operation Definitions and Fees]**

Ordinance amending the Health and Business and Tax Regulations Codes to revise the definition of a mobile food facility permit and add definitions for compact mobile food operations, mobile support unit, and permitted auxiliary conveyance permits to reflect recent amendments to the California Retail Food Code, and revise existing definitions of various other terms to reflect State law definitions in that Code; establish annual permit and plan check fees for auxiliary conveyance, compact mobile food operation, and mobile support unit permits; and remove annual food facility surcharge fees; amending the Public Works Code to include a definition for compact mobile food operations and to expand the Department of Public Works' street vending authority to include regulation of compact mobile food operations, and require that Department to consult with the Department of Public Health and Fire Department when issuing rules and regulations that regulate street vendors. (Public Health Department)

09/22/25; RECEIVED FROM DEPARTMENT.

09/30/25; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/30/2025.

01/25/26; NOTICED. First 10-Day Fee Ad for February 4, 2026, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

02/01/26; NOTICED. Second 10-Day Fee Ad for February 4, 2026, Budget and Finance Committee hearing published in the Examiner; per Government Code Section 6062(a).

*Heard in Committee. Speaker(s): Supervisor Jackie Fielder (Board of Supervisor); Philips Ossai and Jen Callewaert (Department of Public Health); Rafael Moreno (Office of Economic and Workplace Development); provided an overview and responded to questions raised throughout the discussion. Josh Jacobo; Andrea; Speaker; Edgar; Maria; Speaker; Speaker; Speaker; Cecilia Contreras; Speaker; Disenia; Speaker; Speaker; Abby Tessi; Layla Ovando; Alma Castellanos (CLETCHA); spoke on various concerns relating to the ordinance matter.*

Chair Chan moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 3-16 to read 'Ordinance amending the Health and Business and Tax Regulations Codes to revise the definition of a mobile food facility permit, and add definitions for compact mobile food operations, mobile support unit, and permitted auxiliary conveyance permits to reflect recent amendments to the California Retail Food Code, revise existing definitions of various other terms to reflect State law definitions in that Code, and expand the definition of stadium concession to include food facilities in stadiums with a seating capacity of 5,000 or more; establish annual permit and plan check fees for auxiliary conveyance, compact mobile food operation, and mobile support unit permits; and waive license and permit fees for compact mobile food operations; amending the Public Works Code to include a definition for compact mobile food operations and to expand the Department of Public Works' street vending authority to include regulation of compact mobile food operations, and to require that Department to consult with the Department of Public Health and the Fire Department when issuing rules and regulations that regulate street vendors.); by replacing 'Class H-1. Mobile Food Facility 1' with 'Class H-1. Mobile Food Facility - Low Risk' and 'Class H-2. Mobile Food Facility 2' with 'Class H-2. Mobile Food Facility - High Risk' throughout the legislation text; on Page 13, Lines 17-19, by replacing '\$893' with '\$778'; on Page 15, Lines 21-24, by adding 'Class R-1: Compact Mobile Food Operation – Low Risk. Class R-2: Compact Mobile Food Operation – Moderate Risk. Class R-3: Compact Mobile Food Operation – High Risk. Class R-4: Permitted Auxiliary Conveyance.); on Page 17, Lines 5-13, by adding '(d) All permit fees and license fees required under the Municipal Code for the operation of a Compact Mobile Food Operation ("CMFO") shall be waived by the department otherwise authorized to impose such fees. For purposes of this subsection (d), "Permit fees" means all permit, application, or other fees payable to the City upon application for, or issuance of, any permit relating to the operation of a CMFO, and "license fees" means fees payable to the City relating to the operation of a CMFO, including but not limited to fees imposed under Section 249.23(b) of the Health Code. Notwithstanding the foregoing sentence, the waiver in this subsection (d) does not apply to the Business Registration Fee imposed under Article 12 of the Business and Tax Regulations Code.); on Page 18, Line 12, by adding 'Except where the Municipal Code provides for a waiver'; on Page 20, Lines 11-18, by adding 'Section 5. This ordinance, as introduced on September 30, 2025, proposed to amend the Business and Tax Regulations Code by eliminating a permit fee for a catering facility and rescinding Section 249.21, which established a Food Facility Charge. But those changes to the Business and Tax Regulations Code had already been effectuated through the enactment of Ordinance No. 279-24, which was approved on January 18, 2025, and Ordinance No. 140-25, which was approved August 31, 2025. Therefore, the inclusion of those proposed amendments was in error. The committee amendments introduced on February 4, 2026 omit those proposed changes from the ordinance.); and by making clarifying and conforming changes throughout the ordinance text. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Sauter

Ordinance amending the Health and Business and Tax Regulations Codes to revise the definition of a mobile food facility permit, and add definitions for compact mobile food operations, mobile support unit, and permitted auxiliary conveyance permits to reflect recent amendments to the California Retail Food Code, revise existing definitions of various other terms to reflect State law definitions in that Code, and expand the definition of stadium concession to include food facilities in stadiums with a seating capacity of 5,000 or more; establish annual permit and plan check fees for auxiliary conveyance, compact mobile food operation, and mobile support unit permits; and waive license and permit fees for compact mobile food operations; amending the Public Works Code to include a definition for compact mobile food operations and to expand the Department of Public Works' street vending authority to include regulation of compact mobile food operations, and to require that Department to consult with the Department of Public Health and the Fire Department when issuing rules and regulations that regulate street vendors. (Public Health Department)

**Chair Chan moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of February 11, 2026. The motion carried by the following vote:**

Ayes: 3 - Chan, Dorsey, Sauter

**251246 [Hotel Development Incentive Agreement - Bespoke Hospitality, LLC - Hearst Hotel Development Project - 5 Third Street and 17-29 Third Street - Not to Exceed \$40,000,000 in Net Present Value]**

**Sponsors: Mayor; Dorsey**

Ordinance approving a Hotel Development Incentive Agreement between the City and County of San Francisco and Bespoke Hospitality, LLC for the Hearst Hotel Development Project, to provide financial assistance not to exceed \$40,000,000 in net present value over 20 years calculated for measurement purposes only as a percentage of new Transient Occupancy Taxes the City actually receives from occupancy of guest rooms in a proposed new hotel, related to the development and operation of a project on certain real property known as 5 Third Street and 17-29 Third Street; waiving Chapter 21G of the Administrative Code and certain sections of the Labor and Employment Code; ratifying past actions and authorizing future actions in furtherance of this Ordinance; making findings under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

12/16/25; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 1/15/2026.

*Heard in Committee. Speaker(s): Maggie Mattson and Leigh Lutenski (Office of Economic and Workforce Development); 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 Ordinance be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors. The motion carried by the following vote:**

Ayes: 3 - Chan, Dorsey, Sauter

**260010 [Real Property Acquisition - City of Daly City - License Agreements, Purchase and Sale Agreement - Sale of Easements for Stormwater Facilities at Lake Merced - \$96,781]**

Resolution approving the terms and conditions and authorizing the General Manager of the San Francisco Public Utilities Commission (SFPUC) and/or City's Director of Property to execute certain agreements with the City of Daly City, consisting of (i) a License Amendment to extend the term of SFPUC License No. P4703 for Habitat Mitigation, Monitoring, and Facilities by an additional five years, for a total of 10 years and four months, for an additional use fee of \$23,503 and a total use fee of \$51,015; (ii) a 50-year License Agreement to construct, operate, and maintain SFPUC-owned overflow facilities at Lake Merced for a total use fee of \$2,278 on a 9,286-square-foot portion of San Francisco Assessor's Parcel Block No. 7283, Lot No. 004, designated as SFPUC Parcel No. 55 (Lake Merced Tract); and (iii) a Purchase and Sale Agreement, Quitclaim Deed, and Easement Deed for the quitclaim of two existing SFPUC tunnel easements totaling 46,992 square feet on San Francisco Assessor's Parcel Block No. 7284, Lot Nos. 001 and 003, and Block No. 7282, Lot Nos. 005 and 006, and the sale of five easements for stormwater facilities totaling approximately 180,010-square-feet on SFPUC Parcel No. 55 for a purchase price of \$71,000 pursuant to Charter, Section 9.118, effective on the date the agreements are executed by both parties, for a total combined amount of \$96,781; and adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Public Utilities Commission)

12/29/25; RECEIVED FROM DEPARTMENT.

01/06/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Dina Brasil (Public Utilities Commission); 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, Sauter

**260041 [Accept and Expend Grant - Retroactive - California Department of Justice - 2025 Tobacco Grant Program - \$1,119,862]**

**Sponsors: Mayor; Mandelman, Dorsey and Mahmood**

Resolution retroactively authorizing the Police Department to accept and expend a grant in the amount of \$1,119,862 from the California Department of Justice (DOJ) for the 2025 Tobacco Grant Program to fund personnel and operating expenses for the SFPD's Drug Market Agency Coordination Center (DMACC) with the project period beginning on November 21, 2025, through June 30, 2029. (Police Department)

01/13/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): James Aherne (Police Department); 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, Sauter

**260028 [Professional Services Contract - ConnectionsCA, LLC. - RESET Center - Not to Exceed \$14,537,426]****Sponsors: Mayor; Dorsey**

Resolution approving and authorizing the City and County of San Francisco acting through the Sheriff's Office to enter into a Professional Services Contract with ConnectionsCA, LLC for operating the Rapid Enforcement Support Evaluation and Triage (RESET) Center, a safe alternative to incarceration for individuals brought in by law enforcement for public intoxication or drug use, submitted under Chapter 21B of the Administrative Code as a Core Initiative Contract, for a total not to exceed amount of \$14,537,426 with an initial term of two years and two months, commencing on February 1, 2026, through March 31, 2028, with an option to extend for one additional year; authorizing the Sheriff to execute any amendments, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, and are necessary or advisable to effectuate the purposes of the contract; and affirming the Planning Department's determination under the California Environmental Quality Act. (Sheriff) (Fiscal Impact)

01/06/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Patrick Leung and Katherine Johnson (Sheriff's Office); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Zack; Kevin (Tenderloin Neighborhood Development Company); Flo Kelly; spoke on various concerns relating to the resolution matter.*

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

Ayes: 3 - Chan, Dorsey, Sauter

**260016 [Public and Sealed Bid Auction - Tax-Defaulted Real Property]**

Resolution authorizing the Tax Collector to sell certain parcels of tax-defaulted real property at Public Auction and Sealed Bid Auction. (Treasurer-Tax Collector)

01/02/26; RECEIVED FROM DEPARTMENT.

01/13/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Eric Manke (Office of the Treasurer and Tax Collector); provided an overview and responded to questions raised throughout the discussion.*

**Chair Chan moved that the Tax-Defaulted Property Subject to Public Tax Sale 2026 list be AMENDED, by striking 674 Moscow Street, and 41 Sears Street. The motion carried by the following vote:**

Ayes: 3 - Chan, Dorsey, Sauter

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

Ayes: 3 - Chan, Dorsey, Sauter

**251165 [Police Code - Refunds of Police Emergency Alarm Fees]**

Ordinance amending the Police Code to revise the procedures for alarm companies and alarm users to claim refunds or credits of overpaid alarm fees under the Police Emergency Alarm Ordinance. (Treasurer-Tax Collector)

11/24/25; RECEIVED FROM DEPARTMENT.

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Eric Manke (Office of the Treasurer and Tax Collector); provided an overview and responded to questions raised throughout the discussion.*

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

Ayes: 3 - Chan, Dorsey, Sauter

**260073 [Hearing - Board of Supervisors/Clerk of the Board - Annual Budget Guidelines - FYs 2026-2027 and 2027-2028]**

Hearing to consider the review and approval of the Budget Guidelines for the Board of Supervisors/Clerk of the Board Annual Budget for Fiscal Years (FYs) 2026-2027 and 2027-2028, for submission to the Mayor and Controller; and requesting the Office of the Clerk of the Board to report. (Clerk of the Board)

01/13/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

*Heard in Committee. Speaker(s): Angela Calvillo, Clerk of the Board of Supervisors, and Edward De Asis (Office of the Clerk of the Board of Supervisors); provided an overview and responded to questions raised throughout the discussion.*

**Chair Chan moved to authorize the Clerk of the Board to submit the department's proposed budget, as presented, to the Mayor's Office of Public Policy and Finance and to the Office of the Controller and that this Hearing be HEARD AND FILED. The motion carried by the following vote:**

Ayes: 3 - Chan, Dorsey, Sauter

**ADJOURNMENT**

*There being no further business, the Budget and Finance Committee adjourned at the hour of 2:56 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.*