



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

Wednesday, May 6, 2026

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

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

The Budget and Finance Committee met in regular session on May 6, 2026, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:00 a.m.

ROLL CALL AND ANNOUNCEMENTS

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

All members were 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.

REGULAR AGENDA

260423 [Designation of Agents Authorized to Obtain Disaster and Emergency Assistance Funding]

Sponsor: Mayor

Resolution authorizing the Executive Director of the Department of Emergency Management, Controller, and Deputy Controller as agents to act on behalf of the City and County of San Francisco for all matters pertaining to State and Federal Disaster and Emergency Assistance Funding and to provide the assurances and agreements required by the Governor's Office of Emergency Services.

04/21/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Mark McLean (Office of the Controller); 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

Chair Chan requested File Nos. 260360 and 260393 be called together.

260360 [De-appropriation and Appropriation - Recreation and Park - San Francisco Zoological Society Loan - \$2,500,000 - FY2025-2026]

Sponsor: Melgar

Ordinance de-appropriating \$2,500,000 of Open Space Acquisition funding and appropriating \$2,500,000 in the Recreation and Park Department for a loan to the San Francisco Zoological Society in Fiscal Year (FY) 2025-2026.

(Fiscal Impact)

04/07/26; ASSIGNED to Budget and Appropriations Committee. 4/10/2026 - President Mandelman waived the 30-day hold pursuant to Board Rule 3.22.

04/13/26; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Supervisor Myrna Melgar (Board of Supervisors); Sarah Madland, Interim General Manager, and Antonio Guerra (Recreation and Park Department); Cassandra Costello, Chief Executive Officer (San Francisco Zoo and Gardens); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Fleur Dawes; spoke in opposition to the ordinance matter. Ahsha Safai (Building and Construction Trades); Dr. Emily Walco; Shelby Hasbun; Corey Hallman and Mark Leach (Teamsters, Local Union 856); Leticia Francis; Lamar Walker; Bridget Israel; Dr. Nick Dannemiller; Marie-Claude Nadeau; Matthew Delia; Patrick Schlemmer; Adrian Mutlow; Mark Vella; Kate Tortson; Alicia Carroll; Quinn Brown; Elizabeth Beatty; spoke in support of the ordinance matter. Michael Angelo Torres; shared various concerns relating to the hearing matter.

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

Ayes: 3 - Chan, Dorsey, Sauter

260393 [Loan Agreement - San Francisco Zoological Society - Operations and Long-Term Financial Sustainability - Up to \$8,500,000]

Resolution authorizing the Recreation and Park Department to enter into an agreement to loan up to \$8,500,000 to the San Francisco Zoological Society ("SFZS") to support the operations and long-term financial sustainability of the San Francisco Zoo contingent on various milestones and terms and conditions effective upon approval of this Resolution, to be repaid over 10 years in the form of deductions from the SFZS's Management Fee; allowing for the City to terminate the Lease and Management Agreement with the SFZS in the event the loan is not timely repaid or if the conditions in the loan agreement are otherwise not met; and authorizing the Recreation and Park Department General Manager to enter into amendments or modifications to the loan agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the permit or this Resolution. (Recreation and Park Department)
(Fiscal Impact)

04/10/26; RECEIVED FROM DEPARTMENT.

04/21/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Supervisor Myrna Melgar (Board of Supervisors); Sarah Madland, Interim General Manager, and Antonio Guerra (Recreation and Park Department); Cassandra Costello, Chief Executive Officer (San Francisco Zoo and Gardens); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Fleur Dawes; spoke in opposition to the resolution matter. Ahsha Safai (Building and Construction Trades); Dr. Emily Walco; Shelby Hasbun; Corey Hallman and Mark Leach (Teamsters, Local Union 856); Leticia Francis; Lamar Walker; Bridget Israel; Dr. Nick Dannemiller; Marie-Claude Nadeau; Matthew Delia; Patrick Schlemmer; Adrian Mutlow; Mark Vella; Kate Tortson; Alicia Carroll; Quinn Brown; Elizabeth Beatty; spoke in support of the resolution matter. Michael Angelo Torres; shared various concerns relating to the hearing matter.

Chair Chan moved that this Resolution be CONTINUED to the Budget and Finance Committee meeting of May 13, 2026. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Sauter

260367 [Accept and Expend Grant - Retroactive - California Natural Resources Agency - Historic LGBTQ+ Venue Preservation and Revitalization in the Castro - Castro Theatre - \$5,000,000]

Sponsors: Mayor; Mandelman and Chan

Resolution retroactively authorizing the Office of Economic and Workforce Development to accept and expend a grant in the amount of \$5,000,000 from the California Natural Resources Agency for the preservation and revitalization of a historic LGBTQ+ venue that will advance economic development in the Castro neighborhood during the grant period of April 1, 2026, through December 31, 2027. (Department of Economic and Workforce Development)

04/07/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

04/29/26; CONTINUED. Heard in Committee. Speaker(s): Ben Van Houten and Alesandra Lozano (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion.

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

Heard in Committee. Speaker(s): Ben Van Houten (Office of Economic and Workforce Development); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 3-6 to read 'Resolution retroactively authorizing the Office of Economic and Workforce Development to accept and expend a grant in the amount of \$5,000,000 from the California Natural Resources Agency for the preservation and revitalization of the Castro Theatre, a historic LGBTQ+ venue, to help advance economic development in the Castro neighborhood during the grant period of April 1, 2026 through December 31, 2027.'; Lines 10-13, to read 'WHEREAS, The California Legislature and Governor of the State of California have approved a grant in the amount of \$5,000,000 for the preservation and revitalization of a historic LGBTQ+ venue the Castro Theatre that will to help advance economic development in the Castro neighborhood in San Francisco (Grant Project); and'; and Lines 14-17, by inserting 'WHEREAS, The Castro Theatre is a historic building serving and welcoming all of San Francisco's residents and visitors; and WHEREAS, All individuals, LGBTQ+ and allies alike, will benefit from preserving and revitalizing this iconic and historic landmark; and'. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Sauter

Resolution retroactively authorizing the Office of Economic and Workforce Development to accept and expend a grant in the amount of \$5,000,000 from the California Natural Resources Agency for the preservation and revitalization of the Castro Theatre, a historic LGBTQ+ venue, to help advance economic development in the Castro neighborhood during the grant period of April 1, 2026 through December 31, 2027. (Department of Economic and Workforce Development)

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

Ayes: 3 - Chan, Dorsey, Sauter

260297 [Appropriation - Fire Department - Revenue - \$1,589,223 - De-Appropriation - Various Departments - Permanent Salaries and Dependent Coverage - \$8,832,528 - Appropriation - Overtime - \$10,421,751 - FY2025-2026]

Sponsor: Mayor

Ordinance appropriating \$1,163,325 of Ambulance Billings and \$425,898 of Fire Overtime Service Fees revenues in the Fire Department, de-appropriating permanent salaries of \$500,000 in the Department of Emergency Management, permanent salaries of \$6,088,370 and dependent coverage of \$994,158 in the Fire Department, and permanent salaries of \$1,250,000 in the Public Utilities Commission, and appropriating \$500,000 to overtime in the Department of Emergency Management, \$8,671,751 to overtime in the Fire Department, and \$1,250,000 to overtime in the Public Utilities Commission in order to support the Departments' projected increases in overtime as required per Administrative Code, Section 3.17; this Ordinance requires a two-thirds vote of all members of the Board of Supervisors for approval of the Fire Department's appropriation of \$7,992,170 pursuant to Charter, Section 9.113(c).

(Pursuant to Charter, Section 9.113(c), this matter shall require a vote of two-thirds (8 votes) of all members of the Board of Supervisors to approve such appropriation ordinance for passage.)

03/24/26; ASSIGNED UNDER 30 DAY RULE to Budget and Appropriations Committee, expires on 4/23/2026.

04/30/26; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Mark Corso (Fire Department); 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

260426 [Multifamily Housing Revenue Notes - Mercy Housing California 120, L.P. - 1687 Market Residences - Not to Exceed \$30,000,000]

Sponsors: Mayor; Dorsey and Mandelman

Resolution authorizing the execution and delivery of multifamily housing revenue notes in one or more series in an aggregate principal amount not to exceed \$30,000,000 for the purpose of providing financing for the construction of a 94-unit multifamily rental housing project known as "1687 Market Residences"; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the construction loan from the funding lender to the City, and the execution and delivery of the notes; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the construction loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for the project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue notes by the City in an aggregate principal amount not to exceed \$30,000,000; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the funding loan, the borrower loan, the notes and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

04/21/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): William Wilcox (Mayor's Office of Housing and Community Development); 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

Chair Chan requested File Nos. 260424 and 260401 be called together.

260424 [Accept and Expend Grant - Retroactive - California State Water Resources Control Board - Public Beach Safety Program Grant - \$87,675]

Sponsor: Mayor

Resolution retroactively authorizing Department of Public Health to accept and expend grant funds from July 1, 2025; retroactively approving the Grant Agreement between City, acting by and through the Department of Public Health, and the California State Water Resources Control Board for the purpose of collecting bay and ocean shoreline water samples for pathogen analysis, for a term of three years from July 1, 2025, through June 30, 2028, and for a total not to exceed amount of \$87,675; and to authorize the Director of Public Health to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Grant Agreement. (Public Health Department)

04/21/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Douglas Obana and Lily Conover (Department of Public Health); Michael Chung, Chief Executive Officer (Chinese Hospital); 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

260401 [Accept and Expend Grant - Retroactive - California Department of Health Care Services - DHCS Grant for San Francisco Chinese Hospital - \$1,000,000]

Sponsors: Mayor; Sauter and Mandelman

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$1,000,000 from the California Department of Health Care Services for participation in a program entitled, "Department of Health Care Services (DHCS) Grant for San Francisco Chinese Hospital," to support the new oncology clinic and chemotherapy center at the Chinese Hospital from July 1, 2025, to December 31, 2026. (Public Health Department)

04/14/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Douglas Obana and Lily Conover (Department of Public Health); Michael Chung, Chief Executive Officer (Chinese Hospital); 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

Chair Chan requested File Nos. 260363 and 260365 be called together.

260363 [Grant Agreement Amendment - Tenderloin Housing Clinic, Inc. - Abigail Housing Ladder Program - Not to Exceed \$15,496,140]

Sponsor: Mayor

Resolution approving the second amendment to the grant agreement between the Tenderloin Housing Clinic, Inc. and the Department of Homelessness and Supportive Housing ("HSH"), for the Abigail Housing Ladder Program, extending the term by 36 months from June 30, 2026, for a total term of January 1, 2021, through June 30, 2029, and increasing the agreement amount by \$5,526,944 for a new total amount not to exceed \$15,496,140; 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.

(Fiscal Impact)

04/07/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); 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, Sauter

260365 [Grant Agreement Amendment - Tenderloin Housing Clinic, Inc. - Garland Hotel - Support Services, Property Management and Master Lease Stewardship - Not to Exceed \$17,340,154]

Sponsor: Mayor

Resolution approving the second amendment to the grant agreement between the Tenderloin Housing Clinic, Inc. and the Department of Homelessness and Supportive Housing ("HSH"), for support services, property management and master lease stewardship at the Garland Hotel, extending the term by 36 months from June 30, 2026, for a total term of April 1, 2022, through June 30, 2029, and increasing the agreement amount by \$7,355,910 for a new total amount not to exceed \$17,340,154; 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)

04/07/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); 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, Sauter

Chair Chan requested File Nos. 260372 and 260364 be called together.

260372 [Contract Amendment - Five Keys Schools and Programs - Ellis Semi-Congregate Shelter - Not to Exceed \$39,569,622]

Sponsor: Mayor

Resolution approving the second amendment to the contract agreement between the Five Keys Schools and Programs and the Department of Homelessness and Supportive Housing ("HSH"), for the provision of Ellis Semi-Congregate Shelter, extending the term 24 months from June 30, 2026, for a total term of December 15, 2022, through June 30, 2028, and increasing the agreement amount by \$12,272,629 for a new total amount not to exceed \$39,569,622; 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.

(Fiscal Impact)

04/07/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); 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, Sauter

260364 [Grant Agreement Amendment - Community Forward SF - Coronado Hotel - Support Services, Property Management and Master Lease Stewardship - Not to Exceed \$11,907,978]

Sponsor: Mayor

Resolution approving the second amendment to the grant agreement between the Community Forward SF and the Department of Homelessness and Supportive Housing ("HSH"), for support services, property management and master lease stewardship at Coronado Hotel, extending the term by 36 months from June 30, 2026, for a total term of January 1, 2021, through June 30, 2029, and increasing the agreement amount by \$6,860,905 for a new total amount not to exceed \$16,653,327; 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)

(Fiscal Impact)

04/07/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); 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 AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by decreasing the extended term from '36 months' to '12 months', the amount maximum expenditure from '\$6,860,905' to '\$2,115,556', and total not-to-exceed amount from '\$16,653,327' to '\$11,907,978'; and by replacing 'June 30, 2029' with 'June 30, 2027' throughout the legislation text. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Sauter

Resolution approving the second amendment to the grant agreement between the Community Forward SF and the Department of Homelessness and Supportive Housing (“HSH”), for support services, property management and master lease stewardship at Coronado Hotel, extending the term by 12 months from June 30, 2026, for a total term of January 1, 2021, through June 30, 2027, and increasing the agreement amount by \$2,115,556 for a new total amount not to exceed \$11,907,978; 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)

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

Ayes: 3 - Chan, Dorsey, Sauter

Supervisor Dorsey Excused from Voting

Chair Chan moved to excuse Supervisor Dorsey from voting on File No. 260400. The motion carried by the following vote:

Ayes: 2 - Chan, Sauter

Excused: 1 - Dorsey

260400 [Real Property Lease - 33 8th Street, LLC - 33-8th Street - Initial Base Rent of \$448,224]

Sponsors: Mayor; Dorsey

Resolution approving and authorizing the Director of Property, on behalf of the Drug Market Agency Coordination Center to execute a Lease with 33 8th Street, LLC, a California limited liability company, for a portion of the real property located at 33-8th Street, for a term of 10 years and four months at an initial annual base rent of \$448,224 with 3% annual increases, effective upon approval of this Resolution by the Board of Supervisors and the Mayor and upon execution by the Director of Property; and authorizing the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.
(Fiscal Impact)

04/14/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Capt. Chris Canning (Police Department); Jeff Suess (City Administrator’s Real Estate Division); Christina Malamut (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: 2 - Chan, Sauter

Excused: 1 - Dorsey

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:41 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.