

File No. 260303

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date June 17, 2026

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Notice of Award/Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Brent Jalipa Date June 11, 2026

Completed by: Brent Jalipa Date _____

1 [Administrative Code - Increasing Accept and Expend Threshold Amount for Grants]

2

3 **Ordinance amending the Administrative Code to increase the minimum grant award**
4 **amount requiring Board of Supervisors approval for acceptance and expenditure from**
5 **\$100,000 to the greater of \$1,000,000 or the federal single audit threshold amount set**
6 **by the United States Office of Management and Budget, starting October 1, 2026;**
7 **require Board of Supervisors approval of a grant increase only if it raises the grant to**
8 **the approval threshold for the first time or increases a previously approved grant to**
9 **110% or more of the previously approved amount; authorize the Controller to make**
10 **rules governing the acceptance and expenditure of any grants or grant increases that**
11 **do not require Board of Supervisors approval; and make other non-substantive**
12 **organizational changes to the sections of code relating to cash revolving funds and**
13 **acceptance and expenditure of grant funds.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
15 **Additions to Codes** are in *single-underline italics Times New Roman font*.
16 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
17 **Board amendment additions** are in double-underlined Arial font.
18 **Board amendment deletions** are in ~~strikethrough Arial font~~.
19 **Asterisks (* * * *)** indicate the omission of unchanged Code
20 subsections or parts of tables.

21 Be it ordained by the People of the City and County of San Francisco:

22 Section 1. The purpose of this Section 1 is to reorganize Chapter 10 of the
23 Administrative Code to create a separate Article for procedures concerning the acceptance
24 and expenditure of grant funds. Chapter 10 is amended as follows:

25 (a) A new Article XIV, titled "Cash Revolving Funds," is added, and Sections 10.125-
10.132, as currently numbered, are moved to that Article XIV.

1 (b) Sections 10.170-10.179, as currently numbered, remain in Article XV. Article XV
2 is renamed "Acceptance and Expenditure of Grant Funds."
3

4 Section 2. Article XV of the Administrative Code is hereby amended by revising
5 Section 10.170-1, to read as follows:
6

7 **SEC. 10.170-1. GRANT FUNDS – ACCEPTANCE AND EXPENDITURE.**

8 (a) Any department, board, or commission that seeks to accept and expend federal,
9 State, or other grant funds must comply with any applicable provisions of this Section 10.170-
10 1.

11 (b) The acceptance and expenditure of federal, State, or other grant funds in ~~the~~
12 amount equal to or exceeding the greater of \$100,000, 1,000,000 or the federal single audit threshold
13 amount set by the United States Office of Management and Budget, or more is subject to the approval
14 by resolution of the Board of Supervisors. For purposes of this Section 10.170-1, the greater of
15 \$1,000,000 or the federal single audit threshold amount set by the United States Office of Management
16 and Budget shall be referred to as the "Board Review Threshold." If, as a condition of the grant,
17 the City is required to provide any matching funds, those funds shall be included in
18 determining whether the grant meets the ~~\$100,000, threshold~~ Board Review Threshold. This
19 subsection (b) shall also apply to an increase in a grant where the increase, alone or in
20 combination with any other previous increases to that grant, would for the first time raise the
21 cumulative total amount of the grant to equal or exceed the Board Review Threshold ~~\$100,000 or~~
22 ~~more~~ or, for a grant the Board of Supervisors has previously approved on the basis that it met or
23 exceeded the Board Review Threshold, would increase the cumulative total amount of the grant to
24 110% or more of the amount most recently approved by the Board of Supervisors. The department,
25

1 board, or commission requesting approval shall submit the following documents to the Board
2 prior to its consideration:

3 (1) A proposed resolution approving the acceptance and expenditure of grant
4 funds, or a proposed ordinance as required under subsection (d), signed by the department
5 head, the Mayor or his or her designee, and the Controller;

6 (2) A completed "Grant Information Form." The Clerk of the Board shall
7 prepare the form; it shall include a disability access checklist, indirect cost recovery, and other
8 information as the Board of Supervisors may require;

9 (3) A copy of the grant application;

10 (4) A letter of intent to award the grant or acknowledgment of grant award from
11 the granting agency; and,

12 (5) A cover letter to the Clerk of the Board substantially conforming to the
13 specifications of the Clerk of the Board.

14 (c) Grants or Increases to Grants of Less Than ~~\$100,000~~the Board Review Threshold.
15 The Controller may prescribe rules for the acceptance and expenditure of federal, State, or
16 other grant funds in amounts less than ~~\$100,000~~the Board Review Threshold, or for increases to
17 grants where the increase, alone or in combination with any other previous increases to that
18 grant, would not raise the cumulative total amount of the grant to equal or exceed the Board
19 Review Threshold~~\$100,000 or more~~. The Controller may also prescribe rules for the acceptance
20 and expenditure of increases to grants, where the original grant or any subsequent increase
21 to the grant has been approved by the Board of Supervisors under subsection (b) or (d) and
22 where the latest increase would not require approval by the Board of Supervisors~~be in an amount~~
23 ~~less than \$50,000~~.

24 (d) Grant Funded Positions. No position funded by a grant, regardless of the amount
25 of the grant, shall be authorized or filled unless the classification, duration, and number of

1 positions to be funded by the grant are specifically set forth in an ordinance approving
2 acceptance and expenditure, which ordinance shall also contain appropriate amendments to
3 the annual salary ordinance to reflect the positions proposed to be funded through the grant.

4 * * * *

5
6 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
10 additions, and Board amendment deletions in accordance with the “Note” that appears under
11 the official title of the ordinance.

12
13 Section 4. Effective and Operative Dates.

14 (a) Effective Date. This ordinance shall become effective on the 31st day after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor’s veto of the ordinance.

18 (b) Operative Date. This ordinance shall become operative on October 1, 2026.

19
20
21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23 By: **Sarah Crowley**
24 SARAH CROWLEY
Deputy City Attorney

25 4903-3546-9465 v.2

LEGISLATIVE DIGEST

[Administrative Code - Increasing Accept and Expend Threshold Amount for Grants]

Ordinance amending the Administrative Code to increase the minimum grant award amount requiring Board of Supervisors approval for acceptance and expenditure from \$100,000 to the greater of \$1,000,000 or the federal single audit threshold amount set by the United States Office of Management and Budget, starting October 1, 2026; require Board of Supervisors approval of a grant increase only if it raises the grant to the approval threshold for the first time or increases a previously-approved grant to 110% or more of the previously-approved amount; authorize the Controller to make rules governing the acceptance and expenditure of any grants or grant increases that do not require Board of Supervisors approval; and make other non-substantive organizational changes to the sections of code relating to cash revolving funds and acceptance and expenditure of grant funds.

Existing Law

Currently, the Board of Supervisors must approve acceptance and expenditure of any grant of \$100,000 or more. The Controller may adopt rules for the acceptance and expenditure of grant funds in amounts less than \$100,000, and for increases of less than \$50,000 to grants previously approved by the Board.

Currently, the Municipal Code sections addressing acceptance and expenditures of grant funds are located in Article XV of Chapter 10 of the Administrative Code, which is titled "Cash Revolving Funds" and includes sections relating to cash revolving funds that precede the sections addressing acceptance and expenditure of grants.

Amendments to Current Law

Starting October 1, 2026, this ordinance would require Board of Supervisors approval only of grants that equal or exceed the greater of \$1,000,000 or the federal single audit threshold set by the United States Office of Management and Budget, and of increases to grant amounts that either bring the grant amount to the approval threshold for the first time or increase a previously-approved grant to 110% or more of a previously-approved amount. The ordinance would authorize the Controller to adopt rules for the acceptance and expenditure of grant funds when Board approval is not required.

This ordinance would reorganize Chapter 10 of the Administrative Code such that the sections relating to cash revolving funds are moved to a new Article XIV, to be titled "Cash Revolving Funds," the sections relating to acceptance and expenditure of grants and a few other matters remain in Article XV, and Article XV is retitled "Acceptance and Expenditure of Grant Funds."

| | |
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| <p>Item 2 File 26-0303</p> | <p>Department:</p> |
| <p>EXECUTIVE SUMMARY</p> | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance amends the Chapter 10 of the Administrative Code to (a) increase the minimum revenue grant amount requiring Board of Supervisors approval for grant acceptance and expenditure from \$100,000 to \$1,000,000, or the federal single audit threshold amount set by the U.S. Office of Management and Budget, starting October 1, 2026; (b) require Board of Supervisors approval of a grant increase only if it raises the grant to the approval threshold for the first time or increases a previously-approved grant to 110 percent or more of the previously-approved amount; and (c) authorize the Controller to make rules governing the acceptance and expenditure of any grants or grant increases that do not require Board of Supervisors approval. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • Between January 1, 2025 and April 7, 2026, the Board of Supervisors reviewed 113 grants for acceptance. Of the 113 grants, 45 percent of those grants had not-to-exceed amounts below the proposed \$1,000,000 threshold for Board review. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • Based on data from January 1, 2025 to April 7, 2026, the proposed ordinance would eliminate Board of Supervisors review of 45 percent of revenue grants that currently require Board of Supervisors approval. This amounts to \$18.9 million or two percent of the \$765,804,058 in grant revenues reviewed by the Board during that period. The proposal would expedite the execution of revenue grant agreements but limits the Board’s visibility, input, and oversight of grant funds. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approval of the proposed ordinance is a policy matter for the Board of Supervisors. | |

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

BACKGROUND

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance amends the Chapter 10 of the Administrative Code to (a) increase the minimum grant amount requiring Board of Supervisors approval for grant acceptance and expenditure from \$100,000 to \$1,000,000, or the federal single audit threshold amount set by the U.S. Office of Management and Budget, starting October 1, 2026; (b) require Board of Supervisors approval of a grant increase only if it raises the grant to the approval threshold for the first time or increases a previously-approved grant to 110 percent or more of the previously-approved amount; and (c) authorize the Controller to make rules governing the acceptance and expenditure of any grants or grant increases that do not require Board of Supervisors approval.

FISCAL IMPACT

Between January 1, 2025 and April 7, 2026, the Board of Supervisors reviewed 113 grants for acceptance. As shown below, 45 percent of those grants had not-to-exceed amounts below the proposed \$1,000,000 threshold, as shown below.

Exhibit 1: Board of Supervisors Approval of Grants, January 1, 2025 – April 7, 2026

| # of Grants | Proposed \$1M Threshold | % of # Grants | Total Grant Amount | Average Grant Amount |
|-------------|-------------------------|---------------|----------------------|----------------------|
| 62 | Over | 55% | \$746,888,212 | \$12,046,584 |
| 51 | Under | 45% | \$18,915,846 | \$370,899 |
| 113 | | | \$765,804,058 | |

Source: BLA review of legislative files

POLICY CONSIDERATION

Based on data from January 1, 2025 to April 7, 2026, the proposed ordinance would eliminate Board of Supervisors review of 45 percent of revenue grants that currently require Board of Supervisors approval. This amounts to \$18.9 million or two percent of the \$765,804,058 in grant

revenues reviewed by the Board during that period. The proposal would expedite the execution of revenue grant agreements but limits the Board's visibility, input, and oversight of grant funds.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor:

