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, March 18, 2026 **10:00 AM** **City Hall, Legislative Chamber, Room 250**

Regular Meeting

President Rafael Mandelman appointed Supervisor Stephen Sherrill, in place of Supervisor Danny Sauter, to the Budget and Finance Committee for the regular meeting of March 18, 2026, effective 10:45 a.m. through the remainder of the meeting.

Present: 3 - Connie Chan, Matt Dorsey, and Stephen Sherrill
Excused: 1 - Danny Sauter

The Budget and Finance Committee met in regular session on March 18, 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 and Vice Chair Dorsey were noted present. Member Sauter was noted not present. A quorum was 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 Sauter Excused from Attendance

Chair Chan moved to excuse Supervisor Sauter from attending the Budget and Finance Committee meeting on March 18, 2026. The motion carried by the following vote:

Ayes: 2 - Chan, Dorsey
Excused: 1 - Sauter

REGULAR AGENDA

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, 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)

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).

02/04/26; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. 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; Ceclia Contreras; Speaker; Disenia; Speaker; Speaker; Abby Tessi; Leila Ovando; Alma Castellanos (CLETCHA); spoke on various concerns relating to the ordinance matter.

02/04/26; CONTINUED AS AMENDED.

02/11/26; CONTINUED. Heard in Committee. Speaker(s): None.

02/25/26; CONTINUED. Heard in Committee. Speaker(s): None.

03/04/26; CONTINUED. Heard in Committee. Speaker(s): None.

03/11/26; CONTINUED. Heard in Committee. Speaker(s): None.

Heard in Committee. Speaker(s): None.

See Duplicate File No. 260292.

Chair Chan requested this Ordinance be DUPLICATED.

Chair Chan moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:
Ayes: 2 - Chan, Dorsey
Excused: 1 - Sauter

Chair Chan moved to RESCIND the previous vote to reopen public comment. The motion carried by the following vote:
Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

Heard in Committee. Speaker(s): Natalie Ortiz and Leila Ovando (Nuestra Causa); Rosa; Dalis; Edgar; Magdalia; Andrea; Mrs. Romero; Maria Deludres; Gabrielle; Cecilia; Maria Juje; Jessenia; Marta; Philip Areyes; Carmen; Adi; Sandra Montoya; Marta; Michael Wright; Speaker; spoke on various concerns relating to the ordinance.

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

Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

260292 **[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, 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.

Duplicated from File No. 250967.

Chair Chan moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 2 - Chan, Dorsey
Excused: 1 - Sauter

260181 [Grant Agreement Amendment - Lutheran Social Services - Money Management - Not to Exceed $15,210,535]

Sponsor: Mayor

Resolution approving the second amendment to the grant agreement between Lutheran Social Services of Northern California and the Department of Homelessness and Supportive Housing (“HSH”) for money management services, extending the grant term by 24 months from June 30, 2026, for a total term of July 1, 2021, through June 30, 2028, and increasing the agreement amount by $5,210,685 for a total amount not to exceed $15,210,535; 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)

02/24/26; 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: 2 - Chan, Dorsey
Excused: 1 - Sauter

260171 [Accept and Expend Gift - Retroactive - Whilt Living Trust - Animal Care and Control Welfare Fund - $100,000.25]

Resolution retroactively authorizing Animal Care and Control to accept and expend a gift valued in the amount of $100,000.25 from the Whilt Living Trust in support of various Animal Care and Control operational needs, effective September 30, 2025. (Animal Care and Control)

02/17/26; RECEIVED FROM DEPARTMENT.

03/03/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sophie Hayward (Office of the City Administrator); 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, Dorsey
Excused: 1 - Sauter

260194 [Real Property Lease - Dylan's Tours, Inc. - 490 Jefferson Street - $72,000 annually with 3% annual increases]

Sponsor: Sauter

Resolution approving Port Commission Lease No. L-17378 with Dylan's Tours, Inc., a limited liability company, for approximately 1,505 square feet on the ground floor of a two-story building located at 490 Jefferson Street for a term of five years to commence on May 1, 2026, through April 30, 2031, for an initial annual base rent of $72,000 with 3% annual increases and one five-year option to renew. (Port)

02/24/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Tita Bell (Office of Supervisor Danny Sauter); Scott Landsittel (Port 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: 2 - Chan, Dorsey
Excused: 1 - Sauter

Chair Chan requested File Nos. 260172 and 260173 be called together.

260172 [Real Property Lease Amendment - KLW Investments, LLC - 3119, 3125, and 3127 Mission Street - Annual Base Rent of $410,145]

Resolution approving and authorizing the Director of Property, on behalf of the City and County of San Francisco, to execute the second amendment to the lease of 11,085 square feet of office space at 3119, 3125, and 3127 Mission Street, from KLW Investments, LLC, a California limited liability corporation; extending the term by four years and six months from March 31, 2026, for a total term from, July 1, 2015, through September 30, 2030, and granting a five year option to renew the lease, at an annual base rent of $410,145 for continuing use by the Human Services Agency; and authorizing the Director of Property to enter into any additions, amendments or other modifications to the lease that do not otherwise materially increase the obligation or liabilities of the City to effectuate the purposes of the lease and this Resolution. (Real Estate Department)
(Fiscal Impact)

02/19/26; RECEIVED FROM DEPARTMENT.

03/03/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Alfie Penafor, Gabriel Jones, and Dora Granera (Human Services Agency); Sarah Oerth, Director of Property (City Administrator's Real Estate Division); 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: 2 - Chan, Dorsey
Excused: 1 - Sauter

260173 **[Real Property Lease Amendment - KLW Investments, LLC - 3120 Mission Street - Annual Base Rent of $1,237,642]**

Resolution approving and authorizing the Director of Property, on behalf of the City and County of San Francisco, to execute the second amendment to the lease of 39,251 square feet of office space at 3120 Mission Street, from KLW Investments, LLC, a California limited liability corporation; extending the term by four years and six months from March 31, 2026, for a total term from July 1, 2015, through September 30, 2030, and granting a five year option to renew the lease, at an annual base rent of $1,237,642 for continuing use by the Human Services Agency; and authorizing the Director of Property to enter into any additions, amendments or other modifications to the lease that do not otherwise materially increase the obligation or liabilities of the City to effectuate the purposes of the lease and this Resolution. (Real Estate Department)
(Fiscal Impact)

02/19/26; RECEIVED FROM DEPARTMENT.

03/03/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Alfie Penafor, Gabriel Jones, and Dora Granera (Human Services Agency); Sarah Oerth, Director of Property (City Administrator's Real Estate Division); 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: 2 - Chan, Dorsey
Excused: 1 - Sauter

Member Sherrill was noted present at 10:45 a.m.

260185 [Project Agreement - PRG-Potrero Properties LLC - Potrero Yard Modernization Project - 2500 Mariposa Street - $1,396,433,595 - Approving Bond Issuance - $900,000,000]

Sponsor: Mayor

Resolution approving Contract No. 1334, Infrastructure Facility Project Agreement ("Project Agreement"), with PRG - Potrero Properties LLC, for the design, construction, and financing of a bus storage and maintenance facility for the Potrero Yard Modernization Project, which Project Agreement provides for 1) a 30-year term commencing after substantial completion, scheduled for 2030, and expected to end in 2060, 2) two milestone payments of $65,000,000 at or around financial close and $250,000,000 during construction, 3) a $5,000,000 development fee payable after substantial completion, 4) annual availability payments commencing approximately one year after anticipated substantial completion and continuing through the end of the term, projected to start at approximately $33,000,000 with an estimated cumulative total of approximately $980,000,000 5) potential delay event or termination compensation, all as provided in the Project Agreement and for an estimated not to exceed amount of $1,396,433,595 expressed in nominal dollars and subject to adjustment on the terms of the Project Agreement; affirming the Planning Department's determination under the California Environmental Quality Act; and approving, for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance by the California Municipal Finance Authority of tax-exempt obligations in an aggregate principal amount not to exceed $900,000,000 to finance the costs of the Project, and making related findings and determinations related thereto. (Municipal Transportation Agency)
(Fiscal Impact)

02/24/26; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Judson True (Municipal Transportation Agency); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Jesus Mendoza (Carpenters Local Union No. 22); Trisha Gregory; Ricardo Marrun; Triston Dion; spoke in support of the resolution matter. Mary Travis-Allen; Marie Sorenson (Calle 24); Peter Papadopoulos (Mission Economic Development Agency); Natalie Ortiz; spoke on various concerns on the resolution matter.

Vice Chair Dorsey moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE; on Page 1, Line 14-15, and on Page 12, Lines 18-19, by replacing 'an estimated not-to-exceed amount' with 'a not-to-exceed-amount' and striking and subject to adjustment on the terms of the Project Agreement'; and on Page 10, Lines 6-12, by inserting 'WHEREAS, On March 9, 2026, the Planning Department issued a Memorandum to File, which found that with development of the Housing Project, the remaining sites identified in the 2022 Housing Element Update are adequate to meet the requirements of California Government Code Section 65583.2 and to accommodate the City's share of the regional housing need pursuant to California Government Code Section 65584. The Board incorporates those findings as its own, and incorporates the March 9, 2026 memorandum as though fully incorporated herein; and'.) The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

Resolution approving Contract No. 1334, Infrastructure Facility Project Agreement ("Project Agreement"), with PRG - Potrero Properties LLC, for the design, construction, and financing of a bus storage and maintenance facility for the Potrero Yard Modernization Project, which Project Agreement provides for 1) a 30-year term commencing after substantial completion, scheduled for 2030, and expected to end in 2060, 2) two milestone payments of $65,000,000 at or around financial close and $250,000,000 during construction, 3) a $5,000,000 development fee payable after substantial completion, 4) annual availability payments commencing approximately one year after anticipated substantial completion and continuing through the end of the term, projected to start at approximately $33,000,000 with an estimated cumulative total of approximately $980,000,000 5) potential delay event or termination compensation, all as provided in the Project Agreement and for a not to exceed amount of $1,396,433,595 expressed in nominal dollars; affirming the Planning Department's determination under the California Environmental Quality Act; and approving, for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance by the California Municipal Finance Authority of tax-exempt obligations in an aggregate principal amount not to exceed $900,000,000 to finance the costs of the Project, and making related findings and determinations related thereto. (Municipal Transportation Agency)
(Fiscal Impact)

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

Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

Chair Chan recessed the meeting at 12:25 p.m., and reconvened at 12:36 p.m.

260176 **[De-Appropriation and Appropriation - Police Department - $34,366,405 - FY2025-2026]**

Sponsor: Mayor

Ordinance de-appropriating $34,366,405 from permanent, premium, and comp time salaries and appropriating $34,366,405 to overtime salaries in the Police Department to support the Department's projected increases in overtime as required per Administrative Code, Section 3.17 in Fiscal Year (FY) 2025-2026.
(Fiscal Impact)

02/24/26; ASSIGNED to Budget and Appropriations Committee. 2/26/2025 - President Mandelman waived the 30-day rule pursuant to Board Rule No. 3.22.

03/09/26; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Kimmie Wu (Police Department); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Michael Wright; spoke on various concerns relating to the ordinance matter.

Chair Chan moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:
Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

Chair Chan moved to RESCIND the previous vote. The motion carried by the following vote:
Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

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

Ayes: 3 - Chan, Dorsey, Sherrill
Excused: 1 - Sauter

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:37 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.