

File No. 250602

Committee Item No. 8

Board Item No. 19

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date June 13, 2025

Board of Supervisors Meeting Date July 15, 2025

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
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| • MYR Submission Letter 5/30/2025 | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR Trailing Legislation List</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR 30-Day Waiver Request 5/30/2025</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Presidential Action Memo – 30-Day Waiver 6/5/2025</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PUC Presentation 6/13/2025</u> |
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Completed by: Brent Jalipa Date June 5, 2025

Completed by: Brent Jalipa Date July 3, 2025

[De-appropriation - San Francisco Public Utilities Commission - \$12,990,064 - FY2025-2026]

Ordinance de-appropriating \$12,990,064 in the San Francisco Public Utilities Commission in Fiscal Year (FY) 2025-2026.

Note: Additions are *single-underline italics Times New Roman*; deletions are ~~*strikethrough italics Times New Roman*~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. The sources of funding outlined below are herein de-appropriated to reflect the projected revenue available for FY2025-2026.

Sources

Account Code	Description	FY2025-26 Original Approved Budget	FY2025-2026 Mayor Proposed Budget	FY2025-2026 Change from Original Approved
486030	Exp Rec Fr Admin Svcs (AAO)	614,967	444,118	(170,849)
486760	Exp Rec Fr Water Dept (AAO)	2,720,125	2,543,516	(176,609)
495030	ITI Fr 5W-Water Department Fd	115,030,176	102,387,570	(12,642,606)
Total Sources De-appropriation				<u>(\$12,990,064)</u>

Section 2. The uses of funding outlined below are herein appropriated and de-
appropriated to reflect the projected uses of funding for FY2025-2026.

USES

Fund/ Authority Code	Fund/ Authority Title	FY2025-26 Original Approved Budget	FY2025-2026 Mayor Proposed Budget	FY2025-2026 Change from Original Approved
20210	WWE Work Order			
10002	Interdepartmental-Overhead	3,524,725	3,113,116	(411,609)
20210 Total Change				<u>(\$411,609)</u>
25030	HHWP Work Order Fund			
10002	Interdepartmental-Overhead	544,967	609,118	64,151
25030 Total Change				<u>\$64,151</u>
25960	WTR ContinuingAuthorityCtrl			
19047	UW Watershed Protection	1,500,000	1,500,000	-
19055	UW Long Term Monitoring & Perm	5,500,000	5,500,000	-
19133	UW Wtr_revenue Transfer-sub Fu	63,500,163	35,865,961	(27,634,202)
25960 Total Change				<u>(\$27,634,202)</u>

Fund/ Authority Code	Fund/ Authority Title	FY2025-26 Original Approved Budget	FY2025-2026 Proposed Budget	FY2025-2026 Change from Original Approved
26603	Water Regional Revenue Fund			
19133	UW Wtr_revenue Transfer-sub Fu	44,530,013	59,521,609	14,991,596
26603 Total Change				<u>\$14,991,596</u>
Total Uses De-appropriation				<u>(\$12,990,064)</u>

Section 3. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this Ordinance as necessary to conform with Generally Accepted Accounting Principles.

APPROVED AS TO FORM:
David Chiu, City Attorney

FUNDS AVAILABLE:
GREG WAGNER, Controller

By: /s/
BRADLEY RUSSI
Deputy City Attorney

By: /s/
GREG WAGNER
Controller

Items 6, 7, 8 Files 25-0600, 25-0601, 25-0602	Department: Public Utilities Commission
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • File 25-0600 is an ordinance that de-appropriates \$86,916 from PUC's capital budget in FY 2025-26, with no change to capital project expenditure budgets; File 25-0602 is an ordinance that de-appropriates \$12,990,064 from PUC's operating budget in FY 2025-26. • File 25-0601 is an ordinance authorizing \$1,054,138,857 in Water Revenue Bonds. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • According to the PUC's 10-Year Financial Plan for FY 2025-26 – FY 2034-35, ratings agencies expressed concern about the forecast of debt service coverage in the Water and Wastewater Enterprises. As a result, the PUC plans to raise projected rates in the Water, Wastewater, and Power Enterprises to enhance debt service coverage and reserves. • The PUC is proposing to offset approximately \$14.1 million in revenue funding in its FY 2025-26 capital budget for additional bond funding for the Water and Hetch Hetchy Water Enterprises and conversely to offset approximately \$5.2 million in bond funding for revenue funding for the Hetch Hetchy Power Enterprise to optimize for financial policy goals regarding rate changes, debt service coverage and reserve levels. • According to PUC staff, the proposed ordinance authorizing bonds updates the amount of the 2024 authorization (\$1.04 billion) to \$1.054 billion, an increase of \$14.1 million. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The average annual debt service for the proposed \$14.1 million in Water bonds is approximately \$1.2 million, or \$34 million in total debt service over the life of the bond, excluding interim financing costs. Actual debt service costs may be lower due to market conditions, bond refunding, and access to state and federal lending. • The PUC projects that each division will have sufficient net revenues and unrestricted fund balance to maintain debt service coverage ratios in compliance with its financial policies. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The PUC updated the financial plan to target a higher current coverage ratio (1.25x) compared to its Debt Service Coverage Policy (1.10x) to address concerns of rating agencies. PUC will propose updates to its financial policies in FY 2025-26 and we have recommended certain changes to them to clarify their policies. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend File 25-0601 to clarify that the proposed authorization increases the aggregate principal amount of water revenue bonds by \$14,131,507 • Approve File 25-0600, File 25-0602, and File 25-0601 as amended. 	

MANDATE STATEMENT

Charter Section 8B.124 states that the Public Utilities Commission is authorized to issue revenue bonds and other forms of indebtedness, when authorized by two-thirds vote of the Board of Supervisors.

Charter Section F1.113 states that 0.2 percent of the City's budget, excluding bond debt, must be set-aside for the Controller's audit fund.

City Charter Section 9.101 provides for two-year budgets and authorizes the Board of Supervisors to determine by resolution which budgets are on a two-year fixed budget. Section 9.101(g) provides for the Mayor to submit an ordinance to the Board of Supervisors, amending the second-year budgets of City departments with fixed two-year budgets, if the Controller projects that the City will experience significant increases or decreases in revenues or expenditures during the second year of such budgetary cycle.

File 23-1196 approved fixed two-year budgets for the Airport, Port, and Public Utilities Commission for FY 2024-25 and FY 2025-26 and defined "significant" budget changes as a five percent or more change in revenues or expenditures in non-General Fund funds and 2.5 percent change in General Fund funds.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

The Public Utilities Commission (PUC) plans its capital spending over two- and ten-year time frames. The two-year capital budget accompanies the PUC's two-year operating budget and both two-year spending plans are subject to Board of Supervisors approval. In June 2024, the Board of Supervisors approved the SFPUC two-year FY 2024-25 and FY 2025-26 capital budget (File 24-0452). PUC capital projects are primarily funded by revenue bonds and operating revenue. Exhibit 1 below shows the PUC approved 10-year capital plan for each enterprise.

Exhibit 1: PUC 10 Year Capital Plan

Enterprise	FY 2026-35
Wastewater	\$5,889,029,154
Water	2,418,252,433
Hetch Hetchy Water	1,430,124,584
Hetch Hetchy Power	1,276,666,217
CleanPowerSF	48,448,303
Total	\$11,062,520,691

Source: PUC

10-Year Financial Plan

According to the PUC's 10-Year Financial Plan for FY 2025-26 – FY 2034-35, ratings agencies expressed concern about the forecast of debt service coverage in the Water and Wastewater Enterprises, and the potential depletion of reserves. According to PUC staff, the projected decrease in debt service coverage was still in compliance with the agency's financial policies. In 2024, S&P Global Ratings affirmed the Wastewater Enterprise's AA rating but lowered the outlook of the Wastewater Enterprise bonds from "stable" to "negative". Maintaining high bond ratings allows the PUC to access lower interest rates on revenue bonds, lowering borrowing costs and annual debt service. Additionally, PUC is required by charter section 8B.125 to "Establish rates, fees and charges at levels sufficient to improve or maintain financial condition and bond ratings at or above levels equivalent to highly rated utilities of each enterprise".

As a result of the ratings concerns, and as a result of lower volume forecasts, the PUC made changes to its 10-Year Financial Plan and plans to raise projected rates in the Water, Wastewater, and Power Enterprises to enhance forecasted debt service coverage and reserves. The PUC is also proposing to make changes to the funding sources for its two-year capital budget for the Water Enterprise. Specifically, the PUC is proposing to offset approximately \$14 million in revenue funding for water capital projects with debt through the issuance of additional corresponding Water Revenue Bonds in order to optimize debt service coverage in the budget and in future years.

Rating agencies affirmed the Water Enterprise's credit rating and stable outlook in March 2025, subsequent to the adoption of the 10-Year Financial Plan.

DETAILS OF PROPOSED LEGISLATION

File 25-0600 is an ordinance that appropriates and de-appropriates funding for the SFPUC's capital projects budget for a net de-appropriation of \$86,916, with no change to capital project expenditure budgets.

File 25-0602 is an ordinance that de-appropriates \$12,990,064 from SFPUC's operating budget in FY 2025-26.

File 25-0601 is an ordinance (a) authorizing the issuance and sale of tax-exempt or taxable Water Revenue Bonds by the San Francisco Public Utilities Commission (SFPUC) in an aggregate principal amount not to exceed \$1,054,138,857 to finance the costs of Water Enterprise capital projects; (b) authorizing the issuance of Water Revenue Refunding Bonds and the retirement of outstanding Water Enterprise Commercial Paper; (c) declaring the intent of SFPUC to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and (d) ratifying previous actions taken in connection with the issuance.

Capital Budget Sources Appropriation Changes (File 25-0600)

As mentioned above, the PUC is proposing changes to its capital budget to change the mix of revenue and debt funding sources for projects in order to optimize for financial policy goals regarding rate changes, debt service coverage and reserve levels. There are no changes to the

adopted capital project expenditure budget. As shown below, the overall change in funding is a reduction in \$86,916, which is not material across a \$1.8 billion budget. The PUC is proposing to offset approximately \$14.1 million in revenue funding for additional bond funding for the Water and Hetch Hetchy Water Enterprises and conversely to offset approximately \$5.2 million in bond funding for revenue funding for the Hetch Hetchy Power Enterprise.

Despite the proposed increase in debt funding in FY 2025-26, over the 10 Year Financial Planning period, PUC is overall decreasing its reliance on debt funding as part of its efforts to enhance its financial sustainability policy metrics over time. The latest plan projects 29 percent revenue funding vs. 22 percent in the prior version of the 10-year plan, exceeding the PUC's minimum policy target of 15 percent according to PUC staff.

Exhibit 2: Capital Budget Sources De-Appropriation and Appropriation Changes

Enterprise	FY 2025-26 Approved	FY 2025-26 Proposed	Proposed Change
<u>Bond Funded</u>			
Wastewater	\$804,162,291	\$804,157,905	(\$4,386)
Water	432,635,062	445,404,669	12,769,607
Hetch Hetchy Water	89,876,008	91,364,909	1,488,901
Hetch Hetchy Power	177,195,151	171,660,126	(5,535,025)
CleanPowerSF	0	0	0
<i>Subtotal, Bond Funded</i>	<i>1,503,868,512</i>	<i>1,512,587,609</i>	<i>8,719,097</i>
<u>Revenue & Fee Funded</u>			
Wastewater	139,374,061	139,378,447	4,386
Water	109,442,567	96,799,961	(12,642,606)
Hetch Hetchy Water	8,772,339	7,338,910	(1,433,429)
Hetch Hetchy Power	29,617,034	34,882,670	5,265,636
CleanPowerSF	516,430	516,430	0
<i>Subtotal, Revenue & Fee Funded</i>	<i>287,722,431</i>	<i>278,916,418</i>	<i>(8,806,013)</i>
<u>Total Sources</u>			
Wastewater	943,536,352	943,536,352	0
Water	542,077,629	542,204,630	127,001
Hetch Hetchy Water	98,648,347	98,703,819	55,472
Hetch Hetchy Power	206,812,185	206,542,796	(269,389)
CleanPowerSF	516,430	516,430	0
Total Sources	\$1,791,590,943	\$1,791,504,027	(\$86,916)

Source: PUC

Water Enterprise and Hetch Hetchy Water

As part of the PUC's 10-Year Financial Plan for FY 2025-26 – FY 2034-35, the PUC revised water and wastewater volume forecasts down, mainly due to slower post-pandemic and drought recovery. In addition, as explained above, due to rating agency concerns about weak financial metrics, PUC built in an additional buffer in revenue projections to improve debt service coverage

and reserves metrics. Lastly, the mix of debt vs. revenue funding for capital projects was adjusted across the 10 year forecast window to optimize for annual rate changes, debt service coverage and reserve levels in each year. This optimization of debt vs. revenue funding resulted in a reduction in the revenue contribution for capital projects of \$12.6 million in the Water Enterprise and \$1.5 million in the Hetch Hetchy Water Enterprise, for a total reduction of \$14.1 million in water revenues going to capital in FY 2025-26. The PUC is proposing to offset this reduction in revenue funding with additional water revenue bond funding for capital projects in these enterprises, including an increase of \$12.8 million in the Water Enterprise and an increase of \$1.5 million in Hetch Hetchy Water.

The Water Enterprise provides both regional water conveyance and local (in-city) water distribution.¹ The changes in funding for local water capital projects are offsetting changes in funding for regional water capital projects. Revenue funding for regional water projects is increasing by \$15.0 million (and is being offset by lower bond funding) due to the same reason as above. The PUC made changes in the 10-year financial plan to optimize for annual rate changes, debt service coverage and reserve levels in each year. Revenue funding for local water projects is decreasing by \$27.6 million (and is being offset by increased bond funding).

Power Enterprise

According to PUC staff, PUC is proposing to increase appropriations for power revenues for Hetch Hetchy Power Enterprise capital projects by \$5.3 million, again to optimize for debt vs. revenue funding for capital projects. This increase in revenue funding is offset by a proposed reduction in power revenue bond funding of \$5.5 million.

Operating Budget Appropriation Changes (File 25-0602)

The proposed ordinance that de-appropriates approximately \$13 million from the PUC's FY 2025-26 operating budget reflects the proposed changes to the capital budget. The proposed ordinance includes reductions in transfers of water revenues to capital projects.

Water Revenue Bond Issuance (File 25-0601)

In June 2024, the Board of Supervisors approved the issuance of \$1,040,007,350 of new Water Revenue Bonds to finance capital projects in the two-year capital budget (File 24-0455). According to PUC staff, the proposed ordinance updates the amount of the prior authorization to \$1,054,138,857, an increase of \$14.1 million, rather than authorizing an additional \$1.054 billion in water revenue bonds. However, this is not clearly stated in the ordinance. We recommend that the Board of Supervisors amend the proposed ordinance to clarify that the proposed authorization increases the aggregate principal amount of water revenue bonds by \$14,131,507.

¹ The regional water system includes the New Irvington Tunnel conveying water from the Hetch Hetchy Reservoir, the San Antonio and Calaveras Reservoirs in Alameda County, and the San Andreas and Crystal Springs Reservoirs on the Peninsula. The in-city distribution system is a series of pipelines that distributes water from the regional water system to residences and businesses in San Francisco

The PUC is proposing to increase the amount of water revenue bonds to offset a reduction in revenue funding for Water capital projects, as discussed above. File 25-0600 appropriates the proposed increase in water revenue bonds for water capital projects.

The proposed ordinance allows the issuance of commercial paper or other interim debt to finance the projects prior to the issuance of the revenue bonds and provide for SFPUC to access California Water Resources Control Board revolving loan funds or grant funds.

The SFPUC may issue taxable or tax-exempt bonds in one or more series through either a negotiated or competitive sale. Each bond authorization ordinance requires the SFPUC to report to the Board of Supervisors within 30 days of the bond issuance: (i) the principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bonding authorization.

In addition, the SFPUC may issue refunding bonds to repay outstanding Revenue Bond debt if the issuance of the refunding bonds results in net present value debt service savings of 3 percent and does not extend the maturity date. If the SFPUC issues refunding bonds, then the SFPUC needs to submit to the Board of Supervisors the final official statement for the refunding bonds and a statement from the financial advisor on the 3 percent net present value debt service savings. The Commission may also authorize refunding bonds if other benefits accrue. The authorization to issue refunding bonds extends through June 2030.

Proposition E Bond Funds

San Francisco voters approved Proposition E in 2002 and Proposition A in 2018, providing for the Board of Supervisors to authorize issuance of Water, Power, Wastewater Revenue Bonds and other forms of debt with two-thirds approval of the Board members. As shown below in Exhibit 3, the Board has authorized \$15.24 billion, of which \$10.73 billion has been issued and \$4.51 billion is authorized but not issued.

Exhibit 3: Proposition E Bond Authorizations

PUC Division	Authorized	Issued	Unissued	Proposed	New Total Authorized
Wastewater	\$8,052,606,653	\$5,625,155,128	\$2,427,451,525		\$8,052,606,653
Water	6,157,510,811	4,650,053,482	1,507,457,329	14,131,507	6,171,642,318
Power	1,029,790,456	456,378,000	573,412,456		1,029,790,456
Total	\$15,239,907,920	\$10,731,586,610	\$4,508,321,310	14,131,507	15,254,039,427

Source: SFPUC

Approval of the proposed bond authorization ordinance would increase the amount of bonds authorized in accordance with Proposition E to \$15.25 billion. The SFPUC plans to issue approximately \$10.28 billion in revenue bonds between FY 2025-26 to FY 2034-25, as per their 10-year Financial Plan (amounts are preliminary and subject to change due to market conditions and actual project spending).

SFPUC FY 2025-26 Mid-Cycle

Budget Updates

June 13, 2025



San Francisco
Water
Power
Sewer

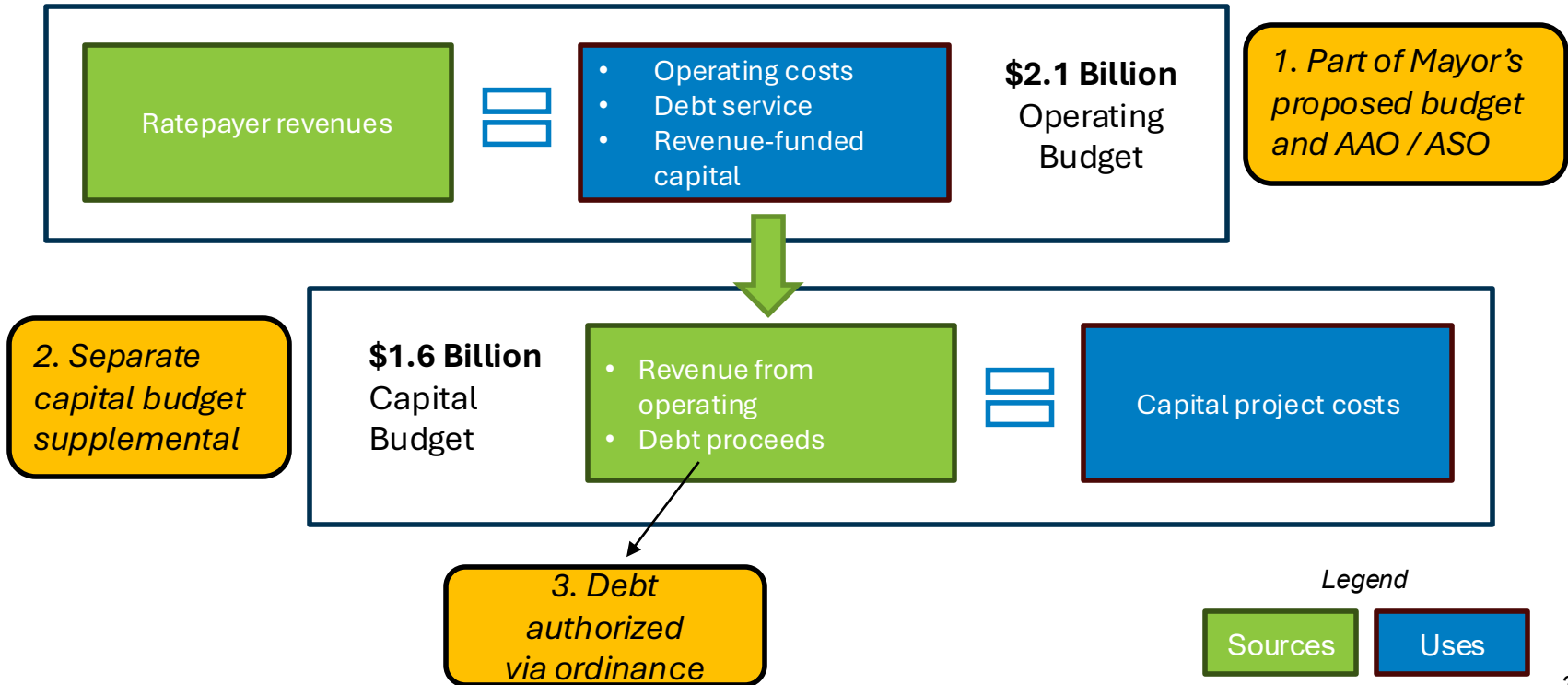




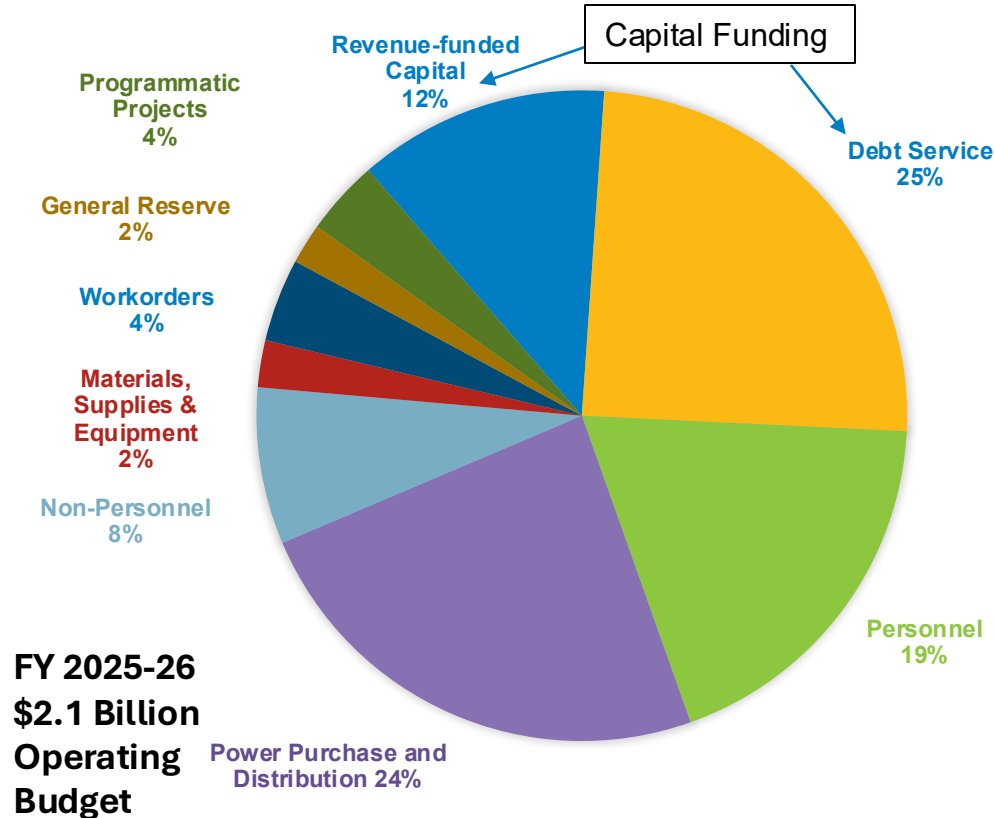
PUC's FY 2025-26 Budget Updates

- Second year of fixed, two-year budget
- 1.3% overall change from adopted FY 2025-26 budget
- Minimal changes by the PUC, some requiring Board approval – Files 25-0600, 25-0601, 25-0602

PUC's Operating & Capital Budgets



Operating Budget Summary



Capital is SFPUC's largest cost driver at 37% - Debt service + revenue-funded capital

Power purchase and distribution is next at 24%

Followed by personnel (19%) and non-personnel (8%) costs that support daily operations



Capital Budget Summary

Wastewater

- Biosolids Digester Facilities Project (\$188.5M)
- Repair & Replacement (\$167.1M)
- Flood Resilience (\$155.2M)
- Ocean Beach Climate Adaptation (\$52M)

Water

- Local Water Conveyance (\$136.9M)
- Water Transmission (\$58.8M)
- SJPL Valve & Safe Entry Imp. (\$30M)
- Moccasin Penstock Rehabilitation (\$9.1M)

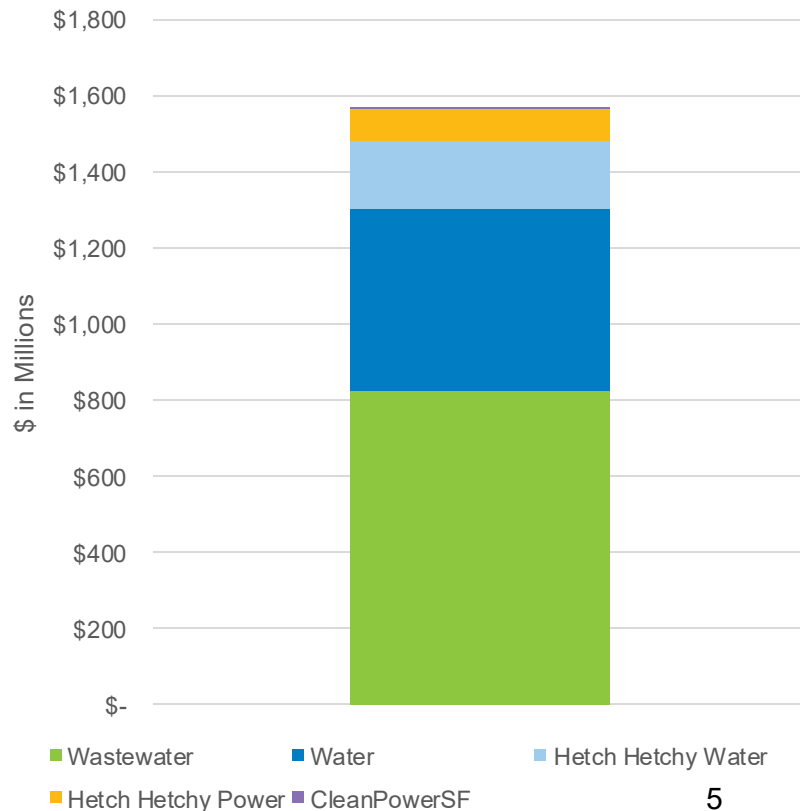
Power

- Moccasin Powerhouse (\$46.5M)
- SFO Substation (\$21.5M)
- Distribution Interface Redev. Projects (\$18.5M)

**\$1.6 Billion
Capital
Budget**

No proposed changes to the approved FY 2025-26 Capital Budget

FY2025-26 Capital Budget by Enterprise



Changes to FY 2025-26 Budget

Minimal changes to FY 2025-26 **Operating Budget** (<1.3%) - capital changes require BOS approval

- \$27 million *overall* reduction driven by CleanPowerSF forecasts
- Updated utility budgets for City departments based on usage trends & adopted rates
- Other changes proposed by Mayor's Office and in workorders with other departments

Update to FY 2025-26 **capital funding sources** (<0.01%)

- Optimizes the balance of debt vs. cash-funding in capital projects
- Decrease in revenue-funded capital and increase in debt authorization
- Updated debt ordinance increases borrowing capacity in Water Enterprise
- **No change** to FY 2025-26 capital projects

Pending Ordinances

1. **Capital Budget De-appropriation Ordinance** - Makes a net de-appropriation of \$86K from the PUC's FY 25–26 Capital Budget by reallocating funding among capital project accounts to align with updated revenue projections and revenue types. (**Agenda Item 6, File # 250600**)
2. **Water Debt Authorization Ordinance** - Authorizes the PUC to issue up to \$1,054,138,857 in Water Revenue Bonds, an increase of \$14.1 million, reflects the Board-approved expansion of PUC's commercial paper program, and updates certain resolution and ordinance numbers. (**Agenda Item 7, File # 250601**)
3. **AAO De-appropriation Ordinance** - De-appropriates \$12.9 million from the PUC's FY 25–26 operating budget. Changes largely driven by the balance of revenue vs. debt funds that are set aside and transferred to fund the capital budget in item 6. (**Agenda Item 8, File # 250602**)

Questions?





To: Rafael Mandelman, President of the Board of Supervisors
From: Sophia Kittler, Mayor's Budget Director
Date: May 30, 2025
Re: 30-Day Waiver Requests

RECEIVED **Ak**
BOARD OF SUPERVISORS
SAN FRANCISCO
2025 MAY 30 PM04:19

President Mandelman,

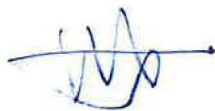
The Mayor's Office Respectfully requests 30-day hold waivers for the following pieces of trailing legislation:

- City Administrator's Office:
 - Administrative Code - City Hall Short Term License Fees
 - Administrative Code - Transferring Data Collection Oversight Duties from the City Administrator to the Human Rights Commission
 - Administrative Code - Treasure Island Development Authority
- Controller's Office:
 - Resolution Adjusting the Access Line Tax with the Consumer Price Index of 2025
 - Administrative Code - Eliminating Budget Savings Incentive Fund
 - Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling
- Department of Building Inspection:
 - Building, Subdivision, and Administrative Codes - Fee Adjustment and Building Inspection Fund Subfunds
- Department of Early Childhood:
 - Business and Tax Regulations Code - Early Care and Education Commercial Rents Tax Baseline - FY 2025-2026 and 2026-2027
- Department of Public Health:
 - Accept and Expend Grants - Recurring State Grant Funds - Department of Public Health - FY2025-2026
 - Grant Agreement - California Department of Social Services - Community Care Expansion Program - Anticipated Revenue to the City \$9,895,834
 - Various Codes - Environmental Health Permit, Fee, and Penalties Revisions
 - Delegation of 9.118 Authority - Accept and Expend Grant - San Francisco Health Authority, a local governmental entity doing business as the San Francisco Health Plan ("Health Plan" or "SFHP") - Housing and Homelessness Incentive Program ("HHIP") Expanding San Francisco Department of Public Health Recuperative Care Community Supports - \$2,489,698.63
 - Delegation of 9.118 Authority - Accept and Expend Grant - San Francisco Health Authority, a local governmental entity doing business as the San Francisco Health Plan ("Health Plan" or "SFHP") - Incentive Payment Program ("IPP") San Francisco Department of Public Health Epic Enhancement Implementation Project - \$6,000,000
 - Health Code - Patient Rates for Fiscal Years 2025-2026 and 2026-2027
- Department of Public Works:
 - Public Works, Subdivision Codes - Fee Modification and Waiver
- Department of Homelessness and Supportive Housing:
 - Homelessness and Supportive Housing Fund - FYs 2025-2026 and 2026-2027 Expenditure Plan

- Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax - Services to Address Homelessness - \$88,495,000 Plus Future Revenue Through FY 2027-28
- Public Library:
 - Accept and Expend Grant - Friends of San Francisco Public Library - Annual Grant Award - Up to \$1,072,600 of In-Kind Gifts, Services, and Cash Monies - FY2025-2026
- Office of Community Investment and Infrastructure:
 - Office of Community Investment and Infrastructure, operating as Successor Agency to the San Francisco Redevelopment Agency, Fiscal Year 2025-26 Budget
 - Office of Community Investment and Infrastructure, operating as Successor Agency to the San Francisco Redevelopment Agency, Fiscal Year 2025-26 Interim Budget
- Office of the Public Defender:
 - Accept and Expend Grant - Retroactive - Immigration Defense Unit - Crankstart Foundation - Amendment to the Annual Salary Ordinance for FYs 2024-25 and 2025-26 - \$3,400,000
- Police Department:
 - Administrative Code - Vehicle Registration Fees and Police Fingerprint Identification Fund
- Public Utilities Commission:
 - De-appropriation – San Francisco Public Utilities Commission Capital Projects Budget - \$86,916 - FY2025-2026
 - De-appropriation – San Francisco Public Utilities Commission - \$12,990,064 - FY2025-2026
 - San Francisco Public Utilities Commission Water Revenue Bond and Other Forms of Indebtedness Issuance - Not to Exceed \$1,054,138,857
- Recreation and Parks Department:
 - Accept and Expend Bequest - Estate of William Benjamin Bobo - Benches, Park Furnishings and Park Improvements Across San Francisco - \$3,600,000
 - Park Code - Court Reservations
 - Authorizing Paid Parking in Golden Gate Park
 - Park Code - Cost Recovery for Use of Golf Courses, Outdoor Event Facilities, Picnic Areas, and Athletic Fields
 - Park Code - Recreation Program Fees

Should you have any questions, please email Adam Thongsavat at adam.thongsavat@sfgov.org.

Sincerely,



Sophia Kittler
Mayor's Budget Director

President, District 8
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6968
Fax No. 554-5163
TDD/TTY No. 544-5227

RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date:

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

(Primary Sponsor)

Title.

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

Meeting

(Date)

(Committee)

Start Time:

End Time:

Temporary Assignment:

Partial

Full Meeting

Rafael Mandelman, President
Board of Supervisors

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Sophia Kittler, Mayor's Budget Director
Date: May 30, 2025
Re: Mayor's FY 2025-26 and FY 2026-27 Budget Submission

RECEIVED AK
BOARD OF SUPERVISORS
SAN FRANCISCO
2025 MAY 30 PM04:18

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by May 30th, corresponding legislation, and related materials for Fiscal Year (FY) 2025-26 and FY 2026-27.

In addition to the Mayor's Proposed FY 2025-26 and FY 2026-27 Budget Book, the following items are included in the Mayor's submission:

- Proposed Interim Budget and Annual Appropriation Ordinance (AAO)
- Proposed Interim Annual Salary Ordinance (ASO)
- Proposed Budget and Annual Appropriation Ordinance (AAO)
- Proposed Annual Salary Ordinance (ASO)
- Administrative Provisions for both, but separate documents of the AAO and ASO, in tracked changes, and on pleading paper
- Proposed Budget for the Office of Community Investment and Infrastructure
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter to the ASO
- PUC Capital Amendment and Debt Authorization
- Prop J Certification Letters
- A letter addressing funding levels for consumer price index increases for nonprofit corporations or public entities for the coming two fiscal years
- 40 pieces of trailing legislation
- Memo to the Board President requesting for 30-day rule waivers on ordinances

Please note the following:

- Technical adjustments to the June 1 budget are being prepared, but are not submitted with this set of materials.

Sincerely,

A handwritten signature in green ink, appearing to read "SK", with a horizontal line extending to the right.

Sophia Kittler
Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget & Legislative Analyst's Office
Controller

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

No	DEPT	Item	Description	Type of Legislation	File #
1	ADM	Code Amendment	Amending the Administrative Code to modify the fees for the use of City Hall	Ordinance	250591
2	ADM	Code Amendment	Amending the Administrative Code to transfer responsibilities for oversight of the collection of sexual orientation and gender identity data from the City Administrator to the Human Rights Commission and removing obsolete reporting requirements	Ordinance	250593
3	ADM	Code Amendment	Amending the Administrative Code to clarify the status of the Treasure Island Development Authority ("TIDA") as a City department	Ordinance	250594
4	ADM	Continuing Prop J	Convention Facilities Management	Resolution	250615
5	ADM	Continuing Prop J	Security Services for RED Buildings	Resolution	250615
6	ADM	Continuing Prop J	Custodial Services for RED Buildings	Resolution	250615
7	ADM	Continuing Prop J	Security Guard Service at Central Shops	Resolution	250615
8	BOS	Continuing Prop J	Budget and Legislative Analyst Services	Resolution	250615
9	CON	Access Line Tax	Resolution concurring with the Controller's establishment of the Consumer Price Index for 2025, and adjusting the Access Line Tax by the same rate.	Resolution	250612
10	CON	Code Amendment	Amending the Administrative Code to eliminate the Budget Savings Incentive Fund	Ordinance	250595
11	CON	Neighborhood Beautification and Graffiti Clean-up Fund Tax	Adopting the Neighborhood Beautification and Graffiti Clean-up Fund Tax designation ceiling for tax year 2025	Ordinance	250596
12	DBI	DBI Fee Changes	Amending the Building, Subdivision, and Administrative Codes to adjust fees charged by the Department of Building Inspection and to establish Subfunds within the Building Inspection Fund; and affirming the Planning Department's determination under the California Environmental Quality Act	Ordinance	250592
13	DEC	Early Care and Education	Modifying the baseline funding requirements for early care and	Ordinance	250597

		Commercial Rents Tax Baseline	education programs in Fiscal Years (FYs) 2025-2026 and 2026-2027, to enable the City to use the interest earned from the Early Care and Education Commercial Rents Tax for those baseline programs		cont'd 250597
14	DPH	State Recurring Grants FY25-36	Authorizing the acceptance and expenditure of Recurring State grant funds by the San Francisco Department of Public Health for Fiscal Year (FY) 2025-2026	Resolution	250618
15	DPH	CCE Expansion Grant	Grant Agreement - California Department of Social Services - Community Care Expansion Program - Anticipated Revenue to the City \$9,895,834	Resolution	250619
16	DPH	Code Amendment	Various Codes - Environmental Health Permit, Fee, and Penalties Revisions	Ordinance	250606
17	DPH	HHIP Grant	Delegation of 9.118 Authority - Accept and Expend Grant - San Francisco Health Authority, a local governmental entity doing business as the San Francisco Health Plan ("Health Plan" or "SFHP") - Housing and Homelessness Incentive Program ("HHIP") Expanding San Francisco Department of Public Health Recuperative Care Community Supports - \$2,489,698.63	Resolution	250620
18	DPH	IPP Grant	Delegation of 9.118 Authority - Accept and Expend Grant - San Francisco Health Authority, a local governmental entity doing business as the San Francisco Health Plan ("Health Plan" or "SFHP") - Incentive Payment Program ("IPP") San Francisco Department of Public Health Epic Enhancement Implementation Project - \$6,000,000	Resolution	250621
19	DPH	Patient Revenues	Amending the Health Code to set patient rates for services provided by the Department of Public Health (DPH), for Fiscal Years 2025-2026 and 2026-2027; and authorizing DPH to waive or reduce fees to meet the needs of low-income patients through its	Resolution Ordinance	250607

			provision of charity care and other discounted payment programs		cont'd 250607
20	DPH	Continuing Prop J	Healthcare Security at Primary Care Clinics	Resolution	250615
21	DPW	DPW Fee Changes	Public Works, Subdivision Codes - Fee Modification and Waiver	Ordinance	250608
22	DPW	Continuing Prop J	Yard Operations and Street Tree Nursery	Resolution	250615
23	HOM	Continuing Prop J	Security Services	Resolution	250615
24	HOM	Continuing Prop J	Homelessness and Supportive Housing security services	Resolution	250615
25	HOM	Homelessness and Supportive Housing Fund	Approving the FYs 2025-2026 and 2026-2027 Expenditure Plan for the Department of Homelessness and Supportive Housing Fund	Resolution	250613
26	HOM	Our City, Our Home Homelessness Gross Receipts Tax	Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax - Services to Address Homelessness - \$88,495,000 Plus Future Revenue Through FY 2027-28	Ordinance	250609
27	LIB	Friends of the Library A&E	Annual Accept & Expend legislation for the SFPL's Friends of the Library Fund	Resolution	250614
28	MOHCD	Continuing Prop J	Treeline Security Inc services for City-owned properties in predevelopment for affordable housing sites	Resolution	250615
29	OCII	OCII Budget Resolution	Office of Community Investment and Infrastructure, operating as Successor Agency to the San Francisco Redevelopment Agency, Fiscal Year 2025-26 Budget	Resolution	250611
30	OCII	OCII Interim Budget Resolution	Office of Community Investment and Infrastructure, operating as Successor Agency to the San Francisco Redevelopment Agency, Fiscal Year 2025-26 Interim Budget	Resolution	250610
31	PDR	Crankstart Foundation Grant A&E	Accept and Expend Grant - Retroactive - Immigration Defense Unit - Crankstart Foundation - Amendment to the Annual Salary Ordinance for FYs 2024-25 and 2025-26 - \$3,400,000	Ordinance	250598
32	POL	Code Amendment	Registration Fees and Fingerprint ID Fund	Ordinance	250599
33	PUC	Fixed Budget Amendment	Continues waiving certain small business first-year permit, license, and business registration fees	Ordinance	250602

34	REC	Bobo Estate A&E	Accept and Expend Bequest - Estate of William Benjamin Bobo - Benches, Park Furnishings and Park Improvements Across San Francisco - \$3,600,000	Resolution	250616
35	REC	Code Amendment	Amending the Park Code to authorize the Recreation and Park Department to charge fees for reserving tennis/pickleball courts at locations other than the Golden Gate Park Tennis Center; and affirming the Planning Department's determination under the California Environmental Quality Act	Ordinance	250603
36	REC	Authorizing Paid Parking in Golden Gate Park	Authorizing the Municipal Transportation Agency (SFMTA) to set parking rates in Golden Gate Park in accordance with Park Code provisions that authorize SFMTA rate-setting on park property; and affirming the Planning Department's determination under the California Environmental Quality Act	Resolution	250617
37	REC	Code Amendment	PUC Cost Recovery Fee	Ordinance	250604
38	REC	Code Amendment	Scholarship Recovery Fee	Ordinance	250605
39	REG	Continuing Prop J	Assembly and mailing of vote-by-mail ballot packets	Resolution	250615
40	SHF	Continuing Prop J	Jail Food Service	Resolution	250615

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

RECEIVED AK

BOARD OF SUPERVISORS

SAN FRANCISCO

2025 MAY 30 PM04:34

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Sophia Kittler, Mayor's Budget Director
Date: May 30, 2025
Re: De-appropriation – San Francisco Public Utilities Commission - \$12,990,064 -
FY2025-2026

Ordinance de-appropriating \$12,990,064 in the San Francisco Public Utilities Commission in Fiscal Year (FY) 2025-2026.

Should you have any questions, please email Adam Thongsavat at adam.thongsavat@sfgov.org.