

File No. 230292

Committee Item No. 7

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date May 24, 2023

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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- Grant Information Form
- Grant Budget
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- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

#### OTHER (Use back side if additional space is needed)

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Completed by: Brent Jalipa Date May 18, 2023

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Appropriation - General Reserve - Tenderloin Emergency Safety - Office of Economic and  
2 Workforce Development and Department of Public Health - \$10,000,000 - FY2022-2023]

3 **Ordinance appropriating \$10,000,000 from the General Reserve for the following**  
4 **uses: \$4,000,000 to the Office of Economic and Workforce Development for nonpolice**  
5 **ambassadors for areas of the Tenderloin that currently lack such coverage,**  
6 **\$3,000,000 to the Office of Economic and Workforce Development for small business**  
7 **safety and security grants, and \$3,000,000 to the Department of Public Health to**  
8 **launch the Tenderloin Street Dealing Intervention Program in Fiscal Year (FY) 2022-**  
9 **2023.**

10

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

16

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

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19

20 Section 1. The sources of funding outlined below are herein appropriated to reflect the  
21 projected sources of funding for FY 2022-2023.

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25 **Sources Appropriation**

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	10020 / 230018	10023237- 0001	598040	Designated For	\$10,000,000
4	GF Continuing	17064	Designated	General Reserve	
5	Authority Ctrl/ GEN	General Reserve /	For General		
6	General City	General Reserve	Reserve		
7	Responsibility				
8					
9	<b>Total Sources Appropriation</b>				<b>\$10,000,000</b>

11 Section 2. The uses of funding outlined below are herein appropriated to the Office of  
12 Economic and Workforce Development and the Department of Public Health to reflect the  
13 projected funding available in FY 2022-2023.

15 **Uses Appropriation**

17	Fund/	Project & Activity/	Account	Description	Amount
18	Department ID	Authority			
19	10020 GF	XXXXXXXX –	506070	Nonpolice	\$4,000,000
20	Continuing	XXXX	Programmatic	ambassadors for areas	
21	Authority Ctrl /	XX XXXXXXXX –	Projects	of the Tenderloin that	
22	XXXXXX – Office	XXXXXXX/		currently lack such	
23	of Economic and	XXXXXX		coverage	
24	Workforce	XXXXXXX			
25	Development				

	<b>Fund /</b>	<b>Project &amp; Activity /</b>	<b>Account</b>	<b>Description</b>	<b>Amount</b>
	<b>Department ID</b>	<b>Authority</b>			
1					
2					
3	10020 GF Continuing	XXXXXXXXX – XXXX	506070	Small business safety	\$3,000,000
4	Authority Ctrl /	XX XXXXXXXXX –	Programmatic	and security grants	
5	XXXXXXX – Office of	XXXXXXX/	Projects - Budget		
6	Economic and	XXXXXXX XXXXXXXX			
7	Workforce				
8	Development				
9					
10	10020 GF Continuing	XXXXXXXXX – XXXX	5060 Programmatic	Tenderloin Street	\$3,000,000
11	Authority Ctrl /	XX XXXXXXXXX –	Projects - Budget	Dealing Intervention	
12	XXXXXXX – Public	XXXXXXX/		Program	
13	Health	XXXXXXX XXXXXXXX			
14					
15					
16					
17					
18					
19	<b>Total USES Appropriation</b>				<b>\$10,000,000</b>

22 Section 3. The Controller is authorized to record transfers between funds and adjust the  
23 accounting treatment of sources and uses appropriated in this ordinance as necessary to  
24 conform with Generally Accepted Accounting Principles and other laws.  
25



**Item 7**  
**File 23-0292**

**Department:** Office of Economic Workforce Development (OEWD), Department of Public Health (DPH)

## EXECUTIVE SUMMARY

### Legislative Objectives

- The proposed ordinance would appropriate \$10,000,000 from the General Reserve as follows: (1) \$4,000,000 to the Office of Economic and Workforce Development (OEWD) for nonpolice ambassadors to areas of the Tenderloin that currently lack coverage; (2) \$3,000,000 to OEWD for small business safety and security grants; and (3) \$3,000,000 to the Department of Public Health (DPH) to launch the Tenderloin Street Dealing Intervention Program.

### Key Points

- The Mid-Market/Tenderloin Community-Based Safety Program deploys community ambassadors over an 80-block face area in the Tenderloin and Mid-Market. The program is managed by the Mid-Market Foundation and uses staffing from its subcontractor Urban Alchemy. Based on the cost of the existing agreement, we estimate that the proposed \$4 million could cover approximately 15 additional blocks over a one-year period.
- The intent of the \$3 million safety and security grant appropriation is to provide assistance to small businesses, particularly those that have been vandalized. Safety-related investments may include cameras, security gates, and/or added security guards. At this time, OEWD has not determined parameters for the program, such as eligibility requirements or a maximum grant amount, although OEWD's understanding is that the intent is for the grants to be approximately \$10,000 each.
- The intent of the \$3 million Tenderloin Street Dealing Intervention Program appropriation is to fund non-police outreach to drug dealers. The program could include engaging with drug dealers in an effort to negotiate agreements, prevent group conflict and violence, connect dealers who are also drug users to treatment, and transition people off the streets of the Tenderloin. Should the funds be appropriated, DPH would work to more fully develop a scope and likely would have to procure the services from a third-party service provider.

### Fiscal Impact

- The proposed ordinance would appropriate \$7 million from the General Reserve to OEWD and \$3 million to DPH.
- Any uses of the General Reserve during the current year (FY 2022-23) will increase the required deposit in the budget year (FY 2023-24) by a like amount.

### Recommendations

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

**MANDATE STATEMENT**

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 Office of Economic and Workforce Development (OEWD) oversees two recovery-related community ambassador programs, the Mid-Market/Tenderloin Community-Based Safety Program and Downtown Ambassadors.<sup>1</sup> The Mid-Market/Tenderloin Program is managed by the Mid-Market Foundation, which was selected through a Request for Proposals (RFP) process in 2021 and uses staffing from its subcontractor Urban Alchemy. In July 2022, OEWD entered into a new grant agreement with Mid-Market Foundation for a term of nine months from July 2022 through March 2023 and an amount not to exceed \$9,000,000. In November 2022, the Board of Supervisors approved the First Amendment to the grant agreement, extending the term by three months through June 2023, and increasing the not-to-exceed amount by \$11,490,000, for a total not to exceed \$20,490,000 (File 22-1058). In March 2023, the Board of Supervisors approved the Second Amendment to the grant agreement, extending the term by three months through October 15, 2023, and increasing the not-to-exceed amount by \$13,100,570, for a total not to exceed \$33,590,570 (File 23-0041). Under the grant, Urban Alchemy provides approximately 225 community ambassadors over an 80-block face area in the Mid-Market/Tenderloin area.

OEWD’s Storefront Vandalism Relief Grant provides grants of up to \$2,000 to small businesses that are victims of vandalism to repair their storefronts. In FY 2022-23, OEWD provided 213 grants for a total amount of \$286,000.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance would appropriate \$10,000,000 from the General Reserve as follows: (1) \$4,000,000 to OEWD for nonpolice ambassadors to areas of the Tenderloin that currently lack coverage; (2) \$3,000,000 to OEWD for small business safety and security grants; and (3) \$3,000,000 to the Department of Public Health (DPH) to launch the Tenderloin Street Dealing Intervention Program.

**OEWD Community Ambassadors: \$4,000,000**

According to OEWD’s discussions with Supervisor Preston and District 5 staff, the intent of this appropriation is to provide ambassadors in the Tenderloin and Lower Polk areas where there are currently no ambassadors. This includes:

- The streets and alleys between Van Ness and Larkin, from Geary to Turk, including Willow, Eddy, and Myrtle.

<sup>1</sup> The Department of Emergency Management is leading operational coordination of the ambassador program, but funding comes through OEWD.

- The streets and alleys between Geary and Ellis, from Van Ness to Mason.

OEWD is consulting with the City Attorney's Office to determine if the services could be provided by Mid-Market Foundation and Urban Alchemy under the authority of the 2021 RFP or if a new RFP is needed. Based on the cost of the existing agreement with Mid-Market Foundation and its subgrantee, Urban Alchemy, we estimate that the proposed \$4 million could cover approximately 15 blocks over a one-year period (in addition to the 82 currently covered by Urban Alchemy in the area).

**OEWD Small Business Safety and Security Grants: \$3,000,000**

According to OEWD's discussions with Supervisor Preston and District 5 staff, the intent of this appropriation is to provide assistance to small businesses, particularly those that have been vandalized. Safety-related investments may include cameras, security gates, and/or added security guards. OEWD has not yet determined parameters for the program, such as eligibility requirements or a maximum grant amount, although OEWD's understanding is that the intent is for the grants to be approximately \$10,000 each. OEWD staff is reviewing its existing contracting options to determine if there are components of the program that could be implemented, but OEWD would likely have to procure services for certain program areas.

**DPH Tenderloin Street Dealing Intervention Program: \$3,000,000**

According to the legislation and Supervisor Preston and District 5 staff, the intent of this appropriation is to fund non-police outreach to drug dealers, similar to the work done by the Street Violence Intervention Program.<sup>2</sup>

The Tenderloin Street Dealing Intervention Program could include engaging with drug dealers in an effort to negotiate agreements, prevent group conflict and violence, connect dealers who are also drug users to treatment, and transition people off the streets of the Tenderloin. Should the funds be appropriated, DPH would work to more fully develop a scope and likely would need to procure the services from a third party provider.

**FISCAL IMPACT**

The proposed ordinance would appropriate \$7 million from the General Reserve to OEWD and \$3 million to DPH, as shown in Exhibit 1 below.

<sup>2</sup> The Street Violence Intervention Program (SVIP) is overseen by DPH deploys outreach workers to engage in street outreach, crisis response, and community mobilization. SVIP is operated by HealthRIGHT 360 and operates in the Tenderloin, Western Addition, SOMA, Bayview, Potrero Hill, Mission, Excelsior, Visitacion Valley, Alemany, and Lakeview neighborhoods.



**Exhibit 1: Proposed Supplemental Appropriation**

Sources	Amount
General Reserve	\$10,000,000
<b>Total Sources</b>	<b>\$10,000,000</b>

Uses	Amount
OEWD – Community Ambassadors	\$4,000,000
OEWD – Small Business Safety and Security Grants	3,000,000
DPH – Tenderloin Street Dealing Intervention Program	3,000,000
<b>Total Uses</b>	<b>\$10,000,000</b>

**General Reserve**

Administrative Code Section 10.60 requires the City to budget a General Reserve of at least 3.0 percent of General Fund revenues to address revenue weakness, excess spending, or other needs not anticipated during the annual budget process. The balance requirement is reduced to 1.5 percent of General Fund revenues if the City withdraws from the Rainy Day Reserve and then increases 0.25 percent per year until the 3.0 percent balance requirement is fully restored. The General Reserve balance in FY 2022-23 was required to be 1.75 percent of budgeted regular General Fund revenues and is required to be 2.0 percent of budgeted General Fund Revenues in FY 2023-24.

According to the Controller’s Office FY 2022-23 Nine-Month Budget Status Report, the FY 2021-22 ending balance of the General Reserve was \$43.8 million, and the FY 2022-23 approved budget included a \$64.4 million deposit, resulting in an initial projected year-end balance of \$108.2 million. However, the Board of Supervisors has approved two supplemental appropriations from the General Reserve totaling \$50.4 million, reducing the projected year-end balance to \$57.8 million. In FY 2023-24 the required deposit is projected to be \$68.9 million, resulting in a \$126.7 million balance at the end of FY 2023-24.

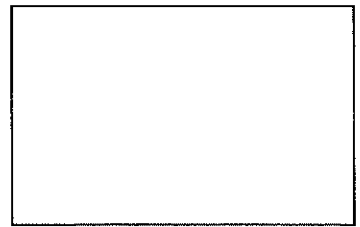
Any uses of the reserve during the current year (FY 2022-23) will increase the required deposit in the budget year (FY 2023-24) by a like amount.

**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):

Dean Preston

Subject:

Appropriation - General Reserve – Tenderloin Emergency Safety – Office of Economic and Workforce Development and the Department of Public Health - \$10,000,000 - FY2022-2023

Long Title or text listed:

Ordinance appropriating \$10,000,000 from the General Reserve for the following uses: \$4,000,000 to the Office of Economic and Workforce Development for nonpolice ambassadors for areas of the Tenderloin that currently lack such coverage, \$3,000,000 to the Office of Economic and Workforce Development for small business safety and security grants, and \$3,000,000 to the Department of Public Health to launch the Tenderloin Street Dealing Intervention Program in Fiscal Year (FY) 2022-2023.

Signature of Sponsoring Supervisor: