



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

*Clerk: Brent Jalipa
(415) 554-7712 ~ brent.jalipa@sfgov.org*

Wednesday, January 7, 2026

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President Rafael Mandelman appointed Supervisor Chyanne Chen to the Budget and Finance Committee for the regular meeting of January 7, 2026.

Present: 3 - Connie Chan, Matt Dorsey, and Chyanne Chen

The Budget and Finance Committee met in regular session on January 7, 2026, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:00 a.m.

ROLL CALL AND ANNOUNCEMENTS

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

COMMUNICATIONS

Brent Jalipa, Budget and Finance Committee Clerk, instructed members of the public that public comment is taken on each item on the agenda. Alternatively, written comments may be submitted through email (brent.jalipa@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

251170 [Airport Food and Beverage Minimum Annual Guarantee and Pre-Security Percentage Rent Reduction Program]

Resolution approving the Food and Beverage Minimum Annual Guarantee and Pre-Security Rent Reduction Program for Food & Beverage Concession Tenants allowing the San Francisco International Airport to enter into lease amendments to lower the minimum annual guarantees for 18 of 69 food & beverage leases, lower the percentage rent structure for seven pre-security leases, and alter the annual minimum annual guarantee adjustment methodology for all food and beverage leases. (Airport Commission) (Fiscal Impact)

11/12/25; RECEIVED FROM DEPARTMENT.

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dyanna Volek and Cheryl Brennan (Airport Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Pages 4 through 9, by updating the Attachment A table to show which leases will be amended as part of the rent reduction program. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Chen

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

Ayes: 3 - Chan, Dorsey, Chen

Chair Chan requested File Nos. 251168 and 251169 be called together.

251168 [Accept and Expend Grant - Retroactive - United States Department of Energy - Buildings Upgrade Challenge, Phase 1 - \$400,000]

Resolution retroactively authorizing the Department of the Environment ("Environment Department") to accept and expend a prize in the amount of \$400,000, which was confirmed as received by the Environment Department on December 12, 2023, from the United States Department of Energy's Office of Energy Efficiency and Renewable Energy, to develop a pilot implementation plan to upgrade up to 200 San Francisco homes with electric heat pump water heaters (HPWH) and energy efficiency measures; and to execute the contracts between the City and the Co-applicants necessary to carry out the purposes of the project for which the prize was awarded. (Environment)

11/10/25; RECEIVED FROM DEPARTMENT.

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Alice Hur and Lowell Chu (Environment 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: 3 - Chan, Dorsey, Chen

251169 [Accept and Expend Grant - Retroactive - United States Department of Energy - Buildings Upgrade Challenge, Phase 2 - \$400,000]

Resolution retroactively authorizing the Department of the Environment (“Environment Department”) to accept and expend a prize in the amount of \$400,000 which was confirmed as received by the Environment Department on March 17, 2025, from the United States Department of Energy’s Office of Energy Efficiency and Renewable Energy, to implement a pilot program to upgrade 20 San Francisco homes with electric heat pump water heaters and energy efficiency measures. (Environment)

11/10/25; RECEIVED FROM DEPARTMENT.

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Alice Hur and Lowell Chu (Environment 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: 3 - Chan, Dorsey, Chen

Chair Chan requested File Nos. 251257 and 251258 be called together.

251257 [Accept and Expend Grant - Blue Cross of California Partnership Plan, Inc. (Anthem) - Housing and Homelessness Incentive Program Funding - San Francisco - \$268,000]

Sponsor: Mayor

Resolution authorizing the Human Services Agency to accept and expend a grant in the total amount of \$268,000 from the Blue Cross of California Partnership Plan, Inc. for participation in the program entitled “Housing and Homelessness Incentive Program Funding - San Francisco” for the period of April 1, 2026, through March 31, 2030. (Human Services Agency)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Celia Pedroza (Human Services Agency); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251258 [Accept and Expend Grant - San Francisco Health Plan (Health Plan) - Housing and Homelessness Incentive Program Funding - San Francisco - \$1,072,000]

Sponsor: Mayor

Resolution authorizing the Human Services Agency to accept and expend a grant in the total amount of \$1,072,000 from the San Francisco Health Plan for participation in the program entitled “Housing and Homelessness Incentive Program Funding - San Francisco” for the period of April 1, 2026, through March 31, 2030. (Human Services Agency)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Celia Pedroza (Human Services Agency); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251263 [Grant Agreement - Retroactive - Operating Subsidy for Permanent Supportive Housing Units - RSU Associates, L.P. - 78 Haight Street and 120 Octavia Street - Not to Exceed \$15,369,361]

Sponsor: Mayor

Resolution retroactively approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with RSU Associates, L.P. in the amount not to exceed \$15,369,361 for a 20-year term to provide operating subsidies for a 100% affordable housing project housing for low-income and formerly homeless households, including transition aged youth, located at 78 Haight Street and 120 Octavia Street; approving the form of and authorizing the execution of the grant agreement with a retroactive commencement date of October 1, 2025; authorizing the Director of MOHCD to enter into any additions, amendments, or other modifications to the grant agreement that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City; and authorizing the Director of MOHCD to take actions necessary to implement this Resolution, as defined herein. (Mayor's Office of Housing and Community Development) (Fiscal Impact)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sara Amaral (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Essence Winston; spoke in support of the resolution matter.

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

Ayes: 3 - Chan, Dorsey, Chen

Chair Chan requested File Nos. 251264, 251265, and 251166 be called together.

251264 [Multifamily Housing Revenue Notes - 967 Mission - Not to Exceed \$41,750,000]

Sponsor: Mayor

Resolution authorizing the execution and delivery of a multifamily housing revenue note (tax-exempt) in a principal amount not to exceed \$21,750,000 and a multifamily housing revenue note (taxable) in an aggregate principal amount not to exceed \$20,000,000 for a total not to exceed amount of \$41,750,000 for the purpose of providing financing for the construction of a 95-unit multifamily rental housing development known as "967 Mission"; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender identified therein to the City and for the execution and delivery of the notes; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of an assignment of deed of trust and loan documents; authorizing the collection of certain fees; approving modifications, changes, and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the notes, and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sara Amaral (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251265 [Ground Lease and Amended, Restated and Consolidated Loan Agreement - 967 Mission, LP - 967 Mission Street - 100% Affordable Housing - \$15,000 Annual Base Rent - Loan Not to Exceed \$44,318,000]

Sponsor: Mayor

Resolution 1) approving and authorizing the Director of Property and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Ground Lease for real property owned by the City located at 967 Mission Street ("Property") with 967 Mission, LP, for a lease term of 75 years and one 24-year option to extend, and an annual base rent of \$15,000 ("Ground Lease") in order to construct a 100% affordable rental housing development consisting of 95-units (including one unrestricted manager's unit) for senior households, known as 967 Mission, including 40 senior operating subsidy units, 24 local operating subsidy program units reserved for homeless seniors and seniors at risk of homelessness, and five units for referrals from the City's plus housing list (the "Project"); 2) authorizing the Mayor and the Director of MOHCD to execute loan documents related to a loan to 967 Mission, LP, to provide financing for the development and construction of the Project; 3) approving and authorizing an Amended, Restated and Consolidated Loan Agreement in an amount not to exceed \$44,318,000 for a minimum loan term of 57 years with 967 Mission, LP to finance the development and construction of the Project; 4) determining that the less than market rent payable under the Ground Lease will serve a public purpose by providing affordable housing for low-income, senior households in need, in accordance with Section 23.30 of the Administrative Code; 5) adopting findings declaring that the Property is "exempt surplus land" pursuant to the California Surplus Land Act; 6) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 7) authorizing the Director of MOHCD to make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

(Fiscal Impact)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sara Amaral (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251266 [Grant Agreement - Senior Operating Subsidy - 967 Mission, LP - Not to Exceed \$10,548,907]

Sponsor: Mayor

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with 967 Mission, LP in the amount of \$10,548,907 for a term of 15 years to provide operating subsidies for a 95-unit 100% affordable housing project, with 40 units of housing for extremely low-income seniors; approving the form of and authorizing the execution of the grant agreement; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Sara Amaral (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251186 [Accept and Expend Grant - San Francisco General Hospital Foundation - ZPCQI Round 3: Optimizing Epic to Drive True North and Developing our people: The ZSFG Way - \$6,755,486.26]

Sponsor: Mayor

Resolution authorizing the Department of Public Health to accept and expend a grant in the amount of \$6,755,486.26 from the San Francisco General Hospital Foundation for participation in a program, entitled "ZPCQI Round 3: Optimizing Epic to Drive True North and Developing our people: The ZSFG Way," for the period of January 1, 2026, through June 30, 2029; approving the Notice of Award agreement pursuant to Charter, Section 9.118(a); and to authorize the Director of Health to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Grant Agreement or this Resolution. (Public Health Department)

12/09/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Angelica Journagin (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251188 [Accept and Expend Grant - Retroactive - California Department of Health - Disease Intervention Specialist (DIS) Workforce Development Grant - \$1,123,180]**Sponsor: Mayor**

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$1,123,180 from the California Department of Health for participation in a program, entitled "Disease Intervention Specialist (DIS) Workforce Development Grant," for the period of July 1, 2025, through June 30, 2026; approving the Grant Agreement pursuant to Charter, Section 9.118(a); and to authorize the Director of Health to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Grant. (Public Health Department)

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Anthony Taylor (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251166 [Contract Amendment - A&A Health Services - Rehabilitative Board and Care Residential Services - Not to Exceed \$32,654,875]

Resolution approving Amendment No. 1 to the agreement between the City and County of San Francisco, acting by and through, the Department of Public Health (DPH), and A&A Health Services, Inc., to provide rehabilitative board and care residential services, to extend the term by three years from June 30, 2026, for a total term of July 1, 2024, through June 30, 2029, and to increase the amount by \$22,722,200 for a total not to exceed amount of \$32,654,875; and to authorize DPH to enter into amendments or modifications to the agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement or this Resolution. (Public Health Department)
(Fiscal Impact)

11/14/25; RECEIVED FROM DEPARTMENT.

12/02/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Luis Calderon (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

Chair Chan requested File Nos. 251259 and 251260 be called together.

251259 [Grant Agreement - Accept and Expend Grant - Retroactive - California Department of Health Care Services - Bond BHCIP Round 1 - 887 Potrero Avenue - Anticipated Revenue \$21,347,760]

Sponsor: Mayor

Resolution authorizing the Department of Public Health to enter into a Grant Agreement for a term commencing on the execution of the Grant Agreement, through June 30, 2030, between the City and County of San Francisco ("City"), acting by and through its Department of Public Health ("DPH"), and the California Department of Health Care Services and its third-party administrator Advocates for Human Potential, Inc., having anticipated revenue to the City of \$21,347,760; including a provision allowing for the recapture of allowable project expenses incurred retroactive to May 6, 2025; including a Permitted and Restricted Use at 887 Potrero Avenue; retroactively authorizing DPH to accept and expend grant funds for the period of May 6, 2025, through June 30, 2030; authorizing the Grantor to apply for a Receiver in the event of the City's default; and authorizing DPH to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purpose of the Grant. (Public Health Department)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Kelly Kirkpatrick (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

251260 [Grant Agreement - Accept and Expend Grant - Retroactive - California Department of Health Care Services - Bond BHCIP Round 1 - Anticipated Revenue \$6,337,140]

Sponsors: Mayor; Dorsey

Resolution authorizing the Department of Public Health to enter into a Grant Agreement for a term commencing on the execution of the Grant Agreement, through June 30, 2030, between the City and County of San Francisco ("City"), acting by and through its Department of Public Health ("DPH"), and the California Department of Health Care Services and its third-party administrator Advocates for Human Potential, Inc., having anticipated revenue of \$6,337,140; including a provision allowing for the recapture of allowable project expenses incurred retroactively to May 6, 2025; including a Permitted and Restricted Use at 333 7th Street; retroactively authorizing DPH to accept and expend grant funds; authorizing the Grantor to apply for a Receiver in the event of the City's default; and authorizing DPH to enter into amendments or modifications to the Grant Agreement that do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purpose of the Grant. (Public Health Department)

12/16/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Kelly Kirkpatrick (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Chen

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:39 a.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.