



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, December 3, 2025

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President Rafael Mandelman appointed Supervisors Bilal Mahmood and Danny Sauter, in place of Supervisor Matt Dorsey, to the Budget and Finance Committee for the regular meeting of December 3, 2025.

Present: 3 - Connie Chan, Bilal Mahmood, and Danny Sauter

Excused: 1 - Matt Dorsey

The Budget and Finance Committee met in regular session on December 3, 2025, with Chair Connie Chan presiding. Chair Chan called the meeting to order at 10:01 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Chan, and Members Mahmood and Sauter 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.

Supervisor Dorsey Excused from Attendance

Chair Chan moved to excuse Supervisor Dorsey from attending the Budget and Finance Committee meeting on December 3, 2025. The motion carried by the following vote:

Ayes: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

REGULAR AGENDA

Chair Chan requested File Nos. 251111 and 251154 be called together.

251111 [Accept and Expend Grant - Retroactive - California Department of Insurance - Workers' Compensation Insurance Fraud Program - \$1,122,888]

Sponsor: Mayor

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$1,122,888 from the California Department of Insurance for the Workers' Compensation Insurance Fraud Program, for the grant period of July 1, 2025, through June 30, 2026. (District Attorney)

11/04/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Tina Nunes Ober (Office of the District Attorney); 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, Mahmood, Sauter

Excused: 1 - Dorsey

251154 [Accept and Expend Grant - Retroactive - California Department of Insurance - Automobile Insurance Fraud Program - \$347,069]

Sponsor: Mayor

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$347,069 from the California Department of Insurance for the Automobile Insurance Fraud Program, for the grant period of July 1, 2025, through June 30, 2026. (District Attorney)

11/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Tina Nunes Ober (Office of the District Attorney); 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, Mahmood, Sauter

Excused: 1 - Dorsey

251104 [Grant Agreement Amendment - Episcopal Community Services - Sanctuary Shelter - Not to Exceed \$40,896,141]**Sponsor: Mayor**

Resolution approving the third amendment to the grant agreement between Episcopal Community Services and the Department of Homelessness and Supportive Housing ("HSH") for shelter services at Sanctuary Shelter; extending the grant term by 24 months from June 30, 2026, for a total term of July 1, 2021, through June 30, 2028; increasing the agreement amount by \$15,140,870 for a new total amount not to exceed \$40,896,141; 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)

11/04/25; 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: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

251105 [Grant Agreement Amendment - Felton Institute - Bayview Drop-In Resource Center - Not to Exceed \$16,854,149]**Sponsors: Mayor; Walton**

Resolution approving the third amendment to the grant agreement between Felton Institute and the Department of Homelessness and Supportive Housing ("HSH") for Drop-in Center operations, extending the grant term by 24 months from June 30, 2026, for a total term of October 1, 2022, through June 30, 2028, and increasing the agreement amount by \$7,134,976 for a new total amount not to exceed \$16,854,149; 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)

11/04/25; 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: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

Chair Chan requested File Nos. 251108, 251147, 251109, and 251155 be called together.

251108 [Execute Standard Agreement - Not to Exceed \$39,044,030 - Accept and Expend Homekey+ Grant - California Department of Housing and Community Development - Permanent Supportive Housing for Veterans - 1035 Van Ness Avenue - Not to Exceed \$3,000,000]

Sponsor: Mayor

Resolution authorizing the City and County of San Francisco ("City"), through the Department of Homelessness and Supportive Housing ("HSH"), to 1) execute a Standard Agreement with the California Department of Housing and Community Development ("HCD") and co-applicants Swords to Plowshares: Veterans Rights Organization and 1035Vets LLC for a total award not to exceed \$39,044,030 under the Homekey+ Program, including up to \$36,044,030 disbursed by HCD as a grant to 1035Vets LLC for acquisition of real property located at 1035 Van Ness for permanent supportive housing for veterans (the "Property") and support of operating costs, and up to \$3,000,000 disbursed by HCD as a grant to the City for rehabilitation of the Property; 2) accept and expend anticipated revenue from the City's portion of Homekey+ grant funds in an amount up to \$3,000,000 for the rehabilitation of the Property; 3) approving and authorizing the City to commit up to \$8,000,000 in required matching funds for rehabilitation of the Property and a minimum of five years of operating subsidy, additionally the City committed up to 15 years of operating subsidies through the City's Local Operating Subsidy Program ("LOSP") subject to budget appropriations; 4) authorizing the City to assume any joint and several liability for expenditure of the Homekey+ grant under the Standard Agreement; 5) adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing HSH to enter into any additions, amendments, or other modifications to the Standard Agreement and the Homekey+ Documents that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City. (Department of Homelessness and Supportive Housing) (Fiscal Impact)

11/04/25; 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: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

251147 [Loan and Grant Agreement - 1035Vets LLC - 1035 Van Ness Avenue - 100% Affordable Veterans Permanent Supportive Housing - Not to Exceed \$11,000,000]

Sponsor: Mayor

Resolution approving and authorizing a Loan and Grant Agreement in an amount not to exceed \$11,000,000 consisting of a loan in the amount of \$8,000,000 for a minimum term of 55 years and a grant in the amount of \$3,000,000 with 1035Vets LLC for the purpose of rehabilitating real property located at 1035 Van Ness Avenue ("1035 Van Ness") into 124 units of permanent supportive housing for veterans exiting homelessness under the Homekey+ Program administered by the California Department of Housing and Community Development (the "Project"); 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; authorizing the Mayor and the Director of Mayor's Office of Housing and Community Development ("MOHCD") to execute the Loan and Grant Agreement, and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein; and authorizing the Director of MOHCD to enter into any additions, amendments, or other modifications to the Loan and Grant Agreement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of this Resolution.

(Fiscal Impact)

11/18/25; 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: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

251109 [Execute Standard Agreement - Not to Exceed \$17,291,506 - Retroactive - Accept and Expend Homekey+ Grant - California Department of Housing and Community Development - Permanent Supportive Housing - 835 Turk Street - Not to Exceed \$13,729,907]

Sponsor: Mayor

Resolution authorizing the City and County of San Francisco ("City"), through the Department of Homelessness and Supportive Housing ("HSH"), to 1) execute a Standard Agreement with the California Department of Housing and Community Development ("HCD") and co-applicants 835 Turk LLC and Five Keys Schools and Programs for a total award not to exceed \$17,291,506 under the Homekey+ Program, including up to \$3,561,599 disbursed by HCD as a grant to 835 Turk LLC for support of operating costs and up to \$13,729,907 disbursed by HCD as a grant to the City for the rehabilitation and associated relocation costs for the real property located at 835 Turk Street for permanent supportive housing (the "Property"); 2) retroactively accept and expend anticipated revenue from the City's portion of Homekey+ grant funds in an amount up to \$13,729,907 to support the rehabilitation and associated relocation costs for the Property for costs incurred from March 5, 2024, through HCD's capital grant expenditure deadline; 3) approving and authorizing the City to commit approximately \$16,270,093 in required matching funds for rehabilitation of the Property and a minimum of five years of operating subsidies, additionally the City has committed up to 15 years of operating subsidies through the City's Local Operating Subsidy Program subject to budget appropriations; 4) authorizing the City to assume any joint and several liability for expenditure of the Homekey+ grant under the Standard Agreement; 5) adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing HSH to enter into any additions, amendments, or other modifications to the Standard Agreement and the Homekey+ Documents that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City. (Department of Homelessness and Supportive Housing)

(Fiscal Impact)

11/04/25; 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: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

251155 [Ground Lease and Loan and Grant Agreement - 835 Turk LLC - 835 Turk Street - 100% Permanent Supportive Housing - \$1 Total Ground Lease Rent - Loan Not to Exceed \$12,922,000 - Grant Not to Exceed \$13,729,907]

Sponsor: Mayor

Resolution 1) approving and authorizing the Director of Property and the Department of Homelessness and Supportive Housing ("HSH") to enter into a Ground Lease for real property owned by the City located at 835 Turk Street ("Property") with 835 Turk LLC for a lease term of 55 years and total rent not to exceed \$1 ("Ground Lease") in order to rehabilitate and operate a 100% permanent supportive housing, 106-unit multifamily rental housing development affordable to very low-income households, plus one manager's unit on the Property (the "Project"); 2) approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Loan and Grant Agreement with 835 Turk LLC to finance the development and rehabilitation of the Project with a) a loan in an amount not to exceed \$12,922,000 for a minimum loan term of 55 years and b) a grant in an amount not to exceed \$13,729,907 from California Department of Housing and Community Development Homekey+ funds; 3) adopting findings declaring that the Property is "exempt surplus land" pursuant to the California Surplus Lands Act; 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 households in need, in accordance with Section 23.30 of the Administrative Code; 5) 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(b); and 6) authorizing the Director of Property, the Director of MOHCD, and/or the Executive Director of HSH, or their designees, to execute and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.
(Fiscal Impact)

11/18/25; 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: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

251130 [Contract Amendment - Priority Healthcare Distribution, Inc. d/b/a CuraScript Specialty Distribution - Procurement of Specialty Drugs - Not to Exceed \$98,480,168]

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 Priority Healthcare Distribution, Inc. d/b/a CuraScript Specialty Distribution, for the procurement of specialty drugs, to extend the term by four years from November 30, 2026, for a total term of December 1, 2023, through November 30, 2030, and to increase the amount by \$89,480,168 for a total not to exceed amount of \$98,480,168; 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)

11/10/25; RECEIVED FROM DEPARTMENT.

11/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): David Smith (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, Mahmood, Sauter

Excused: 1 - Dorsey

251131 [Contract Amendment - Hyde Street Community Services, Inc. - Mental Health Services - Not to Exceed \$38,789,762]

Resolution approving Amendment No. 2 to the agreement between the City and County of San Francisco, acting by and through, the Department of Public Health (DPH), and Hyde Street Community Services, Inc., to provide mental health services, to extend the term by two years from June 30, 2026, for a total term of July 1, 2018, through June 30, 2028, and to increase the amount by \$11,758,765 for a total not to exceed amount of \$38,789,762; 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)

11/10/25; RECEIVED FROM DEPARTMENT.

11/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): La Donna Norman (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, Mahmood, Sauter

Excused: 1 - Dorsey

251145 [Grant Agreement - California Department of Social Services - Community Care Expansion Preservation Projects - Anticipated Revenue of \$7,431,615]**Sponsor: Mayor**

Resolution approving an agreement between the City and County of San Francisco, acting by and through its Department of Public Health (DPH), and the California Department of Social Services and its third-party administrator BDO Government Services, LLC, having anticipated revenue of \$7,431,615 for a performance base period commencing on execution of the Grant Agreement through June 30, 2029; and authorizing 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)

11/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Yoonjung Kim (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, Mahmood, Sauter

Excused: 1 - Dorsey

251125 [Agreement Amendment - Active Networks, LLC - City Registration and Facility Reservation System - Term Extension]

Resolution authorizing a two-year extension of the agreement amendment between the Recreation and Park Department and Active Network, LLC for use of City recreation programs and facility reservations beginning December 31, 2025, for a total term of January 1, 2016, through December 31, 2027, with no change to the contract amount of \$100,000 annually, and to update certain standard contractual clauses. (Recreation and Park Department)

11/03/25; RECEIVED FROM DEPARTMENT.

11/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): AnneMarie Donnelly (Recreation and Park 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, Mahmood, Sauter

Excused: 1 - Dorsey

Chair Chan recessed the meeting at 12:05 p.m., and reconvened at 12:20 p.m.

250929 [Business and Tax Regulations Code - Extending Suspension of Cannabis Business Tax]

Sponsors: Mandelman; Dorsey, Sauter and Mahmood

Ordinance amending the Business and Tax Regulations Code to repeal the cannabis business tax beginning on January 1, 2026, and remove references to the cannabis business tax from the common administrative provisions of the Code.

(Fiscal Impact)

09/09/25; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 10/9/2025.

09/15/25; REFERRED TO DEPARTMENT. Referred to the Offices Treasurer and Tax Collector and Controller for informational purposes; and to the Small Business Commission for comment and recommendation.

Heard in Committee. Speaker(s): Sophie Marie (Office of Supervisor Rafael Mandelman); Nicolas Menard (Office of the Budget and Legislative Analyst); Ray Law (Office of Cannabis); provided an overview and responded to questions raised throughout the discussion. David Goldman and Bram Goodwin (San Francisco Brownie May Democratic Club); Jesse Stout, Eric Alfaro, and Kevin Reed (The Green Cross); Nina Parks; Duncan Ley (San Francisco Cannabis Alliance); spoke in support of the ordinance matter. Indiana Davis; Alex Asefaw; Romwald Connelly; Lara Decaro; spoke on various concerns relating to the ordinance matter.

Member Mahmood moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE; on Page 1, Lines 1-6, to read '[Business and Tax Regulations Code - Extending Suspension of Cannabis Business Tax] Ordinance amending the Business and Tax Regulations Code to extend the suspension of the cannabis business tax, through December 31, 2035, and remove references to the cannabis business tax from the common administrative provisions of the Code.', and Lines 15-17, to read 'Section 1. The Business and Tax Regulations Code is hereby amended by revising subsection (c) of Section 3003 of Article 30, to read as follows:; on Page 1, Line 19, through Page 17, Line 24, by restoring the entirety of Article 30 text; on Page 9, Line 13-14, by adding '(c) The imposition of the Cannabis Business Tax under this Section 3003 shall be suspended for the tax years 2021 through and including 2035.'; on Page 36, Lines 6-7, by adding '(b) Upon the effective date of this ordinance, this ordinance shall be retroactive to January 1, 2026.'; and by making other clarifying and conforming changes throughout the ordinance text. The motion carried by the following vote:

Ayes: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

Ordinance amending the Business and Tax Regulations Code to extend the suspension of the cannabis business tax, through December 31, 2035, and remove references to the cannabis business tax from the common administrative provisions of the Code.

(Fiscal Impact)

Chair Chan moved that this Ordinance be REFERRED WITHOUT RECOMMENDATION AS AMENDED to the Board of Supervisors. The motion carried by the following vote:

Ayes: 3 - Chan, Mahmood, Sauter

Excused: 1 - Dorsey

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:21 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.