



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, Joel Engardio

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

Wednesday, September 3, 2025

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Connie Chan, Matt Dorsey, and Joel Engardio

The Budget and Finance Committee met in regular session on Wednesday, September 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, Vice Chair Dorsey, and Member Engardio 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

250724 [Accept and Expend Grant - Retroactive - Superior Court of California, County of San Francisco - Byrne State Crisis Intervention Program - \$167,021]

Sponsor: Mayor

Resolution retroactively authorizing the Office of the District Attorney to accept and expend a grant in the amount of \$167,021 from the Superior Court of California, County of San Francisco, for the grant period of September 1, 2024, through August 31, 2026, to support the Byrne State Crisis Intervention Program activities and services. (District Attorney)

07/01/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Monifa Willis (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, Dorsey, Engardio

250827 [Agreement - Solaris Bus US, Inc. - Purchase of Battery-Electric Buses - Anticipated Expenditure of \$10,819,849]

Sponsors: Mayor; Mahmood and Mandelman

Resolution approving an agreement with Solaris Bus US, Inc., to procure three 40-ft and three 60-ft battery-electric transit buses from Solaris Bus US, Inc., along with associated spare parts, special tools, manuals, and training through assigned options established under a procurement conducted by King County Metro, which requires anticipated expenditures of \$10,819,849 which includes a contract for an amount not to exceed \$9,964,706 and a term until December 19, 2027, effective upon approval of this Resolution, with options to extend the contract to December 19, 2029, and responsibility for the payment of an estimated \$855,143 in taxes; and to authorize the Acting Director of Transportation to enter into amendments or modifications to the contract that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the contract or this Resolution. (Municipal Transportation Agency)
(Fiscal Impact)

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Marley Miller and Bhavin Khatri (Municipal Transportation Agency); 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, Engardio

250780 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation - Multiple Capital Improvement Projects - Not to Exceed \$65,000,000]**Sponsor: Mayor**

Ordinance authorizing the execution and delivery from time to time of tax-exempt or taxable Certificates of Participation, in one or more series, evidencing and representing an aggregate principal amount of not to exceed \$65,000,000 ("Certificates"), to finance and refinance certain capital improvement projects within the City and County of San Francisco's ("City") contained in the Capital Plan and generally consisting of street resurfacing and curb ramp improvements; approving the form of a Supplement to Trust Agreement between the City and U.S. Bank Trust Company, National Association (as successor-in-interest to U.S. Bank National Association), as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of a Supplement to Property Lease and a Supplement to Project Lease, each between the City and the Trustee, for the lease to the Trustee and lease back to the City of all or a portion of certain real property and improvements owned by the City, together with any other property determined by the City's Director of Public Finance to be made subject to the lease and lease back arrangements; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates; approving the form of an Official Statement in preliminary and final form; approving the form of a purchase contract between the City and one or more initial purchasers of the Certificates; approving the form of a Continuing Disclosure Certificate, as defined herein; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution, and delivery of the Certificates, as defined herein; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

(Fiscal Impact)

07/22/25; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 8/21/2025.

Heard in Committee. Speaker(s): Grant Carson (Controller's Office of Public Finance); Paul Barradas and Bruce Robertson (Public Works); 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 Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Engardio

250825 [Real Property Lease - STEEL ARC, LLC - 8 Boardman Place - Annual Base Rent of \$144,000]**Sponsor: Mayor**

Resolution approving and authorizing the Director of Property, on behalf of the City and County of San Francisco ("City"), to lease 4,009 square feet of real property for the Public Defender's Office, located at 8 Boardman Place, for a five year term with two five-year options to extend at 95% of fair market value, at an annual base rent of \$144,000 (\$84,000 in the first year of the lease term), from STEEL ARC, LLC, a California limited liability corporation, effective upon approval of this Resolution and the lease term to commence upon completion of tenant improvements, rent payments will begin three months after lease commencement; and to authorize the Director of Property to enter into any additions, amendments or other modifications to the lease that do not otherwise materially increase the obligation or liabilities of the City to effectuate the purposes of the Lease or this Resolution. (Real Estate Department)

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jeff Suess (City Administrator's Real Estate Division); Lyslynn Lacoste (Office of the Public Defender); 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, Engardio

250826 [Real Property Lease - NPU, Inc., a California Corporation - Old United States Mint - Participation Rent of 10% of Gross Monthly Revenue]**Sponsors: Mayor; Dorsey**

Resolution authorizing and approving the Director of Property to execute a Lease Agreement for a term of five years with three five-year options to extend, to commence upon approval of this Resolution through July 31, 2029 with NPU, Inc. for the continued use of the Old Mint located at 88 5th Street, paying as participation rent, 10% of the gross monthly revenue generated from their use of the Old Mint; and authorizing the Director of Property to execute any amendments or modifications to the Lease including exercising options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, and do not material decrease the benefits to the City and are necessary to effectuate the purposes of the Lease or this Resolution. (Real Estate Department)

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Jeff Suess (City Administrator's Real Estate Division); Jon Lau (Office of Economic and Workforce Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Jordan Langer, President (Non Plus Ultra); 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 NEW TITLE, by reducing the initial agreement term from 'five years' to 'four years' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Engardio

Resolution authorizing and approving the Director of Property to execute a Lease Agreement for a term of four years with three five-year options to extend, to commence upon approval of this Resolution through July 31, 2029 with NPU, Inc. for the continued use of the Old Mint located at 88-5th Street, paying as participation rent, 10% of the gross monthly revenue generated from their use of the Old Mint; and authorizing the Director of Property to execute any amendments or modifications to the Lease including exercising options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, and do not materially decrease the benefits to the City and are necessary to effectuate the purposes of the Lease or this Resolution. (Real Estate Department)

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

Ayes: 3 - Chan, Dorsey, Engardio

250776 [Agreement - Retroactive - California Department of State Hospitals - Felony Incompetent to Stand Trial Mental Health Diversion Program - Anticipated Revenue to the City \$15,060,000]

Resolution retroactively authorizing the San Francisco Department of Public Health (DPH) to enter into an agreement with the California Department of State Hospitals, to provide funding for the Felony Incompetent to Stand Trial (IST) Mental Health Diversion Program for individuals found incompetent to stand trial for a term of five years from July 1, 2025, through June 30, 2030, having anticipated revenue of \$15,060,000; 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)

07/21/25; RECEIVED FROM DEPARTMENT.

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Tanya Mera (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, Engardio

250751 [Contract Amendment - Project Open Hand - HIV/AIDS Food and Nutrition Services - Not to Exceed \$20,528,272]

Resolution approving Amendment No. 4 to the agreement between the City, acting by and through, the Department of Public Health (DPH), and Project Open Hand, to provide HIV/AIDS food and nutrition services, to increase the contract amount by \$1,727,928 for a new total not to exceed amount of \$20,528,272 with no changes to the term of April 1, 2017, through March 31, 2027; 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)

07/10/25; RECEIVED FROM DEPARTMENT.

07/22/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Bill Blum (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, Engardio

Chair Chan requested File Nos. 250828, 250829, and 250830 be called together.

250828 [Multifamily Housing Revenue Note - Balboa Lee Avenue, L.P. - Balboa Reservoir - Building E - Expected to be 505 Mayor Edwin M. Lee Avenue (Formerly Known as 11 Frida Kahlo Way) - Not to Exceed \$84,116,000]

Sponsors: Mayor; Melgar

Resolution approving for purposes of the Internal Revenue Code of 1986, as amended, authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$84,116,000 for the purpose of providing financing for the construction of a 127-unit (plus one manager's unit) multifamily rental housing project expected to be located at 505 Mayor Edwin M. Lee Avenue (formerly known as 11 Frida Kahlo Way) (Assessor's Parcel Block No: 3180-202), known as "Balboa Reservoir - Building E"; 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 to the City, and the execution and delivery of the note; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the loan from the City to Balboa Lee Avenue, L.P. (the "Borrower"); approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; 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 note and the project; granting general authority to City officials to take actions necessary to implement this Resolution and related matters, as defined herein.

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dan Adams, Director, and Ryan VanZuylen (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Engardio

250829 [Loan Agreement - BHC Balboa Builders, LLC - Balboa Reservoir - Infrastructure Improvements - Not to Exceed \$56,425,904]**Sponsors: Mayor; Melgar**

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute an Amended and Restated Loan Agreement with BHC Balboa Builders, LLC, a California limited liability company, for a total loan amount not to exceed \$56,425,904 to finance the first phase of infrastructure improvements related to the revitalization and master development of an approximately 17.6-acre site with various public benefits including affordable housing, commonly known as the Balboa Reservoir Project; adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the General Plan, and the priority policies of Planning Code, Section 101.1; and to authorize the Director of MOHCD or his designee 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. (Mayor's Office of Housing and Community Development)
(Fiscal Impact)

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dan Adams, Director, and Ryan VanZuylen (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chan, Dorsey, Engardio

250830 [Lease and Amended and Restated Loan Agreement - Balboa Lee Avenue, L.P. - Balboa Reservoir Building E - 100% Affordable Housing - \$15,000 Annual Base Rent - Not to Exceed \$28,000,000]

Sponsors: Mayor; Melgar

Resolution approving and authorizing the Director of Property and the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Ground Lease for Real Property owned by the City and located at 11 Frida Kahlo Way ("Property") with Balboa Lee Avenue, L.P. ("Developer") 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, 127-unit multifamily rental housing development affordable to very-low and low-income households, plus one manager's unit; approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed \$36,000,000 for a minimum loan term of 57 years ("Loan Agreement") to finance the development and construction of 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; and authorizing the Director of Property and/or the Director of MOHCD to execute the Ground Lease, Loan Agreement, and make certain modifications to such agreements, and take certain actions in furtherance of this Resolution, as defined herein.

(Fiscal Impact)

07/29/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Dan Adams, Director, and Ryan VanZuylen (Mayor's Office of Housing and Community Development); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Chair Chan moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by reducing the not to exceed amount from '\$36,000,000' to '\$28,000,000' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Chan, Dorsey, Engardio

Resolution approving and authorizing the Director of Property and the Mayor's Office of Housing and Community Development ("MOHCD") to enter into a Ground Lease for Real Property owned by the City and located at 11 Frida Kahlo Way ("Property") with Balboa Lee Avenue, L.P. ("Developer") 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, 127-unit multifamily rental housing development affordable to very-low and low-income households, plus one manager's unit; approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed \$28,000,000 for a minimum loan term of 57 years ("Loan Agreement") to finance the development and construction of 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; and authorizing the Director of Property and/or the Director of MOHCD to execute the Ground Lease, Loan Agreement, and make certain modifications to such agreements, and take certain actions in furtherance of this Resolution, as defined herein.

(Fiscal Impact)

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

Ayes: 3 - Chan, Dorsey, Engardio

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:44 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.