File No. 230292 **Committee Item No.** 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** May 24, 2023
Board of Supervisors Meeting **Date** _____

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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** _____

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

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.

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

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

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

Sources Appropriation

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10020 / 230018 GF Continuing Authority Ctrl/ GEN General City Responsibility	10023237- 0001 17064 General Reserve / General Reserve	598040 Designated For General Reserve	Designated For General Reserve	$10,000,000
Total Sources Appropriation				**$10,000,000**

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

Uses Appropriation

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

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10020 GF Continuing Authority Ctrl / XXXXXX – Office of Economic and Workforce Development	XXXXXXXX – XXXX XX XXXXXXXX – XXXXXXX/ XXXXXX XXXXXXX	506070 Programmatic Projects - Budget	Small business safety and security grants	$3,000,000
10020 GF Continuing Authority Ctrl / XXXXXX – Public Health	XXXXXXXX – XXXX XX XXXXXXXX – XXXXXXX/ XXXXXX XXXXXXX	5060 Programmatic Projects - Budget	Tenderloin Street Dealing Intervention Program	$3,000,000
Total USES Appropriation				**$10,000,000**

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 and other laws.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/
JON GIVNER
Deputy City Attorney

FUNDS AVAILABLE:
BEN ROSENFIELD, Controller

By: /s/
BEN ROSENFIELD
Controller

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.[1] 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.

[1] 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.[2]

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.

[2] 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
Total Sources	**$10,000,000**

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
Total Uses	**$10,000,000**

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):

- [x] 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.)

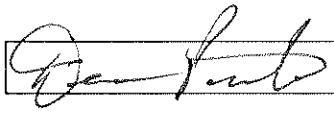
Sponsor(s):

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: