CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: January 29, 2025 Budget and Finance Committee Meeting

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Item 2 File 24-1125	Department: Homelessness and Supportive Housing

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution approves a third amendment to the grant agreement between the Department of Homelessness and Supportive Housing (HSH) and Episcopal Community Services (ECS) for continued Rapid Rehousing (RRH) services to adults experiencing homelessness, extending the term to June 30, 2027 and increasing the not-to-exceed amount by $11,525,980 for a total of $21,524,980.

Key Points

- The Rapid Rehousing (RRH) program seeks to secure housing for people at risk of homelessness within 75 days, providing time-limited subsidies (12–24 months) for market rate housing. ECS provides housing focused case management services and subsidy administration.
- Performance monitoring shows ECS did not meet the grant's goal of getting clients into housing within 75 days in both FY 2022-23 and FY 2023-24 due to a lack of referrals from HSH and vacancies at ECS. In both years, actual placements into housing took over 100 days. However, according to HSH, as of December 2024, ECS's placement timelines were at or below the grant's target of 75 days.

Fiscal Impact

- The amendment adds $11.5 million, bringing the total not-to-exceed amount to $21.5 million through June 2027. Funding comes from the Our City, Our Home Fund (Proposition C), with expenditures decreasing in later years as slots are not refilled.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Rapid Rehousing

The Department of Homelessness and Supportive Housing's (HSH) Rapid Rehousing (RRH) program aims to help people quickly (75 or fewer days) secure and maintain permanent housing in the private market through time-limited rental subsidies. According to HSH's Housing Inventory Dashboard, HSH currently provides funding for 1,465 Rapid Rehousing slots, including 806 slots for adults and 659 slots for families with children. Since 2016, Episcopal Community Services (ECS), a nonprofit organization, has been providing RRH services to adults without minor children who are experiencing homelessness in the City. The ECS program expanded in 2021 to support rehousing efforts for people exiting the Shelter-in-Place hotels. ECS currently provides services for up to 230 adults under the existing grant agreement.

Transition of Workforce Development Services to OEWD

In 2020, HSH allocated funding to workforce development services within RRH program agreements, including with ECS. In 2021, HSH transitioned those services to the Office of Economic and Workforce Development (OEWD). OEWD now administers grants to workforce development partners, including ECS, under the Our City, Our Home (OCOH) Problem-Solving and Prevention funding. This transition assigns OEWD the responsibility to coordinate services while RRH providers, including ECS, continue to refer participants to these programs. Salaries for job development staff originally funded under the RRH contract were grandfathered into this agreement, but the services (including performance review) are administered by OEWD. The grant's scope of work still requires ECS to support income growth for RRH participants as part of the case management scope of work, including regular conversations with program participants regarding increasing income and referrals to workforce development services.

Procurement

The grant agreement was procured pursuant to Administrative Code Chapter 21B, which allows selection of homeless service providers without competitive solicitations. According to HSH staff, HSH selected ECS based on the organization's prior experience providing Rapid Rehousing services to adults HSH entered into a grant agreement with ECS in April 2021, covering the period from February 15, 2021, through June 30, 2023, with a not-to-exceed amount of $9,749,200. Under this agreement, ECS was tasked with providing RRH services—including housing location, housing coordination, subsidy administration, and landlord liaison services—to a minimum of 125 adults.

Previous Amendments

In July 2023, HSH executed a no-cost first amendment to the agreement, extending the term by 12 months to June 30, 2024. The first amendment also increased the number of clients served from 125 to 230 adults in the extension year. ECS provides housing focused case management services to 130 clients under the agreement, and ECS partners with Bayview Hunters Point Foundation and Five Keys Schools & Programs to deliver housing-focused case management services to the remaining 100 clients (established through separate grant agreements between ECS and Five Keys/BVHPF).

In July 2024, HSH executed a second amendment, extending the agreement term by an additional seven months to January 31, 2025, to enable services to continue while the Department prepared an amendment to introduce before the Board of Supervisors. This amendment increased the not-to-exceed amount by $249,800, bringing the total not-to-exceed amount to $9,999,000.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a third amendment to the grant agreement between the Department of Homelessness and Supportive Housing (HSH) and Episcopal Community Services (ECS) to continue providing short to medium-term Rapid Rehousing (RRH) services for adults experiencing homelessness. This amendment extends the grant term by 29 months—from January 31, 2025, to June 30, 2027—resulting in a total contract term from February 15, 2021, through June 30, 2027. It also increases the agreement amount by $11,525,980, bringing the total not-to-exceed amount to $21,524,980. Additionally, the resolution authorizes HSH to enter into any modifications to the agreement that do not materially increase the liabilities of the City.

Scope of Work

The grant provides one-time, time-limited RRH services for 12 to 24 months to formerly homeless, income-eligible adults aged 18 or older who do not have custody of minors. According to HSH, this timeline is consistent with other Adult RRH programs. The goal is to reduce the duration of homelessness by increasing housing retention and stability. Once a household exits the program, the slot is not refilled, leading to a gradual decrease in households served until the program concludes. All new participants are referred by HSH through Coordinated Entry, and participation is voluntary. The proposed third amendment increases the total number of slots from 230 to 305, an increase of 75 slots.

ECS provides services with staffing ratios of one Housing Coordinator per 50 participants (1:50) and one Case Manager per 20 participants (1:20). Services include housing-focused case management, assistance in locating housing, and coordination of rapid housing placements. ECS also acts as a liaison between landlords and participants, addresses issues, and manages administrative, financial, and record-keeping functions for subsidy payments and financial assistance.

RRH services are provided at ECS sites Monday through Friday, 9:00 a.m. to 5:00 p.m., and at participants' homes or other locations as needed. ECS is also available by arrangement during early evenings and weekends at locations convenient for participants.

Fiscal and Compliance Monitoring

ECS underwent citywide nonprofit fiscal monitoring most recently in FY 23-24 and there were no unresolved findings.

Performance Management

The grantee is expected to achieve specific service and outcome objectives during the grant term. Service objectives include providing 100 percent of participants with (1) housing location, (2) housing coordination, (3) subsidy administration (ensuring timely payments), (4) housing-focused case management (including housing stability plans), and (5) landlord liaison services (responding to requests within two business days).

FY 2022-23

HSH completed a program monitoring assessment for FY 2022-23 in May 2024. According to the evaluation, ECS achieved all of its service objectives but met only one of the three outcome objectives. Specifically, 88 percent of participants successfully moved into housing, falling just short of the 90 percent target, and the average time from program enrollment to housing move-in was 108 days, exceeding the goal of 75 days or less by 33 days (44 percent). Additionally, HSH identified underperformance in the number of clients served, with the program filling 68 percent of the contracted slots (157 total clients served out of 230 contracted slots) as of June 30, 2024, instead of the expected 85 percent, partially due to a low number of referrals from HSH as well as ECS staff capacity and turnover.

FY 2023-24

HSH completed a program monitoring assessment for FY 2023-24 in November 2024. According to the evaluation, ECS again did not meet the objective relating to placement timeline in FY 2023-24, as the average time from referral to housing was 113 days instead of the target of 75 days. According to HSH, the current placement timeline as of December 2024 is 74.63 days which meets the contract performance target.

The goal of increasing tenants' earned income or securing employment was not met, partly due to gaps in annual assessment data, with 22% missing income information. HSH 's vendor administered additional trainings starting January 13, 2025 aimed at improving staff understanding of timely and accurate data entry. Additionally, HSH program managers are now conducting quarterly reviews of data quality to address challenges in data integrity and compliance.

According to the December 2024 HSH memo to the Homelessness Oversight Commission on the proposed amendment, ECS has provided housing location services to 207 clients (90 percent of the contracted amount) as of October 1, 2024, with 23 slots remaining.

FISCAL IMPACT

The proposed third amendment to the grant agreement between the HSH and ECS increases the agreement amount by $11,525,980, bringing the total not-to-exceed amount to $21,524,980.

According to the HSH Memo to the Homelessness Oversight Commission on this grant, the additional funds will be utilized to continue providing RRH services to the remaining 153 households[1], 23 new household enrollments, and expand capacity by 75 households in February 2025. Actual and projected expenditures by year are shown in Exhibit 1 below.

Exhibit 1: Actual and Projected Expenditure by Year

Year	Expenditures	Budgeted Clients Served
Year 1 (FY 2020-21, Actual, 3 Months)	$6,476	25
Year 2 (FY 2021-22, Actual)	1,203,402	50
Year 3 (FY 2022-23, Actual)	2,277,648	125
Year 4 (FY 2023-24, Actual)	3,123,921	154
Year 5 (FY 2024-25, Projected)	4,285,215	123
Year 6 (FY 2025-26, Projected)	5,718,326	188
Year 7 (FY 2026-27, Projected)	3,393,738	119
Subtotal	$20,008,725	305
Contingency (15% of proposed increase of $10,009,725)	1,516,255	
Total Expenditures	**$21,524,980**	

Source: HSH Contract Budget

The breakdown of annual grant expenditures is shown in Exhibit 2 below.

[1] Of the 207 clients that have received housing location services, 54 have exited the program and 153 are still receiving services under the program. There are 23 slots remaining under the existing agreement, and the proposed amendment would add 75 new slots.

Exhibit 2: Breakdown of Annual Grant Expenditures, FY 2024-25

Expenditures	Amount
Salaries & Benefits	$1,685,741
Operating Expense[2]	245,538
Indirect Cost (15%)[3]	289,692
Other Expenses[4]	2,064,243
Total Expenditures	**$4,285,214**

Source: HSH Contract Budget

In FY 2024-25, the amendment funds 14.82 full-time equivalent positions and approximately $1,300 per month per budgeted participant (123) in rental subsidies and client assistance.

Funding Source

All the funding for this agreement will be sourced from Our City, Our Home Fund revenue from the Homelessness Gross Receipts Tax (Proposition C). Funding declines starting in Year 7 as participants exit the program because slots are not refilled.

Contract Underspending

In FY 2023-24, actual spending of $3.1 million was nearly $2.5 million (44 percent) below the original budget of $5.6 million in July 2023. According to HSH staff, underspending was due to early delays in referrals, which reduced the number of participants served.

RECOMMENDATION

Approve the proposed resolution.

[2] Operating Expenses for the extended term include rent, utilities, office supplies, telecommunications, printing and reproduction, insurance, training, staff travel, and client supplies.

[3] Indirect costs are organizational costs that are necessary for agency operations but are not directly implementing the specific grant program, such as human resources, payroll, and executive leadership salaries.

[4] Other expenses for the extended term include subsidy payments, move-in assistance, client assistance, and mediation or repairs for damaged units.

Items 3 & 4 Files 24-1120 & 24-1118	Department: Controller, Office of Public Finance

EXECUTIVE SUMMARY

Legislative Objectives

- **File 24-1120** is an ordinance that would: (1) authorize refunding Certificates of Participation (COPs) in a principal amount not to exceed $25 million, in one or more series to prepay certain series of COPs previously issued to finance Port facilities projects; (2) approve the forms of related documents; and (3) grant general authority to City officials to take necessary actions, approve modifications to documents, and ratify previous related actions.
- **File 24-1118** is an ordinance appropriating $28,386,685. The spending would be sourced from the following: (1) $5,000,000 of Refunding Certificates of Participation Series 2025-R1 proceeds, (2) $20,000,000 of Refunding Certificates of Participation Series 2025-R2 proceeds, (3) $483,000 of Series 2013B COPs prior debt service reserve proceeds and $1,995,500 of 2013C COPs prior debt service reserve proceeds, and (4) de-appropriation of $908,185 of Series 2013B Project Funds. The ordinance places these funds on Controller's Reserve pending sale of the proposed new COPs.

Key Points

- In 2012, the Board of Supervisors approved the issuance of up to $45,000,000 in COPs to finance various Port facilities. Individual issuances of COPs normally include an optional call date provision that allows the City to refinance the outstanding principal amount after a specified date if interest rates are more favorable and produce savings for the City. The City has two outstanding series of COPs with optional call dates that became exercisable in March 2023, including Series 2013B and Series 2013C.
- The Port has the authority to issue revenue bonds to finance capital projects; however, it was determined that the City would issue COPs as its higher credit ratings would allow it to borrow at lower interest rates than the Port's revenue bonds. The subject COPs are secured by the City's General Fund; however, debt service is paid from Port revenues.

Fiscal Impact

- The Office of Public Finance estimates that the COPs would have average annual principal and interest payments of $1.8 million per year and an estimated true interest cost of 4.47 percent. Total debt service over the anticipated 17-year term is estimated to be $29.9 million, which would continue to be paid by the Port. According to the City's Debt Policy, refunding COPs may only be issued if the transaction produces debt service savings of at least three percent of the par value of the refunded COPs, on a net present value basis. The COPs would only be issued if the savings meet the three percent minimum savings threshold.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Administrative Code Section 10.62(b) states that the Board of Supervisors may authorize the issuance of Certificates of Participation (COPs) and other lease financing debt to fund capital projects provided the annual debt service cost of such outstanding indebtedness does not exceed 3.25% of discretionary revenue as determined by the Controller and Director of Public Finance. Administrative Code Section 10.62(c) states that the Director of Public Finance may issue tax-exempt and taxable commercial paper notes to provide interim funds to finance the acquisition, construction and rehabilitation of capital improvements and capital equipment, subject to the project's and financing plan's approval by the Board of Supervisors and Mayor.

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.

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) any modification of such contracts of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Port Facilities Projects and Certificates of Participation (COPs)

The City issues Certificates of Participation (COPs) to partially fund various aspects of its capital planning program. In 2012, the Board of Supervisors approved the issuance of not to exceed $45,000,000 in COPs to finance the construction, design, acquisition, and capital improvement of various Port facilities (File 12-0380). These facilities included construction of a new cruise terminal at Pier 27 to replace the terminal at Pier 35, installation of a shoreside power project consisting of the construction of a 12-megawatt power system at Pier 70, and various infrastructure improvement projects to venues used for the 34th America's Cup[1] event such as repairs to the south apron[2] for public access on Pier 19. Construction of the Pier 27 Cruise Terminal is now completed, and the terminal is fully operational.

Under the City Charter, the Port has the authority to issue revenue bonds to finance capital projects; however, it was determined at the time of approval in 2012 that the City would issue COPs as its higher credit ratings would allow it to borrow at lower interest rates than the Port's revenue bonds. According to the Office of Public Finance, the COPs are secured by the City's General Fund; however, annual base rental payments (in effect, debt service) are paid from Port revenues.

[1] This was a series of yacht races held in San Francisco in September 2013.

[2] This is the area immediately in front of or behind a wharf shed on which cargo is lifted.

Individual issuances of COPs normally include an optional call date provision that allows the City to refinance the outstanding principal amount after a specified date if interest rates are more favorable and produce savings for the City. The City has two outstanding series of COPs with optional call dates that became exercisable in March 2023, including:

1. Series 2013B (Port Facilities Project) COPs (2013B COPs)
2. Series 2013C (Port Facilities Project) COPs (2013C COPs)

The 2013B COPs financed improvements for the America's Cup and were issued on a tax-exempt basis. The 2013C COPs financed facilities with various private uses, including the Pier 27 Cruise Terminal, and were issued as qualified private activity COPs, in which interest income on the 2013C COPs is not exempt from federal taxation under the Internal Revenue Code.[3]

Exhibit 1 below summarizes the two outstanding series of COPs that could be refinanced for savings.

Exhibit 1: Outstanding COPs Eligible for Refinancing

COPs Series	Par Amount Outstanding	Average Interest Rate	First Optional Call Date	Final Maturity	Average Annual Debt Service
2013B COPs	$4,830,000	4.90%	3/1/2023	3/1/2038	$413,000
2013C COPs	$19,195,000	5.13%	3/1/2023	3/1/2043	$1,580,000
Total	**$24,025,000**	**5.08%**	**3/1/2023**	**3/1/2043**	**$1,993,000**

Source: Office of Public Finance

DETAILS OF PROPOSED LEGISLATION

File 24-1118 is an ordinance appropriating $28,386,685. The spending would be sourced from the following: (1) $5,000,000 of Refunding Certificates of Participation Series 2025-R1 proceeds, (2) $20,000,000 of Refunding Certificates of Participation Series 2025-R2 proceeds, (3) $483,000 of Series 2013B COPs prior debt service reserve proceeds and $1,995,500 of 2013C COPs prior debt service reserve proceeds, and (4) de-appropriation of $908,185 of Series 2013B Project Funds. The ordinance places these funds on Controller's Reserve pending sale of the COPs.

File 24-1120 is an ordinance that would: (1) authorize refunding Certificates of Participation in a principal amount not to exceed $25 million, in one or more series to prepay certain series of COPs previously issued to finance Port facilities projects; (2) approve the forms of related documents, including a Supplement to Trust Agreement, a Supplement to Project Lease, an Escrow

[3] Pursuant to Sections 141 and 142 of the Internal Revenue Code

Agreement,[4] Official Notice of Sale and a Notice of Intention to Sell the Certificates, a Preliminary Official Statement and Official Statement, a Purchase Contract, and a Continuing Disclosure Certificate; and (3) grant general authority to City officials to take necessary actions, approve modifications to documents, and ratify previous related actions.

Certificates of Participation

OPF plans to refund the outstanding Series 2013B and 2013C COPs with the proposed Series 2025-R1 and Series 2025-R2 Refunding COPs together in one transaction. Under the proposed ordinance, the Series 2025-R1 and Series 2025-R2 Refunding COPs may be issued any time on or after the respective call dates for each outstanding series. The 2013B COPs will be refunded by the 2025-R1 COPs, a tax-exempt series. The 2013C COPs will be refunded by the 2025-R2 COPs, which is not tax-exempt. The Controller's Office of Public Finance estimates that the COPs would be paid over 17 years with an estimated true interest cost of 4.47 percent. However, according to the Office of Public Finance, interest rates and capital markets are currently volatile, so actual interest rates at the time of issuance are subject to change.

According to the City's Debt Policy, refunding COPs may only be issued if the transaction produces debt service savings of at least three percent of the par value of the refunded bonds on a net present value basis. The proposed ordinance authorizes the refunding of any outstanding series not refunded by the Series 2025-R1 and Series 2025-R2 at a later date. The Office of Public Finance anticipates the pricing and closing of the transaction in the Spring of 2025. According to the Port, the refunding COPs will not fund any new projects.

City Property Securing COPs

The COPs are structured as a lease-lease back, in which the City-owned Pier 27 Cruise Terminal serves as the leased property to a trustee to secure the City's outstanding COPs. The City's lease payments are equal to the debt service of the outstanding COPs and the properties are leased back to the City for its use. When the COPs are fully paid, the property lease is terminated. New COPs series are added to the structure through subsequent supplemental agreements between the City and a third-party trustee (currently U.S. Bank Trust Company, National Association).

Competitive or Negotiated Sale

The proposed ordinance permits the COPs to be sold through a negotiated or competitive sale. The Office of Public Finance will determine if a negotiated or competitive sale will be more advantageous based on market conditions closer to the sale of the COPS in consultation with its municipal advisor. If the COPs are sold via negotiated sale with an underwriter (or underwriters), terms, covenants, and conditions for the sale of the COPs will be detailed in the Purchase Contract. In line with City policies, for a negotiated sale the City would either select the top-

[4] The proposed Escrow Agreement between the City and U.S. Bank Trust Company, National Association, as escrow agent, provides for the creation of escrow funds to pay the principal and interest due on the COPs to be refunded. The escrow agent will hold any escrow obligations in an irrevocable trust fund account for the benefit of the owners of the COPs to be refunded.

ranked underwriter from its pre-qualified Underwriter Pool or issue a Request for Proposals to that same established Underwriter Pool.

FISCAL IMPACT

The $28,386,685 appropriation includes $25,000,000 in Refunding COPs proceeds and $2,478,500 of COP prior reserve funds, as well as $908,185 in prior project funds that were unspent because projects were delivered under budget.

Proposed uses of the $28,386,685 appropriation include $23,350,000 to refund the selected COPs series, $1,235,000 in financing costs (including issuance costs and the underwriter's discount), $2,050,000 for debt service reserves, and $1,751,685 for market uncertainty pending the sale of the COPs.

Exhibit 2 below identifies the sources and uses for the proceeds from the sale of the COPs.

Exhibit 2: Sources and Uses for Refunding COPs

Sources and Uses	Amount
Sources	
Refunding COP Proceeds	$25,000,000
Prior Reserve Funds	2,478,500
Prior Project Funds	908,185
Total Sources	**$28,386,685**
Uses	
Refunding Escrow	$23,350,000
Cost of Issuance*	1,000,000
Underwriter's Discount	235,000
Debt Service Reserves	2,050,000
Reserve for Market Uncertainty	1,751,685
Total Uses	**$28,386,685**

Source: Proposed Appropriation Ordinance

*Includes fees paid to rating agencies, bond and disclosure counsel, municipal advisor, title insurance, trustee fees, and reimbursement for City staff time

Debt Service

The Office of Public Finance estimates that the COPs would have average annual principal and interest payments of $1.8 million per year and an estimated true interest cost of 4.47 percent. This is less than the debt service of outstanding COPs, which, as noted above, is $1.993 million per year. Total debt service over the anticipated 17-year term is estimated to be $29.9 million. Debt service on the refunding COPs would continue to be repaid by the Port, not the General Fund.

Based on market conditions as of November 2024 and an estimated true interest cost of 4.47 percent, the Office of Public Finance estimates that the refunding of the 2013B and 2013C COPs

will result in a total of approximately $2.3 million of nominal savings over the term of the refunding COPs.

City's Debt Policy

According to the City's Debt Policy, refunding COPs may only be issued if the transaction produces debt service savings of at least three percent of the par value of the refunded COPs, on a net present value basis. Based on Good Faith Estimates from the Office of Public Finance's Municipal Advisor as of November 2024, the net present value of the debt service savings of the proposed refunding debt is estimated to be approximately $670,000, which, at 2.89 percent, is slightly less than the three percent minimum savings threshold. According to the Office of Public Finance, the refunding COPs would only be issued if savings meet the three percent minimum savings threshold. In addition, the office states that Good Faith Estimates are conservative to reflect the potential for future changes in market conditions and interest rates. As mentioned above, the proposed ordinance authorizes the refunding of any outstanding series not refunded by the Series 2025-R1 and Series 2025-R2 at a later date.

RECOMMENDATION

Approve the proposed resolution and ordinance.

Item 6 File 25-0041	Department: Municipal Transportation Agency

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would allocate $250,000 from the General Reserve to the Municipal Transportation Agency (MTA) to subsidize free parking at Portsmouth Square Parking Garage, free Muni service, and community ambassador staffing for the 2025 Chinese New Year celebrations.

Key Points

- The 2025 celebrations are scheduled from January 29 through March 2, with major events centered around Chinatown, including an opening ceremony, parade, community street fair, and a Lunar New Year run. These activities are expected to draw large crowds to the Chinatown area.
- Free two-hour parking would be offered at Portsmouth Square Parking Garage from January 28 to February 28, 2025, and transit fare relief for Muni buses and light rail (excluding cable cars) along with community ambassadors would apply on February 15 and 16.

Fiscal Impact

- The ordinance appropriates $250,000 from the General Reserve, which has a current balance of approximately $142.7 million. Under City policy, any funds used from the General Reserve must be replenished in the following fiscal year.
- MTA estimates that free parking would cost $234,000, free Muni service $291,999, and community ambassadors $33,606, totaling $559,494. If all three components are fully implemented, the cost would exceed the $250,000 appropriation by $309,494 and be funded by MTA operating funds.

Recommendation

- Approval of the proposed ordinance is a policy matter.

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

Lunar New Year Parade

The 2025 Chinese New Year celebrations in San Francisco are scheduled from January 29 to March 2. Key events include the Chinese New Year Opening Ceremony on January 29, 2025, the Lunar New Year Parade on February 15, 2025, Community Street Fair on February 15th and 16th, and the Chinatown Lunar New Year Run on March 2, 2025. These events are expected to attract large crowds to Chinatown and surrounding areas.

In previous years, the City subsidized parking at the Portsmouth Square Parking Garage during February, as well as transit fares and community ambassadors on the day of the parade, to facilitate community involvement in these events.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate $250,000 from the General Reserve to the Municipal Transportation Agency (MTA) Operating Fund. The purpose of the funding is to: (1) subsidize free two-hour parking at the Portsmouth Square Parking Garage from January 28, 2025, through February 28, 2025, (2) subsidize free transit February 15 and February 16, 2025, and (3) fund ambassador staffing February 15 and February 16, 2025.

Subsidized Free Parking at Portsmouth Square Parking Garage

Between January 28 and February 28, 2025, visitors to Portsmouth Square Parking Garage, near the end of the Chinese New Year Parade route, would receive up to two hours of free parking per transient parking ticket. This subsidy aims to improve access to Chinatown during Lunar New Year activities.

According to MTA, the City's last two-hour free parking program at Portsmouth Square Garage in February 2022 resulted in daily foregone revenue totaling approximately $180,000 for the month. In February 2023, when no free parking subsidy was offered, the garage logged 22,487 transient parking sessions, while in February 2024, with a two-hour free parking promotion, the garage saw 32,973 transient parking sessions—a 47 percent increase. Based on these past usage patterns, MTA estimates the cost of free parking in February 2025 at about $234,000, although actual costs could vary if garage usage differs.

Transit Fare Relief

During the weekend of February 15–16, 2025, transit fare relief would be offered for all Muni buses and light rail vehicles, excluding cable cars. According to MTA, the foregone revenue estimate of $291,888 is based on February 2024 single-ride revenue data, adjusted by a 5 percent ridership increase and a 10 percent fare increase. In February 2024, MTA reported average daily single-ride revenue of approximately $126,273, which, after applying projected ridership and fare escalations for fiscal year 2025, produces the two-day total of $291,888. MTA notes that actual amounts could differ if factors such as monthly pass usage, discounted fares, or overall ridership variance from the assumptions used in these projections.

Community Ambassadors

Community ambassadors would be deployed during the Lunar New Year events to assist attendees in navigating public transportation and event locations, particularly in Chinatown. According to MTA, the proposed vendor for these services would be Caribou Public Relations, which has previously provided ambassador support for other large-scale events and transit initiatives, including Super Bowl 50, America's Cup, and the Central Subway opening. Caribou's staff can provide customer assistance in multiple languages, including Cantonese, and have experience with Muni service changes, capital projects, and Chinese New Year Parade wayfinding in prior years. Caribou plans to station ambassadors at key locations such as Market & Powell, Market & Grant, Market & Stockton, Kearny & Geary, the Ferry Building F Line platform, Chinatown Rose Pak, Powell Station, and other high-traffic areas where Cantonese-speaking ambassadors are needed.

Caribou's cost estimate for this two-day deployment—covering 15 ambassadors and 15 field leads on Saturday, February 15 (2:00 p.m. to 10:00 p.m.), and 9 ambassadors and 9 field leads on Sunday, February 16 (2:00 p.m. to 9:00 p.m.)—totals approximately $33,606. This amount includes wages for ambassadors, field leads, and a principal project manager, setup and takedown of materials, a 7 percent profit margin, and any necessary signage and other materials. The hourly rates range from $58.80 for an ambassador, $71.40 for a field lead, and $189.00 for a principal.

FISCAL IMPACT

The ordinance would appropriate $250,000 from the General Reserve to the Municipal Transportation Agency.

While the ordinance allocates $250,000 for these subsidies, MTA has estimated that a combined package of free parking for the month, free Muni fares for that weekend, and community ambassadors would total approximately $559,494. If the entire three-part plan is implemented at the estimated costs, the $250,000 appropriation would be insufficient to cover all components, leaving a potential shortfall of $309,494 to be covered by MTA operating funds. These costs are summarized below in Exhibit 1.

Exhibit 1: Lunar New Year Transportation-Related Costs

Cost Component	Estimated Cost
Free Parking (Month)	$234,000
Transit Fare Relief (Weekend)	291,888
Community Ambassadors (Two Days)	33,606
Total Estimated Costs	**559,494**
Proposed Funding	250,000
Additional Funding Needed	**$309,494**

Source: MTA

General Reserve

The General Reserve balance for the current fiscal year is approximately $142.7 million. The proposed $250,000 appropriation from the General Reserve would reduce that balance accordingly, and any amounts used from the General Reserve in the current fiscal year must be replenished in the following fiscal year pursuant to the City's reserve policies.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter.

Item 8 File 25-0040	Department: Mayor's Office

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would amend Chapters 6, 21B, and 23 of the Administrative Code to (1) waive competitive bidding requirements for certain contracts, (2) provide expedited Board of Supervisors review of certain contracts, (3) remove Board review of certain leases, unless the term of the leases exceeds ten years, (4) delegate authority from the Board to the executive branch to accept and expend non-governmental funds, and (5) provide a behested payment waiver for the Mayor's Office for fundraising related to certain services.
- Contracts that would be subject to the proposed waivers and delegated authorities include agreements for public works services, professional services, grants, leases, and loans for affordable housing related to "Core Initiatives." The proposed ordinance defines "Core Initiatives" as projects addressing homelessness, substance use disorder, mental health, integrated health, and public safety hiring.
- Except for the expedited Board of Supervisors contract review, which lasts until January 8, 2026, all other changes would be effective through May 5, 2029.

Fiscal Impact

- The fiscal impact of the proposed ordinance is difficult to estimate since the universe of contracts that will be awarded or amended is not yet known. In addition, the amount of fundraising that could offset any new costs is not known. The total grant and contract budget for the Departments that are subject of the proposed ordinance totals $1.1 billion in the General Fund in FY 2024-25. Waiving competitive bidding requirements may increase the cost of these contracts.

Policy Consideration

- The proposed ordinance would expedite contracting for Core Initiatives in three ways: (1) waiving competitive solicitation requirements, (2) eliminating Board of Supervisors review of certain leases, and (3) by setting a time limit for Board of Supervisors review of certain large contracts. According to the Mayor's Office, the purpose of these changes is to expedite delivery of 1,500 shelter and treatment slots within six months.
- At the same time, the proposed changes carry significant risks. The ordinance reduces key protections for procurement integrity and generally reduces the Board of Supervisors' authority. The Board of Supervisors should consider amending the proposed ordinance to limit the scope and duration of the requested authority and associated risks.
- The Board and Mayor should also consider other changes to the City's contracting process, including review by Departmental commissions, the Civil Service Commission, the Office of Contract Administration, and the City Attorney, as well as social policy requirements for City contracts related to Core Initiatives.

Recommendations

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

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

BACKGROUND

Contracting

Competitive Solicitation Requirements

The Administrative Code provides procurement regulations for various types of contracts. Chapter 6 pertains to construction contracts, Chapter 21 pertains to professional service contracts, Chapter 21G pertains to grants, and Chapter 23 pertains to leases. In general, each of these code sections requires City Departments to award contracts using competitive solicitations. The Board of Supervisors has approved waivers from competitive bidding requirements for the Department of Homelessness & Supportive Housing and Public Works for contracts addressing homelessness through May 5, 2029, codified in Chapters 6.76 and 21B of the Administrative Code (File 23-1129). The Board also approved waivers from competitive bidding requirements for the Department of Public Health for procuring residential care and treatment services through March 29, 2025 (File 24-0015). That waiver also allowed DPH to enter into such contracts without approval of the Office of Contract Administration.

Board of Supervisors Approval

Section 9.118 of the City Charter requires that the Board of Supervisors approve certain contracts. Section 9.118(b) provides for Board approval of contracts that exceed $10 million in spending, that have a term greater than ten years, or modifications of such contracts that exceed $500,000. Section 9.118(c) requires Board approval of leases that have a term greater than ten years, generate more than $1 million in revenue, or amendments to such leases. 9.118(c) also provides for Board approval of any sale of City property.

Administrative Code Chapter 23 has stricter triggers for Board approval of leases. Leases of City property (excluding enterprise departments) require Board approval. Leases in which the City is a tenant require Board approval if they are longer than one year and/or cost more than $15,000 per month.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would amend Chapter 21B of the Administrative Code to make the following changes:

1. **Waive competitive bidding requirements through May 5, 2029 for contracts** that deliver "Core Initiative" services. The waiver would extend to (1) Public Works, (2) the Department of Homelessness and Supportive Housing, (3) the Department of Public Health, (4) the Police Department, (5) the Sheriff's Department, (6) the Department of

Emergency Management, (7) the Human Services Agency, (8) the Mayor's Office of Housing and Community Development, (9) the City Administrator, and (10) the Department of Human Resources, and any other City Department the Mayor chooses, if the Mayor provides written notice to the Board of Supervisors.

Contracts include agreements for public works services, professional services, grants, leases, and loans for affordable housing.

2. Defines **Core Initiatives** as projects addressing homelessness, substance use disorder, mental health, integrated health, and public safety hiring.[1]
3. **Delegates authority under City Charter Section 9.118(b) and 9.118(c) from the Board of Supervisors to the City Department Heads to enter into contracts for Core Initiatives** if all of the following conditions are met:
    a. **A resolution seeking Board of Supervisors approval of the contract is introduced before January 8, 2026**.
    b. The Board of Supervisors has not approved or rejected the resolution within 45 days of introduction. The 45-day timeline begins on the date the legislation is introduced at a Board of Supervisors meeting. To reject a resolution approving a Core Initiative contract, the full Board of Supervisors, not a committee, must reject the resolution.
    c. The resolution is signed by the Department Head and the Mayor and states why the contract is necessary for a Core Initiative.
    d. The contract does not exceed $50 million in City spending, or in the case of a modification to an existing contract, does not have an impact of $50 million or more.
    e. The contract does not have a term of ten years or more, or in the case of a modification of an existing contract, does not extend the contract term by ten years or more. Leases for affordable housing may have a term of up to 99 years and grants subsidizing affordable housing may have terms up to thirty years. The limit on contract duration does not apply to loans for affordable housing.
    f. The contract conforms to standards set by the City Attorney and Risk Manager.

[1] Integrated health is defined in the ordinance as projects designed to serve people who are at risk of experiencing homelessness due to the potential loss of their shelter, housing, or release from an institution. These projects include, but are not limited to, shelter health services, linkages, case management, wrap around services, eligibility and benefits enrollment, and navigation services. Projects Addressing Public Safety Hiring means projects to support the hiring process for, and/or the recruitment, training, and retention of, police officers, deputy sheriffs, and 911 operators.

4. **Delegates authority from the Board of Supervisors to City Departments through May 5, 2029 to accept and expend** gifts, grants from nongovernmental sources, services, bequests of money, and other donations to support Core Initiatives.

5. **Clarifies the authority of the Controller to transfer money within the same fund and same City Department through May 5, 2029**. Administrative Code Section 3.18 currently allows such transfers if the accounts have not been reduced by the Mayor or Board during the budget process and requires notification to the Board if the transfers exceed ten percent of the account being augmented.

   The Controller's Accounting Policies and Procedures require Departments to justify such transfers to the Controller and generally discourage Departments from seeking transfers that do not meet the ten percent rule. Under the proposed ordinance, transfers within the same fund and Department related to Core Initiatives would be approved by the Controller, so long as the account was not reduced by the Mayor or Board in the budget process.

The proposed ordinance also:

6. **Delegates authority from the Board of Supervisors to the Director of Property to execute leases related to Core Initiates through May 5, 2029**, unless the leases meet the Charter 9.118(c) criteria of having a term greater than ten years or generating revenue of $1 million or more.

7. **Waives requirements from Administrative Code Chapter 6 (Public Works Contracting), Chapter 14B (Local Business Enterprise), the San Francisco Labor & Employment Code, and San Francisco Environment Code through May 5, 2029** for public works contracts related to the Core Initiatives. Projects addressing homelessness already have a waiver from these requirements through May 5, 2029 or when the Point In Time Count for unsheltered people falls below 2,199.

8. Provides **a behested payments waiver** for all staff in the **Mayor's Office** for six months following approval of the proposed ordinance. The waiver would allow the Mayor and his staff to solicit donations to fund Core Initiatives from Interested Parties, which are defined in the Campaign and Governmental Conduct Code as (a) entities seeking permits, licenses, or other entitlements, (b) contractors, (c) lobbyists, or (d) permit consultants, when they are seeking approval from the City official requesting payment to a third party. According to the Ethics Commission, under State law, behested payments must be disclosed. Under San Francisco Campaign and Governmental Conduct Code, behested payments solicited by City officials from Interested Parties are forbidden unless a waiver is approved by the Board of Supervisors.

9. Removes a sunset provision in Administrative Code Chapter 21B (which currently only provides a competitive solicitation waiver for homeless projects), which currently provides for expiration of that code section when the Point In Time Count for unsheltered people falls below 2,199.

Reporting to the Board of Supervisors

The proposed ordinance includes the following annual reporting to the Board of Supervisors: (a) All donations and related expenditures and (b) All contracts entered into without competitive bidding, including the name of the contractor, service, amount of funding conveyed or received by the City, the term of the contract, and any measurable outcomes.

FISCAL IMPACT

The fiscal impact of the proposed ordinance is difficult to estimate since the universe of contracts that will be awarded or amended is not yet known. In addition, the amount of fundraising that could offset any new costs is not known. Exhibit 1 below shows the total grant and contract budget for the Departments that are designated in the proposed ordinance to undertake Core Initiatives in FY 2024-25, which totals $1.1 billion in the General Fund.

The table below does not show the total fiscal impact of the proposed changes to procurement regulations but does provide a universe of contract spending. It does not include spending funded by the Homelessness Gross Receipts tax or state grants.

Exhibit 1: Grant and Contract Budgets for Designated Departments, FY 2024-25, General Fund

City Administrator	**14,111,877**
Grants	5,492,562
Contracts	8,619,315
Emergency Management	**5,544,816**
Grants	0
Contracts	5,544,816
Public Health	**541,528,454**
Grants	11,613,957
Contracts	529,914,497
Public Works	**15,206,791**
Grants	5,197,577
Contracts	10,009,214
Homelessness & Supportive Housing	**239,747,429**
Grants	213,770,479
Contracts	25,976,950
Human Resources	**6,560,563**
Contracts	6,560,563
Human Services	**134,936,549**
Grants	83,404,948
Contracts	51,531,601
Mayor	**45,603,849**
Grants	45,353,812
Contracts	250,037
Police	**23,397,046**
Grants	0
Contracts	23,397,046
Sheriff	**34,927,346**
Grants	12,628,655
Contracts	22,298,691
Total	**1,061,564,720**

Source: Financial System

We believe that waiving competitive solicitation requirements is likely to increase City costs for service delivery. However, according to the Departments of Public Health and Homelessness & Supportive Housing, service provider capacity, provider experience, and program design, rather than cost, are the primary determinants of which non-profits receive City funding.

POLICY CONSIDERATIONS

The proposed ordinance would expedite contracting for Core Initiatives in three ways: (1) waiving competitive solicitation requirements, (2) eliminating Board of Supervisors review of certain leases, and (3) by setting a time limit for Board of Supervisors review of certain large contracts. According to the Mayor's Office, the purpose of these changes is to expedite delivery of 1,500 shelter and treatment slots within six months. According to City data, there are 3,650 shelter

slots and 575 substance use treatment slots funded by the City. We were not able to compile the number of mental health bed by publication time.

According to interviews with City staff, a typical procurement process takes 6-8 months, including the competitive solicitation process (two months) and Board of Supervisors review (one to two months). The elimination of a competitive process and Board of review of leases, in particular, will likely reduce the contracting timeline. The Board review of large contracts typically takes 45-60 days, so that proposed change could speed up contracting by up to two weeks, on average.

At the same time, the proposed changes carry significant risks. The ordinance reduces key protections for procurement integrity (competitive solicitations, Board of Supervisors review). It allows the Mayor to request payments from City contractors and other interested parties while selecting new contractors or amending existing contracts, and expedites Board review of certain contracts during which City staff may not be able to respond to Board inquiries regarding program design, cost, or effectiveness. The Mayor would be able to enter into leases (for terms up to ten years) for Core Initiatives in any neighborhood in San Francisco without the review, approval, or knowledge of the district Supervisor. The proposed ordinance also allows the Mayor to alter the budgets of City Departments after the Board has adopted an appropriation ordinance. The proposed changes would result in an extraordinary diminishment of Board of Supervisors authority and for that reason, we consider approval to be a policy matter for the Board of Supervisors.

The Board of Supervisors should consider amending the proposed ordinance to limit the scope and duration of the requested authority and associated risks, such as:

a) remove waivers from competitive solicitation requirements or requiring a less structured competitive solicitation process than is required by the municipal code

b) remove or extend the expedited timeline to review 9.118 contracts,

c) reduce the size of contracts that are eligible for expedited Board approval,

d) remove the delegated authority to enter into leases,

e) limit the duration of the delegated authorities to six months,

f) limit the scope of services eligible for streamlined contracting and/or Board review (such as just for opioid treatment or shelter services),

g) request the Mayor's Office disclose more information about its fundraising strategy (such as who the Interested Parties will be, what programs and contractors they will fund) before providing a behested payment waiver

h) remove language that allows the Mayor to designate additional Departments that may use the proposed streamlined procurement processes without Board approval

i) remove language that allows the Mayor and Controller to shift funding within Department budgets without Board approval

Other Procurement Processes Not Addressed in Proposed Ordinance

The proposed ordinance does not address other steps in the procurement process that can add to the time and expense of contracting, including review by Departmental commissions, the Civil Service Commission, the Office of Contract Administration, and the City Attorney. Collectively, these other entities contribute to a larger share of the procurement process timeline than the competitive solicitation process or Board of Supervisors review. The Board should work with the Mayor to eliminate or set time limits for these reviews as well. Certain actions to increase the speed of the City's procurement process may require additional legislation though others could be accomplished by executive action.

In addition, according to interviews with City staff, certain social requirements (which are not addressed in the proposed ordinance) can add to the time and expense of contracting with the City, including:

- Local Business Enterprise requirements (Chapter 14B of the Administrative Code)[2]
- First Source Hiring (Chapter 83 of the Administrative Code)
- Wood Attributes (Chapters 8 and 13 of the Environment Code)
- Use of Non-Recyclable Materials (Chapter 16 of the Environment Code)
- Prohibiting Bottled Water (Chapter 24 of the Environment Code)

The Board may wish to amend or suspend these or other contracting requirements for the Core Initiatives as well.

RECOMMENDATIONS

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

[2] The proposed ordinance suspends Chapter 14B for public works contracts related to Core Initiatives but not for other types of contracts. Non-profits do not need to comply with 14B.

Item 9 File 24-1126	Department: Children, Youth, and their Families

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed legislation seeks retroactive approval of a new five-year grant agreement between the Department of Children, Youth, and Their Families (DCYF) and the Community Youth Center of San Francisco (CYC). The agreement supports four programs—Academic Support, Beacon at Aptos, Year-Round & Summer Programs, and Teen Arts—and has a not-to-exceed amount of $13,724,500 for the period of July 1, 2024, through June 30, 2029.

Key Points

- The four programs were competitively procured and awarded funding through DCYF's 2024–2029 Request for Proposals (RFP). Academic Support involves 40 youth aged 11–17 with tutoring, Beacon at Aptos involves 160 youth with instruction, SEL, and recreation, Year-Round & Summer Programs involves 230 youth aged 5–17 for academics and activities, and Teen Arts involves 90 youth aged 11–24 in film, music, screen-printing, pottery, dance, photography, digital media, and art.
- Performance measures require CYC to meet targets for participant enrollment, average daily attendance, social-emotional learning, career development, individual learning plans, and perceived adult support. Beacon at Aptos served 105 percent of projected participants, Teen Arts served 455 percent, and Year-Round & Summer served 162 percent, though some performance measures (adult support, targeted hours, or attendance) were below targets or missing data.

Fiscal Impact

- The grant agreement has a total budget of $12,476,800 for the five-year term, with an additional ten percent contingency amount, resulting in a total not-to-exceed amount of $13,724,500.
- The grant is funded by the City's General Fund and the Children and Youth Fund, supporting 20.20 full-time equivalent staff and associated program costs.
- Administrative costs are set at 20 percent, which is higher than DCYF's original 15 percent cap stated in the RFP but was increased for this organization (and others in the DCYF portfolio).

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) any modification to such contracts of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Community Youth Center of San Francisco

The Community Youth Center of San Francisco (CYC) is a non-profit organization that collaborates with schools and community partners to provide services to support youth and families through academic, recreational, and arts programs.

Procurement

On August 16, 2023, the Department of Children, Youth, and Their Families (DCYF) issued a Request for Proposals (RFP) for the 2024–2029 funding cycle. CYC submitted proposals and was awarded funding for four programs under the RFP Result Area "All Children and Youth are Ready to Learn and Succeed in School." The programs are (1) Academic Support, (2) Beacon at Aptos, (3) Year-Round & Summer Programs, and (4) Teen Arts. The RFP scoring and other procurement information is summarized in Exhibit 1 below. Proposals for the four programs were evaluated by separate scoring panels based on the service area and strategy of the program as defined in the RFP.[1]

Proposals were evaluated in three phases. In phase one, proposals were evaluated based on four criteria: program overview (25 points), program design and implementation (55 points), program impact (10 points), and target population need (10 points), for a total possible score of 100 points. In Phase 2, proposers were evaluated based on strategy alignment, target population, past performance, and agency fiscal rating. In Phase 3, DCYF determined the funding allocations for the non-profit providers based on results from Phase 2 as well as other factors, including community need, geographic coverage, location of services, service capacity, and existing services funded by other providers.

[1] The Academic Support program scoring panel included a DCYF Principal Administrative Analyst, a Fellow from Foster America, and Project Policy Analyst/Coordinator from the University of California Office of the President. The Beacon Community Schools scoring panel, which evaluated the Beacon at Aptos proposal, included two DCYF Managers Is and a Consultant from the San Francisco Unified School District (SFUSD). The Arts and Creative Expression scoring panel, which evaluated the Teen Arts proposal, included a Senior Management Assistant from the SF Arts Commission, a Manager III from DCYF, and an Independent Media Producer. The Comprehensive Year-Round & Summer Learning panel, which evaluated the Year-Round & Summer Programs proposal included a Senior Fellow from the SF District Attorney's Office, a Former Interim Human Services Director from the City of Oakland, and a Manager I from DCYF.

Exhibit 1: Procurement Summary

Program	Academic Support	Beacon at Aptos	Year-Round & Summer Programs	Teen Arts
Phase 1 Summary				
Total Number of Proposals	24	28	74	49
Number of Proposals Awarded Funding	10	26	41	12
Average Score (out of 100)	79.5	81.9	75.6	83.8
Rank out of Total Proposals	11	27	55	29
Phase 2 Funding Recommendation	Yes	Yes	Yes	Yes
Phase 3 Award	Yes	Yes	Yes	No[2]

Source: DCYF

According to DCYF staff, the Mayor restored some of the cuts DCYF made to its budget and provided additional funding for the new cycle during the Mayor and Board phases of the budget process. With this additional funding, DCYF was able to increase funding for some of the initially funded programs and identify 46 additional programs to fund (such as the Teen Arts program which was not initially recommended for funding), which is why the ranks for the programs often exceed the number of proposals originally awarded funding. In total, DCYF funded 180 contracts with 257 programs in total.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve a new grant agreement between DCYF and CYC for four programs: (1) Academic Support, (2) Beacon at Aptos, (3) Year-Round & Summer Programs, and (4) Teen Arts. The grant has a five-year term starting July 1, 2024, through June 30, 2029, and a not-to-exceed amount of $13,724,500. According to DCYF staff, DCYF is seeking approval retroactively due to the delays in the contracting process, resulting from multiple rounds of funding augmentation following budget restoration by the Mayor and Board of Supervisors.

Scope of Services

1. Academic Support
   A new program that aims to provide academic coaching, tutoring, and educational support for 40 youth aged 11-17 at Aptos Middle School, Balboa High School, and San

[2] According to the Proposal Score Report, the Teen Arts program was highly rated during Phase 2 but was not recommended for funding in Phase 2 or 3 because DCYF decided to fund other CYC programs.

Francisco International High School. The program will provide assessments and individual learning plans to support students.

2. Beacon at Aptos
   The program operates year-round after school and during the summer, providing academic, social-emotional learning (SEL), supportive services and recreational opportunities for 160 youth aged 11 to 13 years old. The framework is student-centered, emphasizing project-based learning and addressing school community needs. Subcontractors include (1) X Kids to provide robotics and coding classes and (2) City Surf to teaches surfing.

3. Year-Round & Summer Programs
   Serves 230 youth from 5 to 17 years old with a focus on addressing summer learning loss and year-round enrichment. The summer program will operate at six schools and four of them will continue with year-round programming. The program includes literacy, STEM, arts, and other project-based recreational activities to support academic growth and youth development.

4. Teen Arts
   Engages multiple cohorts of 18 youth each, totaling 90 participants aged 11-24 at Balboa High School, in disciplines such as film and music production, screen-printing, pottery, dance, photography, digital media, and DIY art. The year-round program nurtures creative expression and skill-building. The subcontractor for this program is Good Samaritan who provides life skills classes.

Performance

The grant agreement includes specific performance measures which reflect the measures detailed in the RFP. The performance measures are consistent across the programs, with some variations tailored to the focus of certain programs. Exhibit 2 provides an overview of these measures.

Exhibit 2: Performance Measures in Proposed Grant Agreement

Performance Measure	Target	Programs
Number of participants served as a percentage of projected participants	90%+	All
Grantee participates in Program Quality Assessment (PQA) process	Yes	All
Grantee participates in Social-Emotional Learning (SEL) Trainings	Yes	All
Grantee identifies a plan for incorporating social-emotional learning into their programs and practices	Yes	All
Percent of surveyed participants or caregivers who report that participants have an adult in the program who understood and really cared about them	75%+	All
Fiscal health of grantee agency based on DCYF's Fiscal and Compliance Monitoring efforts	Strong	All
Percent of participants with completed individual learning plans	85%+	Academic Support only
Percent of surveyed participants who report that they developed education or career goals and understand the steps needed to achieve their goals as a result of the program.	75%+	Academic Support only
Average Daily Attendance as a percentage of program's projected average daily attendance	85%+	Beacon at Aptos & Year-Round & Summer Programs

Source: DCYF Grant Agreement

Past Performance

Performance results for FY 2023-24 are presented in Exhibit 3 below. There are no performance results for the Academic Support program because it is a new program. The proposed agreement does not include performance measures on the percent of participants who participated for the targeted number of hours because DCYF removed this requirement for all non-profit grantees for the FY 2024-29 funding cycle. The measure was difficult for the non-profits to accurately track.

Exhibit 3: FY 2023-24 Performance Measures

Measure	Target	CYC Beacon at Aptos Middle School	CYC Teen Arts Program (TAP)	Year-Round & Summer Programs
Number of participants served as a percentage of the program's projected number of participants	**None**	105%	455%	162%
Number of participants served during after school as a percentage of the number of participants the program was designated to serve.	**None**	88%	n/a	n/a
Number of participants served as a percentage of projected participants (Summer)	**90%+**	105%	n/a	107%
Number of participants served as a percentage of projected participants (School Year)	**90%+**	88%	n/a	n/a
Percent of participants who participated in the program for the targeted number of hours (Summer)*	**None**	96%	76%	95%
Percent of participants who participated in the program for the targeted number of hours (School Year)*	**None**	86%	76%	59%
Average Daily Attendance as a percentage of program's projected average daily attendance (Summer)	**85%+**	97%	n/a	91%
Average Daily Attendance as a percentage of program's projected average daily attendance (School Year)	**85%+**	108%	n/a	n/a
Percent of surveyed participants or caregivers who report that participants have an adult in the program who understood and really cared about them	**75%**	41%	54%	n/a
Percent of surveyed participants who report involvement in program leadership opportunities*	**None**	n/a	49%	n/a

Source: DCYF
Note: Shading indicates result below target or missing data
*Measures not included in the proposed grant agreement

Fiscal and Compliance Monitoring

The Office of Economic and Workforce Development completed citywide fiscal and compliance monitoring of CYC for FY 2023-24. According to the March 2024 letter, there were two findings related to cost allocation procedures and the process for allocating indirect costs. The Final Status Letter, dated October 2, 2024, states CYC is not yet in conformance.

FISCAL IMPACT

The proposed grant agreement has a total budget of $12,476,800 for the five-year term, with an additional ten percent contingency amount, resulting in a total not-to-exceed amount of $13,724,500. The grant agreement budget by fiscal year and program is shown in Exhibit 4 below.

Exhibit 4: Grant Agreement Not-to-Exceed Amount

Program	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Academic Support	$200,000	$206,000	$212,200	$218,600	$225,200	$1,062,000
Beacon at Aptos	650,000	669,500	689,600	710,300	731,600	3,451,000
Year-Round & Summer Programs	1,000,000	1,030,000	1,060,900	1,092,700	1,125,500	5,309,100
Teen Arts	500,000	515,000	530,500	546,400	562,800	2,654,700
Total Budget	2,350,000	2,420,500	2,493,200	2,568,000	2,645,100	12,476,800
Contingency (10%)						1,247,700
Not to Exceed						**$13,724,500**

Source: DCYF Grant Agreement

Funding supports program staffing, materials, subcontractors, and administrative costs. The FY 2024-25 budget is approximately $2.4 million, as shown in Exhibit 5 below.

According to DCYF, the new agreement will fund a total of approximately 20.20 full-time equivalent (FTE) adult staff in FY 2024-25. Of these, about 2.11 FTE will support Academic Support, 5.17 FTE will staff the Beacon at Aptos program, 8.17 FTE will serve Year-Round & Summer Programs, and 4.76 FTE will be allocated to Teen Arts.

In FY 2024-25, administrative costs reflect 20 percent of each program budget which exceeds the maximum of 15 percent stipulated in the RFP because DCYF decided to increase allowance to 20%. This results in additional administrative costs of $138,000 in FY 2024-25 compared to if the 15 percent maximum was applied.

Exhibit 5: FY 2024-25 Budget

	Academic Support	Beacon at Aptos	Teen Arts	Year-Round & Summer Programs	Grand Total
Administrative (20%)	$40,000	$130,000	$100,000	$200,000	$470,000
Adult Staff	117,576	344,354	277,654	500,422	1,240,006
Fringe Benefits	34,624	82,416	71,314	127,309	315,663
Materials & Supplies	2,700	14,730	6,772	60,915	85,117
Other Program Expenses	5,100	37,500	27,170	111,354	181,124
Subcontractors		41,000	17,090		58,090
Grand Total	**$200,000**	**$650,000**	**$500,000**	**$1,000,000**	**$2,350,000**

Source: DCYF

Source of Funding

The proposed agreement would be funded by the General Fund and the Children and Youth Fund.

RECOMMENDATION

Approve the proposed resolution.

Item 10 File 24-1127	Department: Children, Youth, and their Families

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed legislation would retroactively approve a new five-year grant agreement between the Department of Children, Youth, and Their Families (DCYF) and the Community Youth Center of San Francisco (CYC). The agreement covers four programs—High School Partnerships, Job Readiness for English Language Learners, Leadership, and Young Adult Worklink—and has a not-to-exceed amount of $11,730,000 for the period of July 1, 2024, through June 30, 2029.

Key Points

- These four programs were competitively procured and awarded funding through DCYF's 2024–2029 Request for Proposals under the "All Youth Are Ready For College, Work, and Productive Adulthood" result area. High School Partnerships focuses on academic and career readiness, Job Readiness for ELL provides job training for English Language Learners, Leadership promotes civic engagement and college preparedness, and Young Adult Worklink offers new workforce development services for older youth.
- Performance measures require CYC to meet targets for participant enrollment, social-emotional learning, workforce readiness, and adult support, with specific measures for each program (such as employment outcomes for Young Adult Worklink). Performance data for FY 2023–24 shows that some measures were met or exceeded, while others had missing or below-target results.

Fiscal Impact

- The grant agreement has a total budget of $10,663,600, plus a 10 percent contingency, resulting in a not-to-exceed amount of $11,730,000. The program is funded by the General Fund and the Children and Youth Fund.
- The agreement supports approximately 13.77 full-time equivalent (FTE) adult staff and 2.60 FTE youth staff.
- Administrative costs are set at 20 percent—above the original 15 percent cap in the Request for Proposals.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) any modification to such contracts of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Community Youth Center of San Francisco

The Community Youth Center of San Francisco (CYC) is a non-profit organization that collaborates with schools and community partners to provide services to support youth and families through workforce development, academic, and leadership programs.

Procurement

On August 16, 2023, the Department of Children, Youth, and Their Families (DCYF) issued a Request for Proposals (RFP) for the 2024–2029 funding cycle. CYC submitted proposals and was awarded funding for four programs under the RFP Result Area "All Youth Are Ready For College, Work, and Productive Adulthood." The programs are (1) High School Partnerships, (2) Job Readiness for English Language Learners (ELL), (3) Leadership, and (4) Young Adult Worklink. The RFP scoring and other procurement information is summarized in Exhibit 1 below. Proposals for the four programs were evaluated by separate scoring panels based on the service area and strategy of the program as defined in the RFP[1].

Proposals were evaluated in three phases. In phase one, proposals were evaluated based on four criteria: program overview (25 points), program design and implementation (55 points), program impact (10 points), and target population need (10 points), for a total possible score of 100 points. In Phase 2, proposers were evaluated based on strategy alignment, target population, past performance, and agency fiscal rating. In Phase 3, DCYF determined the funding allocations for the non-profit providers based on results from Phase 2 as well as other factors, including

[1] The High School Partnerships scoring panel included a Community Development Specialist from DCYF, a Principal Administrative Analyst from the Office of Economic and Workforce Development (OEWD), and a Principal Administrative Analyst from the Mayor's Office. The Youth Workforce Development-General scoring panel, which evaluated the Job Readiness for English Language Learners proposal, included a Manager I from DCYF, an Executive Director from It Takes A Village...Supportive Living Services, and a Principal Administrative Analyst from the District Attorney's Office. The Youth Leadership and Organizing scoring panel, which evaluated the Leadership proposal, included a Director of Community Development from Resources for Community Development, a Manager III from DCYF, and an Administrative Chief from the City of Richmond, California. The Youth Workforce Development - TAY/A scoring panel, which evaluated the Young Adult Worklink proposal, included a Manager I from DCYF, a Director of Programs & Organizing from RYSE Youth Center, and a Community Partnerships + Expanded Learning Coordinator from the San Mateo Office of Education.

community need, geographic coverage, location of services, service capacity, and existing services funded by other providers.

Exhibit 1: Procurement Summary

Program	High School Partnerships	Job Readiness for ELL	Leadership	Young Adult Worklink
Phase 1 Summary				
Total Number of Proposals	9	40	34	44
Number of Proposals Awarded Funding	5	23	6	9
Average Score (out of 100)	82.4	92	70.7	83.2
Rank out of Total Proposals	6	3	28	20
Phase 2 Funding Recommendation	Yes	Yes	Yes	Yes
Phase 3 Award	Yes	Yes	No[2]	No[3]

Source: DCYF

According to DCYF staff, the Mayor restored some of the cuts DCYF made to its budget and provided additional funding for the new cycle during the Mayor and Board phases of the budget process. With this additional funding, DCYF was able to increase funding for some of the initially funded programs and identify 46 additional programs to fund (such as the Leadership program and the Young Adult Worklink program which were not initially recommended for funding), which is why the ranks for the programs often exceed the number of proposals originally awarded funding. In total, DCYF funded 180 contracts with 257 programs in total.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve a new grant agreement between DCYF and CYC for four programs: (1) High School Partnerships, (2) Job Readiness for English Language Learners, (3) Leadership, and (4) Young Adult Worklink. The grant has a five-year term starting July 1, 2024, through June 30, 2029, and a not-to-exceed amount of $11,730,000. According to DCYF staff, DCYF is seeking approval retroactively due to the delays in the contracting process, resulting from multiple rounds of funding augmentation following budget restoration by the Mayor and Board of Supervisors.

[2] According to the Proposal Score Report, the Leadership program was highly rated during Phase 2 but was not recommended for funding in Phase 2 or 3 because DCYF decided to fund other CYC programs.

[3] According to the Proposal Score Report, the Young Adult Worklink Program was not highly rated during Phase 2 and was therefore not recommended for an award in Phase 3.

Scope of Services

1. High School Partnerships: The program will operate year-round at SF International High School to provide academic and career readiness programming for 75 youth aged 14 to 24. Services include job readiness programming, paid internships (up to $500) for 45 youth, and college readiness programming. Summer programming includes a six week summer camp to address summer learning loss.
2. Job Readiness for English Language Learners: Serves 50 English Language Learning youth aged 14 to 24, providing job readiness training, including resume building, interview preparation, tours at local companies, and career coaching. The program will provide project-based work experience (with stipends) to 32 youth and paid internships to 18 youth.
3. Leadership: Engages 152 youth aged 14 to 17 in multiple cohorts in leadership, civic and community engagement, college preparedness, and racial justice programming, including workshops, team building, field trips, and projects. Programs are designed to develop transferable life skills for a young person to transition to adulthood.
4. Young Adult Worklink: A new program that aims to provide workforce development services for 60 youth aged 14 to 24. Services will include paid internships, job shadowing, and career and college exploration.

Performance

The grant agreement includes specific performance measures which reflect the measures detailed in the RFP. These measures are tailored to the unique goals of each program. If a performance standard is not met, a performance improvement plan will be created to regain compliance under the proposed agreement. Exhibit 2 provides an overview of these measures.

Exhibit 2: Performance Measures in Proposed Grant Agreement

Performance Measure	Target	Programs
Number of participants served as a percentage of the program's projected number of participants	90%+	All
Grantee participates in Program Quality Assessment (PQA) process	Yes	All
Grantee participates in SEL trainings	Yes	All
Grantee identifies a plan for incorporating social-emotional learning into their programs and practices	Yes	All
Percent of surveyed participants or caregivers who report that participants have an adult in the program who understood and really cared about them	75%+	All
Fiscal health of grantee agency based on DCYF's Fiscal and Compliance Monitoring efforts	Strong	All
Percent of participants with completed transitions plans	90%+	All except Leadership
Grantee staff attend training on WorkforceLinkSF	Yes	All except Leadership
Percent of participants enrolled in WorkforceLinkSF	50%+	All except Leadership
Number of actual work-based learning experiences provided compared to the program's projected number of work-based learning experiences	85%+	All except Leadership
Percent of surveyed participants who report that they developed education or career goals and understand the steps needed to achieve their goals as a result of the program	75%+	All except Leadership
Percent of surveyed participants who report developing financial literacy skills, such as opening a bank account and making a budget, as a result of the program	75%+	All except Leadership
Percent of surveyed participants who report on developing job search skills, such as resume writing and interviewing, as a result of the program	75%+	All except Leadership
Percent of surveyed participants or caregivers who report that participants are more engaged in their school or community as a result of the program	75%+	Leadership only
Percent of surveyed participants who report involvement in program implementation and/or leadership opportunities	75%+	Leadership only
Percent of participants employed at the end of program participation	75%+	Young Adult Worklink only

Source: Proposed Grant Agreement

Past Performance

Performance results for FY 2023-24 are presented in Exhibit 3 below. There are no historical performance results for the Young Adult Worklink and Leadership program because they are new programs. According to DCYF staff, certain measures were withheld due to insufficient data. In general, the High School Partnerships met program performance goals in FY 2023-24. The English Language Learners program exceeded program participation goals though some participants reported that they did not achieve certain skills are the end of the program.

Exhibit 3: FY 2023-24 Performance Measures

Measure	Target	High School Partnerships	Job Readiness for ELL
Number of participants served as a percentage of projected participants	**90%+**	203%	215%
Percent of participants who participated in the program for the targeted number of hours during the summer (Summer)*	**85%+**	98%	64%
Percent of participants who participated in the program for the targeted number of hours during the summer (School Year)*	**85%+**	91%	N/A
Percent of surveyed participants or caregivers who report that participants have an adult in the program who understood and really cared about them	**75%+**	No Data	69%
Percent of surveyed participants who report involvement in program leadership opportunities	**75%+**	No Data	n/a
Percent of surveyed participants who report becoming a more engaged participant in their school or community as a result of the program.	**75%+**	No Data -	n/a
Percent of surveyed participants who completed a one-month work-based learning experience*	**85%+**	100%	100%
Percent of surveyed participants who completed a one-month work-based learning experience (with follow-up support for at least three months)*	**85%+**	92%	100%
Percent of surveyed participants who report that they developed education or career goals and understand the steps needed to achieve their goals as a result of the program.	**75%+**	No Data	52%
Percent of surveyed participants who report on developing job search skills, such as resume writing and interviewing, as a result of the program	**75%+**	No Data	77%
Percent of surveyed participants who report developing financial literacy skills, such as opening a bank account and making a budget, as a result of the program	**75%+**	No Data	33%

Source: DCYF
Notes: Shading indicates result below target or withheld results to due insufficient data
**Measures not included in the proposed grant agreement*

Fiscal and Compliance Monitoring

The Office of Economic and Workforce Development completed citywide fiscal and compliance monitoring of CYC for FY 2023-24. According to the March 2024 letter, there were two findings related to cost allocation procedures and the process for allocating indirect costs. The Final Status Letter, dated October 2, 2024, states CYC is not yet in conformance.

FISCAL IMPACT

The proposed grant agreement has a total budget of $10,663,600 for the five-year term, with an additional ten percent contingency amount, resulting in a total not-to-exceed amount of $11,730,000. The grant agreement budget by fiscal year and program is shown in Exhibit 4 below.

Exhibit 4: Grant Agreement Not-to-Exceed Amount

Program	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
High School Partnerships	$430,000	$442,900	$456,200	$469,900	$484,000	$2,283,000
Job Readiness for ELL	505,000	520,200	535,800	551,900	568,500	2,681,400
Leadership	600,000	618,000	636,500	655,600	675,300	3,185,400
Young Adult Worklink	473,500	487,700	502,300	517,400	532,900	2,513,800
Total Budget	**2,008,500**	**2,068,800**	**2,130,800**	**2,194,800**	**2,260,700**	**10,663,600**
Contingency (10%)						1,066,400
Totals						**$11,730,000**

Source: Grant Agreement

Funding supports program staffing, materials, subcontractors, and administrative costs. The FY 2024-25 budget is approximately $2.0 million, as shown in Exhibit 5 below.

According to DCYF, the new agreements will fund a total of approximately 13.77 full-time equivalent (FTE) adult staff and 2.60 FTE youth staff in FY 2024-25. Of these, about 3.45 FTE adult staff will support High School Partnerships, 3.73 FTE adult staff and 0.87 FTE youth staff will serve Job Readiness for English Language Learners, 3.76 FTE adult staff will be allocated to Leadership, and 2.84 FTE adult staff and 1.73 FTE youth staff will support Young Adult Worklink.

In FY 2024-25, administrative costs reflect 20 percent of each program budget which exceeds the maximum of 15 percent stated in the RFP because DCYF deemed it appropriate for this organization (and others in the DCYF portfolio). This results in additional administrative costs of approximately $118,000 in FY 2024-25 compared to if the 15 percent maximum was applied.

Exhibit 5: FY 2024-25 Budget

	High School Partnerships	Job Readiness for English Language Learners	Leadership	Young Adult Worklink	Grand Total
Administrative (20%)	$86,000	$101,000	$120,000	$94,700	$401,700
Adult Staff	197,293	216,452	244,105	181,069	838,919
Fringe Benefits	49,610	65,299	55,821	47,942	218,672
Materials & Supplies	7,697	5,761	2,480	10,181	26,119
Other Program Expenses	89,400	81,988	177,594	66,708	415,690
Youth Staff		34,500		72,900	107,400
Total	**$430,000**	**$505,000**	**$600,000**	**$473,500**	**$2,008,500**

Source: DCYF

Source of Funding

The proposed agreement would be funded by the General Fund and the Children and Youth Fund.

RECOMMENDATION

Approve the proposed resolution.

Item 11 File 24-1128	Department: Children, Youth and Their Families (DCYF)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would retroactively approve a new grant agreement between DCYF and Institute Familiar de la Raza for two programs: Roadmap to Peace Collaborative and Roadmap to Peace School Crisis Supports. The retroactive grant agreement has a five-year term starting July 1, 2024 through June 30, 2029 and a not-to-exceed amount of $12,929,020.

Key Points

- Instituto Familiar de la Raza (IFR) is a nonprofit organization in San Francisco that has provided wellness and community mental health services to the San Francisco Latino community since 1978.
- The Roadmap to Peace Collaborative program was previously funded by DCYF. The Roadmap to Peace School Crisis Supports is a new program and was not funded in the last grant cycle. Performance metrics for FY 2023-24 show that the Roadmap to Peace Collaborative failed to meet one measure on program participation for a targeted number of hours. According to DCYF, the program faced challenges with hour completion due to estimation issues and the varying levels of support needed by participants, resulting in lower completion rates. The proposed new grant agreement no longer tracks hours for the program.
- Under the proposed grant agreement, the Roadmap to Peace Collaborative and the Roadmap to Peace School Crisis Supports are required to report on delivery of the scope of services, which include specific workshops, group meetings, and similar types of programs. The proposed agreement does not include any specific measures of impact with quantifiable targets, as they are still under development in collaboration with the school district.

Fiscal Impact

- The proposed agreement has a not-to-exceed amount of $12,929,020. The FY 2024-25 budget is approximately $2,273,520. For FY 2024-25, the Roadmap to Peace Collaborative Program will be fully funded by the Children and Youth Fund, while the Roadmap to Peace School Crisis Supports Program will be funded by the Children and Youth Fund, a state grant, and a federal grant.
- The agreement funds a total of 7.79 full-time equivalent (FTE) adult staff.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Instituto Familiar de la Raza

Instituto Familiar de la Raza (IFR) is a nonprofit organization in San Francisco that has provided wellness and community mental health services to the San Francisco Latino community since 1978. IFR offers a wide variety of programs, which include outpatient mental health services, youth programming, HIV prevention and education, school-based mental health consultation services, and family case management and engagement.

Procurement

In August 2023, the Department of Children, Youth, and Their Families (DCYF) issued a Request for Proposals (RFP) for the 2024 through 2029 funding cycle. IFR submitted proposals for two programs under the RFP Result Area, "All Children and Youth are Supported by Nurturing Families and Communities." According to the RFP, the Result Area focuses on programs, activities, resources, and supports that strengthen the ability for families to nurture their children and provide opportunities for children, youth and families to feel safe and connected with their communities. The two programs are Roadmap to Peace Collaborative and Roadmap to Peace School Crisis Supports.

IFR currently provides the Roadmap to Peace program under a separate agreement, which expired June 30, 2024. The Roadmap to Peace School Crisis Supports is a new program and was not funded in the last cycle. The RFP scoring and other procurement information is summarized in Exhibit 1 below. Proposals were evaluated in three phases. In Phase 1, proposals were evaluated based on four criteria: program overview (25 points), program design (55 points), program impact (10 points), and target population need (10 points), for a total possible score of 100 points. In Phase 2, proposers were evaluated based on strategy alignment, target population, past performance, and agency fiscal rating. In Phase 3, DCYF determined the funding allocations for the non-profit providers based on results from Phase 2 as well as other factors, including community need, geographic coverage, location of services, service capacity, and existing services funded by other providers.

Exhibit 1: Procurement Summary

Program	Roadmap to Peace Collaborative Program	Roadmap to Peace School Crisis Supports Program
Selection Panel	Program Manager (Alameda County), Manager I (DCYF), Senior Community Development Specialist 2 (DEC)	Senior Community Development Specialist 2 (DCYF), Principal Administrative Analyst (JPD), Principal Administration Analyst (DCYF)
Phase 1 Summary		
Total Number of Proposals	15	6
Number of Proposals Awarded Funding	4	5
Average Score (out of 100)	85.4	89.8
Rank out of Total Number of Proposals	1	3
Phase 2 Funding Recommendation	Yes	No
Phase 3 Award	Yes	Yes

Source: DCYF

The Roadmap to Peace School Crisis Supports was not highly rated in the Phase 2 deliberation process but received an award in Phase 3 because the program serves youth in DCYF priority populations, according to the proposal score report.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve a new grant agreement between DCYF and IFR for two programs: Roadmap to Peace Collaborative and Roadmap to Peace School Crisis Supports. The retroactive grant agreement has a five-year term starting July 1, 2024 through June 30, 2029 and a not-to-exceed amount of $12,929,020. The proposed resolution would also authorize DCYF to make further immaterial amendments to the agreement. According to DCYF, the department is seeking approval retroactively due to the time needed to conduct scope of work negotiations, complete internal review, and undergo the contracting process.

Scope of Services

Roadmap to Peace Collaborative

The Roadmap to Peace Collaborative is a year-round program that provides career coaching, job readiness training, substance abuse counseling and prevention education workshops, health and wellness activities and groups, case management, and behavioral health services to Latino/a youth. According to DCYF, the program will serve the Five Keys Schools and Programs. Annually, the program serves 100 participants (eight participants ages 11 to 13, 22 participants ages 14 to

17, and 70 participants ages 18 to 24). The program subcontracts with organizations[1] providing various forms of services, including case management, job training, substance abuse support, physical and mental health services, and other activities.

Roadmap to Peace School Crisis Supports

The Roadmap to Peace School Crisis Supports is a year-round program that provides school site-based social-emotional group programming and activities, care coordination and linkage to resources and supportive services, and school violence intervention services to non-English/Spanish-speaking youth, with an emphasis on newcomers. According to DCYF, the school violence intervention services will primarily support Galileo High School, Thurgood Marshall High School, Mission High School, Francisco Middle School, and San Francisco International High School, as well as other sites on an as-needed basis. Annually, the program serves 30 participants (12 participants ages 11 to 13, 15 participants ages 14 to 17, and three participants ages 18 to 24). The program subcontracts with Mission Language Vocational Services, which will provide facilitation of school-based groups and activities, school violence intervention support, and care coordination support, among other activities.

Performance

Under the proposed grant agreement, the Roadmap to Peace Collaborative and the Roadmap to Peace School Crisis Supports are required to report on delivery of the scope of services, which include specific workshops, group meetings, and similar types of programs, as well two performance measures described in Exhibit 2. The proposed agreement does not include any specific measures of impact with quantifiable targets, as they are still under development in collaboration with the school district. In addition, DCYF reports that the contractor will not participate in the Program Quality Assessment (PQA)[2] process. Instead, both programs will administer participant surveys or other evaluation instruments to ensure program quality. DCYF will provide a performance improvement plan if a grantee is found to not meet one or more performance standards, which may include participation in technical assistance, performance measure amendment, or other supportive measures.

[1] The subcontracted organizations are Bay Area Resource Center/CHALK, CARECEN SF, Five Keys Charter School, Mission Neighborhood Centers, Mission Neighborhood Health Center, Horizons Unlimited, Inc., and Mission Language Vocational Services.

[2] As part of the PQA process, DCYF conducts site visits to evaluate program quality using a standardized tool. The PQA tool is a subjective observation of domains such as the safety of the environment (e.g., psychological and emotional safety, health and sanitation), program space, healthy food and drinks, active engagement of youth, support from staff, and opportunities for youth interaction, relationship-building and collaboration.

Exhibit 2: Performance Measures in Proposed Grant Agreement

Name	Performance Measure	Target
Reports	Providers will be required to provide mid-year and end of year reports on expected services benchmarks	Yes – Provided Reports
Agency Health	Fiscal health of grantee agency based on DCYF's Fiscal and Compliance Monitoring efforts.	Strong

Source: Grant Agreement, Appendix B-1, B-2

Performance metrics for FY 2023-24 show that the Roadmap to Peace Collaborative failed to meet one measure on program participation for a targeted number of hours, as detailed in Exhibit 3. According to DCYF, the program faced challenges with hour completion due to estimation issues and the complex needs of at-risk youth, resulting in lower completion rates. The proposed new grant agreement no longer tracks how many hours clients are in the program.

Exhibit 3: FY 2023-24 Performance Measures (Prior Grant Agreement)

Measure	Roadmap to Peace Collaborative	Target
Number of participants served as a percentage of the program's projected number of participants.	93%	90%+
Percent of participants who participated in the program for 60+ hours.	58%	85%+

Source: DCYF

Fiscal and Compliance Monitoring

The Department of Early Childhood conducted fiscal and compliance monitoring for IFR for FY 2023-24 in July 2024, and no findings were identified.

FISCAL IMPACT

The proposed agreement has a not-to-exceed amount of $12,929,020, including a ten percent contingency. The grant agreement budget, which generally includes a three percent annual increase[3], by fiscal year and program is shown in Exhibit 4 below.

[3] The Roadmap to Peace School Crisis Supports Program budget from FY 2024-25 to FY 2025-26 decreases by approximately 17 percent because of a one-time federal grant (STOP School Violence Act of 2018) received in FY24.

Exhibit 4: Grant Agreement Not to Exceed Amount

	Roadmap to Peace Collaborative	Roadmap to Peace School Crisis Supports	Total
FY 2024-25	$1,900,000	$373,520	$2,273,520
FY 2025-26	1,957,000	309,000	2,266,000
FY 2026-27	2,015,700	318,300	2,334,000
FY 2027-28	2,076,200	327,800	2,404,000
FY 2028-29	2,138,500	337,600	2,476,100
Total	$10,087,400	$1,666,220	$11,753,620
Contingency (10%)			1,175,400[4]
Not-to-Exceed Amount			**$12,929,020**

Source: Grant Agreement, Appendix B-1, B-2

The FY 2024-25 budget is approximately $2,273,520, as shown in Exhibit 5 below.

Exhibit 5: FY 2024-25 Budget[5]

	Roadmap to Peace Collaborative	Roadmap to Peace School Crisis Supports	Total	% Total
Administrative	$195,724	$65,958	$261,682	12%
Adult Staff	481,586	176,409	657,995	29%
Fringe Benefits	140,736	56,153	196,889	9%
Materials & Supplies	9,278	5,819	15,097	1%
Other Program Expenses	147,577	39,181	186,758	8%
Subcontractors	925,099	30,000	955,099	42%
Total	**$1,900,000**	**$373,520**	**$2,273,520**	**100%**

Source: DCYF

According to DCYF, the agreement funds a total of 7.79 full-time equivalent (FTE) adult staff, with 5.46 FTE for the Roadmap to Peace Collaborative and 2.33 FTE for the Roadmap to Peace School Crisis Supports Program. The proposed budget includes $391,601 in FY 2024-25 for the Bay Area Resource Center/CHALK, a subcontractor responsible for managing the contract, monitoring the program, and collecting and entering data.

[4] Contingency is 10 percent of the total contract amount and rounded to the hundredths

[5] According to DCYF, Instituto's Roadmap to Peace Collaborative program spent approximately 92 percent of the budgeted FY 23-24 amount of $2,968,668.

Sources of Funding

For FY 2024-25, the Roadmap to Peace Collaborative Program will be fully funded by the Children and Youth Fund, while the Roadmap to Peace School Crisis Supports Program will be funded by the Children and Youth Fund (67 percent), a state grant[6] (13 percent), and a federal grant[7] (20 percent). DCYF states that the subsequent years will most likely be funded by the Children and Youth Fund, General Fund, and/or other grants.

RECOMMENDATION

Approve the proposed resolution.

[6] The state grant is from the Citizens' Option for Public Safety program established by the California legislature to provide funding for local agencies to ensure public safety.

[7] The federal grant is from the STOP School Violence Act of 2018, which aims to improve school security and prevent acts of violence.

Item 12 File 24-1129	Department: Children, Youth and Their Families

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would retroactively approve a new grant agreement between DCYF and the Richmond District Neighborhood Center for four programs: (1) Defining Success: 6th – 12th Grade Academic Support Continuum at George Washington High School and Gateway High School, (2) Beacon Pathways at Roosevelt Middle School, (3) Beacon Pathways at Presidio Middle School, and (4) Multi-Cultural Arts Program: K-12 Art Pathways. The retroactive grant agreement has a five-year term starting July 1, 2024 through June 30, 2029 and a not-to-exceed amount of $10,366,200.

Key Points

- Richmond District Neighborhood Center (RDNC) is a nonprofit organization in San Francisco that has provided youth, adult and family programs serving the Richmond District in San Francisco since 1980.
- All four programs were previously funded by DCYF. Performance metrics for FY 2023-24 show that most programs underperformed across several measures. According to DCYF, programs faced challenges with hour completion due to estimation and/or accuracy issues, such as not accounting for family vacations or inaccurate entry of participant data, resulting in inflated targets and lower completion rates. The proposed new grant agreement no longer tracks hours within each program but does track attendance. In addition, DCYF will offer technical assistance and capacity building resources to improve program engagement, as well as youth engagement on developing and implementing education or career goals.
- Under the proposed grant agreement, the four programs are required to report on at least six performance measures, including participation in the Program Quality Assessment (PQA) process.

Fiscal Impact

- The proposed agreement has a not-to-exceed amount of $10,366,200, including a ten percent contingency, and a three percent annual increase to the FY 2024-25 annual budget of $1,775,000. The source of funding will be the General Fund and the Children and Youth Fund.
- The agreement funds a total of 12.79 full-time equivalent (FTE) adult staff, as well as funds 0.24 FTE youth staff at each of the two Beacon programs.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Richmond District Neighborhood Center

Richmond District Neighborhood Center (RDNC) is a nonprofit organization in San Francisco that has provided youth, adult and family programs serving the Richmond District in San Francisco since 1980. RDNC offers a variety of services, which include after-school programming at elementary schools, Beacon programs at middle schools, summer camps, college access and career readiness support for high school students, and neighborhood food pantry programs.

Procurement

In August 2023, the Department of Children, Youth, and Their Families (DCYF) issued a Request for Proposals (RFP) for the 2024 through 2029 funding cycle. RDNC submitted proposals for four school programs under the RFP Result Area, "All Children and Youth are Ready to Learn and Succeed in School." According to the RFP, the Result Area encompasses programs that provide opportunities for children and youth in pre-kindergarten through 12th grade to learn, gain social-emotional learning (SEL) skills, and receive needed support. The four school programs are (1) Beacon Pathways at Presidio Middle School, (2) Beacon Pathways at Roosevelt Middle School, (3) Defining Success: 6th – 12th Grade Academic Support Continuum program at George Washington High School and Gateway High School, and the (4) Multi-Cultural Arts Program: K-12 Art Pathways[1].

RDNC currently provides these programs under four separate agreements, which expired June 30, 2024.[2] The RFP scoring and other procurement information is summarized in Exhibit 1 below. Proposals were evaluated in three phases. In phase one, proposals were evaluated based on four criteria: program overview (25 points), program design and implementation (55 points), program impact (10 points), and target population need (10 points), for a total possible score of 100 points. In Phase 2, proposers were evaluated based on strategy alignment, target population, past performance, and agency fiscal rating. In Phase 3, DCYF determined the funding allocations for the non-profit providers based on results from Phase 2 as well as other factors, including

[1] This program serves Alamo Elementary School, Argonne Elementary School, Lafayette Elementary School, Frank McCoppin Elementary School, and George Peabody Elementary School.

[2] The agreement for Defining Success: 6th – 12th Grade Academic Support Continuum program is listed as RDNC Academic Response to Intervention (Middle School/High School)

community need, geographic coverage, location of services, service capacity, and existing services funded by other providers.

Exhibit 1: Procurement Summary

Program	Defining Success: Academic Support Continuum	Beacon Pathways at Presidio Middle School	Beacon Pathways at Roosevelt Middle School	Multi-Cultural Arts Program: K-12 Art Pathways
Selection Panel	Adjunct Professor (Heald College), Senior Community Development Specialist (DCYF), Project Policy Analyst (UC Office of the President)	Community Partnerships Director of Education and Youth Development (CCSF), Manager I (DCYF), Consultant	Student (UC Berkeley), Senior Supervisor Probation Officer (JDP), Manager I (DCYF)	Manager III (DCYF), Independent Media Producer, Independent Coach for Girls' Sports
Phase 1 Summary				
Total Number of Proposals	24	28	28	49
Number of Proposals Awarded Funding	10	26	26	12
Average Score (out of 100)	86.0	89.2	84.8	83.2
Rank out of Total Number of Proposals	1	7	17	30
Phase 2 Funding Recommendation	No	Yes	Yes	Yes
Phase 3 Award	No[3]	Yes	Yes	No[4]

Source: DCYF

With additional funding provided during the Mayor phase of the budget process, DCYF was able to increase funding for some of the initially funded programs and identify additional programs to fund (such as the Defining Success program and the Multi-Cultural Arts program which were not initially recommended for funding). DCYF states the overall funding decisions from the additional

[3] According to the Proposal Score Report, the Defining Success program was highly rated during Phase 2 but was not recommended for funding in Phase 2 or 3 because DCYF decided to fund other Academic Support programs.

[4] According to the Proposal Score Report, the Multi-Cultural Arts Program was not highly rated during Phase 2 and was therefore not recommended for an award in Phase 3.

funding provided during the Mayor phase of the budget process were determined by identifying service needs and gaps based on geographic location to ensure equitable coverage across the City. According to DCYF, the agency identified an underfunding of academic support and enrichment and skills building for youth in the Richmond District and decided to fund two additional RDNC programs based on the need for additional programming to ensure adequate coverage.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve a new grant agreement between DCYF and the RDNC for four programs: (1) Defining Success: 6th – 12th Grade Academic Support Continuum at George Washington High School and Gateway High School, (2) Beacon Pathways at Roosevelt Middle School, (3) Beacon Pathways at Presidio Middle School, and (4) Multi-Cultural Arts Program: K-12 Art Pathways. The retroactive grant agreement has a five-year term starting July 1, 2024 through June 30, 2029 and a not-to-exceed amount of $10,366,200. The proposed resolution would also authorize DCYF to make further immaterial amendments to the agreement. According to DCYF staff, DCYF is seeking approval retroactively due to the time needed to conduct scope of work negotiations, complete internal review, and undergo the contracting process.

Scope of Services

- Defining Success: 6th – 12th Grade Academic Support Continuum is a year-round program that provides mentoring and literacy support, summer programming, college and career readiness workshops, one-on-one and group tutoring, and family engagement at George Washington High School and Gateway High School. Annually, the program serves 80 participants ages 14 to 17.
- Beacon Pathways at Presidio Middle School is a year-round program that provides support before school, school day and after school support and activities, summer programming, math skills tutoring, wellness support, and parent engagement. Annually, the program serves 393 participants ages 11 to 13.
- Beacon Pathways at Roosevelt Middle School is a year-round program that provides before school, school day and after school support and activities, academic and wellness support activities, summer programming, and parent and family engagement. Annually, the program serves 272 participants ages 11 to 13.
- Multi-Cultural Arts Program: K-12 Art Pathways offers after school art programming during the school year at Alamo Elementary School, Argonne Elementary School, Lafayette Elementary School, Frank McCoppin Elementary School, and George Peabody Elementary School. In addition, the program offers family and parent engagement opportunities through participation in student cultural and art showcases and events. Annually, the program serves 175 participants ages five to ten.

Performance

Under the proposed grant agreement, the four programs are required to report on at least six performance measures described in Exhibit 2, including participation in the Program Quality

Assessment (PQA) process. As part of the PQA process[5], DCYF conducts site visits to evaluate program quality using a standardized tool. The PQA tool is a subjective observation of domains such as the safety of the environment (e.g., psychological and emotional safety, health and sanitation), program space, healthy food and drinks, active engagement of youth, support from staff, and opportunities for youth interaction, relationship-building and collaboration.

Per the agreement, each grantee is required to administer participant surveys or other evaluation instruments to ensure compliance with performance measure targets. DCYF will provide a performance improvement plan if a grantee is found to not meet one or more performance

[5] According to DCYF staff, the PQA involves a three-step process to help contractors improve program quality. If the contractor participates in all three steps, DCYF deems them in compliance. The three steps are as follows: (1) Scoring assessments are conducted internally by the contractor and externally by DCYF (through site visits); (2) Contractors must attend a "Planning with Data" session in which DCYF reviews both the external and internal scoring assessments together to identify consistencies and inconsistencies. DCYF then conducts an overall programmatic assessment to highlight strengths and areas for improvement; and (3) Contractors must participate in a Program Improvement Plan to identify domains and areas for improvement in the PQA, such as developing relevant specific and measurable goals. DCYF then conducts another external assessment (e.g., site visits) to evaluate areas identified for improvement. DCYF states that internal and external assessments, scores, and program improvement plans are entered into DCYF's data system.

standards, which may include participation in technical assistance, performance measure amendment, or other supportive measures.

Exhibit 2: Performance Measures in Proposed Grant Agreement

Name	Performance Measure	Target	Programs
Youth Actuals vs. Projections	Number of participants served as a percentage of the program's projected number of participants	90%+	All
Program Quality Assessment (PQA)	Grantee participates in Program Quality Assessment (PQA) process*	Yes – participated in PQA Process	All
Social-Emotional Learning (SEL) Plan	Grantee participates in SEL trainings	Yes – participated in trainings	All
Social-Emotional Learning (SEL) Plan	Grantee identifies a plan for incorporating SEL into their programs and practices	Yes – has an SEL plan	All
Caring Adult	Percent of surveyed participants or caregivers who report that participants have an adult in the program who understood and really cared about them	75%+	All
Agency Health	Fiscal health of grantee agency based on DCYF's Fiscal and Compliance Monitoring efforts	Strong	All
Average Daily Attendance	Average daily attendance as a percentage of program's projected average daily attendance	85%+	All, except Defining Success
Individual Learning Plan	Percent of participants with completed individual learning plans	85%+	Defining Success only
Education/ Career Goals	Percent of surveyed participants who report that they developed education or career goals and understand the steps needed to achieve their goals as a result of the program	75%+	Defining Success only

Source: Grant Agreement, Appendix B-1, B-2, B-3, B-4

*Note: The Youth and School-Aged Program Quality Assessment Tool is a validated instrument that evaluates the quality of youth programs and identifies staff training needs. According to DCYF, the tool has been used in community organizations, schools, camps, and other sites to measure a young person's access to key developmental experiences through a set of scored items that can be used for comparison and assessment of progress over time.

Performance metrics for FY 2023-24 show that most programs underperformed across several measures. As shown by Exhibit 3, Beacon Pathways at Roosevelt Middle School, Beacon Pathways at Presidio Middle School and Defining Success: 6th – 12th Grade Academic Support Continuum all failed to meet four measures. Multi-Cultural Arts Program: K-12 Art Pathways failed to meet

one measure. According to DCYF, programs faced challenges with hour completion due to estimation and/or accuracy issues, such as not accounting for family vacations or inaccurate entry of participant data, resulting in inflated targets and lower completion rates. The proposed new grant agreement no longer tracks hours within each program but does track attendance. In addition, DCYF will offer technical assistance and capacity building resources to improve program engagement, as well as youth engagement on issues such as developing and implementing education or career goals.

Exhibit 3: FY 2023-24 Performance Measures (Prior Grant Agreements)

Measure	Target	Defining Success: Academic Support	Beacon Pathways at Presidio MS	Beacon Pathways at Roosevelt MS	Multi-Cultural Arts Program
Number of participants served as a percentage of the program's projected number of participants.	**90%+**	180%	n/a	n/a	351%
Number of participants served as a percentage of the program's projected number of participants. (Summer)	**90%+**	n/a	75%	134%	n/a
Number of participants served as a percentage of the number of participants the program was designated to serve. (After School)	**90%+**	n/a	369%	293%	n/a
Percent of participants who participated in the program for the target number of hours. (Summer)	**85%+**	No Data[6]	98%	96%	100%
Percent of participants who participated in the program for the target number of hours during the school year.	**85%+**	59%	24%	49%	42%
Average daily attendance as a percentage of the program's designated average daily attendance. (Summer)	**85%+**	n/a	59%	76%	n/a
Average daily attendance as a percentage of the program's designated average daily attendance during the school year.	**85%+**	n/a	104%	69%	n/a
Percent of surveyed participants or caregivers who report that participants have an adult in the program who understood and really cared about them.	**75%+**	52%	No Data[7]	62%	n/a
Percent of surveyed participants or caregivers who report developing education or career goals and understanding the steps needed to achieve their goals as a result of the program.	**75%+**	43%	n/a	n/a	n/a

Source: DCYF
Notes: Gray shading indicates result did not meet performance target.

[6] According to DCYF, the program did not operate in the summer.
[7] According to DCYF, the program did not administer the survey.

Fiscal and Compliance Monitoring

The Human Services Agency conducted fiscal and compliance monitoring for RDNC for FY 2023-24 in May 2024, and no findings were identified.

FISCAL IMPACT

The proposed agreement has a not-to-exceed amount of $10,366,200, including a ten percent contingency. The grant agreement budget, which includes a three percent annual increase, by fiscal year and program is shown in Exhibit 4 below.

Exhibit 4: Grant Agreement Not to Exceed Amount

	Defining Success: Academic Support Continuum	Beacon Pathways at Presidio Middle School	Beacon Pathways at Roosevelt Middle School	Multi-Cultural Arts Program: K-12 Art Pathways	Total
FY 2024-25	$400,000	$550,000	$525,000	$300,000	$1,775,000
FY 2025-26	412,000	566,500	540,800	309,000	$1,828,300
FY 2026-27	424,400	583,500	557,000	318,300	$1,883,200
FY 2027-28	437,100	601,000	573,700	327,800	$1,939,600
FY 2028-29	450,200	619,000	590,900	337,600	$1,997,700
Total	$2,123,700	$2,920,000	$2,787,400	$1,592,700	$9,423,800
Contingency (10%)					942,400[8]
Not-to-Exceed Amount					**$10,366,200**

Source: Grant Agreement, Appendix B-1, B-2, B-3, B-4

The FY 2024-25 budget is approximately $1,775,000, as shown in Exhibit 5 below.

[8] Contingency is 10 percent of the total contract amount and rounded to the hundredths

Exhibit 5: FY 2024-25 Budget[9]

	Defining Success: Academic Support Continuum	Beacon Pathways at Presidio Middle School	Beacon Pathways at Roosevelt Middle School	Multi-Cultural Arts Program: K-12 Art Pathways	Total	% Total
Administrative	$80,000	$110,000	$105,000	$60,000	**$355,000**	20.0%
Adult Staff	237,580	302,629	282,278	165,470	**987,957**	55.7%
Youth Staff	-	9,825	9,825	0	**19,650**	1.1%
Fringe Benefits	52,356	65,036	65,652	44,734	**227,778**	12.8%
Materials & Supplies	10,566	12,721	17,369	6,832	**47,488**	2.7%
Other Program Expenses[10]	19,498	49,789	44,876	22,964	**137,127**	7.7%
Total	**$400,000**	**$550,000**	**$525,000**	**$300,000**	**$1,775,000**	**100%**

Source: DCYF

According to DCYF, the agreement funds a total of 12.79 full-time equivalent (FTE) adult staff, 3.14 FTE for Defining Success: Academic Support Continuum, 3.85 FTE for Beacon Pathways at Presidio Middle School, 3.51 FTE for Beacon Pathways at Roosevelt Middle School, and 2.30 FTE for Multi-Cultural Arts Program: K-12 Art Pathways. The agreement also funds 0.24 FTE youth staff at each of the two Beacon programs.

In FY 2024-25, administrative costs reflect 20 percent of each program budget which exceeds the maximum of 15 percent stipulated in the RFP because DCYF decided to increase the allowance to 20 percent to better support the agency's infrastructure to ensure the quality of direct services. This results in additional administrative costs of approximately $100,000 in FY 2024-25 compared to if the 15 percent maximum was applied.

Source of Funding

The proposed agreement will be funded by the General Fund and the Children and Youth Fund.

RECOMMENDATION

Approve the proposed resolution.

[9] According to DCYF, RDNC fully spent the budgeted FY 23-24 grant of $2,093,743.

[10] This includes expenses such as field trips, curriculum, equipment, food, and insurance, among other expenses.

Item 14 File 25-0019	**Department:** Department of Public Health (DPH), Real Estate Division (RED)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would retroactively approve the First Amendment to the City's lease at 729 Filbert Street with William J. Piedmonte, as landlord, extending the term by five years through January 2029, for initial annual base rent of $437,147, and authorizing the Director of Property to enter into further immaterial amendments to the lease.

Key Points

- The Department of Public Health (DPH) has leased a three-story building at 729 Filbert Street to operate the Chinatown-North Beach Mental Health Clinic since 1993. The 11,067-square foot facility provides a multilingual outpatient clinic and day treatment for adolescents, adults, and older adults in the Chinatown and North Beach areas.
- In March 2019, the Board of Supervisors approved a new lease at 729 Filbert Street for a term of approximately five years, with one five-year option to extend, and initial annual base rent of $531,216 ($48 per square foot). The lease expired on January 31, 2024 and is currently in holdover status. To continue operating the Chinatown-North Beach Mental Health Clinic, the Real Estate Division (RED) has negotiated an amendment to retroactively execute the five-year option to extend the lease through January 2029.
- RED is presenting the draft amendment approximately one year after the lease expired because of delays in coming to an agreement with the property owner on the fair market rent. After presenting appraisals that showed conflicting fair market rent values, RED and the landlord began an appraisal reconciliation process, and the appraisers agreed that the negotiated annual rent of $39.50 per square foot was a reasonable amount.

Fiscal Impact

- Under the proposed lease amendment, the City would pay initial annual base rent of $437,147. Rent would increase annually based on the Consumer Price Index (CPI), with a minimum increase of two percent and a maximum increase of five percent each year. Over the five-year term of the lease extension, the City would pay total rent ranging from approximately $2,274,928 to $2,415,510.
- The total cost for utilities, janitorial, and waste collection services in calendar year 2024 was approximately $57,794. Assuming five percent annual escalation, the total operating costs for the building over five years are approximately $319,347. Rent and operating costs for the building are paid by the City's General Fund.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Administrative Code Section 23.27 states that any lease with a term of one year or longer and where the City is the tenant is subject to Board of Supervisors approval by resolution.

BACKGROUND

The Department of Public Health (DPH) has leased a three-story building at 729 Filbert Street to operate the Chinatown-North Beach Mental Health Clinic since 1993. The 11,067-square foot facility provides a multilingual outpatient clinic and day treatment for adolescents, adults, and older adults in the Chinatown and North Beach areas. Services provided include individual therapy and counseling, case management, family intervention, crisis intervention, medications, group activities and therapy, crisis outreach, consultation, education and information activities, acupuncture treatment for psychiatric and substance use disorders, and wellness recovery services.

In March 2019, the Board of Supervisors approved a new lease at 729 Filbert Street for a term of approximately five years, with one five-year option to extend, and initial annual base rent of $531,216 ($48 per square foot) (File 19-0073). In the final year of the lease, the annual rent was approximately $612,000 ($55.30 per square foot). The lease expired on January 31, 2024 and is currently in holdover status. To continue operating the Chinatown-North Beach Mental Health Clinic, the Real Estate Division (RED) has negotiated an amendment to retroactively execute the five-year option to extend the lease through January 2029. According to Jeff Suess, RED Transaction Team Manager, RED is presenting the draft amendment approximately one year after the lease expired because of delays in coming to an agreement with the property owner on the fair market rent.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve the First Amendment to the City's lease with William J. Piedmonte, as landlord, extending the term by five years through January 2029, for initial annual base rent of $437,147, and authorizing the Director of Property to enter into further immaterial amendments to the lease.

The key terms of the proposed lease amendment are shown in Exhibit 1 below.

Exhibit 1: Key Terms of Proposed Lease Amendment

Premises	11,067 square feet
Term	5 years from February 2024 through January 2029
Options to Extend	None
Annual Base Rent	$437,147 ($39.50 per square foot)
Rent Escalation	Adjusted annually by CPI, with a minimum increase of 2% and a maximum increase of 5%
Utilities	Paid by City
Janitorial/Scavenger Services	Paid by City

Source: Proposed lease amendment, original lease

RED and the landlord presented appraisals from Colliers International and Kidder Matthews, respectively, that showed conflicting fair market rent values for the premises. After beginning an appraisal reconciliation process, the appraisers agreed that the negotiated annual rent of $39.50 per square foot was a reasonable amount. An appraisal was not required under Administrative Code Section 23.27 because the proposed rent is less than $45 per square foot.

FISCAL IMPACT

Under the proposed lease amendment, the City would pay initial annual base rent of $437,147. Rent would increase annually based on the Consumer Price Index (CPI), with a minimum increase of two percent and a maximum increase of five percent each year. Over the five-year term of the lease extension, the City would pay total rent ranging from approximately $2,274,928 to $2,415,510.

According to David Borgognoni, DPH Principal Administrative Analyst, the total cost for utilities, janitorial, and waste collection services in calendar year 2024 was approximately $57,794.[1] Assuming five percent annual escalation, the total operating costs for the building over five years are approximately $319,347. Rent and operating costs for the building are paid by the City's General Fund.

RECOMMENDATION

Approve the proposed resolution.

[1] The Budget and Legislative Analyst has requested an estimate for the cost of services provided at the Chinatown-North Beach Mental Health Clinic. DPH stated it will provide it us after publication of this report.

Item 15 File 24-1154	**Department:** San Francisco Police Department, Real Estate Division (RED)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution authorizes the Director of Property, on behalf of the San Francisco Police Department, to retroactively execute a License for an initial term of five years between the U.S. Department of Homeland Security- U.S. Coast Guard, as licensor, and the City as licensee, for 2,744 square feet within Building 278 at 1-119 Forest Road on Yerba Buena Island, at a total annual base rent of $0.

Key Points

- The San Francisco Police Department (SFPD) would utilize Building 278 in 1-119 Forest Road on Yerba Buena Island to open a new police substation to support public safety in Treasure Island and Yerba Buena Island. This new substation would replace the existing substation at 1 Avenue of the Palms Suite 29 on Treasure Island.
- According to SFPD, the proposed police substation is larger than the existing substation on Treasure Island and offers a better layout that would enhance operations and better meet the department's programmatic needs.
- The resolution would retroactively approve the license from November 1, 2024, to October 31, 2029.
- Under the agreement, the City is responsible for all maintenance, repairs, modifications and utility services.

Fiscal Impact

- Over the initial five-year term of the proposed lease, total rent to be paid by the SFPD is $0.
- The BLA is not able to provide fiscal impact due to Police not yet having cost estimates of what tenant improvements will be needed, the timeline, and expected costs of moving into this facility. We will review project costs in the upcoming budget process. Based on the size of the site and current construction costs, we estimate that the tenant improvements could cost approximately $700,000 to $2.5 million.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

Administrative Code Section 23.27 states that the Board of Supervisors shall approve all leases on behalf of the City as tenant by resolution for which the term is longer than a year and costs over $15,000 per month.

BACKGROUND

Treasure Island and Yerba Buena Island are currently being served by a SFPD's substation at 1 Avenue of the Palms Suite 29 on Treasure Island. The lease is due to expire on November 30, 2025. According to Police staff, prior fiscal year costs for operating this substation totaled $26,862. The proposed facility at 1-119 Forest Road on Yerba Buena Island would replace the existing substation, which, according to SFPD, is in an older building that offers a suboptimal space due to age and layout.

1-119 Forest Road has been utilized by the United States Coast Guard (USCG) since 1973 as a command center for the San Francisco Vessel Traffic Service (VTS). USCG has relocated operations to a new facility, with VTS electronic equipment remaining on the site. USCG retains ownership of the property.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the Director of Property, on behalf of the San Francisco Police Department, to retroactively execute a License for an initial term of five years between the U.S. Department of Homeland Security - U.S. Coast Guard, as licensor, and the City as licensee, for 2,744 square feet within Building 278 at 1-119 Forest Road on Yerba Buena Island. The five-year term would commence retroactively effective November 1, 2024, to October 31, 2029. The total annual base rent will be $0. Exhibit 1 below summarizes the terms and conditions of the lease provisions.

Exhibit 1. Summary of Proposed License

	Proposed License
Premises	2,744 square feet at 1-119 Forest Road, Building 278
Base Rent (annual)	$0
Services and Utilities	City will provide utilities, maintenance, repairs, and any modifications.
Term	Five years

Source: License Agreement

Utilities and Services

Under the agreement, the City is responsible for all maintenance, repairs, modifications and utility services, including janitorial services, water, electricity, and HVAC, necessary to utilize the premises.

Building Usage

1-119 Forest Road has been utilized by the United States Coast Guard (USCG) since 1973 as a command center for the San Francisco Vessel Traffic Service (VTS). USCG has relocated operations to a new facility, with VTS electronic equipment remaining on the site. USCG retains ownership and continuous use of the property and has offered licensed use of vacant spaces in building 278 to SFPD.

The San Francisco Police Department would utilize the site as an operational office and southern sub-station to support public safety in Treasure Island and Yerba Buena Island. Use of the property will include office space, interview space, and parking SFPD vehicles.

FISCAL IMPACT

While the five-year term of the proposed agreement total rent to be paid by SFPD is $0, the department will incur other costs to create a new sub-station. The BLA is not able to provide fiscal impact due to Police not yet having cost estimates of what tenant improvements will be needed, the timeline, and expected costs of moving into this facility. We will review project costs in the upcoming budget process. Based on the size of the site and current construction costs, we estimate that the tenant improvements could cost approximately $700,000 to $2.5 million.

RECOMMENDATION

Approve the proposed resolution.