



City and County of San Francisco

Meeting Minutes - Final

Budget and Finance Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Connie Chan, Matt Dorsey, Joel Engardio

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

Wednesday, April 16, 2025

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

President Rafael Mandelman appointed Supervisor Chyanne Chen, in place of Supervisor Connie Chan, to the Budget and Finance Committee for the regular meeting of April 16, 2025.

Present: 3 - Matt Dorsey, Joel Engardio, and Chyanne Chen

Excused: 1 - Connie Chan

The Budget and Finance Committee met in regular session on Wednesday, April 16, 2025, with Vice Chair Matt Dorsey presiding. Vice Chair Dorsey called the meeting to order at 10:00 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Vice Chair Dorsey, and Members Engardio and Chen were noted present. Chair Chan was noted not present.

COMMUNICATIONS

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

AGENDA CHANGES

There were no agenda changes.

Supervisor Chan Excused from Attendance

Vice Chair Dorsey moved to excuse Supervisor Chan from attending the Budget and Finance Committee meeting on April 16, 2025. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

REGULAR AGENDA

Vice Chair Dorsey requested File Nos. 250262 and 250290 be called together.

250262 [Accept and Expend Grant - Wu Yee Children's Services - Tenderloin Recreation Center Children's Playground Improvements Project - Valued Approximately \$1,125,000]

Sponsor: Mayor

Resolution authorizing the Recreation and Park Department to enter into a Grant Agreement with Wu Yee Children's Services to accept and expend cash and/or in-kind grants from Wu Yee Children's Services valued at approximately \$1,125,000 for the Tenderloin Recreation Center Children's Playground Improvements Project, effective upon approval of this Resolution, and shall expire once the Grant has been expended and the Project is complete; and authorizing the General Manager of the Recreation and Park Department to enter into amendments or modifications to the Grant Agreement provided they do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purposes of the Project or this Resolution. (Recreation and Park Department)

03/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Abigail Maher (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

250290 [Accept and Expend Grant - KABOOM! - Children's Playspaces Improvements - \$5,000,000]

Sponsors: Mayor; Mandelman

Resolution authorizing the Recreation and Park Department to enter into a Grant Agreement with KABOOM! and to accept and expend cash and/or in-kind grants from KABOOM! valued at approximately \$5,000,000 to support improvements for up to eight children's playspace sites, effective upon approval of this Resolution through notice of substantial completion; and to authorize the General Manager of the Recreation and Park Department to enter into amendments or modifications to the Grant Agreement provided they do not materially increase the obligations or liabilities of the City and are necessary to effectuate the purposes of the Project or this Resolution. (Recreation and Park Department)

03/25/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Abigail Maher (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

250058 [Hearing - Release of Reserved Funds - Recreation and Park Department - Twin Peaks Promenade Project - \$1,493,692]

Hearing to consider the release of Board of Supervisors reserved funds, delegated to be released by the Budget and Finance Committee by Resolution No. 002-25 once all grant requirements have been met and the fiscal impact report received, to the Recreation and Park Department for the Twin Peaks Promenade Project, in the amount of \$1,493,692 from the California Department of Parks and Recreation. (Clerk of the Board)
(Fiscal Impact)

01/28/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Toni Moran (Recreation and Park Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Dorsey moved to release reserved funds to the Recreation and Park Department in the amount of \$1,493,692 and that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

250194 [Real Property Lease - Retroactive - ROSHAN INVESTMENTS LLC - Adante Hotel - 610 Geary Street - Non-Congregate Temporary Shelter - Initial Annual Base Rent of \$1,484,280 and a Maximum Final Payment of up to \$100,000]

Sponsor: Mayor

Resolution approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to execute a lease of real property with ROSHAN INVESTMENTS LLC, for use of the Adante Hotel located at 610 Geary Street for a non-congregate temporary shelter program with 93 units for an initial term of one year, to commence upon approval of this Resolution, with four one-year options to extend and an annual base rent of \$1,484,280 with 3% annual increases if the City exercise the option to extend; affirming the Planning Department's determination under the California Environmental Quality Act, and adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1; and authorizing the Director of Property to execute any amendments, options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the lease agreement or this Resolution.

(Fiscal Impact)

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

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Dara Papo (Department of Public Health); Nicolas Menard (Office of the Budget and Legislative Analyst); Supervisor Danny Sauter (Board of Supervisors); provided an overview and responded to questions raised throughout the discussion. Barbara Swan (Lower Nob Hill Alliance); spoke in support of the resolution matter. Paula Hendricks; spoke on various concerns relating to the resolution matter.

Vice Chair Dorsey moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 1-2 to read 'Real Property Lease - Retroactive - ROSHAN INVESTMENTS LLC - Adante Hotel - 610 Geary Street - Non-Congregate Temporary Shelter - Initial Annual Base Rent of \$1,484,280 and a Maximum Final Payment of up to \$100,000'; on Page 1, Lines 4-16, to read 'Resolution retroactively approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to execute a lease of real property with ROSHAN INVESTMENTS LLC, for use of the Adante Hotel located at 610 Geary Street for a non-congregate temporary shelter program with 93 units for an initial term of one year, to commence on April 1, 2025, with one one-year option to extend and an annual base rent of \$1,484,280 with 3% annual increases if the City exercise the option to extend, and a maximum final payment of up to \$100,000 upon surrender of property; affirming the Planning Department's determination under the California Environmental Quality Act; and authorizing the Director of Property to execute any amendments, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the lease agreement or this Resolution.'; on Page 2, Line 24, through Page 3, Line 2, to read 'WHEREAS, On behalf of HSH, the Real Estate Division ("RED") negotiated a lease with ROSHAN INVESTMENTS LLC, the current owner of the Property (the "Landlord") for an initial term of one year to commence on April 1, 2025, with an initial annual base rent of \$1,484,280, with one one-year option to extend with an annual increase of 3% if the City exercises the option to extend (the "Lease"); a copy of the Lease is on file with the Clerk in File No. 250194; and'; on Page 3, Lines 3-7, by adding 'WHEREAS, The Lease includes a maximum final payment of \$100,000 if the option to extend is not exercised, with the final payment decreasing to \$90,000 if the Lease is extended through March 31, 2027; and WHEREAS, The final payment is to compensate the landlord for the short-term use of the property and any incidental expenses related to the exit from the Property; and'; by removing references of consistency with the General Plan and the eight priority policies of the Planning Code throughout the legislation; and by making other clarifying and confirming changes throughout the resolution text. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

Resolution retroactively approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to execute a lease of real property with ROSHAN INVESTMENTS LLC, for use of the Adante Hotel located at 610 Geary Street for a non-congregate temporary shelter program with 93 units for an initial term of one year, to commence on April 1, 2025, with one one-year option to extend and an annual base rent of \$1,484,280 with 3% annual increases if the City exercise the option to extend, and a maximum final payment of up to \$100,000 upon surrender of property; affirming the Planning Department's determination under the California Environmental Quality Act; and authorizing the Director of Property to execute any amendments, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the lease agreement or this Resolution. (Fiscal Impact)

Vice Chair Dorsey moved that this Resolution be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of April 23, 2025. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

Vice Chair Dorsey requested File Nos. 250265 and 250258 be called together.

250265 [Lease Amendment - Hudson 1455 Market, LLC - 1455 Market Street - \$897,365 (FY2024-2025), \$1,853,576.27 Base Rent Initial Year (FY2025-2026), Not to Exceed \$15,470,700 Available Operating Budget]

Sponsor: Mayor

Resolution approving and authorizing the Director of Property, on behalf of the Human Services Agency, County Transportation Authority and Library's Information Technology unit, to execute a first amendment to the lease agreement with Hudson 1455 Market, LLC, as landlord, to take an additional 225,883 rentable square feet ("RSF") of office space and 6,279 RSF of basement storage at 1455 Market Street for the balance of an initial term of 21 years, effective upon approval of the Resolution by the Board of Supervisors and the Mayor and upon execution of the lease amendment by the Director of Property, terminating on April 30, 2045, to expend an amount not to exceed \$897,365 for rent, parking and electrical costs for Fiscal Year (FY) 2024-2025, with a base rent of \$1,853,576.27 for the initial year plus \$42,611.10 of basement storage for FY2025-2026, with two five-year options to extend and rent at \$41.20 per square foot with 3% annual increases thereafter; authorize the Director of Real Estate to the extent of available operating budget and to the extent not covered by the tenant improvement allowance to expend an amount not to exceed \$15,470,700 for digital technology costs, tenant improvements, alternatives and furniture, fixtures and equipment; affirming the Planning Department's determination under the California Environmental Quality Act; adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1; and authorizing the Director of Property to execute any amendments, options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the lease agreement or this Resolution.

(Fiscal Impact)

03/18/25; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Dan Kaplan (Human Services Agency); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Dorsey moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by removing all references to affirming the Planning Department's determination under the California Environmental Quality Act and adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1 throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

Resolution approving and authorizing the Director of Property, on behalf of the Human Services Agency, County Transportation Authority and Library's Information Technology unit, to execute a first amendment to the lease agreement with Hudson 1455 Market, LLC, as landlord, to take an additional 225,883 rentable square feet ("RSF") of office space and 6,279 RSF of basement storage at 1455 Market Street for the balance of an initial term of 21 years, effective upon approval of the Resolution by the Board of Supervisors and the Mayor and upon execution of the lease amendment by the Director of Property, terminating on April 30, 2045, to expend an amount not to exceed \$897,365 for rent, parking and electrical costs for Fiscal Year (FY) 2024-2025, with a base rent of \$1,853,576.27 for the initial year plus \$42,611.10 of basement storage for FY2025-2026, with two five-year options to extend and rent at \$41.20 per square foot with 3% annual increases thereafter; authorize the Director of Real Estate to the extent of available operating budget and to the extent not covered by the tenant improvement allowance to expend an amount not to exceed \$15,470,700 for digital technology costs, tenant improvements, alternatives and furniture, fixtures and equipment; and authorizing the Director of Property to execute any amendments, options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the lease agreement or this Resolution.
(Fiscal Impact)

Vice Chair Dorsey moved that this Resolution be RECOMMENDED AS AMENDED to the Board of Supervisors meeting of April 29, 2025. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

250258 [De-Appropriation - Building/Structure Improvement-Capital Renewal - 1235 Mission Street - \$3,346,898 - Appropriation - Projected Revenue Surplus - \$8,500,000 - Tenant Improvement - \$11,846,898 - 1455 Market Street - Human Services Agency - FY2024-2025]

Sponsor: Mayor

Ordinance appropriating \$8,500,000 from projected revenue surplus, de-appropriating \$3,346,898 from building and structure improvement and capital renewal projects at 1235 Mission Street, and appropriating \$11,846,898 to interdepartmental services, rent paid to Real Estate, and in the Human Services Agency to fund one-time tenant improvement and furniture, fixtures, and equipment costs at 1145 Market Street, pursuant to the City's new lease for spaces designated for the Human Services Agency in Fiscal Year (FY) 2024-2025.
(Fiscal Impact)

03/18/25; ASSIGNED to Budget and Finance Committee. 3/25/2025 President Mandelman waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speaker(s): Andrico Penick, Director (City Administrator's Real Estate Division); Dan Kaplan (Human Services Agency); Nicolas Menard (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion.

Vice Chair Dorsey moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by replacing '1145 Market Street' with '1455 Market Street' throughout the legislation. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

Ordinance appropriating \$8,500,000 from projected revenue surplus, de-appropriating \$3,346,898 from building and structure improvement and capital renewal projects at 1235 Mission Street, and appropriating \$11,846,898 to interdepartmental services, rent paid to Real Estate, and in the Human Services Agency to fund one-time tenant improvement and furniture, fixtures, and equipment costs at 1455 Market Street, pursuant to the City's new lease for spaces designated for the Human Services Agency in Fiscal Year (FY) 2024-2025.
(Fiscal Impact)

Vice Chair Dorsey moved that this Ordinance be CONTINUED AS AMENDED to the Budget and Finance Committee meeting of April 23, 2025. The motion carried by the following vote:

Ayes: 3 - Dorsey, Engardio, Chen

Excused: 1 - Chan

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 11:29 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.