



March 9, 2026

The Honorable Daniel Lurie  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102-4689

**RE: Request to significantly reduce the San Francisco budget, including 50% cut to grant program**

Dear Mayor Lurie,

I am writing on behalf of thousands of ConnectedSF Institute members who are fully behind your push to bring fiscal discipline and transparency back to City Hall. As San Francisco stares down a massive deficit, it's time for a fundamental shift in how we handle our largest discretionary expense: the nonprofit contracting sector.

To put it plainly, our current spending is disconnected from reality. No matter how you slice the data, San Francisco spends roughly 50% more per resident than peer cities like San Diego or Seattle. A huge part of this "San Francisco Premium" is the unchecked growth of nonprofit grants, which have surged from \$600 million in 2011 to a staggering \$1.7 billion today. (Ten percent of the San Francisco budget!) The 2023 Civil Grand Jury confirmed what many of us already suspect: we can make deep cuts without hurting essential services. By cutting out the administrative bloat and the layers of middle management that have built up over the years, we can balance the budget while actually *improving* frontline care.

To deliver the "course correction" voters are demanding, we urge you to use your full executive authority to right-size these grants for the coming fiscal year.

Specifically, we're asking you to:

- Set a 50% "Right-Sizing" Target: Bring the projected \$1.7 billion spend down to a sustainable \$850 million ceiling. Enforce "Results or Else" Renewals: Use Ordinance 55-24 to freeze funding for any organization that hasn't shown a measurable, positive impact on street conditions or public safety in the last two years. If they aren't moving the needle, they shouldn't be getting a check.

- Refer any organization flagged for financial red flags directly to the new Inspector General (Prop C) for investigation. We need a standing request for the District Attorney to review any findings of fraud or misused taxpayer funds immediately.

The public has already given you the tools to do this. By passing Propositions C, D, and E, voters signaled they are done with waste and an unaccountable "homeless industrial complex." By aggressively auditing and cutting these contracts, you'll be delivering the oversight voters have requested. We believe that weeding out the "perpetual crisis" business models and rewarding the partners who actually get things done will enable you to deliver on your campaign promises.

We support all efforts to reduce the city budget, to make life more affordable for San Franciscans.

Thank you very much.

Sincerely,

Avé M. Seltsam  
Interim Executive Director  
ConnectedSF Institute