CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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July 3, 2025

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: July 9, 2025 Budget and Finance Committee Meeting

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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would (1) retroactively accept and expend up to $3,324,052 in grant funds and accrued interest from the State Office of Business and Economic Development for cannabis equity programs, (2) approve the associated grant agreement, (3) approve up to $332,405 of indirect costs in the grant budget, (4) authorize a Deputy City Administrator to sign the grant agreement, (5) state that any liability resulting from grant-funded activities will be borne by the City and its grant awardees, and (6) require the final executed grant agreement be included in the legislative file for this item.

Key Points

- The Governor's Office of Business and Economic Development (GO-Biz) provides grant funding for local governments to support the expansion of legal cannabis businesses that are owned by people from communities that were disproportionately harmed by criminal justice policies in place when cannabis was not legal ("equity cannabis businesses"). The State has provided five previous rounds of funding and the City's Office of Cannabis has received funding in all prior grant cycles. In January 2025, the State awarded $3,324,052 in new grant revenues (Go-Biz Round 6) to San Francisco to support equity cannabis businesses. The purpose of the funding is to reduce barriers to entry for equity businesses.
- Once the proposed resolution is approved, the Office of Cannabis will seek input from the Cannabis Oversight Committee on the parameters for disbursing the grant funds to equity cannabis businesses. The Office of Cannabis will meet with the Cannabis Oversight Committee in the Fall/Winter 2025 and will then award City grant awards to cannabis equity businesses beginning in April 2026.
- The proposed State grant will provide $2.8 million for approximately 70 City grants to new or existing equity cannabis businesses. The proposed grant also funds $200,000 in technical assistance and $315,242 in funding for the City's costs to administer the grant (1.5 FTE).

Fiscal Impact

- The proposed grant agreement has a $1.79 million matching fund requirement, which will be met by $1.3 million of existing staff costs at the Office of Cannabis and $490,750 for fee and tax waivers previously approved by the Board of Supervisors (for First Year Free and suspending the cannabis tax). The City's staffing costs for the Office of Cannabis are primarily sourced from the General Fund.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of $100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of $1 million or more, or (ii) have anticipated revenues of $1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

State Cannabis Equity Grants Program

The Governor's Office of Business and Economic Development (GO-Biz) provides grant funding for local governments to support the expansion of legal cannabis businesses that are owned by people from communities that were disproportionately harmed by criminal justice policies in place when cannabis was not legal ("equity businesses"). The State has provided five previous rounds of funding and the City's Office of Cannabis has received funding in all prior grant cycles. In January 2025, the State awarded $3,324,052 in new grant revenues (Go-Biz Round 6) to San Francisco to support equity cannabis businesses. The purpose of the funding is to reduce barriers to entry for equity businesses.

Per Chapter 2A.240 of the Administrative Code, the Office of Cannabis regulates cannabis in San Francisco, issues permits for cannabis businesses, and ensures that perspective of communities impacted by federal drug enforcement policies are considered in its policy making. The City's Cannabis Oversight Committee provides policy recommendations to the Office of Cannabis.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (1) retroactively accept and expend up to $3,324,052 in grant funds and accrued interest from the State Office of Business and Economic Development for cannabis equity programs, (2) approve the associated grant agreement, (3) approve up to $332,405 of indirect costs in the grant budget, (4) authorize a Deputy City Administrator to sign the grant agreement, (5) state that any liability resulting from grant-funded activities will be borne by the City and its grant awardees, and (6) require the final executed grant agreement be included in the legislative file for this item.

Although the grant was awarded in January 2025 with a start date of April 2025, however the proposed resolution was not introduced until June 2025. The Department is therefore seeking retroactive approval for the grant agreement and accept and expend authority. The grant will not be disbursed to the City until it is fully executed.

Grant Agreement

The proposed grant agreement has a term April 1, 2025 – October 31, 2026. All grant funds must be spent by the end of the grant term. Grant funds may be used to (a) provide grants and loans to equity cannabis businesses for start-up and ongoing costs, (b) provide equity cannabis businesses with technical assistance, and (c) up to ten percent may be used for the City's administrative costs. The State's grant funds may not be used to cover fees imposed on cannabis businesses related to the City's equity cannabis program.

City Grant Program

Once the proposed resolution is approved, the Office of Cannabis will seek input from the Cannabis Oversight Committee on the parameters for disbursing the grant funds to equity cannabis businesses.[1] According to Nikesh Patel, Director of the Office of Cannabis, meetings with the Cannabis Oversight Committee are expected to take place in the Fall/Winter 2025 with City grant awards to cannabis businesses beginning in April 2026. The Office of Cannabis awards the grants; they are not subject to approval by the Cannabis Oversight Committee. Although the State allows for the City to use the proposed grant revenues to fund loans, the Office of Cannabis intends to award all the proposed funding as grants to reduce the financial burden of the equity cannabis businesses. The amount of each City grant is based on the number of applicants and the amount of grant funding available.

The City's grants may be used to reimburse capital or ongoing costs, following a review of supporting documentation by the Office of Cannabis.

The proposed State grant will provide $2.8 million for approximately 70 City grants to new or existing equity cannabis businesses. The proposed grant also funds $200,000 in technical assistance and $315,242 in funding for the City's costs to administer the grant (1.5 FTE). Technical assistance will be provided by a non-profit procured by the Office of Cannabis. The current technical assistance provider is Success Centers.

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[1] The Office of Cannabis defines an equity cannabis business as corporate entities owned by "equity applicants." To qualify, a person must meet at least three of the following conditions: (a) Have been arrested for cannabis offenses, including as a juvenile; (b) Have a close relative who was arrested for cannabis offenses, including as a juvenile; (c) Lost housing in San Francisco through eviction, foreclosure or subsidy cancellation; (d) Attended school in the San Francisco Unified School District for 5 years; (e) Lived in San Francisco census tracts for 5 years, where at least 17% of households were at or below the federal poverty level; (f) Have a household income below 80% of the Area Median Income.

The Office of Cannabis' current eligibility requirements for equity grants (Go-Biz 5) include: (1) The applicant must be an Equity Applicant, and must have a Cannabis Business Permit or have submitted a Cannabis Business Permit application; (2) The Equity Applicant must own at least 51% of the corporate Applicant; (3) The Equity Applicant's Cannabis Business Permit with the Planning Department must have a status of Build-out or Approved; and (4) The Equity Applicant must have a record of compliance with requirements of prior Office of Cannabis grants.

FISCAL IMPACT

Exhibit below shows the spending for the proposed grant revenues.

Exhibit 1: Grant Budget

Category	Amount
Grants to Businesses	$2,808,810
Technical Assistance	$200,000
Grant Administration Costs	$315,243
Total Proposed Grant Spending	**$3,324,053**

Source: Grant Agreement

As shown above, the Office of Cannabis plans to provide $2.8 million in grants to equity cannabis businesses, provide $0.2 million to a technical assistance providers, and use $0.3 million for the City's own administrative costs. The State will provide 25 percent of the grant award upon execution of the grant agreement and provide three more disbursements of 25 percent of the grant award as each prior disbursement is spent down.

The proposed grant agreement has a $1.79 million matching fund requirement, which will be met by $1.3 million of existing staff costs at the Office of Cannabis and $490,750 for fee and tax waivers previously approved by the Board of Supervisors (for First Year Free and suspending the cannabis tax). The City's staffing costs for the Office of Cannabis are primarily sourced from the General Fund.

RECOMMENDATION

Approve the proposed resolution.

Item 5 File 25-0511	Department: Human Services Agency

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution approves a new contract between the Human Services Agency (HSA) and Seneca for a total not to exceed amount of $15,974,640 and four-year term from July 1, 2025 through June 30, 2029.

Key Points

- In January 2025, HSA issued a Request for Proposals (RFP) soliciting vendors to provide wraparound behavioral health and social services. Seneca was one of two organizations submitting proposals in response to the RFP and received the highest score. Consequently, HSA awarded a contract to Seneca, subject to Board of Supervisors' approval.
- The purpose of the proposed contract is to provide wraparound behavioral health and social services to children/youth and their families at risk for involvement or involved with the child welfare or juvenile probation systems. The goal of wraparound services is to improve placement stability and behavioral health and educational outcomes for at-risk children and youth while also successfully moving them into a family-based setting. Under the proposed contract, Seneca must serve a minimum of 75 clients at any given time, with a maximum of 90, for an average enrollment length of approximately 12 months. Of the 90 clients, up to 30 could be served by the Edgewood Center for Children and Families, a subcontractor that submitted a proposal with Seneca in response to HSA's RFP for this service.
- According to the FY 2023-24 program monitoring report, Seneca met the service objective to accept and enroll 100 percent of referrals but did not meet the service objective goals to (1) serve 75 children/youth at any given time and (2) maintain an average enrollment of approximately 12 months. Data on outcome objectives was tracked but performance targets for these objectives were not defined in the existing contract or proposed contract; however, HSA reports that it will define performance targets once the proposed contract is approved. Based on the monitoring, Seneca was found in compliance with the terms of the contract.

Fiscal Impact

- The proposed contract has a not-to-exceed amount of $15,974,640, including a ten percent contingency. The proposed annual budget of $3,630,600 remains flat for the four-year contract period. Expenditures over the four-year contract term will be funded by the General Fund (58 percent), state funds (38 percent) and federal funds (4 percent).

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

In January 2025, the Human Services Agency (HSA) issued a Request for Proposals (RFP) soliciting vendors to provide wraparound[1] behavioral health and social services for children and their families at risk for involvement or involved with the child welfare or juvenile probation systems. The proposed term in the RFP was four years from July 1, 2025, to June 30, 2029. Seneca Family of Agencies (Seneca), which is the existing provider, was selected to receive funding based on a review by a selection panel.[2] Proposals were evaluated based on program approach (50 points), organizational/staffing capacity (30 points), and fiscal capacity (20 points), for a total possible score of 100 points. Seneca was one of two organizations to submit proposals in response to the RFP and received an average score of 97.0 out of 100 possible points, which was the highest score compared to a score of 77.3 from Alternative Family Services, the other proposer. Consequently, HSA awarded a contract to Seneca for a not to exceed amount of $15,974,640 for a four-year term from July 1, 2025 through June 30, 2029, subject to Board of Supervisors' approval. In April 2025, the HSA Commission approved the proposed contract with Seneca.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a new contract between HSA and Seneca to provide wraparound behavioral health and social services for a total not to exceed amount of $15,974,640 and four-year term from July 1, 2025 through June 30, 2029. The resolution also authorizes HSA to make further immaterial amendments to the contract.

Services

The proposed contract aims to deliver comprehensive behavioral health and social services to children, youth, and their families who are either involved in or at risk of involvement with the child welfare or juvenile probation systems. The target population includes dependent children and youth under the age of 21 who are currently in, or at risk of entering, out-of-home care, as well as those transitioning from out-of-state residential facilities to family-based settings. The primary goal of these wraparound services is to enhance placement stability, improve behavioral

[1] According to the RFP, wraparound is a team planning approach to care that emphasizes coordination across agencies and stakeholders to improve outcomes for at-risk children and families.
[2] The selection panel consisted of the Assistant Director of the Department of Child Support Services, the Operations Manager of the Department of Child Support Services, and the Family Support Manager of the Department of Early Childhood.

health and educational outcomes, and support successful transitions to family-based environments.

Under the proposed contract, Seneca will provide the following services:

- Client intake and facilitation of the wraparound/family team and meetings;
- Develop individualized care and transition plans for youth;
- Coordinate and secure supportive services for clients and their families, such as tutoring and mentoring, housing and financial assistance, individual and family therapy, and mental health counseling, among other services;
- Provide 24-hour, 7 day per week intensive case management, including crisis intervention and support;
- Coordinate with other agencies, the courts, families, schools and the community to develop, monitor and implement individualized service plans; and
- Facilitate client placement in the least restrictive care setting, such as reunification with birth family members or other kin.

Under the proposed contract, Seneca must serve a minimum of 75 clients at any given time, with a maximum of 90, for an average enrollment length of approximately 12 months. Enrollments longer than 18 months are required to be reviewed and re-approved by the Multi-Agency Services Team.[3] According to HSA, the client count was determined based on historical data of services delivered, fiscal capacity, as well as the evolving nature of the client census in which children/youth can be referred, enrolled and discharged on a weekly basis.

Of the 90 clients, up to 30 could be served by the Edgewood Center for Children and Families, a subcontractor that submitted a proposal with Seneca to HSA's RFP for this service. Edgewood is also a subcontractor on HSA's existing contract with Seneca for this service.

Performance and Fiscal Monitoring

<u>FY 2023-24 Performance</u>

HSA's current contract with Seneca requires that the provider accept all referrals and serve 75 clients at any given time.

As reflected in Exhibit 1 below, the FY 2023-24 program monitoring report showed that Seneca met the service objective to accept and enroll 100 percent of the children and adolescents referred by the Multi-Agency Services Team. However, HSA staff noted that 16 clients were on the waitlist as of 4/30/2024 due to a delay between referral and enrollment. In addition, Seneca did not meet the service objective goal to serve 75 children/youth at any given time, with 66 youth enrolled (88 percent capacity) in the program as of April 30, 2024. Seneca also maintained

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[3] Multi-Agency Services Team is a collaborative interagency review process with HSA, DPH Community Behavioral Health Services, and the Juvenile Probation Department, to identify best service options for children, youth and families with complex needs.

an average enrollment length of 11.2 months and median of 8.3 months, which was slightly below the service objective goal to maintain an average enrollment of approximately 12 months.

For outcome objectives, Seneca was required to report data based on entry cohort, in which outcomes must be stratified based on the fiscal year in which the client first entered the program. Data for outcome objectives (as shown in Exhibit 1 below) was reflected in HSA and Juvenile Probation Department (JDP) reports on the program's FY 2015 - 2024 enrollment cohort. Performance targets for the outcome objectives were not defined in the existing contract.[4]

HSA staff completed program monitoring on the existing Seneca contract for FY 2023-24 in July 2024. Based on the monitoring, Seneca was found in compliance with the terms of the contract. While there was no plan for correction, HSA recommended that Seneca take the necessary steps to address staffing capacity to improve referral processing and enrollment to reduce the client waitlist.

[4] According to HSA, current program staff were not involved in the development of the scope of work and objectives, as well as certification, of the existing contract, and therefore, did not have an explanation for the lack of performance targets for the outcome objectives.

Exhibit 1: FY 2023-24 Service and Outcome Objective Performance

Objective	Target	Performance
Service Objectives		
Percentage of acceptance and enrollment of children and adolescents referred by the Multi-Agency Services Team (MAST)	100%	100% with a delay due to capacity (16 clients on the waitlist as of 4/30/24)
Number of slots maintained/clients served at any given time with an average enrollment of 12 months	75	66 clients; Average enrollment of 11.2 months.
Outcome Objectives (based on FY 2015-24 Enrollment Cohort)[5]		
Count and percent of youth with no substantiated allegations during or in the year following wraparound discharge	N/A	393, 90%
Count and percent of youth who did not enter foster care during or in the year following wraparound discharge.	N/A	106, 92%
Count and percent of youth who exit to permanency during or in the year following wraparound discharge (reunification, adoption, guardianship).	N/A	111, 45%
Count and percent of youth who did not reenter foster care during or in the year following wraparound discharge	N/A	50, 68%
Placement moves per 1,000 days in foster care during and in the year following wraparound discharge.	N/A	4.10
Total amount of placement changes during the year following wraparound discharge, and the proportion of placement moves that were “step ups”, “lateral”, and “step downs”.[6]	N/A	513 placements, 18% step downs, 67% lateral, 15% step ups
Count and percentage of youth who register behavioral needs at intake and discharge	N/A	Varies but generally improved
Recidivism for justice-involved children.	N/A	52%[7]

Source: HSA

Proposed Service and Outcome Objectives

The proposed contract maintains the existing service objective to serve all clients referred and service a minimum of 75 clients at any given time. The contract adds an additional service requirement that Seneca enrolls youth within thirty days of referral and also allows Seneca to serve up to 90 clients, when mutually agreed upon. The service objectives of the new contract are detailed below:

[5] An outcome objective on “other information the grantee believes demonstrates improvements in child and family well-being (such as client vignettes)” was also included.

[6] Step-ups are when a youth is moved from less restrictive placement (family-based settings such as kinship care) to a more restrictive placement (such as group homes or residential treatment facilities). Lateral moves are moves to the same level of placement. Step-downs are when a youth is moved from a more restrictive placement to a less restrictive placement.

[7] According to the Juvenile Probation Department’s report of the FY2015-24 enrollment cohort, 48% of youth (95 of 198) had no subsequent law violations during or in the year following participation in the Wraparound program.

- Serve a minimum of 75 children/youth at any given time, with a maximum of 90, for an average enrollment length of approximately 12 months. Enrollments longer than 18 months are required to be reviewed and re-approved by the Multi-Agency Services Team.
- Accept and enroll 100 percent of youth approved to receive services; and
- Enroll youth within 30 days of approval and place youth on a pending assignment list when there is an excess of 75 children/youth served.

In addition, under the proposed new contract, Seneca continues to be required to report data based on entry cohort for outcome objectives, which are the same measures in the existing contract (shown in Exhibit 1 above). Performance targets for the outcome objectives were also not defined in the proposed contract. However, according to HSA, the development of additional metrics is still in progress, and performance targets will be included as part of the proposed contract.

Fiscal and Compliance Monitoring

HSA staff reviewed Seneca's financial documents in June 2024 as part of the FY 2023-24 Citywide Fiscal and Compliance Monitoring program and identified no findings.

FISCAL IMPACT

The proposed contract has a not-to-exceed amount of $15,974,640, including a ten percent contingency. The proposed annual budget of $3,630,600 remains flat for the four-year contract period. Sources and uses of the proposed contract spending from FY 2025-26 through FY 2028-29 are summarized in Exhibit 2 below.

Exhibit 2: Projected Sources and Uses of Funds for Proposed Contract

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Sources					
City General Fund	$2,105,748	$2,105,748	$2,105,748	$2,105,748	$8,422,992
State Funds	1,379,628	1,379,628	1,379,628	1,379,628	5,518,512
Federal Funds	145,224	145,224	145,224	145,224	580,896
Total Sources	**$3,630,600**	**$3,630,600**	**$3,630,600**	**$3,630,600**	**$14,522,400**
Expenditures					
Salaries & Benefits	$1,833,689	$1,833,689	$1,833,689	$1,833,689	$7,334,756
Operating Expenses	274,415	274,415	274,415	274,415	1,097,660
Indirect Cost Rate (16%)	337,296	337,296	337,296	337,296	1,349,184
Consultant/Subcontractor	1,185,200	1,185,200	1,185,200	1,185,200	4,740,800
Total Expenditures	**$3,630,600**	**$3,630,600**	**$3,630,600**	**$3,630,600**	**$14,522,400**
Contingency (10%)					1,452,240
Not to Exceed Amount					**$15,974,640**

Source: Appendix B of Proposed Contract

Salaries and fringe benefits funded by the contract are for a total of 13.77 FTE program staff. The total program staff are 26.97 FTE and the remaining staff costs are funded by a separate contract with the Department of Public Health.

Operating expenses for each year reflect approximately 7.6 percent of the total budget and include expenses such as rent, staff travel (local and out of town), building maintenance supplies and repair, utilities, staff training, language services, and other expenses.

The proposed contract also includes $1,210,200 annually for a subcontract with Edgewood Center for Children and Families, to provide wraparound services for up to 30 youth at any given time. According to HSA, the budgeted amount for the subcontract represents a proportional share (approximately 33 percent) of the total contract budget based on Edgewood serving up to 30 youth of the maximum capacity of 90.

Funding Sources

Expenditures over the four-year contract term will be funded by the General Fund (58 percent), state funds[8] (38 percent) and federal funds[9] (4 percent).

RECOMMENDATION

Approve the proposed resolution.

[8] The State funds are 2011 realignment funds for child welfare services

[9] The federal funds include the federal share of foster care and adoptions aid benefits

Item 6 **File 25-0581**	**Department:** Human Services Agency

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a new grant agreement between the Department of Disability and Aging Services (DAS) and Meals on Wheels of San Francisco (Meals on Wheels) for home-delivered meals for older adults for a four-year term from July 1, 2025 to June 30, 2029 and a total not to exceed amount of $37,127,237.

Key Points

- Across DAS nutrition programs, the cost of food is increasing by more than local, state, and federal funding, resulting in a decline in the projected number of meals provided to older adults and adults with disabilities in FY 2025-26. The proposed new agreement with Meals on Wheels reflects a 27 percent reduction in the annual number of meals compared to the existing agreement and a 16 percent increase in clients, resulting in a reduction of three meals per week per client on average from 8.7 meals per week to 5.5 meals per week. DAS staff report that the reduction in meals will result in longer wait times for individuals on the waiting list and will not result in fewer meals per week for enrolled clients, unless clients request fewer meals. The number of clients is increasing to reflect FY 2024-25 actuals.

Fiscal Impact

- The not to exceed amount of $37.1 million reflects an $8.4 million annual budget over the four-year term and a 10 percent contingency. The annual budget is funded by $5.3 million from the General Fund, $1.8 million in state funds, and $1.3 million in federal funds. In addition, Meals on Wheels anticipates that it will provide approximately $4.3 million in annual program funding through fundraising and project income, for a total budget of $12.8 million.
- The total cost per meal is $12.02. City funding provides $7.94 per meal (66 percent), and Meals on Wheels funding is subsidizing costs by $4.08 per meal. The total cost per meal is increasing relative to the existing agreement due to increases in the cost of food and other operational costs.

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

The Home-Delivered Meal Program for Older Adults is a program administered by the Human Services Agency (HSA) and Department of Disability and Aging Services (DAS) that provides home-delivered meals to elderly residents. Home-delivered meal clients are asked to make a voluntary contribution to the meals, but no client is denied service if they do not contribute. Meals on Wheels of San Francisco (Meals on Wheels) is an existing provider for the program with a grant agreement that expired in June 2025. In December 2024, the Human Services Agency issued a Request for Proposals (RFP) to identify vendors for six nutrition programs for older adults and adults with disabilities, including the Home-Delivered Meal program for Older Adults and Adults with Disabilities.[1]

The Department received eight responses to the RFP for the home-delivered meal program for older adults, which were scored by an evaluation panel as shown below in Exhibit 1.[2]

Exhibit 1: RFP Results for Home-Delivered Meals for Older Adults

Respondent	Score
Meals on Wheels	85
Centro Latino	83
Self Help for the Elderly	82
On Lok	79
Jewish Family & Children Svcs	78
Kimochi	75
Russian American Community Services	70
Booker T Washington*	67

Source: HSA
*Did not receive a grant award

[1] The other five programs included: (a) to-go meal program; (b) Choosing Healthy Appetizing Meal Plan Solutions for Seniors (CHAMPSS) congregate meal program; (c) congregate nutrition services program; (d) citywide emergency home-delivered meal program; and (e) culturally responsive supplemental grocery program.

[2] The panel consisted of executive staff from the California Food is Medicine Coalition, an executive consultant from Wu Yee Children's Services, and a principal administrative analyst from SFO procurement.

DAS awarded grant agreements to the top seven scoring proposers, including Meals on Wheels. Meals on Wheels was awarded a grant for $37.1 million with a four-year term from July 1, 2025, through June 30, 2029.[3]

Reduction in Meals across DAS Nutrition Programs

Across DAS nutrition programs, the cost of food is increasing by more than local, state, and federal funding, resulting in a decline in the projected number of meals provided to older adults and adults with disabilities in FY 2025-26. According to DAS staff, 21 percent fewer meals will be served through DAS's Home Delivered Meals program, from 2,272,975 budgeted in FY 2024-25 to 1,806,800 budgeted in FY 2025-26 despite a five percent increase in grant budgets. However, more clients will be served from 5,942 in FY 2024-25 to 6,726 in FY 2025-26. As discussed below, the proposed new agreement with Meals on Wheels for home delivered meals for older adults reflects a 27 percent reduction in the annual contracted number of meals compared to the existing agreement.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new grant agreement between the Department of Disability and Aging Services and Meals on Wheels of San Francisco for home-delivered meals for older adults for a four-year term from July 1, 2025 to June 30, 2029 and a total not to exceed amount of $37,127,237.

Services Provided and Eligibility

Under the proposed agreement, the grantee would provide home-delivered meals and other nutrition services, such as nutrition education and nutrition risk screening, to older adults. The grantee would provide at least five meals per week to program participants and may offer more than five meals per week if there is a demonstrated need. The grantee is responsible for procuring food, preparing meals, transporting, and delivering meals to participants.

To qualify for services, an individual must meet one of the following criteria: (1) A person who is 60 years of age or older (older adult) living in San Francisco who is in need of home-delivered meals as determined by the grantee based on an initial assessment and quarterly reassessments; (2) The spouse or domestic partner of an older adult enrolled in the program if assessment staff determine that it is in the best interest of the enrolled older adult; or (3) A person with a disability, under the age of 60 who resides at home with an enrolled older adult if assessment staff determine that it is in the best interest of the enrolled older adult.

Waitlist for Home Delivered Meals

Under the Home Delivered Meals program, grantees use a centralized waiting list to identify and enroll eligible clients. DAS staff determine initial eligibility based on a telephone screening

[3] Under a separate grant agreement, Meals on Wheels of San Francisco will also provide home delivered meals to adults with disabilities.

process. The grantees prioritize clients from the waiting list based on the following criteria: (a) cuisine preference that matches the options of the grantee; (b) grantee delivery availability at the client's address; and (c) if the client matches the cuisine and delivery availability of the grantee, the grantee selects the client with the highest priority score from the waiting list. The grantees conduct an in-home assessment within two weeks of the participant receiving their first meal to verify the need for services, evaluate the participant's need for additional services, and complete a nutrition risk screening.

According to DAS staff, there are currently 316 individuals on the waiting list for home delivered meal services, including some individuals (approximately 10 percent) currently receiving services but not on their preferred cuisine. Individuals typically spend seven weeks on the waiting list before receiving services.[4] This includes individuals served through home delivery by Meals on Wheels as well as other non-profit organizations with DAS grants to provide home delivered meals.

Change In Contracted Level of Service

Under the proposed grant agreement, Meals on Wheels would provide approximately 1.1 million meals annually to 3,700 unduplicated clients. This reflects a 27 percent reduction in meals and a 16 percent increase in clients annually compared to the existing agreement, resulting in a reduction in the number of meals per week per client from 8.7 to 5.5. According to DAS staff, the reduction in the number of meals is due to the increase in the cost of meals, and the number of clients is increasing to reflect actuals in FY 2024-25. DAS staff report that the reduction in meals will result in longer wait times for individuals on the waiting list and will not result in fewer meals per week for enrolled clients, unless they request fewer meals. Meals on Wheels has historically offered clients 14 meals per week, but not all clients stay enrolled in the program all year. Meals on Wheels will begin to offer clients the option to receive fewer meals (such as seven) during the week, as some clients report that 14 meals per week is too many according to DAS staff.

Exhibit 2 below compares the unduplicated clients, meals, annual budget, and cost per meal in the proposed agreement to the existing agreement.

[4] According to an analysis of the waitlist provided by DAS staff, the median wait time is seven weeks. The average wait time (20 weeks) is longer than the median due to longer wait times for clients with preferences for Japanese and Kosher meals. According to DAS staff, many clients on the waitlist for Japanese meals are already receiving services but not on their preferred cuisine.

Exhibit 2: Proposed Changes in Services and Budget

	Existing Agreement FY 2024-25	Proposed Agreement FY 2025-26	Change	% Change
Unduplicated Clients	3,200	3,700	500	16%
Meals	1,446,658	1,062,507	(384,151)	-27%
Meals per UDC per Week	8.7	5.5	(3.2)	-36%
Total Annual Budget	$11,022,294	$12,768,991	$1,746,697	16%
City Annual Contribution	$8,405,720	$8,438,008	$32,288	0%
Total Cost per Meal	$7.62	$12.02	$4.40	58%
City Cost per Meal	$5.81	$7.94	$2.13	37%

Source: Existing and Proposed Agreement

Performance Monitoring

DAS staff conducted program monitoring site visits in May 2024. A summary of the FY 2023-24 performance results is provided in Exhibit 3 below.

The proposed agreement maintains the existing performance measures shown below and adds one new measure: at least 85 percent of survey respondents report that the food support received helps them live stably in the community.

Exhibit 3: FY 2023-24 Performance Results

Objective	Objective	Actual
Unduplicated Clients Served	3,200	3,880
Meals Served	1,446,658	1,427,000
% of unduplicated clients surveyed	40%	17%
Increased consumption of fruits, vegetables and/or whole grains	75%	90%
Feel less worried about getting enough food to meet their needs	85%	92%
Rate quality of food as excellent or good	85%	80%

Source: Program monitoring report provided by HSA

As shown, Meals on Wheels exceeded the unduplicated client target of 3,200 and delivered 99 percent of contracted meals. Meals on Wheels achieved or exceeded two of the four performance objectives specified in the grant agreement. With 661 consumers participating, the actual survey response rate of 17 percent was lower than the objective of 40 percent, and 80 percent of survey participants rated the food as good or excellent compared to an objective of 85 percent.

Fiscal Monitoring

HSA completed fiscal and compliance monitoring of Meals on Wheels of San Francisco for FY 2024-25 and identified no findings.

FISCAL IMPACT

Exhibit 4 below shows the calculation of the not to exceed amount, which includes a 10 percent contingency.

Exhibit 4: Proposed Not to Exceed Amounts

	Amount
FY 2025-26	$8,438,008
FY 2026-27	8,438,008
FY 2027-28	8,438,008
FY 2028-29	8,438,008
Total Budget	**$33,752,034***
Contingency (10%)	3,375,203
Not to Exceed	**$37,127,237**

Source: Proposed Grant Agreement
*Total does not add due to rounding

The proposed annual budget for the Meals on Wheels agreement is $8.4 million each year, as shown above. The annual budget is detailed in Exhibit 5 below.

Exhibit 5: Projected Annual Sources and Uses of Funds

	Amount	Percent
Sources		
City General Fund	$5,344,500	63%
State Funds	1,766,121	21%
Federal Funds	1,327,387	16%
NCQA Fund		
Total Sources	**$8,438,008**	**100%**
Uses		
Salaries & Benefits	4,051,050	48%
Operating Expenses	2,416,385	29%
Indirect Cost (15%)	970,115	11%
NCQA Expenditures	1,000,458	12%
Total Uses	**$8,438,008**	**100%**

Source: Appendix B, Proposed Grant Agreement

Funding Sources

The annual budget is funded by $5.3 million from the General Fund, $1.8 million in state funds, and $1.3 million in federal funds.

In addition to DAS's grant, Meals on Wheels anticipates that it will provide approximately $4.3 million in annual program funding through fundraising and project income.

Cost per Meal

The average cost per meal is $12.02. City funding provides $7.94 per meal (66 percent), and Meals on Wheels funding is subsidizing costs by $4.08 per meal. Annual city costs ($7.94 per meal) are increasing compared to the existing agreement ($5.81 per meal) largely due to increases in the total cost per meal. According to DAS staff, the total cost per meal is increasing from $7.62 under the existing agreement to $12.02 under the proposed agreement (66 percent) due to increases in the cost of food and other operational costs such as rent and utilities, as well as the inclusion of approximately $46,000 in capital expenses (funded by Meals on Wheels) in the FY 2025-26 budget.

RECOMMENDATION

Approve the proposed resolution.

Item 7 **File 25-0577**	**Department:** Public Utilities Commission

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution authorizes the San Francisco Public Utilities Commission (SFPUC) General Manager to execute a professional services contract for engineering support services for Sunol Valley Facilities Improvements with CDM Smith Inc. (CDM Smith), with a not-to-exceed of $15 million and a 10-year term from August 2025 through July 2035.

Key Points

- The SFPUC owns a water treatment plant, reservoirs, and other facilities in the Sunol Valley. As part of the Water Enterprise Capital Improvement Plan, the SFPUC is planning multiple capital improvement projects at these sites and others throughout the Sunol Valley.
- Under the proposed agreement, CDM Smith would provide planning, design, and construction-phase engineering support for eleven Sunol Valley capital projects, including specialty engineering (architectural, civil, structural, geotechnical, mechanical, electrical), technical writing, surveying, and mapping. The eleven projects are estimated to be completed by December 2034 and to cost approximately $101.1 million.
- CDM Smith was the only responsive proposer to the SFPUC Request for Proposals. According to SFPUC staff, the SFPUC's maximum billing rate ($270) and the minimum qualifications were contributing factors to the low response to the solicitation.
- Approximately 50.7 percent of the work would be performed by subcontractors, including 10.9 percent by Local Business Enterprises (LBEs) and 39.8 percent by non-LBE firms.

Fiscal Impact

- The proposed resolution approves the contract amount of $15 million for the 10-year contract term through July 2035.
- According to SFPUC staff, the proposed budget includes funding for planning, design, and engineering support during construction, and no additional funding is anticipated for future phases. The proposed budget for engineering services is equal to approximately 15 percent of the total project budget of $101.1 million.
- The contract will be funded by the projects' budgets within the SFPUC Water Enterprise Capital Improvement Plan, which is funded by water enterprise ratepayer revenue.

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

SFPUC Facilities in the Sunol Valley

The San Francisco Public Utilities Commission (SFPUC) owns a water treatment plant, reservoirs, and other water facilities in the Sunol Valley. The Sunol Valley Water Treatment Plant treats water from the San Antonio and Calaveras Reservoirs and sometimes from Hetch Hetchy. The San Antonio Pump Station transfers water between the San Antonio Reservoir, the Alameda Siphons, and the Sunol Valley Water Treatment Plant. Sunol Yard is an administrative and operational facility for SFPUC personnel. The site also includes the Alameda Creek Watershed Center, now under construction as an educational hub for visitors and school children to learn about the watershed.

As part of the Water Enterprise Capital Improvement Plan, the SFPUC is planning multiple capital improvement projects at these sites and others throughout the Sunol Valley.

On January 27, 2025, SFPUC issued a Request for Proposals (RFP) for professional engineering support services for Sunol Valley Facilities Improvements. Proposals were to be scored based on their technical written proposal (695 points), diversity, equity, and inclusion submittal (5 points), oral interview (300 points), and optional social impact partnership proposal (50 points), for a total maximum score of 1,050 points. CDM Smith submitted the only responsive proposal and was therefore awarded a contract without being scored. According to SFPUC staff, the SFPUC's maximum billing rate ($270) was a contributing factor to the low response to the solicitation. The SFPUC increased the maximum billing rate from $250 to $270 in 2023 and is considering another increase. Additionally, SFPUC was asked to lower the minimum qualifications from experience as "lead designer" to experience as "lead role" on at least two water or wastewater treatment plant projects. However, the department did not lower the minimum qualifications because they wanted a consultant that had previously designed similar work.

On May 13, 2025, the SFPUC Commission awarded a professional services contract for Sunol Valley Facilities Improvements to CDM Smith with a term of 10 years and a not to exceed amount of $15 million.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the San Francisco Public Utilities Commission (SFPUC) General Manager to execute a professional services contract for Sunol Valley Facilities

Improvements with CDM Smith Inc. (CDM Smith), with a not-to-exceed of $15 million and a 10-year term from August 2025 through July 2035.

Scope of Work

Under the proposed agreement, CDM Smith would provide planning, design, and construction-phase support for the eleven Sunol Valley capital projects, including specialty engineering (architectural, civil, structural, geotechnical, mechanical, electrical), technical writing, surveying, and mapping. Exhibit 1 summarizes each project.

Exhibit 1: Description of SFPUC Sunol Valley Facility Projects

Project Name	Project Description	Start/ Finish	Budget
1. Sunol Valley Water Treatment Plant Long Term Improvements	Various upgrades for the site to improve reliability of regional water delivery, including seismic upgrades, basement/tunnel lighting, road widening, HVAC upgrades and a new roof for the administrative building, other electrical and safety improvements	11/21 - 12/34	$35.6M
2. Sunol Valley Chemical Facilities - Chemical Storage Improvements	Replaces tanks, piping, supports, and installs leak detection to prevent chemical spills	7/25 - 6/31	$8.5M
3. Sunol Chemical Facilities - Pump, PLC**, and Seismic Upgrades	Replaces chemical injection pumps, upgrades the existing PLC at the Dechlorination Facility to address security concerns, and make seismic upgrades at the Chlorination Facility.	7/25 - 6/31	$3.5M
4. Sunol Yard – Phase 2	Upgrades backup power system and truck wash systems, and adds new electrical vehicle charging stations and storage space for IT.	3/25 - 3/31	$13.8M
5. San Antonio Pump Station - Standby Power, Switchgear, and Battery Replacement	Replaces switchgear and batteries and installs new standby power.	7/25 - 6/31	$1.5M
6. San Antonio Backup Pipeline - Valve Redesign	Valve redesign to address pipeline vibrations at low-flow rates by either installing parallel valves or replacing existing valves.	7/29 - 6/35	$1.0M
7. San Antonio Pump Station - Upgrades	Converts two remaining diesel pumps to electric and upgrades the substation to accommodate increased electrical demands and replace aging infrastructure.	7/25 - 6/31	$18.4M
8. Calaveras Dam - Hypolimnetic Oxygenation System	Repairs or replaces the reservoir's hypolimnetic dissolved oxygen system to ensure the reservoir receives sufficient oxygenation and to address odor and taste issues from algal blooms	9/21- 6/32	$2.1M
9. Alameda Creek Watershed Center – Phase 2	Completes Watershed Center interpretive exhibits, landscaping, parking, backup power, and infrastructure previously deferred from Phase 1.	1/25 - 1/33	$11.0M
10. Castlewood Injection Facility - Replacements	Replaces chemical injection facility and electrical shed.	7/25 - 8/29	$3.2M

Project Name	Project Description	Start/ Finish	Budget
11. Town of Sunol Pump Station - Upgrades	Replaces a pump at the end of its useful life. The pump moves water into elevated storage tanks which gravity feed water into the town of Sunol.	3/25 - 3/31	$2.5M

Source: FY 25-34 Water Enterprise Capital Improvement Plan and SFPUC staff

**PLC stands for Programmable Logic Controller and is a specialized industrial computer used to automate and control various processes within water treatment plants.

The eleven projects are estimated to be completed by December 2034 and to cost approximately $101.1 million.

Subcontractors and Local Business Enterprise Requirements

Approximately 50.7 percent of the work would be performed by subcontractors, including 10.9 percent by Local Business Enterprises (LBEs) and 39.8 percent by non-LBE firms. The RFP required at least 8 percent LBE participation. CDM Smith committed to 10.9 percent. Planned LBE subconsultants are detailed in Exhibit 2.

Exhibit 2: Local Business Enterprise Subconsultants, Tasks, and Estimated Participation

LBE Firm	Service	Estimated Participation
AGS Inc.	Geotechnical/Civil	1.8%
EXARO Technologies	Underground Utility Locate	0.4
Joe Hill Consulting	Task order management, constructability review, startup assistance	2.1
LEE Inc.	Surveying	0.6
Merrill Morris Partners	Landscape Architecture	1.2
Saylor Consulting	Cost Estimating and project scheduling	2.0
SCA Environmental	Hazardous materials assessment, mitigation	0.3
Structus	Structural Engineering	2.5
Total		**10.9%**

Source: Contract Monitoring Division memo on CDM Smith's proposal

Planned non-LBE firms are shown in Exhibit 3. These firms chose to be subconsultants rather than submit their own proposals in response to the RFP.

Exhibit 3: Non-LBE Subconsultants, Tasks, and Estimated Participation

Firm	Service	Participation
Kennedy Jenks	Treatment Process and Discipline Engineering	26.6%
ENGEO Inc.	Geotechnical Engineering	0.5%
JDH Corrosion	Corrosion Protection Design Services	1.5%
Mott MacDonald	Building Mechanical, SFPUC Liaison, Technical Writing, and Condition Assessments	7.7%
MWA Architects	Architecture Services	1.7%
Siegfried Engineering	LiDAR scanning, right-of-way/ easement	1.5%
Stillwater Sciences	Lake Oxygenation	0.3%
Total		**39.8%**

Source: Contract Monitoring Division memo on CDM Smith's proposal

Social Impact Partnership Requirements

Under the Social Impact Partnership contract requirements, CDM Smith is required to contribute $150,000 in financial support, in-kind services, and volunteer hours. This is equal to 1 percent of the contract's not-to-exceed. A breakdown of commitments is detailed below in Exhibit 3.

Exhibit 3: Social Impact Partnership Commitments[1]

SIP Program Area	Direct Financial Contributions	Volunteer Hours	Value of Volunteer Hours	Total Contribution
Job Exposure, Training, and Internships	$30,000	100	$15,000	$45,000
Public Education	30,000	200	30,000	60,000
Environment and Community Health	15,000	200	30,000	45,000
Total	**$75,000**	**500**	**$75,000**	**$150,000**

Source: SFPUC
Note: Volunteer hours are billed at a flat rate of $150 per hour.

Performance

CDM Smith's performance is evaluated based on the quality and timeliness of its task-order deliverables. SFPUC may conduct performance evaluations at its discretion under the proposed

[1] Per Social Impact Partnership Rules and Regulations, the firm is not required to identify specific beneficiaries at this stage. However, they will be required to do so when submitting their first Annual Workplan, including how resources will be allocated and disseminated to each of the selected beneficiaries.

contract. The performance evaluation metrics include: 1. Quality of Service, 2. Schedule Management, 3. Cost Management, 4. Scope Management, 5. Staff and Resources, 6. Value of Services, 7. Administrative Functions, 8. Overall Rating. The evaluated reports include the Needs Assessment, Alternatives Analysis, and Conceptual Engineering Report, as well as key design milestones at 35 percent, 65 percent, 95 percent, and 100 percent. Additionally, performance is assessed by the firm's engineering support throughout the environmental review, permitting, bid and award, construction, and closeout phases, and the timely submission of reports requested by SFPUC.

FISCAL IMPACT

The proposed resolution approves the contract amount of $15 million for the 10-year contract term through July 2035. Exhibit 4 provides a breakdown of the proposed budget.

Exhibit 4: Professional Services Contract Costs

Project Name	Funding
1. Sunol Valley Water Treatment Plant Long Term Improvements	$5,900,000
2. Sunol Valley Chlorination Chemical Facilities - Chemical Storage Improvements	1,000,000
3. Sunol Chemical Facilities - Pump, PLC, & Seismic Upgrades	800,000
4. Sunol Yard – Phase 2	1,468,125
5. San Antonio Pump Station - SAPS Standby Power, & Switchgears, Upgrades & Battery Replacement	101,250
6. San Antonio Backup Pipeline - Valve Redesign	800,000
7. San Antonio Pump Station - Upgrades	2,500,000
8. Calaveras Dam - Hypolimnetic Oxygen System	495,000
9. Alameda Creek Watershed Facility Additions Center - Phase 2	1,488,125
10. Castlewood Injection Facility - Replacements	427,500
11. Town of Sunol Pump Station - Upgrades	20,000
Total	**$15,000,000**

Source: SFPUC

According to SFPUC staff, the proposed contract budget includes funding for planning, design, and engineering support during construction, and no additional funding is anticipated for future phases of these projects. The proposed budget for engineering services is equal to approximately 15 percent of the total project budget of $101.1 million.

Labor Rates

Per the terms of the contract, the Effective Overhead and Profit Rate may not exceed 3.20, and the billing rates range from $112 to $270 per hour. The contractor is only allowed to escalate billing rates based on the annual change of the Consumer Price Index (CPI) for the San Francisco Bay Area for Urban Wage Earners and Clerical Workers. No increases are permitted to billing rates exceeding $270 per hour unless the SFPUC Bureau Manager and Contract Manager authorize the increase in writing.

Funding Source

The $15 million contract will be funded by the individual projects' budgets within the SFPUC Water Enterprise Capital Improvement Plan, which is funded by water enterprise ratepayer revenue.

RECOMMENDATION

Approve the proposed resolution.

Item 8 File 25-0578	Department: Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve Amendment No. 1 to the Biosolids Digester Facilities Construction Management Staff Augmentation Services contract between the San Francisco Public Utilities Commission (SFPUC) and Arcadis U.S. Inc., increasing the contract amount by $26,500,000, for a total not to exceed $68,500,000, and extending the contract term by three years and nine months through May 27, 2029, for a total contract term of 10 years and nine months.

Key Points

- The Biosolids Digester Facilities Project (BDFP), located at the Southeast Treatment Plant (SEP), replaces aging infrastructure that uses outdated technology and is at the end of useful life. In June 2018, the Board of Supervisors approved a BDFP construction management staff augmentation services contract with Arcadis U.S. Inc. for a term of seven years, from August 28, 2018 through August 27, 2025, and an amount not to exceed $42,000,000. The project schedule is approximately four years longer than originally anticipated for a number of reasons, including a redesign effort at the 95 percent design phase, a pause in bid procurement activities when bid costs for mechanical and electrical installation work came in higher than expected, the complexity of the construction, and constrained site conditions. Due to the complexity of the construction and other project delays, SFPUC and Arcadis have agreed to amend the contract to extend the term and increase the not-to-exceed amount consistent with the current project schedule and needs.
- Under the contract, Arcadis provides pre-construction services, construction administration, construction inspection, construction contracts management, project controls, building information modeling (BIM), and community benefits. The scope of services would not change under Amendment No. 1, although pre-construction and BIM services are complete.

Fiscal Impact

- The proposed Amendment No. 1 would increase the not-to-exceed amount of the Arcadis contract by $26,500,000, for a total not to exceed $68,500,000. SFPUC estimates that in the extension period, Arcadis will bill approximately 122,829 total hours, for an average cost of approximately $216 per hour. The BDFP is funded by federal and state loan funds, which in turn are repaid by Wastewater Enterprise ratepayer revenue.

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

The San Francisco Public Utilities Commission's (SFPUC) Sewer System Improvement Program (SSIP) is a multi-billion dollar capital plan to upgrade and replace the City's sewer infrastructure. The Biosolids Digester Facilities Project (BDFP), located at the Southeast Treatment Plant (SEP) is the largest SSIP project. The BDFP replaces aging SEP infrastructure that uses outdated technology and is at the end of useful life. According to SFPUC, the new digesters and solids handling facilities are necessary for regulatory compliance and system reliability and will enhance sustainability and reduce odor and noise impacts to the neighborhood.

In June 2018, the Board of Supervisors approved a BDFP construction management staff augmentation services contract with Arcadis U.S. Inc. for a term of seven years, from August 28, 2018 through August 27, 2025, and an amount not to exceed $42,000,000 (File 18-0495). At the time, SFPUC anticipated that the contract term and budget would be sufficient to provide services through project completion. However, due to the complexity of the construction and other project delays, SFPUC and Arcadis have agreed to amend the contract to extend the term and increase the not-to-exceed amount consistent with the current project schedule and needs. In May 2025, the SFPUC Commission approved Amendment No. 1 to the contract.

Project Status

The project schedule is approximately four years longer than originally anticipated for a number of reasons, including a redesign effort at the 95 percent design phase, a pause in bid procurement activities when bid costs for mechanical and electrical installation work came in higher than expected, the complexity of the construction (such as deep excavations and significant above and below-ground infrastructure), and constrained site conditions. Project construction began in 2019 and was approximately 65 percent complete in May 2025. SFPUC anticipates that construction will be completed in Summer 2028, with final project closeout by 2029. The total estimated project budget has increased from approximately $1.28 billion in 2018 to a forecasted $2.84 billion in 2025, an increase of $1.56 billion (122 percent).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 1 to the Biosolids Digester Facilities Construction Management Staff Augmentation Services contract between SFPUC and Arcadis U.S. Inc., increasing the contract amount by $26,500,000, for a total not to exceed $68,500,000, and extending the term by three years and nine months through May 27, 2029, for a total contract term of 10 years and nine months.

Under the contract, Arcadis provides pre-construction services, construction administration, construction inspection, construction contracts management, project controls, building information modeling (BIM), and community benefits. The scope of services would not change under Amendment No. 1, although pre-construction and BIM services are complete.

Performance Monitoring

SFPUC staff evaluates contractor performance on an annual basis and provides ratings of "excellent," "good", "fair," or "poor" across seven evaluation categories. According to monitoring from FY 2023-24, completed in March 2025, Arcadis received ratings of "good" for quality of service, schedule management, cost management, scope management, and value of services, and ratings of "fair" for staff and resources and administrative functions. SFPUC staff noted that Arcadis has experienced staff turnover and can improve critical decision making. Overall, Arcadis received a score of "good."

Community Benefits

Under the original contract, Arcadis was required to provide a community benefits commitment of $315,000 in direct financial contributions and $185,000 in volunteer hours, for a total contribution of $500,000. Under the proposed Amendment No. 1, the financial contribution would increase to $513,750 and the volunteer hours contribution would increase to $301,726, for a total contribution of $815,476 (an increase of $315,476, which is proportionate to the proposed increase in the contract). Of the $815,476 in community benefits, Arcadis has committed $487,655 for public education programs (such as scholarships, programming to prepare students for career opportunities, and support for public schools) and $327,821 for environment and community health programs (such as tree planting and landscaping around the SEP, engaging students to promote environmental stewardship, and initiatives that address environmental justice and health inequities). To date, the organizations that have received funding include Young Community Developers, Bayview Opera House, Renaissance Parents of Success, and San Francisco Unified School District. Other organizations that have been identified for potential funding include City College of San Francisco, San Francisco Education Fund's Espanola Jackson Scholarship, Friends of the Urban Forest, and San Francsico Unified School District Bayview Zone Parent Teacher Associations.

According to the SFPUC Social Impact Partnership (SIP) dashboard, Arcadis has provided $25,000 in financial contributions and 34 volunteer hours (valued at $150 per hour) to date, for a total contribution of approximately $30,100. According to Carolyn Chiu, SFPUC Principal Project Manager, Arcadis is updating their community benefits workplan and working closely with SFPUC's SIP staff to accelerate their contributions. Community benefit contributions must be completed by contract closeout, or approximately 2029.

FISCAL IMPACT

The proposed Amendment No. 1 would increase the not-to-exceed amount of the Arcadis contract by $26,500,000, for a total not to exceed $68,500,000. According to Jenny Oliveros Reyes, SFPUC Policy Analyst, SFPUC has expended approximately $31.7 million through April

2025 and plans to expend the full $42,000,000 not-to-exceed amount of the original contract. The estimated contract budget for the increase in Amendment No. 1 is shown in Exhibit 1 below.

Exhibit 1: Estimated Amendment No. 1 Budget

Task	Hours	Average Cost per Hour	Amount
Contract Administration	53,373	$193	$10,303,890
Construction Inspection	44,473	228	10,128,936
Construction Contracts Management	18,927	208	3,931,058
Project Controls	6,056	228	1,378,186
Subtotal, Labor	*122,829*	*$210*	*$25,742,070*
Other Direct Costs			99,950
Markup on Subconsultant Labor Costs[1]			639,716
Total	**122,829**	**$216**	**$26,481,736**

Source: SFPUC

SFPUC estimates that Arcadis will bill approximately 122,829 total hours, for an average cost of approximately $216 per hour, including overtime pay.

The proposed amendment does not make changes to Appendix B of the original contract, which specifies billing rates for all staff. The contractor is only allowed to escalate billing rates based on the annual change of the Consumer Price Index (CPI) for the San Francisco Bay Area for Urban Wage Earners and Clerical Workers. The SFPUC Construction Manager must authorize increases to billing rates exceeding $220 per hour, and no increases are permitted to billing rates exceeding $240 per hour for specific staff (Project Resident Engineer, Assistant Resident Engineer, Field Contracts Administrator, and Lead Construction Inspector).

Total Contract Budget

Exhibit 2 compares the original contract budget to the total proposed budget by task.

[1] Subconsultants include CM Pros, Hollins Consulting, DCMS, Inc., Environmental & Construction Solutions, and SCA Environmental Inc.

Exhibit 2: Total Proposed Contract Budget

Task	Original	Total Proposed	Change*	% Change
Pre-Construction Services	$971,207	$1,221,206	$249,999	26%
Contract Administration	15,537,173	25,841,063	10,303,890	66%
Construction Inspection	13,042,366	23,171,302	10,128936	78%
Construction Contracts Management	1,248,016	5,179,074	3,931,058	315%
Project Controls	3,750,600	5,128,786	1,378,186	37%
BIM Specialist	1,429,744	1,179,745	(249,999)	-17%
Subtotal, Labor	*35,979,106*	*61,721,176*	*25,742,070*	*72%*
Other Direct Costs	2,000,000	2,099,950	99,950	5%
Markup on Subconsultant Labor Costs	1,011,323	1,651,039	639,716	63%
Contingency	3,000,000	3,000,000	0	0%
Total	**$41,990,429**	**$68,472,165**	**$26,481,736**	**63%**

Source: SFPUC

*Change includes proposed increases from amendment 1 and budget revision within the original contract amount reallocating $249,999 from BIM Specialist to Pre-Construction Services

Increase in Project Hours

According to Principal Project Manager Chiu, the BDFP is being delivered under a construction manager/general contractor (CM/GC) delivery approach. In a CM/GC approach, the construction contractor bids out the work in a series of individual work packages. Over the course of the construction, which started in August 2019, 105 packages of various sizes and scopes were bid out. The final number of bid packages was beyond SFPUC's assumption at the time of the original Arcadis contract. Each of these work bid packages are individual sub-agreements with the construction contractor and have their own sets of invoices, change orders, and contract requirements. The increases in the Arcadis subtask amounts, specifically for Contract Administration, Construction Inspection and Construction Contracts Management services, reflect the level of concurrent construction activities and how the construction was bid out by the construction contractor. It reflects the number of CM staff and resources to manage the 105 work packages and all the construction activities to inspect and support the construction work and crafts people from these bid packages.

Source of Funds

The BDFP is funded by federal and state loan funds, which in turn are repaid by Wastewater Enterprise ratepayer revenue.

RECOMMENDATION

Approve the proposed resolution.

Items 10, 11, & 12 Files 25-0677, 25-0678, 25-0679	Departments: Office of Public Finance (OPF), Public Health (DPH), Homelessness & Supportive Housing (HSH), Mayor's Office of Housing & Community Development (MOHCD)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinances and resolutions provide for a new sale of 2020 Health & Recovery General Obligation Bonds. **File 25-0677** is a resolution authorizing the sale of $150 million in Series 2025G bonds. **File 25-0679** is an ordinance that de-appropriates $160,467,200 in Series 2021D Health & Recovery bond proceeds. **File 25-0678** is an ordinance that appropriates the $150 million in Series 2025G Health & Recovery bond proceeds and places these funds on Controller's Reserve pending receipt of bond funds.

Key Points

- Voters approved $487.5 million in Health and Recovery General Obligation Bonds in November 2020 (Proposition A). The Board of Supervisors approved issuance of $425 million in Series 2021D Health and Recovery Bonds in May 2021 and a $30 million issuance of Series 2023A of such bonds in February 2023. Of this $455 million in bond sales authorized by the Board of Supervisors, only $287.3 million has been sold.
- The Administration is proposing to de-appropriate $160.5 million from the 2021 bond appropriation that was never sold and appropriate $150 million for the following DPH capital projects: (a) Treasure Island Behavioral Health Center, (b) Health, Recovery and Connection Center (fka Mental Health Services Center), and HSH housing projects: (c) 835 Turk, (d) 685 Ellis, (e) 1633 Valencia, and (f) 1035 Van Ness.

Fiscal Impact

- The Office of Public Finance estimates that the proposed $150 million bond sale will result in $246 million in debt service, paid for by special property taxes. The transaction is consistent with the City's debt policies.

Policy Consideration

- The Health and Recovery bonds were marketed as a stimulus to help overcome COVID disruptions to local economy and were intended to fund 250 new permanent supportive housing units and 175 new mental health beds by 2023. With more than $160 million authorized in 2021 but unspent, the City did not stimulate the local economy as it intended and will now pay more for the same projects due to increases in financing costs and inflation.
- We caution the Board of Supervisors against authorizing bond proposals to voters and bond sales for unspecified projects that have no clear plans or procurement timelines associated with them. Doing so encumbers scarce bond authority and limits local economic activity. The Board should only approve debt for projects with imminent start dates.

Recommendation

- Approve the proposed resolution and the proposed ordinances.

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors is authorized to provide for the issuance of general obligation bonds in accordance with the Constitution of the State of California. General obligation bonds may be issued and sold in accordance with state law or any local procedure adopted by ordinance. There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County.

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance after the Controller certifies the availability of funds.

BACKGROUND

Health and Recovery General Obligation Bond

San Francisco voters approved $487.5 million in Health and Recovery General Obligation Bonds in November 2020 (Proposition A) to fund investments in supportive housing facilities, shelters, and facilities that provide services to people experiencing mental health and substance use disorders, and/or homelessness; improve accessibility and quality of parks, open spaces, and recreational facilities in the City; and, improve the accessibility, safety and conditions of the City's streets. Proceeds from these bonds were intended to help stimulate the local economy and aid in recovery following the economic downturn as a result of the COVID-19 public health emergency.

The Board of Supervisors approved issuance of $425 million in Series 2021D Health and Recovery Bonds in May 2021 (File 21-0388) and a $30 million issuance of Series 2023A of such bonds in February 2023 (File 22-1265). As shown below, of this $455 million in bond sales authorized by the Board of Supervisors, only $287.3 million has been sold.

Exhibit 1: Bond Authorizations and Sales: 2020 Health & Recovery Bonds

Voter Authorized Bonds	Board Authorized Bond Sales	Bonds Sold	Board Authorized & Unissued Bonds	Voter Authorized & Unissued Bonds
$487,500,000	$455,000,000	$287,290,000	$167,710,000	$200,210,000

Source: Office of Public Finance

The 2021 bond sale authorization and related appropriation included $116.6 million for unspecified HSH housing projects, none of which has been sold, and $48.5 million for unspecified DPH mental health facilities, of which approximately $5 million was sold and spent on DPH's Psychiatric Emergency Services project. The Administration is proposing to de-appropriate $160.5 million from the 2021 bond appropriation and appropriate $150 million for DPH and HSH capital projects, described below. Because it has been nearly four years since the Board of Supervisors authorized the 2021 bond sale, the Administration is seeking a new bond sale authorization for $150 million of 2020 Health & Recovery bonds essentially for the same purposes as in 2021: DPH and HSH facilities. Unlike 2021, the projects have been revealed by the Administration and included in the proposed appropriation.

Status of Previously DPH and HSH Funded Projects

The 2021 bond sale funded two named projects: (1) DPH's expansion of Psychiatric Emergency Services (PES) at General Hospital and (2) acquisition and rehabilitation of 888 Post Street, which is now used as an HSH youth navigation center with 75 beds.

According to DPH, construction to expand PES is ongoing and is expected to finish in June 2026. Licensing and staffing the site will take additional 3-6 months, or by December 2026. This project will increase PES capacity from 22 to 38 beds.

DETAILS OF PROPOSED LEGISLATION

File 25-0677: The proposed resolution would authorize the third sale of the 2020 Health and Recovery Bond with a not-to-exceed amount of $150,000,000, Series 2025G. If the Board of Supervisors approves the sale of $150,000,000, the sale of the balance of $50,210,000 in remaining bond authority would be subject to future Board of Supervisors approval.

The resolution also:

- Prescribes the form and terms of the bonds;
- Provides for the appointment of depositories and other agents for the bonds;
- Provides for the establishment of accounts related to the bonds;
- Provides for the manner of sale of the bonds by competitive or negotiated sale;
- Approves the forms of Official Notice of Sale and Intention to Sell Bonds;
- Directs the publication of the Notice of Intention to Sell Bonds;
- Approves the form of the Bond Purchase Contract;
- Approves the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the bonds;
- Approves the form of the Continuing Disclosure Certificate;
- Authorizes and approves modifications to documents;
- Ratifies certain actions previously taken; and
- Grants authority to City officials to take necessary actions for the authorization, issuance, sale, and delivery of the bonds.

Bond Appropriation Ordinances

File 25-0679: The proposed ordinance de-appropriates the $160,467,200 in Series 2021D Health & Recovery bond proceeds. These bonds were never sold and the associated project and transaction funding is being de-appropriated.

File 25-0678: The proposed ordinance appropriates the $150 million in Series 2025G Health & Recovery bond proceeds and places these funds on Controller's Reserve pending receipt of bond funds.

Bond Characteristics

Amount: up to $150 million.

Term: The anticipated term of the proposed bonds is twenty years; however the Office of Public Finance will include call options in the bond structure, allowing the City to refund and refinance the bonds at a later date. The proposed resolution allows for the bonds to have up to a thirty-year term.

Taxable: The Office of Public Finance expected that the Series 2025G bonds will be structured as tax-exempt bonds, based on the projects being funded. However, proposed resolution authorizing the bond sale allows for the bonds to be taxable or tax-exempt.

Competitive Sale: The Office of Public Finance intends to pursue a competitive sale of the 2025G bonds. However, the proposed resolution allows for competitive or a negotiated sale if the bond structure or market conditions make a negotiated sale preferable.

Proposed Uses of Bond Funds

Exhibit 2 below summarizes the proposed uses of the Series 2025G bond proceeds. The original figures are based on the appropriation ordinance (File 25-0678) and the revised figures are based on an amendment that the Departments will propose at the Budget & Finance Committee.

Exhibit 2: Series 2025G Health & Recovery Bond Appropriation

Sources	Original	Revised
Par Amount	$144,730,000	$144,845,000
Reserve for Market Uncertainty	$5,270,000	$5,155,000
Total Sources	**$150,000,000**	**$150,000,000**
Uses		
Public Health		
Treasure Island Behavioral Health	$42,082,246	$42,082,444
Mental Health Services Center	$1,000,086	$1,000,086
Subtotal, Public Health	**$43,082,332**	**$43,082,530**
Housing		
835 Turk	$23,000,000	$23,000,000
685 Ellis	$30,000,000	$30,000,000
1633 Valencia	$41,036,048	$41,036,048
1035 Van Ness	$5,800,000	$5,912,794
Subtotal, Housing	**$99,836,048**	**$99,948,842**
Subtotal, Project Funding	**$142,918,380**	**$143,031,372**
City Services Auditor	$285,837	$286,063
G.O. Bond Oversight Committee	$144,730	$144,845
Costs of Issuance	$831,423	$832,515
Underwriters Discount	$549,630	$550,205
Subtotal, Transaction Costs	**$1,811,620**	**$1,813,628**
Reserve for Market Uncertainty	$5,270,000	$5,155,000
Total	**$150,000,000**	**$150,000,000**

Source: Appropriation Ordinance (File 25-0678) and an amendment that the Departments will propose at the Budget & Finance Committee.
Costs of issuance include bond counsel, auditor, regulator, and other costs.
Underwriters discount is the difference in the price paid to the issuer and the prices at which the bonds are initially offered to investors.

The bond-funded projects are summarized below in Appendix 1 at the end of this report.

Bond Accountability Report Waived

The proposed bond sale resolution waives the deadline for submission of the Bond Accountability reports under Admin Code Section 2.71(a) and 2.71(b). These sections of the Administrative Code require that the governmental entity that is requesting the appropriation of bond proceeds submit a Bond Accountability Report 60 days prior to the approval of the appropriation and/or sale, which include details on the spending of previously approved bond sales and details on the projects proposed to be funded with new bond sales. The Departments of Public Health, Homelessness & Supportive Housing, and Mayor's Office of Housing & Community Development have not completed their bond accountability reports as of this writing.

FISCAL IMPACT

Annual Debt Service

The Office of Public Finance estimates that the bonds will have a 5.89 percent interest rate, resulting in an average annual debt service cost of approximately $12,300,000. Over the anticipated 20-year life of the bonds, the total debt service is estimated at $246,000,000. Debt service is paid for by special property taxes.

Debt Limit

The proposed bond sale complies with the City's debt limit policy. Section 9.106 of the City Charter limits the amount of GO bonds the City can have outstanding at any given time to three percent of the total assessed value of property in San Francisco. The City's general obligation debt limit for FY 2024-25 is approximately $10.54 billion, based on a total assessed valuation of approximately $351.3 billion.

According to the Controller's Office of Public Finance, as of June 1, 2025, the City had outstanding general obligation bond debt of approximately $2.8 billion, which equals approximately 0.8 percent of the City's assessed valuation. If the Board of Supervisors approves the proposed bonds, the debt ratio would increase to 0.84 percent, which is under the three percent debt limit. If all of the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.19 percent of the net assessed value of property in the City.

Property Tax Rates

The City's Capital Plan includes a policy of limiting the property tax rate related to the City's general obligation bonds at $0.1201 per $100 of assessed value, the relevant property tax rate in effect during FY 2005-06. According to the Office of Public Finance, the proposed transaction complies with this financial policy.

New Operating Costs

The proposed bond would fund new or expanded City-funded facilities, for which the City will incur new operating costs. Appendix 1 to this report summarizes the new operating costs.

POLICY CONSIDERATION

HSH and DPH used tax revenues and state grants to expand their systems of care since 2021, including over 3,000 units of new permanent supportive housing and 350 new treatment beds from the Mental Health SF initiative. The proposed bond-funded projects will result in 453 units of permanent supportive housing, which is more than the 250 units originally planned for.

At the same time, the Health and Recovery bonds were marketed as a stimulus to help overcome COVID disruptions to local economy and were intended to fund 250 new permanent supportive housing units and up to 175 new mental health beds by 2023. With more than $160 million authorized in 2021 but unspent, the City did not stimulate the local economy as it intended and will now pay more for the same projects due to increases in financing costs and inflation. In addition, the City has delayed the delivery of 250 new permanent supportive housing units and 175 mental health beds that were expected to be funded by the 2021 bond authorization.

Going forward, we caution the Board of Supervisors against authorizing bond proposals to voters and bond sales for unspecified projects that have no clear plans or procurement timelines associated with them. Doing so encumbers scarce bond authority and limits local economic activity. The Board should only approve debt for projects with imminent start dates.

RECOMMENDATION

Approve the proposed resolution and the proposed ordinances.

Appendix 1

Projects	Description	Timeline	Current Status	Proposed Bond Funding	Total Capital Cost	New Annual Operating Costs	Funding Sources for Operating Costs
Public Health							
Treasure Island Behavioral Health	Replace existing facility with 172 beds and add 84 beds, for a total capacity of 256 residential step-down SUD beds.	Substantial completion expected Nov. 2027	Permitting	$42,082,246	$72,000,000	$3,600,000	General Fund, Homelessness Gross Receipts, Opiod Settlement Funds, Federal
Health, Recovery and Connection Center (fka Mental Health Services Center)	Co-locate Office-Based Buprenorphine Induction Clinic, Behavioral Health Access Center, a pharmacy, and behavioral health administrative functions.	Tenant improvements completed by end of 2028	Site acquisition being negotiated	$1,000,086	$33,400,000	$0 (no new programming)	General Fund, Homelessness Gross Receipts Tax, Medi-Cal, Behavioral Health Services Act, Opioid Settlement Fund

Projects	Description	Timeline	Current Status	Proposed Bond Funding	Total Capital Cost	New Annual Operating Costs	Funding Sources for Operating Costs
Housing							
835 Turk	Acquired in 2022 and operating now as PSH, the site requires ADA work and other tenant improvements. The site will have 106 units of PSH.	Construction completes by Oct. 2026	Operating as PSH	$23,000,000	$30,722,000	$0 (no new programming)	Homelessness Gross Receipts
685 Ellis	Acquired in 2022 and operating now as shelter. Will convert to 78 units of PSH after rehab, which includes seismic upgrades, building system upgrades, and community space.	Estimated construction start date is January 2027	Operating as shelter	$30,000,000	$35,000,000	$3,500,000	Homelessness Gross Receipts
1633 Valencia	New PSH; 145 units. Gap funding was approved by BOS in 2024.	Construction ending Dec. 2025	Construction	$41,036,048	$84,605,578	LOSP & Debt Service: $3,500,000 Services: $1,044,000	General Fund
1035 Van Ness	Acquisition and rehab of existing Assisted Living Facility; 124 units.	Construction completion - October 2026	Acquisition of the property by sponsor will occur by Fall 2025	$5,800,000	$43,324,030	$0 (no new programming)	General Fund & HUD VASH

Notes: PSH refers to permanent supportive housing. SUD refers to substance use disorder treatment.

Item 13 File 25-0655	Department: Homelessness & Supportive Housing, Municipal Transportation Agency

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance seeks to amend sections of Division I of the Transportation Code to establish a new Citywide two-hour parking restriction for large vehicles—defined as commercial or non-commercial vehicles more than 22 feet in length or over seven feet in height. It also amends Chapter 119 of the Administrative Code to support the creation of a Large Vehicle Refuge Permit Program, and updates the Park and Port codes to restrict large vehicle parking on properties under their jurisdiction.
- The ordinance revises current overnight parking restrictions (12 a.m. to 6 a.m.) for large vehicles in areas with posted signage, currently covering 47 miles of street.

Key Points

- The new Large Vehicle Refuge Permit Program establishes a pathway for individuals residing in large vehicles, such as RVs, to relocate to non-congregate permanent or interim housing. The Large Vehicle Refuge Permit exempts large vehicles from the proposed two-hour parking restriction for a period of up to six months or until an offer of housing is made by the Department of Homelessness and Supportive Housing (HSH). Households that accepted the housing offer would be entitled to receive compensation ($175 per linear foot) for their large vehicle under a new Large Vehicle Buyback Program. The ordinance notes that in May 2025, there were 437 large vehicles used for habitation.

Fiscal Impact

- According to HSH, a total of $11.7 million is budgeted to support this program in FY 2025-26, ramping down to $1.2 million in FY 2026-27. Of the $11.7 million in FY 2025-26, $8.2 million will fund 65 rapid rehousing subsidy slots for two to three years. The Department also plans to offer other non-congregate housing options and financial assistance to vehicle dwellers. A total of $525,000 of the two-year budget is provided for the Large Vehicle Buyback Program.
- The SFMTA budget of $2.9 million for FY 2025-26 through FY 2026-27 funds staff time for planning and coordinated enforcement with other departments, signage, as well as towing and storage fees for the large vehicles.

Recommendation

- Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the ordinance, we recommend requesting a status update from SFMTA and HSH after six months to better understand key results, such as the number of households offered non-congregate housing, the take-up rate for housing offers, the number of citations and tows, and the number of remaining large vehicles on City streets (with and without a Large Vehicle Refuge Permit).

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

In 2012, the Board of Supervisors asked the San Francisco Municipal Transportation Agency (SFMTA) to develop a policy to address the public safety and public health problems associated with large vehicles parked on City streets, including impaired sight lines for road users, blocked sidewalks, fires, localized air pollution, and illegal dumping of garbage and waste matter on sidewalks and streets, according to SFMTA. In September 2012, the Board of Supervisors adopted San Francisco Transportation Code Division I, Section 7.2.54, which restricted parking a large vehicle from 12 a.m. to 6 a.m. wherever signs are posted designating this restriction (File 12-0142). A large vehicle is defined as a vehicle more than 22 feet in length or more than seven feet in height, which includes camp trailers, fifth-wheel travel trailers, house cars, trailer coaches, mobile homes, recreational vehicles, or semi-trailers as defined by the California Vehicle Code. In 2013, the SFMTA Board of Directors approved posting signage related to the restriction in an initial set of locations. An evaluation report completed by SFMTA found that the restriction had been "very effective at reducing the occurrence of oversize vehicle parking where posted" over a period of three months of active enforcement. According to SFMTA, concerns about displacement of oversized vehicles to other locations and concerns about displacement of people living in vehicles led to the SFMTA Board of Directors adopting a moratorium on further posting of signage related to the restriction. Since 2014, only a few locations have been approved for posting of the restriction, in each case at the request of a District Supervisor, according to SFMTA. Currently, the overnight parking restriction is in effect for 47 miles of street frontage. Over the past five years, an average of three citations per month were issued by the San Francisco Police Department (SFPD) for violations of the overnight parking ban.

In 2024, under former Mayor London Breed, the SFMTA Board of Directors approved a new definition for Recreational Large Vehicles and authorized the Director of Transportation to restrict overnight parking from 12 a.m. to 6 a.m. on any street Citywide using posted signage. Division II of the Transportation Code was further amended to specify that enforcement would not commence until an offer of shelter had been made to occupants of the large vehicle. These changes were overturned by the Board of Supervisors (File 24-1204).

In April 2025, the Department of Homelessness and Supportive Housing (HSH) closed the Bayview Vehicle Triage Center program located at Candlestick Point State Recreation Area, which accommodated 35 large vehicles at an annual operating cost of $3.8 million, according to HSH. According to the proposed ordinance, the program did not achieve the intended outcomes of transitioning participants into stable housing or significantly improve street conditions in the surrounding area.

Under Mayor Daniel Lurie, the Mayor's Office convened the multi-departmental Large Vehicle Taskforce, which determined that a comprehensive solution to restrict large vehicle parking and offer services required code amendments to Divisions I and II of the Transportation Code and other relevant codes. The taskforce included: HSH, Department of Emergency Management (DEM), SFPD, the San Francisco Sheriff's Office (SFS), SFMTA, San Francisco Recreation and Parks Department (RPD), the San Francisco Public Utility Commission (PUC), the Port of San Francisco, the Department of Public Health (DPH), the City Administrator's Office (CAO), and Healthy Streets Operation Center (HSOC).

DETAILS OF PROPOSED LEGISLATION

The ordinance proposes to amend sections of Division I the Transportation Code related to large vehicles and commercial vehicles that are more than 22 feet in length or seven feet in height by creating a new two-hour restriction Citywide. The proposed ordinance also amends Chapter 119 of the Administrative Code to support a Large Vehicle Refuge Permit Program that exempts large vehicles from the two-hour parking restriction for up to twelve months, so HSH can conduct outreach to offer housing to vehicle dwellers. Finally, the Ordinance amends the Park Code and Port Code related to operation and parking of large vehicles on Port and Park property.

Large Vehicle Parking Restrictions (Transportation Code 7.2.54). This section applies to large vehicles that are more than 22 feet in length or seven feet in height, or camp trailers, fifth-wheel travel trailers, house cars, trailer coaches, mobile homes, recreational vehicles, or semi-trailers, as defined in the California Vehicle Code and Health and Safety Code. The amendment changes the parking restriction for these large vehicles on City streets from 12 a.m. to 6 a.m. within posted areas to "more than two hours" at any time of day Citywide with exceptions for: loading or unloading, vehicles that have been issued a Large Vehicle Refuge Permit by SFMTA, when the vehicle displays a valid Residential Parking Permit issued by SFMTA, or commercial vehicles.

Commercial Vehicle Parking in Certain Districts (Transportation Code 7.2.84). Similarly, the parking restriction for commercial vehicles (including any motor truck, truck tractor, road tractor, van, trailer, delivery wagon, or any vehicle used for commercial purposes over 22 feet in length or seven feet in height) is amended from 2 a.m. to 6 a.m. to a "period in excess of two hours" on any street as specified in Division II, Article 500 of the Transportation Code.

Large Vehicle Refuge Permit Program (Administrative Code Chapter 119). In June 2025, the SFMTA Board of Directors amended Division II of the Transportation Code (over which they have exclusive legislative authority) to establish a Large Vehicle Refuge Permit Program. The intent of this new program is to establish a pathway for households residing in large vehicles to relocate to *non-congregate* permanent or interim housing. The Large Vehicle Refuge Permit exempts large vehicles from the two-hour parking restriction for a period of up to six months or until an offer of housing is made. The permit may be extended one time for up to six months if HSH certifies that the City has not made the permittee an offer of non-congregate interim or permanent housing. The SFMTA is authorized to revoke a permit for violation of permit conditions, and to establish hearing and review procedures.

The amendments to the Administrative Code specify that other City Departments, including but not limited to HSH, DEM, DPH, Department of Public Works (DPW), and SFPD, will assist SFMTA by:

- Conducting outreach and certifying household eligibility for the Large Vehicle Refuge Permit;
- Providing case management services, intake and assessment, individualized service plans, connecting clients to employment, coordinating move-in logistics, offering weekly or as-needed follow up with outreach case managers, and participating in crisis interventions;
- Developing a "Good Neighbor Policy" for Permittees to follow, intended to minimize impact on the community, such as proper disposal of human waste and avoiding excessive noise;[1] and
- Supporting SFMTA to verify permittees' compliance with permit terms.

The ordinance notes that in May 2025, the Healthy Streets Operation Center counted 501 large vehicles Citywide, including 437 used for habitation. According to HSH, the total number of individuals residing in the 437 vehicles is unknown. The Department of Homelessness and Supportive Housing is required to document all offers of housing made to permittees, permittees' responses to each offer, and—if an offer is rejected—the reason for the rejection.

The Park Code and Port Code are similarly amended to restrict vehicles greater than 22 feet in length or seven feet in height from parking in any City park for more than two hours, except when authorized, and from parking on any port property for more than two hours.

Signage effectuating the two-hour restriction will be posted at all City points of entry and supplemented with signage in areas where large vehicles are known to have a community impact.

FISCAL IMPACT

Exhibit 1 below shows the estimated spending resulting from the Large Vehicle Refuge Permit Program, related changes to parking policy, and assistance to households in large vehicles that engage with the program.

The Large Vehicle Buyback Program to be administered by HSH will offer funds to households who engage and ultimately accept an offer of non-congregate interim or permanent housing. Funding will also support a community-based organization(s) to conduct outreach and provide financial assistance ("problem solving") specifically for people exiting vehicular homelessness, as shown in Exhibit 1. Additionally, SFMTA has allocated resources to conduct additional enforcement related to the new parking restrictions.

[1] The Department of Homelessness and Supportive Housing notes that the Good Neighbor Policy is currently in draft form and was not made available to the BLA.

Exhibit 1: Estimated Budget for Large Vehicle Dweller Assistance and Enforcement

	FY 2025-26	FY 2026-27
HSH		
Large Vehicle Buyback Program	$175,000	$350,000
Community-Based Organization(s) Outreach	$386,733	$800,430
Problem Solving and flexible assistance	$3,000,000	
Rapid Rehousing Subsidies (65 slots)	$8,164,304	
HSH Subtotal	**$11,726,037**	**$1,150,430**
SFMTA		
Planning	$86,117	$86,117
Signage	$151,774	$75,502
Staff Time for Coordinated Enforcement	$560,872	$374,068
Towing Fees	$919,957	$689,967
SFMTA Subtotal	**$1,718,720**	**$1,225,654**
Total	**$13,444,757**	**$2,376,084**

Sources: HSH and SFMTA

Outreach Administered by HSH

The HSH budget includes a total of $11.7 million in FY 2025-26, primarily for 65 new rapid rehousing subsidy slots (valued at $48,000 per slot annually), which have a duration of two to three years, according to the Department. As noted above, HSH is also allocating $3 million for flexible financial assistance ("problem solving") to help people exit homeless who may not need long-term housing subsidies. These efforts are funded by Homelessness Gross Receipts tax revenue.

The proposed 65 rapid rehousing slots may not be sufficient to provide housing for all eligible large vehicle dwellers, however HSH notes the following expansion and turnover within its system of care in FY 2025-26 that is available to all persons experiencing homelessness (and therefore not included in the table above):

- Up to 50 existing rapid rehousing subsidies for families (from the Safer Families Plan) that have not yet been rolled out;
- 160 time-limited subsidies for families (130 rapid rehousing slots and 30 shallow subsidies);
- Continuation of 130 non-congregate hotel vouchers for families, which are in use but have constant turnover according to HSH;
- 100 rapid rehousing subsidies for adults and 100 rapid rehousing subsidies for young adults;
- 50 hotel vouchers for adults; and

Problem-solving flexible financial assistance for adults exiting vehicular homelessness valued at $3 million.

The Large Vehicle Buyback Program, funded at $175,000 in FY 2025-26 and ramping up to $350,000 in FY 2026-27, offers owners of large vehicles $175 per linear foot, provided that they accept the offer of non-congregate housing. According to HSH, the rate per linear foot was determined based on input from community stakeholders as well as best practices from other jurisdictions. The Department expects to buy back 75 to 150 large vehicles with its total budget of $525,000 over FY 2025-26 and FY 2026-27.

HSH expects that a subset of the individuals residing in the 437 counted large vehicles would be interested and eligible for the aforementioned housing options. HSH plans to use its authority under Administrative Code Section 21B to conduct an informal solicitation this summer in order to select one to two community-based organizations to conduct outreach to the population living in large vehicles. The budget for salary and operations of the community-based organizations is $1.2 million over FY 2025-26 through FY 2026-27. According to the Department, the community-based organization(s) would provide the following services:

- Street-based outreach and engagement;
- Education and information sharing;
- Assessment of support services needs and eligibility;
- Enrollment and facilitation of the Large Vehicle Buyback Program;
- Housing-focused case management;
- Issuance of Large Vehicle Refuge Permits;
- Referral and coordination of non-congregate interim shelter and housing offers; and
- Education and training.

Enforcement Administered by SFMTA

Aside from outreach to the identified population of households residing in large vehicles who will receive a Large Vehicle Refuge Permit, the proposed ordinance contemplates issuing citations if a large vehicle violates the new two-hour parking restriction at a total cost of $1.7 million in FY 2025-26 and $1.2 million in FY 2026-27. Planning, signage, and SFMTA staff time to do multi-departmental coordinated enforcement (with SFPD, HSH, and DEM) is budgeted at a total of $798,763 in FY 2025-26 and $535,687 in FY 2026-27. Towing fees total $1.6 million over the two years, including storage costs, both paid for by SFMTA, not vehicle dwellers. According to SFMTA, the planning budget refers to 0.15 FTE staff time to administer the program. As a Citywide restriction, SFMTA will post new signs at City points of entry as well as areas highly impacted by large vehicles.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the ordinance, we recommend requesting a status update from SFMTA and HSH after six months to better understand key results, such as the number of households offered non-congregate housing, the take-up rate for housing offers, the number of citations and tows, and the number of remaining large vehicles on City streets (with and without a Large Vehicle Refuge Permit).