

1 [Authorizing Grant Agreements - Terms of 20 Years after Project Completion - Public Utilities
2 Commission Green Infrastructure Grant Program]

3 **Ordinance extending for an additional five years through July 1, 2031, the delegation of**
4 **authority under Charter, Section 9.118, to the General Manager of the San Francisco**
5 **Public Utilities Commission (“SFPUC”), previously authorized by Ordinance No. 26-19**
6 **and extended and modified by Ordinance Nos. 101-20, ~~Ordinance No. 159-22,~~ and**
7 **~~Ordinance No. 207-24,~~ to enter into grant agreements under the SFPUC’s Green**
8 **Infrastructure Grant Program with terms of up to 20 years after the Project Completion**
9 **Date, as defined by the Grant Agreements.**

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

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

18 Section 1. Background.

19 (a) San Francisco has a combined sewer system that collects and treats both
20 wastewater and stormwater in the same network of pipes. The San Francisco Public Utilities
21 Commission (“SFPUC” or “Commission”) has a multi-faceted program to maximize the
22 detention and retention of stormwater.

23 (b) Green infrastructure uses vegetation, soils, and other elements and practices
24 that mimic nature to soak up and store stormwater. Green infrastructure is a cost-effective,
25 resilient approach for managing wet weather impacts that provides many benefits. Green

1 infrastructure reduces and treats stormwater at its source, while delivering environmental,
2 social, and economic benefits.

3 (c) The SFPUC wants to encourage owners of parcels containing large, impervious
4 areas – such as concrete parking lots and asphalt-covered playgrounds – to install green
5 infrastructure on their parcels to reduce the amount of stormwater entering the SFPUC’s
6 sewer system and thereby improve system performance.

7 (d) To that end, on November 13, 2018, the SFPUC, by Resolution No. 18-0189,
8 approved a Green Infrastructure Grant Program, adopted Green Infrastructure Grant Program
9 Guidelines (the “Guidelines”), and authorized the SFPUC General Manager to award grants to
10 property owners to construct green infrastructure, such as permeable pavement, rain
11 gardens/bioretenion, and vegetated roofs, and remove impervious surfaces, on their parcels.
12 On February 25, 2020, the SFPUC, by Resolution No. 20-0045, updated the funding
13 disbursement procedures in the Guidelines. On July 27, 2021, the SFPUC, by Resolution No.
14 21-0122, updated the Guidelines to increase the maximum cost per acre of impervious area
15 managed from \$765,000 to \$930,000. On March 22, 2022, the SFPUC, by Resolution No. 22-
16 0058, updated the Guidelines to reflect compliance with City Administrative Code Chapter
17 21G, revise grant team experience and co-benefit eligibility criteria, increase the cap on
18 planning and design costs, and revise other program requirements. On April 9, 2024, the
19 SFPUC, by Resolution No. 24-0093, updated the Guidelines to increase the maximum cost
20 per acre of impervious area managed from \$930,000 to \$1,035,000 and the maximum grant
21 award per project from \$2,000,000 to \$2,500,000; revise funding disbursement requirements
22 for City Departments only; and revise program eligibility criteria and other program
23 requirements. And on February 24, 2026, the SFPUC, by Resolution No. 26-0032, approved
24 modifications of the Guidelines to increase the maximum cost per acre of impervious area
25 managed from \$1,035,000 to \$1,120,000 and revise program eligibility criteria and other

1 program requirements, and authorized the SFPUC General Manager to increase the
2 maximum grant award per project and the maximum cost per acre of impervious area
3 managed based on escalation using the San Francisco Annual Infrastructure Construction
4 Cost Inflation Estimate (AICCIE) or equivalent methodology for cost escalation, and to
5 approve nonmaterial changes to the Green Infrastructure Grant Program Guidelines. The
6 maximum grant award and cost per acre may be increased on an annual basis no later than
7 July 31 of each year. A copy of the current version of the Guidelines is on file with the Clerk
8 of the Board of Supervisors in File No. 260240. Under the Guidelines, grantees must meet
9 the following five eligibility criteria:

10 (1) Project Location: The proposed project must connect to an SFPUC-
11 owned and operated sewer system service area. The project may be located in either the
12 combined sewer system area, or the municipal separate storm sewer system area, or in a
13 sanitation district that discharges to the SFPUC sewer system. Projects may be located on a
14 parcel, in the public right-of-way, or a combination of both.

15 (2) Project Size: The proposed project must manage stormwater runoff from
16 a minimum of 0.5 acres of impervious surface.

17 (3) Performance: The proposed project must capture runoff from the 90th
18 percentile 24-hour storm, equivalent to three-quarters of an inch total depth. The 90th
19 percentile 24-hour storm represents an amount of precipitation that 90% of all rainfall events
20 do not exceed, as compared to the historical period of record.

21 (4) Grant Team Experience: The grant team must include the property
22 owner, an identified grant or project manager, and a licensed engineer or landscape architect
23 registered in the State of California. The proposed project team must collectively demonstrate
24 a history of successfully implementing projects, have experience designing, constructing,
25

1 and/or maintaining green infrastructure, and be in good standing on any currently active
2 Green Infrastructure Grant Program projects.

3 (5) Co-Benefits: Green infrastructure projects provide a variety of co-benefit
4 opportunities, in addition to reducing the amount of stormwater runoff that enters the SFPUC
5 sewer system. Projects are required to demonstrate at least two of the following co-benefits:
6 environmental justice; public access, open space, and recreation; community engagement,
7 collaboration, and placemaking; education and watershed stewardship; green infrastructure
8 job training; water supply; climate resilience; and biodiversity. Specific criteria for each co-
9 benefit ~~are~~ is set forth in the Guidelines.

10 (e) Under the current version of the Guidelines, grantees may receive up to
11 \$1,120,000 per acre of impervious area managed by the green infrastructure project, up to a
12 maximum of \$2,500,000 per grant. SFPUC may choose to increase the maximum grant award
13 per impervious acre managed or the maximum total grant award on an annual basis no later
14 than July 31 of each year based on cost escalation using the San Francisco Annual
15 Infrastructure Construction Cost Inflation Estimate (AICCIE) or equivalent methodology for
16 cost escalation, subject to the availability of funds and all City budgetary requirements.

17 (f) To receive funding under the Green Infrastructure Grant Program, a grantee
18 must enter into a Green Infrastructure Grant Agreement (“Grant Agreement”). A current~~n~~
19 updated template for the Grant Agreement is on file with the Clerk of the Board of Supervisors
20 in File No. 260240. The SFPUC has determined that the useful life of the type of green
21 infrastructure eligible for funding under the Green Infrastructure Grant Program is
22 approximately 20 years. Ongoing maintenance of green infrastructure is critical for these
23 projects to function properly and benefit the SFPUC sewer system for the useful life of these
24 assets. Accordingly, the Grant Agreement requires the grantee (or the property owner if
25 different than the grantee) to maintain the green infrastructure for 20 years, authorizes the

1 SFPUC to conduct periodic inspections of the grantee’s construction, operation, and
2 maintenance of the project, and provides the SFPUC with remedies against the grantee if the
3 grantee fails to maintain the project for 20 years. The Grant Agreement also requires the
4 grantee to execute and record a notice and covenant on the title of the property to notify future
5 owners that the 20-year maintenance obligation runs with the land, except to the extent that
6 the green infrastructure improvements are located on the City and County of San Francisco’s
7 (“City”) real property.

8 (g) In approving the Green Infrastructure Grant Program, the Commission
9 delegated authority to the SFPUC General Manager to negotiate, award, and execute Grant
10 Agreements with terms of up to 20 years after the Project Completion Date, as defined by the
11 Grant Agreements. The Commission recommended that the Board of Supervisors adopt an
12 ordinance delegating its authority under Charter Section 9.118 to the SFPUC General
13 Manager to execute the Grant Agreements for terms in excess of 10 years.

14 (h) By Ordinance No. 26-19 (~~File No. 181113~~), the Board of Supervisors delegated
15 authority to the SFPUC General Manager through July 1, 2020, to enter into Grant
16 Agreements under the SFPUC Green Infrastructure Grant Program provided that: (1) the term
17 of the grant agreement does not exceed 20 years; and (2) the Commission approves each
18 grant award at a public hearing. By Ordinance No. 101-20 (~~File No. 200454~~), the City
19 extended the delegated authority for an additional two years, through July 1, 2022, and
20 removed the requirement that each grant award be approved by the Commission at a public
21 hearing. By Ordinance No. 159-22 (~~File No. 220537~~), the City extended the delegated
22 authority for an additional two years, through July 1, 2024. By Ordinance No. 207-24 (~~File No.~~
23 ~~240555~~), the City extended the delegated authority for an additional two years, through July 1,
24 2026. Since 2019, the SFPUC has awarded twenty-nine grants totaling just over \$29,650,000
25 for green infrastructure projects.

1 (i) By this ordinance, the Board of Supervisors has determined to extend the
2 authority delegated to the SFPUC General Manager in Ordinance No. 26-19, as extended and
3 modified by Ordinance Nos. 101-20, ~~Ordinance No. 159-22~~, and ~~Ordinance No. 207-24~~, for an
4 additional five years, through July 1, 2031.

5 (j) The term of the Grant Agreements is 20 years, in addition to the time it takes to
6 construct the green infrastructure. Ordinance No. 159-22 clarified that the term of the Grant
7 Agreements starts upon the Project Completion date, as reflected in the Grant Agreement
8 template that was on file with the Board of Supervisors for all previous ordinances.

9
10 Section 2. Delegation of Authority Under Charter Section 9.118 to SFPUC General
11 Manager.

12 (a) Delegation of Authority. Pursuant to its authority under Charter Section 9.118,
13 the Board of Supervisors delegates authority to the SFPUC General Manager to enter into
14 Grant Agreements under the Green Infrastructure Grant Program, in substantially the form on
15 file with the Clerk of the Board of Supervisors in File No. 260240, for a term in excess of 10
16 years, so long as the term does not exceed 20 years after the Project Completion Date, as
17 defined by the Grant Agreements. The Board of Supervisors further authorizes the SFPUC
18 General Manager to enter into any amendments ~~to~~ or ~~to~~ modifications to the Grant
19 Agreements that do not ~~to~~ extend the terms of the agreements beyond 20 years after the
20 Project Completion Date, as defined by the Grant Agreements, and make other changes that
21 the SFPUC General Manager determines, in consultation with the City Attorney, are in the
22 best interest of the City, do not materially decrease the City's rights or materially increase the
23 City's obligations or liabilities, are necessary or advisable to effectuate the purposes and
24 intent of the Green Infrastructure Grant Program, and are in compliance with all applicable
25 laws, including the Charter. The Board of Supervisors further authorizes the SFPUC General

1 Manager to approve similarly nonmaterial changes to the Green Infrastructure Grant Program
2 Guidelines.

3 (b) Reporting Requirement. Starting with the quarter beginning July 1, 2026,
4 SFPUC shall submit quarterly written reports to the Clerk of the Board of Supervisors
5 summarizing all Grant Agreements SFPUC has entered into during the prior quarter pursuant
6 to the authority granted under subsection 2(a) of this ordinance and shall post the reports on
7 its website. SFPUC shall submit each report no later than 30 days following the completion of
8 the quarter that is the subject of the report.

9 (c) Sunset Dates.

10 (1) The authority delegated under subsection 2(a) of this ordinance shall
11 apply only to Grant Agreements, and amendments or modifications of Grant Agreements,
12 executed before July 1, 2031, and shall expire by operation of law on July 1, 2031.

13 (2) The reporting requirements provided for under subsection 2(b) of this
14 ordinance shall expire by operation of law upon submission of the quarterly report covering
15 the quarter ending June 30, 2031.

16
17 Section 4. Directions to Clerk.

18 The Clerk of the Board of Supervisors is hereby directed to place a copy of this
19 ordinance in File No. 181113 for Ordinance No. 26-19, File No. 200454 for Ordinance No.
20 101-20, File No. 220537 for Ordinance No. 159-22, and File No. 240555 for Ordinance No.
21 207-24; and to make a notation cross-referencing this ordinance where Ordinance Nos. 26-
22 19, ~~Ordinance No.~~ 101-20, Ordinance No. 159-22, and ~~Ordinance No.~~ 207-24 appear as
23 legislation passed on the Board of Supervisors website.

1 Section 5. Effective Date; Retroactivity.

2 (a) This ordinance shall become effective on the 31st day ~~30 days~~ after enactment.

3 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
4 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of
5 Supervisors overrides the Mayor’s veto of the ordinance.

6 (b) Upon its effective date, this ordinance shall be retroactive to July 1, 2026.

7

8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

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10 By: /s/ _____
11 TYSON ARBUTHNOT
Deputy City Attorney

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