CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

August 28, 2026

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: September 2, 2026 Budget and Finance Committee Meeting

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Item 1 **File 26-0495** **(***Continued from 7/22/26 meeting)*	**Department:** Department of Public Health (DPH), Police Department (POL)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would amend the San Francisco Police Code to (a) ban the sale of nitrous oxide in the City and (b) provide a rebuttable presumption that individuals possessing large quantities of nitrous oxide intend to sell it (defined as net content of six pounds or more, or an aggregate of 200 or more standard 8-gram cartridges). The ordinance provides exceptions for commercial and specialized uses, including food preparation, vehicles, medical, dental, pharmaceutical, wholesale transactions, and manufacturing.

Key Points

- State law currently prohibits sale or possession of nitrous oxide if the intended use is intoxication, prohibits sales to minors, and requires vendors to maintain written records of transactions that include identification of all buyers. The California State Legislature is considering amendments to State law that would ban retail sale of nitrous oxide starting in 2027, and several counties and cities in California have already done so.
- The proposed ban on nitrous oxide sales provides for criminal, civil, and administrative fines of up to $1,000 each and/or jail time of up to six months. The Department of Public Health and law enforcement would receive authority to enforce the proposed ban.

Fiscal Impact

- The estimated annual cost to enforce this ordinance is $0.6 million. This cost estimate assumes full-time involvement by 1.4 FTE DPH employees, and half-time involvement by one Police Officer on overtime. Funding would likely be sourced from DPH and POL Department General Funds.

Policy Consideration

- Based on review of recently passed and comparable ordinances in other California cities and counties, this ordinance is consistent in its criminal penalty structure: all ordinances our office examined impose criminal fines of up to $1,000 on violators. However, not all other ordinances examined also impose possible civil and administrative fines. In addition, this ordinance does not provide for revoking business licenses, as other jurisdictions do.
- The City government lacks data on the scope of the nitrous oxide problem in San Francisco in part because there is no existing enforcement of the state laws regulating nitrous sales.

Recommendations

(1) Amend the proposed ordinance to require two reports to the Board of Supervisors by June 1, 2027: (a) A report from Environmental Health and Police Department evaluating the scope of the nitrous oxide problem in San Francisco and (b) a report from Environmental Health, Police, District Attorney, and City Attorney, on enforcement actions taken as a result of this ordinance and any legislative changes that may be necessary to manage the nitrous oxide problem in San Francisco. (2) Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

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

BACKGROUND

Nitrous oxide is a gas, commonly known as "laughing gas," and is mostly used as a medical/dental sedative, culinary propellant, or automotive engine booster. Within the past decade, nitrous oxide has increasingly been abused as a recreational inhalant. Repeated inhalation of nitrous oxide presents dangers including but not limited to addiction, oxygen deprivation, vitamin B12 depletion, and possible severe neurological and nervous system damage. Nitrous oxide canisters, also known as "whippets," have become increasingly sold at corner stores, gas stations, and smoke shops throughout the country. According to an August 2025 report from the Orange County Health Care Agency, California Emergency Department and Hospitalization Data shows that nitrous oxide-related emergency department visits in California increased by 246% (from 76 to 263 visits) from 2018 to 2023.

Currently, Section 381 of the State Penal Code prohibits nitrous oxide sales to minors, requires that vendors keep written records of all nitrous oxide transactions for at least one year, requires purchasers to present identification to record their names and addresses in the transaction record, and states that it is a misdemeanor to sell or possess nitrous oxide if the intended use is intoxication. Sellers who violate these laws can face up to six months in jail and/or a fine of up to $1,000.

As described in an appendix to this report, the California State Legislature is considering amendments to State law that would ban retail sale of nitrous oxide starting in 2027, and several counties and cities in California have already done so.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would amend the San Francisco Police Code to (a) ban the sale of nitrous oxide in the City and (b) provide a rebuttable presumption that individuals possessing large quantities of nitrous oxide intend to sell it (defined as net content of six pounds or more, or an aggregate of 200 or more standard 8-gram cartridges). The ordinance provides exceptions for commercial and specialized uses, including food preparation, vehicles, medical, dental, pharmaceutical, wholesale transactions, and manufacturing.

Under the proposed ordinance, violators could be liable for criminal, administrative, and civil penalties. Violations of the proposed ban on nitrous oxide sales could be criminally charged with a misdemeanor or infraction and face up to six months jail time and/or criminal fines not

exceeding the maximum fine amount under California Government Code sections 25132[1] and 36901.[2] The Department of Public Health could also levy administrative fines of up to $500 for the first violation, up to $750 for the second violation within five years, and up to $1,000 for each additional violation within five years, with fines deposited into the Public Health Environmental Health Code Compliance Fund. DPH may also recover costs of enforcement, including attorneys' fees. In addition, violators may also be liable for a civil penalty not to exceed $1,000 for each day a violation is committed, to be recovered by a civil action brought by the City Attorney's Office.

In addition, the proposed code changes would declare that violations of the ban are a public nuisance. According to the City Attorney's office, this public nuisance provision allows for a court to apply injunctive relief to address violations of the proposed ban.

Implementation

As proposed, the Department of Public Health and law enforcement would receive authority to enforce the proposed ban. DPH would inspect establishments suspected of violating the ban, document non-compliance, and complete administrative processes to levy fines and revoke violators' DPH-issued Tobacco Sales Permit. DPH and POL already conduct annual compliance inspections to ensure retailers hold valid Tobacco Sales Permits, comply with the citywide flavored tobacco ban, and enforce state age restrictions; however, not all nitrous oxide retailers have tobacco licenses. According to the Police Department, the Department typically dedicates seven to 40 hours per quarter to tobacco compliance enforcement. Law enforcement would be responsible for determining and charging criminal violations.

This ordinance would create additional DPH costs primarily through hiring environmental health inspectors and administrative support. In addition, because the proposed ordinance creates a new crime, the Police Department would need to accompany DPH on inspections, as it does with the City's enforcement of tobacco regulations.

FISCAL IMPACT

Exhibit 1 below summarizes the estimated costs of the proposed ordinance, which total approximately $0.6 million annually.

[1] California Government Code section 25132 states that an infraction is punishable by the following maximum fines: $100 for a first violation, $200 for a second violation within the same year, $500 for each additional violation within the same year.

[2] California Government Code section 36901 states that a fine shall not exceed $1,000.

Exhibit 1: Sources and Costs of Proposed Nitrous Oxide Ban

Department of Public Health	FY 2026-27	FY 2027-28
Salary and Benefits	$239,992	$258,965
Other Direct Costs	$158,174	$167,342
Indirect Costs	$75,645	$81,626
Subtotal	**$473,811**	**$507,833**
Police Department		
Police Officer Overtime	$118,546	$122,126
Total Costs	**$592,357**	**$630,059**

Source: DPH, POL, and BLA budgetary estimates

Note: Police Officer overtime calculated based on assumption of 840 hours of service.

Funding would likely have to be sourced from DPH and POL Department General Funds. The DPH-funded estimates above are comparable to what is currently allocated for DPH-conducted tobacco sales inspections. DPH services would be provided by the Environmental Health Division.

DPH activities would require hiring 1.00 FTE 6122 Senior Environmental Health Inspector, 0.20 FTE 6124 Principal Environmental Health Inspector, 0.20 FTE Senior Clerk. As of June 1, 2026, DPH had seven 6120 Environmental Health Inspectors, one 6122 Senior Environmental Health Inspector, and two 6124 Principal Environmental Health Inspectors, primarily in the Food safety program, which is primarily funded by the General Fund (not fees). In addition, DPH had thirteen 1406 Senior Clerk vacancies.

We assume at least one Police Officer would accompany the Environmental Health Inspectors on overtime and that the inspector would spend half of their productive hours (840 hours annually) on inspections. Inspections may include more or less Police Department involvement depending on how frequent inspections are. We believe the Public Health, Police Department, District Attorney, and Public Defender (if applicable) could absorb these new responsibilities within their existing budgets.

POLICY CONSIDERATION

The proposed ordinance would tighten restrictions currently imposed by the State on nitrous oxide sales by banning most retail sales of this substance. As noted above, State law currently prohibits sale or possession of nitrous oxide if the intended use is intoxication, prohibits sales to minors, and requires vendors to maintain written records of transactions that include identification of all buyers. There does not appear to be any existing enforcement of these laws in San Francisco.

Other Jurisdictions

Based on review of recently passed and comparable ordinances in other California cities and counties, this ordinance is consistent in its criminal penalty structure: all ordinances our office examined impose criminal fines of up to $1,000 on violators. However, not all other ordinances

examined also impose possible civil and administrative fines; Santa Cruz County, for example, only imposes criminal fines. Additionally, this ordinance extends prohibition not only to businesses but to individuals who possess a certain size of nitrous oxide deemed to be a sellable amount. Of the city and counties examined, this provision is consistent only with the ordinance passed in San Mateo County.

In addition, the proposed ordinance does not provide for revocation of a business license, which Orange, Humboldt, and San Mateo Counties do in their bans. San Jose also provides for property owner liability if tenants sell nitrous oxide. The Board of Supervisors should consider adding these provisions to this proposed ordinance, as it could strengthen enforcement efforts.

Enforcement

The City government lacks data on the scope of the nitrous oxide problem in San Francisco in part because there is no existing enforcement of the state laws regulating nitrous sales. Other counties (Humboldt and Orange) conducted local surveys - such as retailer or point-of-sale assessments - to measure the extent and growth of recreational nitrous oxide use within their jurisdictions. They also reviewed hospitalization and first responder data to assess the scope of the problem. The Board of Supervisors should request that Environmental Health and SFPD conduct a similar analysis, which may include community surveys, publicly-available hospital encounter/discharge data, and retail audits. Additionally, the City should require reports from the Environmental Health division, Police Department, and District Attorney report back on their implementation and enforcement actions taken as a result of this ordinance by the end of the fiscal year. This context could allow for less costly and more targeted enforcement strategies. Additionally, the City could undertake a campaign to educate retailers and the public on the dangers of nitrous oxide and details of this legislation.

Lastly, given the existing collaboration between DPH and POL to carry out tobacco compliance inspections, the Departments should add nitrous oxide inspections to these existing operations in order to promote efficiency and cost savings. However, as noted, some nitrous oxide vendors lack tobacco licenses and would therefore fall outside tobacco compliance inspections, meaning enforcement efforts would need to expand to cover these vendors.

The Budget and Legislative Analyst considers approval of the proposed ordinance to be a policy matter for the Board of Supervisors.

RECOMMENDATIONS

1. Amend the proposed ordinance to require two reports to the Board of Supervisors by June 1, 2027: (a) A report from Environmental Health and Police Department evaluating the scope of the nitrous oxide problem in San Francisco and (b) a report from Environmental Health, Police, District Attorney, and City Attorney, on enforcement actions taken as a result of this ordinance and any legislative changes that may be necessary to manage the nitrous oxide problem in San Francisco.
2. Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Appendix: Other Nitrous Oxide Bans

Evaluation of Senate Bill 936

Louisiana and Nebraska have recently passed legislation to ban the recreational sale of nitrous oxide. California legislators are considering a similar ban through Senate Bill (SB) 936. This bill would impose a state-mandated local program to prohibit the sale and distribution of over 8 grams of nitrous oxide. This ban is detailed in the table below. Committee analysis of SB 936 states that this bill would not only curb recreational use of nitrous oxide but would minimize nitrous oxide cylinder waste and alleviate local waste management expenses. This bill may be passed into law in 2026 but would not go into effect until January 1, 2027.

Exhibit 2 below compares penalties, enforcement mechanisms, and other characteristics of recently passed nitrous oxide sales bans.

Exhibit 2: San Francisco Ordinance in Comparison to Other State/County/City Bans

Jurisdiction	Status / Approved Date	Scope of Ban	Key Penalties	Business License Impact	Property Penalties	Public Nuisance Provision	Enforcement	Violations Data
San Francisco	Introduced by Supervisor Sauter on May 5, 2026	Sale/distribution of nitrous oxide of any size, individual possession of a certain size (cylinder with 6 pounds or more, aggregate of 200 or more 8-gram cartridges, or equivalent amount)	Infraction or misdemeanor, fine ($500 for first, $750 for second, $1,000 for each additional violation)	Possible revocation of Tobacco Sales Permit, possible administrative fines	None	☒	Department of Public Health, Police Department and District Attorney's Office	N/A
Statewide	Being heard in Assembly committees	Sale/distribution of nitrous oxide containers over 8 grams, flavored nitrous oxide	Infraction, possible fine ($500 for first, $1,000 for second, $2,000 for each additional violation)	Possible suspension of business license issued by state, city, or county for up to one year, possible suspension of Tobacco/Cigarette license for up to one year	None	None	Local Police Departments/Sheriff's Offices	N/A

Jurisdiction	Status / Approved Date	Scope of Ban	Key Penalties	Business License Impact	Property Penalties	Public Nuisance Provision	Enforcement	Violations Data
Orange County	February 2025	Sale/distribution of nitrous oxide of any size	Up to 6 months' jail time and/or up to $1,000 fine	Possible business license revocation	None	None	Sheriff's Office, code enforcement Note: County mostly providing supporting role to city enforcement, such as by sending cease and desist letters to identified retailers	Note: Cities with bans may have issued citations.
Humboldt County	June 2025	Sale/distribution of nitrous oxide of any size	Up to 6 months' jail time and/or up to $1,000 fine	Possible tobacco retailer license and business license revocation	None	☒	Department of Health and Human Services, Public Health Division of Environmental Health, Sheriff's Office, Planning and Building Department	No violations recorded as of 7/8/26 Note: Cities with bans may have issued citations.

Jurisdiction	Status / Approved Date	Scope of Ban	Key Penalties	Business License Impact	Property Penalties	Public Nuisance Provision	Enforcement	Violations Data
San Mateo County	August 2025	Sale/distribution of nitrous oxide of any size, individual possession of a certain size (cylinder with 6 pounds or more, aggregate of 200 or more 8-gram cartridges, or equivalent amount)	Up to 6 months' jail time and/or up to $1,000 fine	Possible Tobacco Retailer Permit and business license revocation	None	☒	Sherriff's Office, County Narcotics Task Force, County Environmental Health Services Division	No violations recorded as of 7/9/26 Note: Cities with bans may have issued citations.
Santa Cruz County	September 2025	Sale/distribution of nitrous oxide of any size	Jail time and/or up to $1,000 fine	None	None	None	Sherriff's Office (Alcohol/Tobacco enforcement officer), Environmental Health Division of Santa Cruz County Health Services Agency	No violations recorded as of 7/16/26 Note: Cities with bans may have issued citations.
City of San Jose	November 2025	Sale/distribution of nitrous oxide of any size, property owner liability for knowingly permitting sales	Jail time and/or up to $1,000 fine	Possible revocation of Tobacco Retailer License, Notice of Completed Registration	☒	☒	Planning, Building & Code Enforcement Dept. (with Police and City Attorney)	

Source: BLA analysis of SB 936 bill text, outreach to and review of other jurisdictions

All bans included in the table above include exemptions for use of nitrous oxide for medical/dental administration, culinary propellant use, and automotive engine usage.

In addition to the bans listed above, according to media reports, 18 cities across California (Cloverdale, Eureka, Ferndale, Rio Dell, San Jose, Santa Cruz, Anaheim, Buena Park, Costa Mesa, Fullerton, Garden Grove, Huntington Beach, Laguna Niguel, Newport Beach, Santa Ana, Stanton, Orange, and Westminster) have also passed ordinances to ban the retail sale of nitrous oxide.

Item 2 File 26-0702	Department: Airport

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a modification to the Airport's contract with Faith Group PMCM2 JV to increase the not-to-exceed amount by $9,500,000, bringing the total contract amount to $17,000,000, with no change to the five-year term ending June 2029.

Key Points

- Commissioning, Activation, and Simulation (CAS) support services under the Capital Improvement Plan, enable the effective startup and functional readiness of new and renovated facilities, and include services such as scheduling, preparation of test plans, equipment and systems trials and training, simulation services, and coordination with project teams and stakeholders.
- The Airport selected Faith Group PMCM2 JV to provide CAS support services through a competitive RFP process in which the joint venture received the highest score among three proposers. The original five-year contract, awarded in November 2024, was for a not-to-exceed amount of $7,500,000.

Fiscal Impact

- The proposed amendment increases the contract's not-to-exceed amount to $17,000,000.
- Contract expenditures totaled $4,087,226—54 percent of the original $7.5 million authorization—as of June 2026. Rising labor and direct costs, expanded staffing needs, and additional Airport initiatives contributed to expenditures exceeding initial projections.
- Funding is provided through the Airport's Capital Improvement Plan.

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 March 2024, the Airport released a Request for Proposals (RFP) to select a vendor to support Commissioning, Activation, and Simulation (CAS) support services. CAS support services, under the Capital Improvement Plan, enable the effective startup and functional readiness of new and renovated facilities, and include services such as scheduling, preparation of test plans, equipment and systems trials and training, simulation services, and coordination with project teams and stakeholders. These services help guarantee that facilities are prepared and function properly prior to being opened to the public, thus reducing operational risk and maintain continuity of Airport operations. CAS support services are required for the startup of certain projects under the Ascent Program – Phase 1.5 and the Infrastructure Projects Plan within the Airport's Capital Improvement Plan. The Airport's FY 2025-26 Capital Improvement Plan totals $12.5 billion, and the Airport determines which projects require CAS support services as projects are implemented.

In response to the RFP, the Airport received three proposals in May 2024. All three proposers were interviewed on July 19, 2024. Of the proposers, two were joint ventures (JV) with Local Business Enterprise (LBE) firms. A Contract Monitoring Division (CMD) LBE rating bonus of 7.5% was added to the two proposers' scores. The proposals were evaluated based on: (a) project approach; (b) introduction and executive summary; (c) proposer's experience and qualifications; (d) proposer's team organization and key personnel; and (h) the oral interview. The proposal from Faith Group PMCM2 JV, a joint venture between Faith Group, LLC and PMCM2, LLC., received the highest score from the four-member review panel consisting of two Airport Commission employees, one member of the aviation industry, and one member from the SFPUC (City Department). Exhibit 1 below shows the results from the RFP evaluation process.

Exhibit 1: RFP Evaluation Process

Proposer	Evaluation Score (550 max./excluding rating bonus)	LBE Rating Bonus Points	LBE Rating Bonus %	Final Score
Faith Group PMCM2 JV	526.50	17.79	7.5%	565.9875
ASLPM/HCI JV	441.25	13.91	7.5%	474.3438
M2P	418.25	0.00	0%	418.2500

Source: AIR Memo, 2024

Original Contract and Proposed Amendment

In November 2024, Airport awarded the top-scoring proposer, Faith Group PMCM2 JV, a joint venture between Faith Group, LLC, and PMCM2, LLC, with the CAS contract for a not-to-exceed amount of $7,500,000 for five years of CAS services with a 14% LBE sub-consulting participation requirement for the contract. The term commenced on July 1, 2024, and expires on June 30, 2029.

On March 17, 2026, the Airport Commission approved an amendment to the contract, increasing the contract amount by $9,500,000, bringing the total not-to-exceed amount to $17,000,000 to ensure continued support for CAS services.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the first modification to the Airport's contract with Faith Group PMCM2 JV, a joint venture between Faith Group LLC and PMCM2 LLC, to increase the not-to-exceed contract amount by $9,500,000 to $17,000,000. The increase in the contract amount will be used to support CAS services at the Airport.

The Contractor is responsible for delivering all CAS Support Services in accordance with CAS Standards and must provide the staff needed to manage these services for SFO's Capital Improvement Plan (CIP) and any additional assigned projects. SFO updates its CIP every two years to prioritize capital needs and will identify which CIP projects, along with any other assigned projects, require CAS Support Services as they move into implementation.

The contractor will manage and deliver CAS services across assigned projects, working closely with project teams to integrate CAS standards into project delivery. Assigned projects include training project teams and SFO stakeholders, guiding CAS planning throughout each project, and maintaining an updated CAS schedule. The contractor will identify, implement, and support CAS management software, and help integrate CAS tools into SFO's asset management systems. They will coordinate regularly with the Facilities Commissioning Team, project teams, authorities, and Airport Operations; review project documents for CAS alignment; and support the CAS Steering Committee. The contractor will also maintain and update CAS standards, prepare technical guidance on emerging technologies, provide sustainability commissioning through qualified subconsultants, support future re-commissioning efforts, and perform additional CAS services as requested.

Subcontractors

This agreement requires a Local Business Enterprise (LBE) subcontracting participation rate of 14% for the contract. According to Airport staff 20% is complete as of June 26, 2026. The list of subconsultants for this contract is illustrated in Exhibit 2 below.

Exhibit 2: Subcontractor Roles and Responsibilities

Approved Contractors	Role
Faith Group	Project Manager; CAS Manager; Systems Engineer; JV Lead
PMCM2	Mechanical Electrical Plumbing (MEP) Specialist; Support Engineer; JV Partner
Approved First-Tier Subcontractors	**Role**
Arup	Sustainability Commissioning*
Chaves and Associates (LBE)	Document Control; Office Engineer; Project Administration; Training; First Source Hire
EPC Consultants, Inc. (Micro/Small LBE)	Support Engineer; Project Controls
EXP	MEP Specialist
Indoor Environmental Engineering (LBE)	Sustainability Commissioning*
Glumac	Sustainability Commissioning*
Montez Group, Inc.	Sustainability Commissioning
Pyxis Partners	Sustainability Commissioning*
Smart Surfaces Coalition	Sustainability Commissioning*
Veregy	Sustainability Commissioning*

Source: Appendix B, AIR Contract Agreement

*Sustainability commissioning is a specialized service that ensures assigned projects meet required green building and infrastructure standards.

Performance Monitoring

The agreement includes service level metrics that the contractor is expected to meet. Airport staff conduct semi-annual reviews on topics such as team performance and delivery, project delivery partners (PDP) team resources management, project controls and reporting, design management, construction management and safety, and commissioning, activation and simulation (CAS) readiness, with sub-categories in each. Airport staff provided data on these service metrics on a scale from "Outstanding" to "Below Expectations". According to Airport staff, there are no outstanding performance issues, and the overall performance of the project delivery partner team falls under "Outstanding".

FISCAL IMPACT

The proposed resolution increases the not to exceed amount by $9,500,000 to a total of $17,000,000 with no change to the contract duration. Exhibit 3 below shows the contract budget expenditures to date by fiscal year. Funding is provided through the Airport's Capital Improvement Plan.

Exhibit 3: Contract Budget

Fiscal Year	Labor	Mark-up on sub-consultant labor	Subtotal labor cost	Other direct costs	Total
FY 2024-25	$1,060,418	$6,198	$1,066,615	$802	**$1,067,417**
FY 2025-26	2,993,796	21,008	3,014,804	5,006	**3,019,809**
FY 2026-27	3,456,823	22,993	3,479,816	270,000	**3,749,816**
FY 2027-28	3,214,896	20,537	3,235,433	270,000	**3,505,433**
FY 2028-2029	3,023,956	18,299	3,042,255	270,000	**3,312,255**
FY 2029-2030	2,069,549	12,387	2,081,936	263,333	**2,345,270**
Total	**$15,819,438**	**$101,422**	**$15,920,859**	**$1,079,141**	**$17,000,000**

Source: Airport

*Consumables are supplies such as paper that vary based on passenger traffic at the Airport

As shown above, the majority of the budget growth over the extension period is driven by rising Labor and Other Direct Costs, which increase from approximately $2.9 million in FY 2025-26 to $3.0 million by FY 2028-29. The FY 2026-27 budget was developed by projecting labor needs based on both core staffing requirements and expanded support roles, using a standard assumption of 1,920 hours annually for each full-time equivalent (FTE). In total, 14,688 labor hours were incorporated into the FY 2026-27 labor budget at an average rate of approximately $218 per hour, resulting in a projected labor cost of $3,456,823 (excluding markup). This estimate reflects a combination of five core FTEs, and ten partial-year engineering support and specialized subject matter experts (SMEs), supplemented by a $22,993 markup and $270,000 in Other Direct Costs.

Under the contract, the hourly direct labor rates range from up to $41 for administrative support staff to $201 for the principal in charge. Wages may be adjusted annually based on changes in the Consumer Price Index. The budget assumes an average hourly rate of approximately $218 per hour in FY 2026-27, which includes the direct labor rates, overhead, and profit of up to 10 percent. Labor rates are based on the Airport's approved direct labor rate ranges for project management services and subsequent negotiations with the contractor.

Contract Spending and Budget Increase

According to the contract budget, the project's cumulative expenditures totaled $4,087,226, or 54 percent of the existing not to exceed amount of $7.5 million, as of the end of June 2026. The original budget reflected the active projects at the time of the RFP and their anticipated scope. As the Design-Build projects advanced, both the scope and the associated resource requirements increased beyond those initial assumptions, with added projects driving the requested increase. Additional projects and Airport initiatives include support for Airport-led Architecture and Engineering Section work. These developments resulted in current budget exceeding the original projections and created the need to increase the contract amount. The breakdown of the CAS budget by project is shown in Exhibit 4 below.

Exhibit 4: SFO CAS Budget by Project

List of Projects	Project Budget
10401 / Capital Improvement Program Programmatic Support (CPSS)	$400,000
10011 / Terminal 1 Center	1,000,000
10071 / Terminal 3 West	2,780,000
11922 / West Field Program	2,110,000
10072 / Courtyard 3 Connector	250,000
11365 / Dianne Feinstein International Terminal (DFIT) Phase 2	350,000
9405 / Bus Maintenance Facility	35,000
10071 / Courtyard 4 Connector	325,000
11962 / Wayfinding Phase 2	100,000
11365 / Dianne Feinstein International Terminal (DFIT) Phase 2	150,000
10071 / Courtyard 4 Connector Expanded Scope	500,000
10071 / Terminal 3 West Expanded Scope	500,000
SFO Facilities/ Maximo Support	262,000
11922 / West Field Program (Scope Adds & Station BP)	350,000
11812 / Dianne Feinstein International Terminal -HVAC	129,810
11965 / Boarding Area F Refresh	350,000
11813 / Dianne Feinstein International Terminal - Roof	150,000
11751 / Airfield Lighting Buildings	50,000
11961 / Airport-Wide Security Upgrades	50,000
12189 / Dianne Feinstein International Terminal Gallery and Info Booths	75,000
12204 / Terminal 2 and Boarding Area D Improvements	275,000
11945 / Boarding Area G Gate Enhancements	375,000
12271 / DFIT Smoke Control and Fire Alarm Modernization	150,000
12023 / Airport Tenant Relocations	175,000
11442 / Airport Security Infrastructure Program (ASIP) Phase 2	283,190
12153 / Rental Car Center (RAC) Improvements	275,000
11160 / Superbay Hangar Renovation	200,000
11834 / Central Air Handler Improvements at Boarding Areas F and C	250,000
11862 / Parking Access and Revenue Control System Replacement	200,000
11836 / SFO Electrification	250,000
12163 / Central Utility Plant Essential System Improvements	500,000
SFO Ascent II Projects*	4,150,000
Total	**$17,000,000**

Source: Airport

*Note: The Airport intends to confirm the next Capital Improvement Projects list in Q4 2026, with RFPs to be issued starting in Q1 2027. Projects may include some of the following: All-electric central utility plant, new Boarding Area H, Central Hub (parking and transit center), Office building, utility projects, roadway/viaduct improvements, and others.

RECOMMENDATION

Approve the proposed resolution.

Item 3 File 26-0810	Department: Airport

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve the third modification to the Airport's contract with AtkinsRéalis USA Inc., increasing the not-to-exceed amount by $8,400,000, for a revised total of $17,000,000, with no change to the existing four-year term ending February 14, 2029. The additional funding will support continued project management services for the Airfield Improvement Program, 2024–2029 Phase.

Key Points

- The Airfield Improvement Program consists of runway and taxiway rehabilitation projects to enhance airfield safety and operational efficiency and bring facilities up to current Federal Aviation Administration (FAA) standards. The Airport selected AtkinsRéalis USA Inc. through a Request for Proposals process in which the firm received the highest overall score among three responsive proposers.
- AtkinsRéalis will continue providing design management, construction management, project controls, contract administration, cost estimating, scheduling, and field inspection services throughout the Airfield Improvement Program.

Fiscal Impact

- The not-to-exceed contract amount will increase from $8.6 million to $17 million. As of July 2026, expenditures totaled approximately $7.7 million, leaving about $900,000 remaining under the previous authorization.
- The expanded contract amount corresponds to work across three major airfield projects with project budgets of $36.75 million (Taxiway Z Reconstruction), $215 million (1R Rehabilitation and Taxiway W Construction), and $67.5 million (Midfield Taxiways Improvement). The proposed $17 million contract represents roughly 5.32 percent of these combined project budgets.
- Funding for the contract is provided through the Airport's Capital Improvement Plan, specifically from the Infrastructure Projects Plan.

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

On July 16, 2024, the Airport released a Request for Proposals (RFP) to select a Project Management Support Services (PMSS) consultant to support the Airfield Improvement Program, 2024-2029 Phase (Program), which consists of various projects meant to enhance the safety and operational efficiency of Airport runways and taxiways. The program will repair aging pavement and modernize the current airfield infrastructure to meet the latest Federal Aviation Administration (FAA) standards.

The proposals were evaluated based on: (a) introduction and executive summary; (b) experience and qualifications; (c) team organization and key personnel; (d) project approach; and (e) the oral interview. The Airport received four proposals on August 29, 2024, and all but one proposal met the minimum qualification requirements and were deemed responsive. The proposal from AtkinsRéalis USA Inc. received the highest score from the four-member review panel consisting of two Airport Commission employees, one Department of Public Works employee, and one Port of San Francisco employee. Exhibit 1 below shows the results from the RFP evaluation process.

Exhibit 1: RFP Evaluation Process

Proposer	Technical Proposal (Max 300 points)	Oral (Max 250 points)	Total (Max 550 points)
AtkinsRéalis USA Inc.	251.00	219.25	470.25
AECOM Technical Services, Inc.	269.25	192.25	461.50
Hill International, Inc.	252.00	200.25	452.25

Source: AIR Memo, 2024.

Original Contract and Proposed Amendments

On January 21, 2025, the Airport Commission approved a contract with AtkinsRéalis USA Inc. for an amount not to exceed $8,600,000 to provide project management support services for the Airfield Improvement Program, 2024-2029 Phase, for a four-year term through February 14, 2029. Under the contract, the services provided are design management, construction management, project controls, contract administration, cost estimating, scheduling, and field inspection services.

In October 2025, the Airport administratively approved the first amendment to the contract to increase the labor rates for the project controls manager, clarify the term start and end date, and update the contracts cyber security requirements.

In May 2026, the Airport administratively approved the second amendment to the contract to increase the home office overhead rate for one of the subcontractors and update standard terms, Airport specific terms, and data and security terms.

On June 2, 2026, the Airport Commission approved a third amendment to the contract to increase the contract amount by $8,400,000, bringing the total not-to-exceed amount to $17,000,000, with no change to the term of the contract, for the purposes of continued project management support services for the Airfield Improvement Program.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the third modification to the Airport's contract with AtkinsRéalis Inc. to increase the not-to-exceed contract amount by $8,400,000, bringing the total not-to-exceed amount to $17,000,000, with no change to the four-year term of the contract. The increase in the contract amount will be used to support the project management support services under the Airfield Improvement Program.

The 2024-2029 Phase of the Airfield Improvement Program consists of planned projects taking place between 2024 and 2029 to enhance the safety and operational effectiveness of the Airport's runways and taxiways. The program will rehabilitate deteriorating pavement and upgrade existing airfield infrastructure to meet current FAA standards.

The contractor, AtkinsRéalis USA Inc., is responsible for providing comprehensive management expertise and oversight for the Airfield Improvement Program. The Contract's scope of work includes design and construction management, project controls, contract administration, cost estimating, and field inspection services.

SBE Participation

The Program is eligible for up to 75 percent reimbursement from grant funding through the FAA Airport Improvement Program, which subjects it to applicable FAA Disadvantaged Business Enterprise (DBE) Program participation and non-discrimination requirements. The Airport maintains a DBE Program, including a Small Business Element (SBE) that sets a 2.5 percent SBE participation goal for this Contract. AtkinsRéalis USA Inc. has committed to achieving 22 percent SBE sub-consultant participation. The list of contractors and subcontractors is illustrated in Exhibit 2 below.

Exhibit 2: Contractors and Subcontractors

Contractor	Roles or Professional Services
AtkinsRéalis USA Inc. (Prime)	Project and Design Management and Project Controls
Approved First-Tier Subcontractors	
Geometrics Engineering PS, Inc.	Construction Management and Field Inspection
Lean Technology Corporation	Field Inspection Services
Dabri, Inc.	Office Engineering and Project Admin Support
Applied Pavement Technology	Quality Assurance Testing
Applied Materials and Engineering, Inc.	Quality Assurance Testing
ISI Inspection Services, Inc.	Quality Assurance Testing
BKF Engineers	Quality Assurance Survey

Source: Airport

Performance Monitoring

Airport staff conduct semi-annual reviews on the Airfield Improvement Program with criteria including project controls, change order preparation, quality control, contract administration, teamwork and communication, management of the project cost and schedule, safety and security, and project delivery partners team resources management, with sub-categories in each. Airport staff provided data on these service metrics on a scale from "Outstanding" to "Unsatisfactory". According to the most recent performance evaluation of March 2026, the contractor met or exceeded expectations for nearly all sub-categories. The contractor performed "Below Expectations" for three sub-categories, including cost management, schedule and project risk monitoring and analysis, and review of design deliverables. The evaluation states that progress is being made in these areas, but there is room for additional improvement.

FISCAL IMPACT

The proposed resolution increases the not-to-exceed amount by $8,400,000, bringing the total not-to-exceed amount to $17,000,000, with no change to the contract duration. Exhibit 3 below shows the contract budget by project and fiscal year.

Exhibit 3: Contract Budget by Project

Project	FY 2025	FY 2026	FY 2027	FY 2028	Total
Taxiway Z Reconstruction Project (8983.61)	$300,000	$3,400,000	--	--	$3,700,000
1R Rehabilitation and Taxiway W Construction Project (11863.71)	400,000	3,300,000	6,100,000	--	9,800,000
Midfield Taxiways Improvement Project (11096.71)	--	300,000	2,600,000	600,000	3,500,000
Total	**$700,000**	**$7,000,000**	**$8,700,000**	**$600,000**	**$17,000,000**

Source: Airport

As shown above, the largest portion of the contract budget is attributable to the 1R Rehabilitation and Taxiway W Construction project (11863.71), which totals $9.8 million and represents the most cost-intensive effort supported under the Airfield Improvement Program.

The contract currently has a not to exceed amount of $8.6 million. As of the end of July 2026, cumulative expenditures total $7.7 million, leaving approximately $900,000 in remaining capacity available to support continued work through FY 2026-27.

The Airport is proposing to increase the not to exceed amount to $17.0 million to align the contract with the approved budget for this contract and the anticipated award advertised in the RFP. According to Airport staff, the original agreement's not to exceed amount of $8.4 million was to provide sufficient funding for the first few projects, and the Airport intended to increase the contract amount when additional funding was needed.

The proposed contract amount of $17.0 million reflects approximately 5.32 percent of the total project budgets for the three projects shown in Exhibit 3. The total project budgets for each of the three budgets are $36.75 million for Taxiway Z reconstruction, $215 million for the 1R Rehabilitation and Taxiway W Construction project, and $67.5 million for the Midfield Taxiways Improvement project.

Labor Rates

Under the contract, the hourly direct labor rates range from up to $41 for an intern to up to $155 for a subject matter expert. Wages may be adjusted annually based on changes in the Consumer Price Index.

Funding Source

The Contract is funded through the Airport's Capital Improvement Plan, specifically from the Infrastructure Projects Plan. The full not-to-exceed amount is aligned with the approved budget of $17,000,000.

RECOMMENDATION

Approve the proposed resolution.

Items 7 - 14 Files 26-0870, 26-0871, 26-0872, 26-0882, 26-0883, 26-0884, 26-0885, 26-0886	Department: Office of Public Finance, Public Health, Recreation and Park, Public Works, Mayor's Office of Housing & Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The five proposed resolutions would authorize the issuance and sale of up to $423,479,550 in general obligation bonds, including: (a) $83,475,000 for the Series 2026B Health and Recovery bonds, (b) $138,000,000 for the Series 2026C Earthquake Safety and Emergency Response bonds, (c) $107,540,000 for the Series 2026D 2019 Affordable Housing bonds, (d) $47,000,000 for the Series 2026E 2024 Affordable Housing bonds, and (e) $47,464,550 for the taxable Series 2026F Preservation and Seismic Safety bonds. The Series 2026C resolution was introduced with a not-to-exceed amount of $215,000,000; the Office of Public Finance and Public Utilities Commission intend to request an amendment reducing the amount to $138,000,000 because the Emergency Firefighting Water System project has been deferred.
- The three proposed ordinances would appropriate the bond proceeds to the Department of Public Health, Recreation and Park, Department of Public Works, and Mayor's Office of Housing and Community Development. The appropriations would be placed on Controller's Reserve pending receipt of the bond proceeds. The Health and Recovery ordinance would also de-appropriate $43,505,000 in previously authorized Series 2025G proceeds from the Department of Public Health, as the projects were delayed.

Key Points

- The proposed bond proceeds would fund behavioral health facilities, parks, playgrounds, and climate-resilience improvements, a new Fire Department training facility, seismic improvements to Fire Station 7 and Taraval Police Station, downpayment assistance loans, senior and low-income affordable housing developments, and loans for the rehabilitation and preservation of affordable housing.
- The Series 2026D and Series 2026F sales would exhaust the remaining voter-authorized amounts for the 2019 Affordable Housing and 2016 Preservation and Seismic Safety bond programs. Following the proposed sales, approximately $239,975,000 will remain authorized but unissued across the other three bond programs.

Fiscal Impact

- Based on an estimated interest rate of 5.64 percent, average annual debt service is estimated at approximately $33.6 million over the anticipated 20-year term of the Series 2026BCDE bonds and approximately $3.5 million over the anticipated 40-year term of the Series 2026F bonds. Total debt service is estimated at approximately $741.4 million.
- The proposed transactions comply with the City's debt limit and property tax rate policies, including the $0.1201 per $100 of assessed value tax rate limit.

Recommendation

- Approve the proposed resolutions and ordinances.

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors approves the issuance of general obligation bonds. Section 9.106 also limits outstanding general obligation bond indebtedness to three percent of the assessed value of all taxable real and personal property located within the City.

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

The proposed resolutions and ordinances pertain to five general obligation bonds approved by voters, including:

- **2020 Health and Recovery:** Proposition A (November 2020) authorized $487.5 million for health, public spaces and infrastructure projects, including (a) $207 million for supportive housing, shelters, behavioral health and homelessness facilities, (b) $239 million for parks, open spaces and recreation facilities, and (c) $41.5 million for streets and public right-of-way improvements.
- **2020 Earthquake Safety & Emergency Response (ESER):** Proposition B (March 2020) authorized $628.5 million to fund earthquake safety and emergency response projects. The bond program developed by City staff includes (a) $153.5 million for the Emergency Firefighting Water System, (b) $275 million for Fire Department facilities, (c) $121 million for Police facilities, (d) $70 million for disaster response facilities, including $20 million for upgrading the Kezar Pavilion into a disaster relief facility and $50 million for Fire Station 7 and Taraval Police Station renovation, and (e) $9 million for upgrades to the 911 call center at 1011 Turk Street.
- **2019 Affordable Housing:** Proposition A (November 2019) authorized $600 million for affordable housing programs, including: (a) $150 million for public housing renovations, (b) $220 million for low-income housing, (c) $30 million for preserving existing affordable housing, (d) $30 million for middle-income housing, (e) $150 million for senior housing, and (f) $20 million for educator housing.
- **2024 Affordable Housing:** Proposition A (March 2024) authorized $300 million for affordable housing programs, including: (a) $240 million for low-income housing, (b) $30 million for preserving existing affordable housing, and (c) $30 million for housing that prioritizes victims/survivors of violence.
- **2016 Preservation and Seismic Safety (PASS):** Proposition C (November 2016) amended the 1992 Seismic Safety Loan Program to expand the eligible uses of approximately $260.7 million in remaining bond authority, including approximately $104.7 million for affordable

housing/below-market-rate loans[1] and $156 million for market-rate loans[2], to finance seismic safety improvements as well as the acquisition, improvement, rehabilitation, and conversion of at-risk multi-unit residential buildings to permanently affordable housing.

Exhibit 1 below shows the total debt authorized by voters, previously approved bond sales, the amounts of the proposed bond sales, and the remaining authorizations.

Exhibit 1: General Obligation Bond Authorizations and Issuances

Bond	Authorization	Issued	Remaining Authorization	Proposed Sales	Proposed Remaining Authorization
2020 Health and Recovery	$487,500,000	$374,805,000	$112,695,000	$83,475,000	$29,220,000
2020 ESER	$628,500,000	$385,515,000	$242,985,000	$138,000,000	$104,985,000
2019 Affordable Housing	$600,000,000	$492,460,000	$107,540,000	$107,540,000	$0
2024 Affordable Housing	$300,000,000	$147,230,000	$152,770,000	$47,000,000	$105,770,000
2016 PASS	$260,684,550	$213,220,000	$47,464,550	$47,464,550	$0
Total	**$2,276,684,550**	**$1,613,230,000**	**$663,454,550**	**$423,479,550**	**$239,975,000**

Source: Office of Public Finance

DETAILS OF PROPOSED LEGISLATION

Resolutions Approving Issuance and Sale of General Obligation Bonds

File 26-0882: The proposed resolution would authorize the issuance and sale of the 2020 Health and Recovery Bond with a not-to-exceed amount of $83,475,000, Series 2026B.

File 26-0883: The proposed resolution would authorize the issuance and sale of the 2020 Earthquake Safety and Emergency Response Bond with a not-to-exceed amount of $215,000,000, Series 2026C.

The SFPUC originally intended to use ESER bond proceeds to fund the next phase of the Emergency Firefighting Water System westside expansion, however, due to difficulty in procuring key components of the system, the SFPUC will request bond funds for that project at a later date.

[1] MOHCD financing consists of market-rate, below-market-rate, and deferred loan tranches. The below-market-rate and deferred tranches carry interest rates equal to approximately one-third of the City's cost of funds, while the market-rate tranche carries an interest rate equal to the City's cost of funds plus one percentage point. According to MOHCD, the resulting blended financing provides borrowers an estimated 30 to 40 percent discount relative to market interest rates and a 10 to 20 percent discount relative to the City's cost of funds. The reduced financing costs support project feasibility and help preserve affordable rents. For deferred loans, repayment is postponed, generally because the affordable housing projects are not expected to generate enough income to make regular payments on the entire loan amount. Principal and possibly interest remain owed, but payments may not be required until a specified future event, such as refinancing, sale, maturity of the loan, or the availability of surplus project funds. Terms would be established in each project's loan documents.

[2] For market-rate loans, borrowers generally pay interest based on the City's borrowing cost, plus an additional amount for administrative costs. These loans have the highest repayment cost.

For this reason, OPF and SFPUC will request an amendment to the resolution to reduce the bond sale from $215,000,000 to $138,000,000.

File 26-0884: The proposed resolution would authorize the issuance and sale of the 2019 Affordable Housing Bond with a not-to-exceed amount of $107,540,000, Series 2026D.

File 26-0885: The proposed resolution would authorize the issuance and sale of the 2024 Affordable Housing Bond with a not-to-exceed amount of $47,000,000, Series 2026E.

File 26-0886: The proposed resolution would authorize the issuance and sale of the taxable 2016 Preservation and Seismic Safety Bond with a not-to-exceed amount of $47,464,550, Series 2026F.

Each resolution also:

- Prescribes the form and terms of the bonds;
- Provides for the appointment of depositories and other agents and 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/or 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.

Appropriation Ordinances

File 26-0870: The proposed ordinance appropriates the following bond proceeds, totaling $202,004,550, to the Mayor's Office of Housing and Community Development (MOHCD) and places these funds on Controller's Reserve pending receipt of bond funds:

- $107,540,000 of proceeds from Series 2026D 2019 Affordable Housing Bond to fund middle income downpayment assistance and senior rental housing projects.
- $47,000,000 of proceeds from Series 2026E 2024 Affordable Housing Bond to fund low-income projects; and
- $47,464,550 of proceeds from Series 2026F 2016 Preservation and Seismic Safety (PASS) Bond to fund the acquisition, rehabilitation, improvement and conversion of at-risk multi-unit residential buildings to permanent affordable housing.

File 26-0871: The proposed ordinance de-appropriates $43,505,000 of 2020 Health and Recovery Series 2025G proceeds from the Department of Public Health (DPH) and appropriates

$83,475,000 of Series 2026B proceeds to DPH and the Recreation and Park Department (REC). The Series 2026B appropriation would be placed on Controller's Reserve pending receipt of the bond proceeds.

File 26-0872: The proposed ordinance appropriates $138,000,000 of Series 2026C ESER Bond proceeds to the Department of Public Works (DPW) and places the appropriation on Controller's Reserve pending receipt of bond proceeds.

Bond Characteristics

The proposed resolutions authorize the Director of Public Finance (or Controller or their designee) to determine the sale date, interest rates, principal amounts, and maturity dates, subject to a maximum true interest cost of 12 percent. The Series 2026BCDE bonds may have final maturities of up to 30 years, while the Series 2026F bonds may have a final maturity of up to 40 years.

The Office of Public Finance anticipates structuring the Series 2026BCDE bonds with 20-year final maturities, consistent with the City's common practice. The taxable Series 2026F PASS bonds are anticipated to have a 40-year final maturity to match the repayment terms of loans to nonprofit housing developers.

The Series 2026BCDE bonds may be issued on a tax-exempt and/or taxable basis depending on eligibility of project expenditures and market conditions. The Series 2026F bonds would be taxable. The Office of Public Finance intends to pursue a competitive sale of the Series 2026BCDEF Bonds but may pursue a negotiated sale if the bond structure or market conditions make a negotiated sale preferable. Consequently, the proposed resolutions include form bond purchase contracts.

Proposed Uses of Bond Funds

Exhibit 2 below summarizes the proposed uses of the proposed bond proceeds. The proposed appropriations total $423,479,550. Further details about Series 2026BCDEF bond projects and their status are included as an attachment to this report.

Exhibit 2: Series 2026BCDEF Bond Appropriation Proposed Uses

Series	2026B	2026C	2026D	2026E	2026F	
GO Bond	**2020 Health**	**2020 ESER**	**2019 Housing**	**2024 Housing**	**2016 PASS**	**Total**
Proceeds	$83,475,000	$138,000,000	$107,540,000	$47,000,000	$47,464,550	$423,479,550
Uses						
Treasure Island Behavioral Health	$42,082,444	-	-	-	-	$42,082,444
Mental Health Services Center	1,000,086	-	-	-	-	1,000,086
Jackson Playground	10,000,000	-	-	-	-	10,000,000
Crocker Amazon	14,500,000	-	-	-	-	14,500,000
Playgrounds Program	3,000,000	-	-	-	-	3,000,000
Community Opportunity Fund	5,900,000	-	-	-	-	5,900,000
Citywide Parks	4,700,000	-	-	-	-	4,700,000
Sustainability Projects	1,640,554	-	-	-	-	1,640,554
Neighborhood Fire Stations & Support Facilities	-	110,875,000	-	-	-	110,875,000
Disaster Response Facilities: Fire Station 7		16,196,000	-	-	-	16,196,000
Disaster Response Facilities: Taraval Police Station Renovation	-	6,700,000	-	-		6,700,000
Middle-Income Housing	-	-	6,350,000	-	-	6,350,000
Senior Housing	-	-	100,573,604	-	-	100,573,604
Low-Income Housing	-	-	-	44,750,000	-	44,750,000
Market-Rate Loans	-	-	-	-	28,679,316	28,679,316
Below-Market-Rate Loans	-	-	-	-	15,810,100	15,810,100
Deferred Loans	-	-	-	-	2,584,653	2,584,653
Subtotal, Bond Proceeds for Projects	**$82,823,084**	**$133,771,000**	**$106,923,604**	**$44,750,000**	**$47,074,069**	**$415,341,757**
CON Audit	165,993	267,542	213,847	89,500	94,148	831,030
Oversight Committee	83,475	134,600	107,540	45,010	47,465	418,090
Cost of Issuance [a]	338,958	359,558	241,239	102,985	106,475	1,149,215
Underwriters Compensation [b]	63,490	67,300	53,770	22,505	142,393	349,458
Reserve for Market Uncertainty		3,400,000		1,990,000		5,390,000
Total Uses	**$83,475,000**	**$138,000,000**	**$107,540,000**	**$47,000,000**	**$47,464,550**	**$423,479,550**

Source: Appropriation Ordinances, Office of Public Finance, DPH, REC, DPW, MOHCD

[a] Costs of issuance include bond counsel, consultants, and CON, TTX and CAT cost recovery.

[b] Underwriters discount is the difference in the price paid to the issuer and the prices at which the bonds are initially offered to investors.

Bond Projects

Health and Recovery Projects

DPH plans to use bond proceeds to fund the construction of the Treasure Island Behavioral Health Center and a Health, Recovery and Connection Center at 1660 Mission Street.[3] The projects are

[3] According to DPH, the Mental Health Services Center (now the Health, Recovery and Connection Center) was delayed due to the site search and acquisition process. The City acquired 1660 Mission Street in October 2025, and

currently in permitting and contract procurement, respectively, with estimated completion dates in June and November 2028. REC is using bond proceeds to renovate the Jackson Playground, improve the Crocker Amazon athletic complex, fund the citywide Playgrounds Program to renovate dilapidated playgrounds, fund seven projects selected through the Community Opportunity Fund, renovate and improve Golden Gate Park, John McLaren Park, and Lake Merced Park, and fund sustainability projects intended to advance climate resilience. The projects are in various stages of planning, design, construction, and completion, with the remaining work generally expected to be completed by Fall 2029.

Earthquake Safety & Emergency Response (ESER) Projects

DPW plans to use bond proceeds to fund construction of a new Fire Department Division of Training facility at 1236 Carroll Avenue, which would replace existing facilities in the Mission District and on Treasure Island and is expected to be completed in March 2029. The bonds would also fund seismic improvements to Fire Station 7 and renovation of Taraval Police Station to reduce seismic vulnerability and preserve the facilities' disaster-response functions. These two projects are in planning and design and are expected to be completed in 2030 and 2028, respectively.

Housing Projects

The proposed Series 2026D Affordable Housing (2019) bonds would fund approximately 13 downpayment-assistance loans and provide gap financing[4] for four senior housing projects (Treasure Island E1.2 Senior, Freedom West Senior, 1939 Market, and 772 Pacific) expected to provide approximately 577 housing units. The proposed Series 2026E Affordable Housing (2024) bonds would provide gap financing for Treasure Island IC4.3 and 1939 Market projects, which are expected to provide approximately 337 low-income housing units. The housing developments are currently in predevelopment and are expected to be completed between September 2028 and March 2029. Any loan agreements that exceed $10 million or ten years will be subject to Board of Supervisors approval.

The proposed Series 2026F Preservation and Seismic Safety (2016) bonds would fund loans for five prospective projects: Derek Silva, Altamont, 2059 Mission, San Francisco Community Land Trust Resyndication, and Rich Sorro. The projects involve the rehabilitation of existing property portfolios and the 2059 Mission development and collectively include approximately 390

programming and design are underway. The Treasure Island project was delayed by site readiness work overseen by TIDA, primarily related to utilities. The site was not released for construction in August 2026 as planned and is now scheduled for release in November 2026. As of August 25, 2026, TIDA confirmed that the revised schedule remains on track.

[4] Affordable housing general obligation bonds are somewhat different than typical City general obligation bonds. Under typical City general obligation bonds, the City hires private contractors to undertake improvements on specific City-owned properties, such that the improvements are also owned by the City. However, under these affordable housing general obligation bonds, the City will not directly engage contractors nor generally own the properties or improvements. Rather, the City will primarily provide the general obligation bond proceeds as loans to developers who will hire contractors and own the improvements through limited liability corporations, which enables leveraging of additional revenues for the projects through state financing programs and federal tax credits.

residential units and 14 commercial units. Funding would consist of a combination of market-rate, below-market-rate, and deferred loans. Two projects are committed and three are prospective, with estimated completion dates ranging from December 2028 through March 2030.

Bond Accountability Report Waived

Each of the five proposed bond sale resolutions waives the deadline for submission of the bond accountability reports under Administrative Code Sections 2.71(a) and 2.71(b), which states that such reports should be submitted to the Board of Supervisors 60 days prior to the approval of the relevant bond appropriation and/or sale. Bond Accountability Reports include details on the spending of previously approved bond sales and details on the projects proposed to be funded with new bond sales.

As of this writing, all departments have or plan to submit drafts of their bond accountability reports to the Office of Public Finance prior to the September 2, 2026 Budget & Finance Committee meeting.

FISCAL IMPACT

Annual Debt Service

Based on an estimated market interest rate of 5.64 percent, the Office of Public Finance estimates average annual debt service of approximately $33,600,000 over the anticipated 20-year term of the Series 2026BCDE bonds and approximately $3,475,000 over the anticipated 40-year term of the Series 2026F bonds.

Over the anticipated 20-year term of the Series 2026BCDE bonds and the 40-year term of the Series 2026F bonds, total debt service is estimated at approximately $741,365,000, consisting of approximately $323,275,000 in interest payments and $418,089,550 in principal repayments.

Debt Limit

The proposed bond sales comply with the City's debt limit policy. Section 9.106 of the City Charter limits outstanding general obligation bond debt to three percent of the assessed value of property in San Francisco. The City's general obligation debt limit for FY 2026-27 is approximately $10.97 billion, based on a net assessed valuation of approximately $365.7 billion.

According to the Office of Public Finance, as of July 1, 2026, the City had outstanding general obligation bond debt of approximately $2.36 billion, which equals approximately 0.65 percent of the City’s net assessed valuation. If the Board of Supervisors approves the proposed bonds and the bonds are issued, the debt ratio would increase to 0.76 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 1.12 percent of the net assessed value of property in the City.

Property Tax Rates

General obligation bond debt service is paid from special property taxes. During the first 20 years, the proposed Series 2026BCDEF Bonds are estimated to increase the property tax rate by an average of $0.00919 per $100 of assessed value, or $9.19 per $100,000 of assessed value. An owner of a residence assessed at $600,000, assuming a $7,000 homeowner's exemption, would pay approximately $54.48 in average additional annual property taxes. Series 2026F loan repayments are expected to mitigate a portion of the property tax impact of that series.[5]

During years 21 through 40, the Series 2026F bonds are estimated to increase the property tax rate by $0.00095 per $100 of assessed value, or $0.95 per $100,000, before applying loan repayments. For the same example residence, the estimated average additional annual property tax would be approximately $5.63 during those years.

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 is consistent with this financial policy.

New Operating Costs

The Treasure Island Behavioral Health Facility will provide new residential step-down and treatment beds, which DPH estimates will cost approximately $8.6 million annually to operate. DPH expects Medi-Cal to reimburse approximately $3.9 million of these costs, resulting in estimated net new annual costs to DPH of $4.7 million, subject to future state and federal Medi-Cal policy. DPW projects are not expected to increase operating costs, as they are primarily renovation projects. According to REC, most projects involve renovations that are expected to reduce operating and maintenance costs. However, the India Basin project will expand park use and programming, requiring approximately $350,000 annually in additional staffing costs, which are included in the Department's five-year financial plan. Affordable housing projects may require additional City funding for gap financing as well as for rental subsidies.

RECOMMENDATION

Approve the proposed resolutions and ordinances.

[5] According to OPF, below-market rate loans and market rate loans would be issued in combination to non-profit developers for affordable housing to achieve a low-cost blended interest rate, and the terms of repayment of those loans to the City would depend on the share that is below-market rate and the share that is market rate. All revenues from loan repayments received from PASS loans are used to offset the property tax required for GO debt service.

Bond Program	Department	Project	Description	Est. Completion Date	Current Status	Proposed Series 2026 GO Bond Amount	Total Estimated Project Costs	Total Project Costs Spent to Date	Total % Spent
2020 Health & Recovery	DPH	Treasure Island Behavioral Health	Project will provide 256 residential step-down beds which provide housing and continued support to clients exiting residential substance use disorder programs. With funding from a recently awarded state Behavioral Health Continuum Infrastructure Program (BHCIP) grant, project will also include 1 floor with 44 residential care beds.	Jun-28	Permitting	$42,082,444	$72,000,000	$3,510,941	5%
2020 Health & Recovery	DPH	Health, Recovery and Connection Center (previously Mental Health Services Center)	Project will consolidate several behavioral health services and behavioral health administrative functions at 1660 Mission St with the goal to improve coordination around behavioral health services and streamline access to care. Consolidated services will include the Behavioral Health Access Center (BHAC), Office of Coordinate Care (OCC), opiate replacement therapy, a pharmacy, and City Clinic (sexual health clinic). City Clinic's share of the project is funded by the 2024 Healthy, Safe, and Vibrant San Francisco Bond.	Nov-28	Design Build Contract Bid & Award	$1,000,086	$79,500,000	$912,961	1%
2020 Health & Recovery	REC	Jackson Playground	Project includes reorientation and renovation of existing playfields, the relocation, renovation and expansion of the clubhouse, and construction of a new playground and other park amenities, such as a dog play area, community garden, multi-use court, seating and pathways.	Fall 2029	Design	$10,000,000	$48,234,032	$1,240,931	3%

Bond Program	Department	Project	Description	Est. Completion Date	Current Status	Proposed Series 2026 GO Bond Amount	Total Estimated Project Costs	Total Project Costs Spent to Date	Total % Spent
2020 Health & Recovery	REC	Crocker Amazon	Project will renovate the existing baseball and softball fields at a citywide athletic complex with new synthetic turf and natural grass, new field and pathway lighting, new batting cages and field bleachers, and renovate and install new park amenities, included the parking lot, a new restroom building, existing dog play area and a new dog play area, seating, pathways, picnic tables, adult fitness equipment and general landscaping and irrigation improvements.	Fall 2029	Planning	$14,500,000	$50,000,000	$593,512	1%
2020 Health & Recovery	REC	Playgrounds Program	Playgrounds Program will renovate, replace, and remediate dilapidated playgrounds throughout the City. Playgrounds that received funding include: Tenderloin Rec Center Children's Play Area (construction complete & open to public), India Basin Playground (construction), Randolph Bright Mini Park (design), Crocker Amazon Playground (planning), and Silver Terrace Playground (planning).	Fall 2029	Varies per project (e.g., completed, design & planning)	$3,000,000	$14,000,000	$2,959,630	21%
2020 Health & Recovery	REC	Community Opportunity Fund	The Community Opportunity Fund (COF) is a citywide capital improvement program funded by General Obligation Bonds that provides an opportunity for neighbors, community groups, park advocates, and partners to nominate their park project ideas for funding. In August 2026, the Rec & Park Commission awarded the most recent round to seven projects including Alemany Farm Accessibility Improvements, Balboa Park Skate Park Renovation, Howard and Langton Community Garden Gateway Project, John McLaren Park Repaving, McLaren Park Native Plant Garden Extension, Michelangelo Playground	Summer 2029	Projects will initiate this fall	$5,900,000	$6,000,000	$100,000	2%

Bond Program	Department	Project	Description	Est. Completion Date	Current Status	Proposed Series 2026 GO Bond Amount	Total Estimated Project Costs	Total Project Costs Spent to Date	Total % Spent
			Makeover, and Woh Hei Yuen Playground Safety Enhancements.						
2020 Health & Recovery	REC	Citywide Parks	Golden Gate Park, John McLaren Park, and Lake Merced Park comprise almost 2,000 acres of open space, each with vast, ongoing capital needs to renovate and improve park features. The 2020 Bond will build upon projects delivered through past bonds and provide an additional $18 million for improvements in these three parks, allocating $10 million for improvements in Golden Gate Park, $6 million for improvements in McLaren Park, and $2 million for improvements in Lake Merced.	Fall 2029	Varies per project (e.g., completed, design & planning)	$4,700,000	$39,183,076	$21,742,792	69%
2020 Health & Recovery	REC	Sustainability Projects	These projects will fund conservation, protection, restoration, and other improvements to spaces and amenities to build climate resilience. Projects include climate adaptation work along Ocean Beach, forest management, water conservation measures, energy generation and conservation measures, landscaping with native plants, and development of new spaces.	Fall 2028	Varies per project, (e.g., completed and in construction)	$1,640,554	$14,000,000	$7,593,679	54%
2020 ESER	DPW	Neighborhood Fire Stations & Support Facilities: Division of Training	Construction of new SFFD Division of Training facility at 1236 Carroll Avenue (classrooms, live-fire training, equipment training, and emergency medical services (EMT) training). New facility will replace the existing training facility in the Mission District & on Treasure Island, which SFFD must vacate.	March 2029	In Construction	$110,875,000	$279,300,000	$112,319,012	40.21%

Bond Program	Department	Project	Description	Est. Completion Date	Current Status	Proposed Series 2026 GO Bond Amount	Total Estimated Project Costs	Total Project Costs Spent to Date	Total % Spent
2020 ESER	DPW	Disaster Response Facilities: Fire Station 7	Fire Station 7, located at 2300 Folsom Street in San Francisco, was constructed in 1954 and serves as an active San Francisco Fire Department facility. A seismic evaluation completed in July 2015 determined that the existing building does not meet the Fire Department's required seismic performance objectives under applicable seismic hazard levels.	2030	Planning/Design	$16,196,000	$43,000,000	$0	0%
2020 ESER	DPW	Disaster Response Facilities: Taraval Police Station Renovation	Analysis determined that Taraval Police Station, located at 2345 24th Avenue, is vulnerable to damage from an earthquake. The renovation would protect the building from seismic hazards and ensure the facility can serve as part of the City's network of disaster response facilities.	2028	Planning/Design	$6,700,000	$67,700,000	$0	0%

Bond Program	Department	Category	Project	Est. Units	Est. Completion Date	Current Status	Proposed Series 2026 GO Bond Amount
2019 Affordable Housing	MOHCD	Middle-Income Housing	Downpayment Assistance Loans	13	Jun-28	N/A	$6,250,000
2019 Affordable Housing	MOHCD	Middle-Income Housing	Legal and other incidentals (e.g., City Attorney fees)		Jun-28	N/A	$100,000
2019 Affordable Housing	MOHCD	Senior Housing	Treasure Island E1.2 Senior	100	Sep-27	Predevelopment	$28,812,449
2019 Affordable Housing	MOHCD	Senior Housing	Freedom West Senior	115	Sep-27	Predevelopment	$18,187,551
2019 Affordable Housing	MOHCD	Senior Housing	1939 Market	187	Sep-27	Predevelopment	$17,573,604
2019 Affordable Housing	MOHCD	Senior Housing	772 Pacific	175	Mar-28	Predevelopment	$35,000,000
2019 Affordable Housing	MOHCD	Senior Housing	Legal and other incidentals (e.g., City Attorney fees)		Mar-28	N/A	$1,000,000
2024 Affordable Housing	MOHCD	Low-Income Housing	Treasure Island IC4.3 (JSCo/Catholic Charities)	150	Sep-27	Predevelopment	$25,000,000
2024 Affordable Housing	MOHCD	Low-Income Housing	1939 Market	187	Sep-27	Predevelopment	$19,000,000
2024 Affordable Housing	MOHCD	Low-Income Housing	Legal and other incidentals (e.g., City Attorney fees)		Sep-27	N/A	$750,000

Bond Program	Department	Project	Description	Residential Units	Commercial Units	Est. Completion Date	Current Status	Market Rate Loan	Below Market Rate Loan	Deferred Loan	Total PASS Loans
2016 PASS	MOHCD	Derek Silva	Portfolio Rehabilitation	80	2	Mar-29	Committed	$5,928,496	$3,268,213	$534,291	$9,731,000
2016 PASS	MOHCD	Altamont	Portfolio Rehabilitation	89	3	Mar-30	Prospect	$3,085,182	$1,700,774	$278,044	$5,064,000
2016 PASS	MOHCD	2059 Mission	Big Site[6]	31	4	Dec-28	Committed	$3,644,462	$2,009,090	$328,448	$5,982,000
2016 PASS	MOHCD	San Francisco Community Land Trust (SFCLT) Resyndication	Portfolio Rehabilitation	90	2	Mar-29	Prospect	$7,143,926	$3,938,245	$643,828	$11,726,000
2016 PASS	MOHCD	Rich Sorro	Portfolio Rehabilitation	100	3	Feb-29	Prospect	$8,877,249	$4,893,778	$800,040	$14,571,068

[6] According to MOHCD, "Big Sites" are acquisitions of properties with more than 25 units that were not previously deed-restricted affordable housing. "Portfolio Rehabilitations" are major renovations of existing deed-restricted affordable housing properties.

Items 15 & 16 File 26-0868, 26-0867	**Department:** Controller's Office of Public Finance (CON), Recreation & Parks Department (REC)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinances would (a) authorize the sale of $43 million in certificates of participation (COP), including the transaction documents, (b) authorize refunding of outstanding lease revenue bonds, (c) appropriate $43 million in COP proceeds.

Key Points

- The City has $8.62 million in 2018 lease revenue bonds secured by the Open Space Fund. The proposed new COPs would provide: $26 million in new money available for REC projects and $9 million that would be used to refinance the 2018 Open Space lease revenue bonds. According to REC staff, the purpose of the new Open Space COPs is to backfill unrealized development impact fee revenues (approximately $15 million) and to provide gap financing for projects that are ready to enter construction.
- The projects receiving funding from the proposed COPs are: (a) Jackson Playground, (b) India Basin, (c) Crocker Amazon, (d) Embarcadero Plaza, and (e) McLaren Park. The Jackson Playground, Crocker Amazon, & Embarcadero Plaza projects each have external project partners funding design work.

Fiscal Impact

- According to the Office of Public Finance, estimated average annual debt service on the proposed COPs is approximately $3.0 million. Total debt service over the anticipated 20-year term is approximately $59.8 million, which includes approximately $35.9 million in principal and $23.9 million in interest and true interest cost of 4.59 percent. The debt will be issued in late 2026 and debt service will be paid from the Open Space Fund.
- Annual debt service from the proposed COPs would be 4 percent of project Open Space Fund revenue in FY 2026-27.
- The India Basin project expands park use and programming and, as a result, is expected to require $350,000 in new staffing and maintenance costs starting in Spring 2028. Other projects involve renovations of existing assets and are expected to reduce operating and maintenance costs.

Recommendation

- Approve the proposed ordinances.

MANDATE STATEMENT

City Charter Section 16.107(3)(e) states that the Board of Supervisors may approve revenue bonds or other types of debt secured by the Open Space Fund.

City Charter Section 9.109 states that the Board of Supervisors may approve refunding bonds if they are expected to result in net debt service savings on a present value basis.

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

Open Space Fund

Section 16.107 of the City's Charter establishes a tax set-aside of two and one-half cents ($0.025) for each $100 assessed valuation of the City's property tax revenues for the Open Space Fund through FY 2045-46. The Open Space Fund may only be used by the Recreation & Parks Department to provide recreational services and facilities.

2018 Open Space Bonds

In May 2018, the Board of Supervisors approved the sale of $41.3 million in lease revenue bonds secured by the Open Space Fund to refinance an outstanding debt (File 18-0362). The 2018 debt became eligible for refinancing on July 1, 2026 and has a current outstanding balance of $8.62 million. There is a remaining debt service obligation of $4.5 million in fiscal year 2026-27 and $2.5 million in fiscal years 2027-28 and 2028-29, payable from the Open Space Fund.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance in File 26-0868 would appropriate $43 million in proceeds from Certificates of Participation (COPs), Series 2026A, in FY 2026-27 for the Recreation & Parks Department and place the funds on Controller's Reserve pending receipt of the proceeds. Of the $43 million in proposed COPs, $26 million would be new money available for projects and $9 million would be used to refinance the 2018 Open Space lease revenue bonds.

According to REC staff, the purpose of the new Open Space COPs is to backfill unrealized development impact fee revenues (approximately $15 million) and to provide gap financing for projects that are ready to enter construction.

The proposed ordinance in File 26-0867 would:

- authorize sales of up to $43,000,000 of certificates of participation in one more series on a tax or tax-exempt basis, payable by Open Space Property Tax Revenues
- authorize use of the proceeds to pay for issuance costs, capital project costs, retire related commercial paper, and fund a debt service reserve.

- authorize a competitive, negotiated, or direct placement sale for the COPs
- authorize the Director of Public Finance to appoint underwriters for a negotiated sale, appoint a placement agent for a direct placement or award a bid to a bidder with the lowest true interest cost for a competitive sale
- approve the form of the Trust Agreement between the City and a trustee
- approve the form of the Property Lease and Lease Agreements between the City and a Trustee
- approve the form of the Escrow Agreement between the City and an escrow agent
- approve the form of the preliminary and final Official Statement
- approve the form of the Continuing Disclosure Certificate
- approve the form of a Purchase Contract for the COPs (for if the COPs are sold in a negotiated sale)
- approve the form of the Official Notice of Sale document, Notice of Intention to Sell the COPs document (for if the COPs are sold in a competitive sale)
- grant authority to City officials to modify the aforementioned documents in furtherance of the COPs sale
- approve use of COP proceeds to reimburse project costs incurred up to 60 days prior to the enactment of the ordinance

Contracts

COPs are structured as a lease-lease back, in which the City leases the City-owned property to a trustee and the trustee leases back the property to the City. The City's lease payments to the trustee are equal to the debt service due to COP holders and made semi-annually. The Trust Agreement governs how payments flow from the City to COP holders. US Bank was selected to serve as trustee through a competitive procurement process.

The City-owned property to secure the COPs may include one or more of the following sites.

- Minnie & Lovie Ward Recreation Center, 650 Capital Avenue, San Francisco, CA 94112
- Betty Ong Recreation Center, 1199 Mason Street, San Francisco, CA 94108
- Sunset Recreation Center, 2201 Lawton Street, San Francisco, CA 94108
- Palega Recreation Center, 500 Felton Street, San Francisco, CA 94134
- Herz Recreation Center, 160 Mrs. Jackson Way, San Francisco, CA 94134
- Garfield Pool, 1271 Treat Avenue, San Francisco, CA 94110
- Glen Park Recreation Center, 70 Elk Street, San Francisco, CA 94131
- Fire Station #5, 1301 Turk Street, San Francisco, CA 94115
- Fire Station #16, 2251 Greenwich Street, San Francisco, CA 94123
- Fire Station #4, 449 Mission Rock Street, San Francisco, CA 94158

The Preliminary Official Statement describes the financial condition of the City and the terms of the proposed COPs to inform potential COP investors.

Method of Sale

Based on the recommendation of the municipal advisor to use a negotiated method of sale, OPF is proceeding with a competitive procurement process to select one or more underwriters from the City's Underwriter Pool.

Projects, Refinancing Debt, and Other Uses of Proceeds

Exhibit 1 below shows the sources and uses of the COPs proceeds. Additional details on the projects are included in an appendix to this report.

Exhibit 1: Budgeted Sources and Uses of Proposed Open Space COPs

Sources	**Amount**
COP Proceeds	43,000,000
Uses	**Amount**
Project Funds	
Jackson Playground	10,000,000
Indian Basin	6,000,000
Crocker Amazon Fields	5,500,000
Embarcadero Plaza	3,000,000
McLaren Park	1,500,000
Subtotal, Project Funds	26,000,000
Refunding Bonds	9,000,000
Debt Service Reserve fund	2,700,000
Capitalized Interest	2,100,000
Reserve for Market Uncertainty	1,348,000
Cost of Issuance	1,000,000
Underwriters Compensation	400,000
Property/Business Interruption Insurance	400,000
City Services Auditor	52,000
Total Uses	**43,000,000**

Source: File 26-0868

FISCAL IMPACT

Debt Service & Other Ongoing Costs

According to the Office of Public Finance, estimated average annual debt service on the proposed COPs is approximately $3.0 million, with lower amounts in later years after the 2018 bonds are paid down. Total debt service over the anticipated 20-year term is approximately $59.8 million, which includes approximately $35.9 million in principal and $23.9 million in interest and true interest cost of 4.59 percent. The debt will be issued in the second half of 2026 and debt service will be paid from the Open Space Fund. The estimates assume the debt is tax-exempt.

Per the ordinance in File 26-0867, the refunding transaction would only be pursued if it results in a reduction in total debt service. This is consistent with Chapter 43.8.1 of the Administrative

Code. However, it is not strictly consistent with the City's Debt Policy, which states that a refunding should produce minimum debt service savings of at least three percent of the par value of the refunded bonds on a net present value basis. According to OPF, combining the refunding transaction with the new money transaction adds minimal issuance costs and provides an opportunity for lower annual debt service payments on the outstanding debt.

In addition, the proposed appropriation includes $400,000 for property insurance. The City currently pays approximately $235,000 per year in property insurance for properties used to secure the 2018 Open Space lease revenue bonds. Although City property is generally self-insured for property damage, property insurance is required under the terms of the lease agreement for those properties which are used to secure debt. The proposed $400,000 will be sufficient to pay for one year of insurance costs, after which it will be paid for by ongoing revenues from the Open Space Fund.

City Debt Policy

Administrative Code Section 10.62 limits debt service of COPs and other lease financing to 3.25 percent of discretionary General Fund revenues, however this limit only applies to General Fund lease financings that are not offset by other revenues. Because the proposed COPs are secured by the Open Space Fund, they do not count against that debt service cap. The City's Debt Policy does not limit COPs secured by other revenues, such as the Open Space Fund.

The March 2026 Joint Report projects Open Space Fund revenues will be $76.4 million in FY 2026-27, rising to $80.8 million in FY 2029-30. The proposed COP debt service would be 4 percent of projected FY 2026-27 Open Space Revenues. As of FY 2025-26 year-end close, the Open Space Fund had a net available budgetary basis fund balance of $29.5 million, which serves as the Department's Commission approved Rainy Day Reserve.

New Operating Costs

The India Basin project expands park use and programming and, as a result, is expected to require $350,000 in new staffing and maintenance costs starting in Spring 2028. The resulting staffing costs are included in the Department's five-year financial plan. Other projects involve renovations and are expected to reduce operating and maintenance costs.

RECOMMENDATION

Approve the proposed ordinances.

Appendix: Project Data

#	Project(s)	Description	Est. Completion Date	Current Status	Proposed 2026 COP Amount	Total Estimated Project Costs	Total Project Costs Spent to Date
1	Jackson Playground	Renovation of existing sports fields and expansion of club house.	Late 2029	Construction to begin in late 2027	10,000,000	48,000,000	1,233,931
2	India Basin Park	Expansion of new park along the shoreline. The new park will include water access, a boathouse, a food pavilion, restrooms, basketball courts, picnic areas, a playground, and trails.	Early 2028	Construction underway	6,000,000	105,500,000	23,003,332
3	Crocker Amazon Baseball Fields	Renovation of existing baseball fields, seating, and lighting.	Late 2029	Design and Environmental Review underway, Construction expected to begin late 2027.	5,500,000	50,000,000	593,512
4	Embarcadero Plaza Park	Renovate Embarcadero Plaza and Sue Bierman Park, including new seating and shade structures.	Late 2027	Currently in design. Construction to begin late 2026 to early 2027	3,000,000	40,000,000	523,968
5	McLaren Park	Improving accessibility, upgrading the playground and the amphitheater facilities, restoring water quality at McNab Lake, improving pedestrian and bicycle safety along Visitacion Avenue, and initiating planning for a replacement restroom at the Mansell East Gateway after its loss to arson in 2023.	Late 2029	Varies by project; complete, design & planning.	1,500,000	17,700,000	8,452,832
			Total		***26,000,000***	***261,000,000***	***33,807,575***

Note: Actual expenditures only reflect City funds. The Jackson Playground, Crocker Amazon, & Embarcadero Plaza projects each have external project partners funding design work.

Items 17-21 Files 26-0839, 26-0840, 26-0841, 26-0842, and 26-0843	Department: Mayor's Office of Housing & Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolutions would authorize new grant agreements to provide project-based rental subsidies from the Affordable Housing Opportunity Fund (AHOF) to five affordable housing projects: 160 Freelon (File 26-0839), 3300 Mission, (File 26-0840), Ambassador Ritz (File 26-0841), SOMA Studios (File 26-0842), and South Park Scattered Sites (File 26-0843). These agreements have terms of 15.5 or 16.5 years, depending on the type of project and a total not-to-exceed amount of $18.5 million, across the five agreements.

Key Points

- Proposition G (Nov 2024) established the Affordable Housing Opportunity Fund to support rental subsidies for extremely low-income seniors, families, and people with disabilities. The City is required to make yearly contributions to the Affordable Housing Opportunity Fund, starting at $8.25 million in FY 2026-27.
- Following issuance of a Notice of Funding Availability (NOFA), MOHCD recommended all nine applicants for awards, with one applicant ultimately declining. The recommended subsidies would make rents affordable for seniors earning up to 25 percent of AMI, families up to 35 percent of AMI, and people with disabilities up to 15 percent of AMI.
- The resolutions seek approval for grants for five of the eight projects that accepted awards: two new construction projects (160 Freelon and 3300 Mission) and three Preservation projects (SOMA Studios, Ambassador Ritz, and South Park Scattered Sites). MOHCD anticipates bringing the remaining three new-construction agreements forward as construction timelines progress; any agreement exceeding $10 million will require Board of Supervisors' approval.
- Once all eight AHOF contracts are executed, MOHCD estimates that roughly $827,000 will remain for Preservation projects and about $12 million will be available for new construction projects in FY 2027–28. MOHCD plans to release another NOFA in 2027 to allocate these funds.

Fiscal Impact

- The five proposed agreements total $18.5 million over terms of up to 16.5 years, with planned subsidy payments of $699,108 in FY 2026–27 and $869,380 in FY 2027–28.
- AHOF subsidies are funded through a set-aside from the General Fund.

Recommendation

- Approve the proposed resolutions.

MANDATE STATEMENT

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

BACKGROUND

Project-based Rental Subsidies and Funding

On November 5, 2024, San Francisco voters approved Proposition G, which amended the City Charter and created the Affordable Housing Opportunity Fund (AHOF) for rental subsidies for extremely low-income seniors, families, and people with disabilities. The Mayor's Office of Housing and Community Development (MOHCD), which administers various programs supporting affordable housing development and rehabilitation for low- and moderate-income residents, is responsible for managing this fund.

Proposition G authorizes MOHCD to use AHOF resources to provide project-based rental subsidies in permanently affordable housing.

The City is required to make yearly contributions to the Affordable Housing Opportunity Fund. In FY 2026–27, that contribution is set at $8.25 million. In the years that follow, through FY 2045–46, the City must continue to deposit at least the same amount it contributed the previous year, with adjustments that track changes in the City's discretionary revenues. These annual adjustments are limited, ensuring that the contribution cannot rise by more than three percent in any single year.

Project Selection

MOHCD released a Notice of Funding Availability (NOFA) on January 13, 2026, offering up to $3,254,476 in FY 26-27 and up to $4,274,655 in FY 27-28 to make rents affordable for extremely low-income seniors earning up to 25 percent of Area Median Income (AMI), families earning up to 35 percent of AMI, and people with disabilities earning up to 15 percent of AMI. Additionally, the NOFA indicated that up to $3.2 million may be available to Permanent Affordable Housing projects that previously received Senior Operating Subsidy (SOS) funds, depending on whether supplemental resources are available.

On March 26, 2026, three MOHCD staff[1] completed their review of nine responses to the NOFA and determined funding recommendations. All nine applicants met the NOFA's minimum requirements. Proposals were evaluated against criteria including alignment with City priorities, demonstrated urgency and need, financial feasibility, and operational capacity. MOHCD recommended awarding funds to all nine applicants, but TNDC declined the award for 1990

[1] MOHCD staff included: An asset manager, a preservation project manager, and a director with knowledge of new construction.

Folsom. Exhibit 1 below summarizes each applicant's submission and performance across these areas.

Exhibit 1: Summary of Awards

Type	Project	Funding Request	AHOF Units	Applicant	Supervisorial District/ Neighborhood	Score (out of 80)
New Construction	3300 Mission	$3,420,582	23	Mission Housing	9/Bernal Heights	74
New Construction	Laguna Honda Senior Housing**	$14,780,684	42	Mercy	7/Midtown Terrace	70
New construction	1939 Market**	$4,677,946	15	Mercy	8/Castro	69
New construction	160 Freelon	$2,056,051	15	Related/SFHDC	6/SOMA	69
New construction	New Asia/772 Pacific**	$13,845,838	54	CCDC	3/Chinatown	68
Preservation	South Park Scattered Sites	$2,885,672	46	Mission Housing	6/SOMA	71
Preservation	SOMA Studios	$2,954,712	27	TNDC	6/SOMA	48
Preservation	1990 Folsom*	$4,217,286	28	TNDC	9/Mission	42
Preservation	Ambassador Ritz	$2,511,831	31	TNDC	5/Tenderloin	41

Source: MOHCD

*TNDC declined the award for 1990 Folsom

**In addition to the subsidies awarded to Laguna Honda Senior Housing, 1939 Market, and 772 Pacific through the NOFA, these three projects received additional AHOF subsidies to offset Senior Operating Subsidies, as the anticipated funding source for the Senior Operating Subsidies can no longer support these projects.

The highest-scoring proposals were those that described how their proposed sites could achieve the intended outcomes for the target populations and demonstrated that an AHOF grant would support or sustain project feasibility. Proposals with lower scores did not supply all requested information related to rent burden, but they met the required thresholds and showed that rental assistance would provide a benefit to the property owner.

The resolutions propose approval of five out of eight of the awarded AHOF grants: two for newly constructed projects (160 Freelon and 3300 Mission) and three for existing Preservation sites (SOMA Studios, Ambassador Ritz, and South Park Scattered Sites). MOHCD applied rental subsidies to 15 of 85 units at 160 Freelon; 26 of 35 units at 3300 Mission; 31 of 188 units at 55 Mason; 27 of 88 units at 1190 Howard; and 46 of 106 units across the South Park properties at 22, 102, and 106 South Park. MOHCD will enter into grant agreements for the remaining three new construction projects on a rolling basis based on the construction timeline of the projects. If those agreements exceed $10 million, they will require approval by the Board of Supervisors.

MOHCD Plans for Remaining AHOF Funds

Including the eight projects with funding awards from the NOFA, nine projects have been awarded funding for AHOF subsidies. MOHCD previously awarded a 4.5-year grant for AHOF subsidies to the Dalt, a preservation project, pursuant to Administrative Code Section 21B which permitted certain City Department to expedite certain contracts through December 31, 2026. MOHCD also plans to provide additional subsidies to three of the new construction projects that received funding awards through the AHOF NOFA. These three projects were previously awarded operating subsidies through the Senior Operating Subsidy program, but the anticipated funding source for the Senior Operating Subsidies can no longer support these projects.[2]

After the eight AHOF contracts are awarded, approximately $827,000 will remain available for preservation projects, and an additional $12 million will be available for new construction in FY 2027–28. MOHCD plans to release another NOFA in 2027 to allocate these funds.

DETAILS OF PROPOSED LEGISLATION

The proposed resolutions would approve new grant agreements for AHOF rental subsidies for five affordable housing projects, as shown in Exhibit 2.

Exhibit 2: Proposed AHOF Subsidy Agreements

Project (File No.)	Sponsor	Subsidy Amount	Term (years)	# Units Supported	Term Start Date
160 Freelon (File 26-0839)	Related/SFDC	$2,559,101	15.5	15	July 1, 2026
3300 Mission (File 26-0840)	BHNC/Tabernacle/ Mitchelville	$4,445,777	15.5	26	July 1, 2026
Ambassador Ritz (File 26-0841)	TNDC	$4,493,845	16.5	31	July 1, 2026
SOMA Studios (File 26-0842)	TNDC	$3,239,075	16.5	27	July 1, 2026
South Park Scattered Sites (File 26-0843)	MHDC	$3,798,723	16.5	46	July 1, 2026
Total		**$18,536,521**		**145**	

Source: Proposed agreements and MOHCD.

Note: TNDC refers to Tenderloin Neighborhood Community Development.

[2] Revenues from the State's Permanent Local Housing Allocation program for the initial five years were lower than anticipated due to economic factors as the program is funded by a fee on real estate transactions. In addition, the California Department of Housing and Community Development (HCD) had signaled they would increase the share of funding that must be used for homeownership uses, which reduces the funding available for the Senior Operating Subsidy program.

We note that the maximum amount of grant funds in Section 5.1 of the draft grant agreement for 160 Freelon (File 26-0839) is $2,056,051, which is lower than the not to exceed amount in the proposed resolution of $2,559,101. In addition, the grant agreement does not specify a term end date, unlike the other agreements. According to MOHCD staff, the grant agreement will be updated to reflect the not to exceed amount in the proposed resolution and a term end date of December 31, 2042.

AHOF Program Rules

AHOF is designed to make units affordable to Extremely Low-Income (ELI) households earning up to 15 percent, 25 percent, or 35 percent of AMI and maintain the financial stability of the properties receiving the subsidy.

Under the NOFA, MOHCD established the following core program rules:

- Approximately 300 units across selected sites must be offered through the DAHLIA lottery at 15 percent, 25 percent, or 35 percent AMI beginning in FY 26-27 or FY 27-28 and restricted for 15 years.
- AHOF will pay the difference between restricted rents (15/25/35 percent AMI) and 60 percent AMI rents, up to the limit allowed by the regulatory agreement.
- Eligible households include Seniors, Families (including single adults), and People with Disabilities, and must not be receiving other project- or tenant-based subsidies.
- Projects must have previous City capital funding, and existing agreements must be modified to comply with AHOF.
- Up to 20 percent of AHOF funds may support Preservation Sites, with the remaining funds allocated to Permanent Affordable Housing sites.
- AHOF subsidies may not be layered on top of existing subsidies nor used to cross-subsidize other regulated units.
- Multi-year contracts may run up to 15 years, starting as early as July 1, 2026, and ending no later than December 31, 2041, with annual increases of 4 percent.

Subsidy payments will be provided for projects 60 days after contracts are executed and annually after that. If the Grantee meets all requirements to receive a Subsidy Payment and the Grantee must cover costs out of pocket because MOHCD issues the payment more than 65 business days after the anniversary of the Effective Date, then MOHCD will allow the Grantee to reimburse itself for those out-of-pocket expenses, including interest, from the Operating Reserve Account.

FISCAL IMPACT

The proposed resolutions follow a schedule of the subsidy payments based on Exhibit A of the grant agreements, as shown in Exhibit 3 below.

Exhibit 3: Annual Subsidy Payment Schedule

Fiscal Year	160 Freelon	3300 Mission	SOMA Studios	Ambassador Ritz	South Park Scattered Sites	Total
FY 26-27	$122,304	$212,472	--	$197,436	$166,896	$699,108
FY 27-28	127,196	220,971	$142,308	205,333	173,572	869,380
FY 28-29	132,284	229,810	148,000	213,547	180,515	904,156
FY 29-30	137,576	239,002	153,920	222,089	187,735	940,322
FY 30-31	143,079	248,562	160,077	230,972	195,245	977,935
FY 31-32	148,802	258,505	166,480	240,211	203,055	1,017,053
FY 32-33	154,754	268,845	173,139	249,820	211,177	1,057,735
FY 33-34	160,944	279,599	180,065	259,812	219,624	1,100,044
FY 34-35	167,382	290,783	187,268	270,205	228,409	1,144,047
FY 35-36	174,077	302,414	194,758	281,013	237,545	1,189,807
FY 36-37	181,040	314,510	202,549	292,254	247,047	1,237,400
FY 37-38	188,282	327,091	210,651	303,944	256,929	1,286,897
FY 38-39	195,813	340,175	219,077	316,101	267,206	1,338,372
FY 39-40	203,645	353,781	227,840	328,745	277,894	1,391,905
FY 40-41	211,791	367,933	236,953	341,895	289,010	1,447,582
FY 41-42	110,131	191,325	246,431	355,571	300,570	1,204,028
FY 42-43	--	--	256,289	184,897	156,297	597,483
FY 43-44	--	--	133,270	--	--	133,270
Total	**$2,559,101**	**$4,445,777**	**$3,239,075**	**$4,493,845**	**$3,798,723**	**$18,536,521**

Source: MOHCD Memo, Exhibit A.

As noted above, the proposed agreements total $18.5 million over the contract term. Subsidy payments across the five contracts total $699,108 in FY 2026–27 and $869,380 in FY 2027–28. Funding for the rental subsidies will be provided through AHOF, which is funded by a set-aside from the General Fund.

RECOMMENDATION

Approve the proposed resolutions.

Items 22 & 24 Files 26-0858 & 26-0949	Department: Planning Department

EXECUTIVE SUMMARY

Legislative Objectives

- **File 26-0858** is a resolution that would approve the first amendment to the agreement between the City and OpenGov Inc., increasing the amount by $33,065,986 for a total not to exceed $38,965,986 and extending the term by five years through September 2031.
- **File 26-0949** is a hearing to consider release of reserved funds, including $5,049,227 in FY 2026-27 and $7,663,478 in FY 2027-28 to the Planning Department for the OpenGov contract and staff support and $272,513 in FY 2026-27 and $293,862 in FY 2027-28 to the Department of Building Inspection for temporary implementation staff for PermitSF.

Key Points

- The Mayor's Office and PermitSF selected OpenGov to develop a cross-department permitting tool pursuant to Administrative Code Section 21.30 which allows competitive bidding requirements to be waived for software procurements if the vendor has proprietary rights to the software, following a Request for Information process. As of August 2026, nine out of 15 permit types have launched under the new system, with the remaining permit types expected to be delivered by October 2026.
- Under the proposed amended contract, OpenGov would launch an additional 150 records from twelve departments, but the contract does not specify which records will be included. The proposed contract provides for monthly payments that are not tied to any deliverables, though, on our recommendation, PermitSF is planning to amend the contract to tie payment to acceptance of deliverables, which will be defined later.

Fiscal Impact

- The proposed increase of $33.1 million includes $6.5 million for implementation and training and $26.6 million for application and hosted services for five years. The FY 2026-27 budget is $6.2 million, which is funded by department operating budgets and a General Fund contribution from the Planning Department.

Policy Consideration

- Although it did not violate City requirements, the procurement process did not follow best or typical City practices. The contract does not fully define the scope of the project, outlines the full schedule of payments tied to deliverables, and does not include termination for convenience rights. To address the lack of specificity in the contract's deliverables, which also impact the payment structure based on PermitSF proposed changes to the agreement, the Board of Supervisors should consider: (a) reducing the not to exceed amount to $12,122,380 and requesting PermitSF to provide these details when seeking approval of subsequent contract amendments; or (b) requesting PermitSF to provide an update on the project scope, timeline, and milestones during the FY 2027-29 budget process.

Recommendations

- Approval of the proposed resolution is a policy matter for the Board of Supervisors. If approving the proposed resolution, approve the proposed release of reserves.

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.

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City's budget and may reserve proposed expenditures to be released at a later date subject to Board of Supervisors approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

BACKGROUND

Permitting Reform

On February 13, 2025, Mayor Lurie issued Executive Directive 25-01 to create a permitting process that caters to the needs of San Francisco residents and businesses and is streamlined across departments. The directive established the PermitSF initiative to reform the City's permitting processes.[1] Among other actions, the directive required PermitSF to create a consolidated permit application that allows all permits to be filed online and to launch the first phase of a cross-department permit tool within one-year (i.e., by February 2026).

OpenGov Contract

In October 2025, the Mayor's Office entered into an agreement with OpenGov Inc. to develop a cross-department permitting tool. The initial agreement had a one-year term with the option to extend for two additional years and a not to exceed amount of $5.9 million, including $1.9 million for implementation and training services and $4.0 million for application and hosted services for the initial term. The new system launched on February 13, 2026 for a limited number of permit types with additional permits added in April 2026 and June 2026. The remaining permit types under the initial scope are anticipated to be launched by October 2026 as discussed below.

Procurement

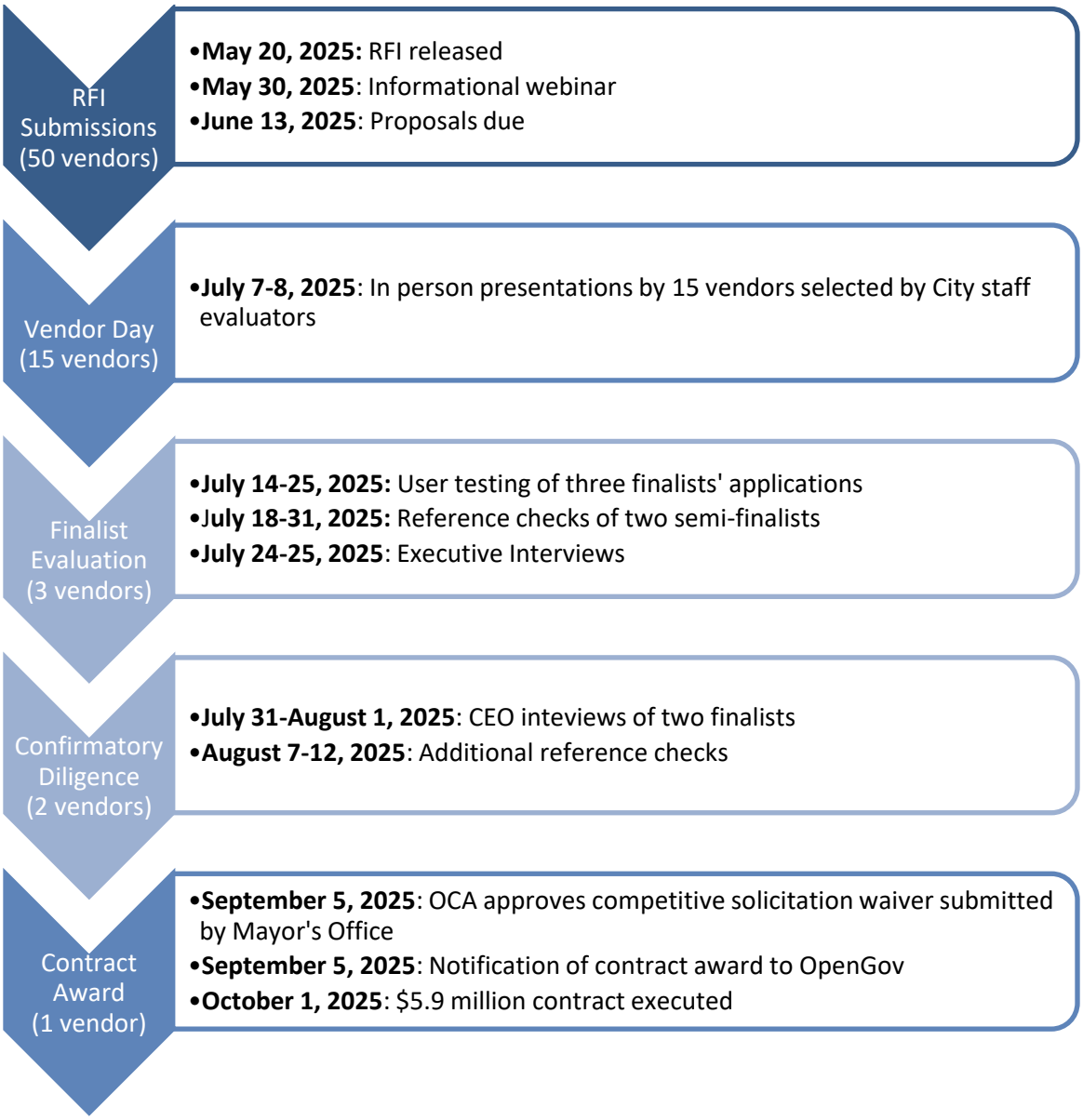
The Mayor's Office and PermitSF leadership selected OpenGov to develop a cross-department permitting tool following issuance of a Request for Information (RFI) and an evaluation of vendor responses, product testing, presentations. The Mayor's Office of Innovation administered the RFI

[1] PermitSF is staffed by representatives of key City departments involved in permitting. The leadership team includes: Director of Current Planning, Chief of Housing and Economic Development, Director of the Department of Building Inspection, Executive Director of the Office of Small Business, Director of the San Francisco Permit Center, Deputy Director of Support Services of Public Works, Fire Marshal, Assistant Deputy Chief of San Francisco Fire Department, and Acting Director of Environmental Health of Public Health.

process on behalf of PermitSF leadership. The Mayor's Office and PermitSF did not conduct a competitive solicitation process following the RFI process in order to meet the deadline established by the Mayor for launching the system. Ultimately, OpenGov was selected pursuant to San Francisco's Administrative Code Section 21.30 which allows competitive bidding requirements to be waived for software procurements if the vendor has proprietary rights to the software.

Exhibit 1 below summarizes the timeline and process by which OpenGov was selected. Appendix 1 summarizes the procurement results from our report on the OpenGov procurement process.

Exhibit 1: OpenGov Selection Process



Source: BLA Report on OpenGov Procurement, June 2026

Selection Criteria

The RFI did not specify evaluation criteria for inviting vendors to vendor day or to participate in user testing, and it did not indicate that a contract would be awarded based on vendor response to the RFI. According to the summary slide deck on the vendor selection process prepared by the Mayor's Office of Innovation, vendors were evaluated by over 40 testers as well as 10 Department Heads for a total of over 50 people during the Finalist Evaluation round based on: (1) **vendor track record**, including experience with other large cities and experience with change management and delivering on time and on budget; (2) **technical assessment**, including City staff's technical evaluation of data management, security, user interface, etc., and integration feasibility; (3) **product functionality**, including supporting a single front door and status tracker, as well as support of internal workflows and support to improve permit issuance and applications; and (4) **path to procurement**, including the feasibility of contracting within a timely manner and cost. However, an evaluation of each vendor against each criterion was not documented.

Project Status

The original agreement provided for delivery of 15 records from the Fire Department, the Department of Building Inspection, and departments that regulate special events activities. In general, the records are simpler permit types, including several that can be approved over the counter. According to Mayor's Office of Innovation staff, the permit types within the scope of the contract were determined based on: (a) department readiness and need to transition to a new system; (b) impact to San Francisco residents based on the most commonly requested permits or biggest pain points; and (c) feasibility to allow PermitSF to learn from implementation of simpler permits before implementing more complex permit types.

The estimated schedule in the contract anticipated an initial subset of these records would go live on February 13, 2026 with all permit types under the initial scope delivered by March 16, 2026, with dates subject to adjustment based on mutual agreement. As of August 2026, nine out of 15 permit types have launched under the new system, with the remaining permit types expected to be delivered by October 2026. According to PermitSF staff, PermitSF decided to extend the timeline for launching the initial subset of permits to allow additional time to communicate changes to staff and customers, train staff, and make product decisions. Exhibit 2 shows the actual and estimated timelines for launching the permits under the original scope of work.

Exhibit 2: Implementation Timeline of Records under Original Agreement

Record Type	Actual Go Live Date [Estimated]
Fire Construction Permit – Fire Alarm	2/13/2026
Fire Construction Permit – Fire Sprinklers	2/13/2026
Over-the-Counter (OTC) Window Permit	2/13/2026
OTC Doors Permit	2/13/2026
OTC Siding Permit	2/13/2026
Special Event Permit	2/13/2026
Fire Construction Permit – Water Flow Inspections	4/13/2026
Instant/OTC Reroofing Permit	6/29/2026
Sign Permit	6/29/2026
Instant Online Electrical Permit	[9/14/2026]
Small Mechanical Permit	[9/14/2026]
Instant Online Bath Remodel Permit	[9/14/2026]
Instant Online Kitchen Remodel Permit	[9/14/2026]
Fire Operational Permits	[9/30/2026]
Instant Online Solar Permit	[9/30/2026]

Source: PermitSF permitting system and Planning Department

DETAILS OF PROPOSED LEGISLATION

File 26-0949 is a hearing to consider release of reserved funds, including $5,049,227 in FY 2026-27 and $7,663,478 in FY 2027-28 to the Planning Department for the OpenGov contract and staff support and $272,513 in FY 2026-27 and $293,862 in FY 2027-28 to the Department of Building Inspection for temporary implementation staff for PermitSF.

File 26-0858 is a proposed resolution that would approve the first amendment to the agreement between the City and OpenGov Inc., increasing the amount by $33,065,986 for a total amount not to exceed $38,965,986 and extending the term by five years through September 2031. The not to exceed amount of $38,965,986 includes $8,400,000 for implementation and training services and $30,565,986 for application and hosted services.

Application and Hosted Services

OpenGov will continue to provide Software as a Service (SaaS) application and hosted services for PermitSF. This includes software operating on equipment located at OpenGov's facility or data center, third-party software required to support the software, and a remote software tool. In addition, OpenGov must regularly back-up of City data, host services in a certified Tier-3 data hosting center and report any data breaches.

Implementation & Training

The proposed amended contract anticipates a phased approach to implementation but does not define the permits or licenses in scope, the phasing of records, or the delivery timeline. The contract states that the contract will cover up to 150 records from twelve departments with up to eight integrations with existing City systems. Implementation will occur over a three-year timeline. The departments include:

- Department of Building Inspection (DBI)
- Planning Department (CPC)
- Fire Department (FIR)
- Public Health (DPH)
- Public Works (DPW)
- Public Utilities Commission (PUC)
- Recreation and Park Department (REC)
- Port (PRT)
- Board of Appeals (BOA)
- Office of Economic and Workforce Development (OEWD)
- City Administrator's Office (ADM)
- Municipal Transportation Agency (MTA)

Of the 150 records to be included in the scope, 25 percent will be low complexity permits, 50 percent will be medium complexity permits, and 25 percent will be high complexity permits based on the complexity assessment described below.

Phase Zero

OpenGov will complete Phase Zero within 10 weeks. Phase zero will include: (1) a review of the permit type inventory and recommendations to consolidate; (2) an assessment of data availability from third- party systems; (3) an assessment of the complexity of permit types as low, medium, or high complexity[2]; and (4) recommended sequencing based on readiness, complexity, and business priority and a defined scope for Phase 1.

Project Charters

The City will develop Project Charters in consultation with OpenGov. Project Charters will establish: the permits in scope, assumptions and constraints, capabilities to be delivered, the delivery timeline and milestones, and success criteria and acceptance requirements. According to PermitSF staff, the Project Charters will also establish the payment to be made to OpenGov following completion of milestones based on anticipated changes to the payment structure discussed below.

[2] The complexity assessment will be based on the number of workflow steps, fee structures, number of inspections, number of department reviews, number of form fields, number of integrations with systems of record, and number of generated documents.

Training & Civil Service Capability Transfer

OpenGov will provide training to City employees, including training for system administrators, end users (such as inspectors, plan reviewers, and permit technicians), departmental leads to serve as in-house experts and trainers of City staff, help-desk and support staff, and IT and development staff. Pursuant to commitments made to International Federation of Professional and Technical Engineers Local 21 under the City's Civil Service Rules, OpenGov will structure the training program to ensure City civil service staff can administer the platform without routine engagement from OpenGov. OpenGov will also prepare a transition plan if the contract is not renewed.

Milestones 1 and 2

The proposed contract amendment establishes the following deliverables for the first six months of the contract.

Milestone 1 due December 13, 2026

- Phase Zero
- PeopleSoft Accounts Receivable Interface Charter Development
- Sidewalk Permit Charter Development (DPW)
- Water Service Charter Development (PUC)

Milestone 2 due March 31, 2027

- Water Service Launch (PUC)
- Vertical Construction Permits Charter Development (DBI, Planning, Fire, DPW, DPH, PUC)
- Entitlement & Zoning Charter Development (Planning)
- Special Events Charter Development (OEWD), Port, REC, MTA)

Warranty of Performance

The proposed amendment maintains the warranty of performance from the original agreement which requires OpenGov to configure the permitting software in accordance with current documentation, which will be specified in the Project Charters. OpenGov must repair or replace the software if it does not conform with the documentation. In addition, the contract states that OpenGov is required to replace unsatisfactory work even after payments have been made by the City.

Performance

Application & Hosted Services

The proposed amendment maintains the existing service level agreement, which establishes response times to support requests from the City based on the severity level of the issue, resolution times, and uptime requirements. The City is eligible for performance credits up to 10 percent of software services fees for the applicable quarter if OpenGov's quarterly uptime percentage falls below 99.9 percent. According to PermitSF staff, there is not a formal report on performance against these measures. Staff rely on help desk tickets from staff and customers to identify issues with response times, resolution times, or availability. Staff report that OpenGov has been meeting expectations for these measures based on monitoring of help desk tickets. We recommend that PermitSF begin to formally evaluate OpenGov against these measures.

Implementation

As discussed above, launch of all permit types under the original contract has been delayed by approximately six months. PermitSF staff are tracking permit volumes and timelines to assess the performance of the new system in a project management dashboard. Between March and June 2026, the volume of permits issued has increased for permit types launched in February compared to the same period in 2025 under the legacy permitting systems, which may indicate that customers are filing more permits because it is easier and can be done online or could reflect increased building activity due to other factors.[3] However, it is taking longer to issue the permits, which could be partially driven by the increase in volume, and staff are not able to meet the two day issuance target for over the counter permits. According to the project management dashboard, door, siding, and windows permits were typically issued in one business day in 2025 under the legacy system compared to three days in OpenGov. Fire alarm and sprinkler permits were typically issued in one or two days in 2025 compared to eight and nine days in OpenGov. PermitSF will review staffing to determine if adjustments need to be made.

Exhibit 3 shows the permit volume and issuance timelines for launched permit types.

Exhibit 3: Permit Volume and Issuance Timelines for Launched Permits, As of August 14, 2026

Permit Type	Total Submitted	Total Issued	Median Business Days to Issue	Target
Building	2,078	1,716	3.0	2.0
Doors, siding, windows permit	1,417	1,167	3.0	2.0
Reroofing permit	610	539	2.0	2.0
Sign or awning permit	51	10	12.5	2.0
Special Event	416	391	2.0	2.0
Special event intake form	416	391	2.0	n/a
Fire	1,537	1,220	8.0	2.0
Fire alarm permit	959	750	8.0	2.0
Fire sprinkler permit	578	470	9.0	2.0
Total	**4,031**	**3,327**	4.0	**2.0**

Source: PermitSF permitting data on DataSF

FISCAL IMPACT

The proposed resolution would increase the not to exceed amount by $33,065,986 for a new total not to exceed amount of $38,965,986. As shown in Exhibit 4 below, the proposed increase of $33.1 million includes $6.5 million for implementation and training and $26.6 million for

[3] The volume of doors, siding, and windows permits issued between March and June increased by 70 percent in 2026 relative to the prior year (467 compared to 793), and the volume of fire alarm and sprinkler permits issued increased by 36 percent in 2026 relative to the prior year (608 compared to 827).

application and hosted services for five years. The application and hosted services include $1,850,000 for an optional one-year product subscription for Public Works enterprise asset management software licenses and a $600,000 contingency.

Exhibit 4: Proposed Not to Exceed Amount

Contract Year (Oct 1st – Sep 30th)	Implementation & Training	Application & Hosted Services	Total
Original Contract			
Year 1 (2025-26)	$1,900,000	$4,000,000	$5,900,000
Proposed Extension			
Year 2 (2026-27)	1,950,000	4,272,380	6,222,380
Year 3 (2027-28)	2,000,000	4,647,123	6,647,123
Year 4 (2028-29)	2,550,000	4,849,479	7,399,479
Year 5 (2029-30)		5,061,953	5,061,953
Year 6 (2030-31)		5,285,051	5,285,051
Public Works Add On*		1,850,000	1,850,000
Contingency		600,000	600,000
Subtotal, Extension	*6,500,000*	*26,565,986*	*33,065,986*
Total Not to Exceed	**$8,400,000**	**$30,565,986**	**$38,965,986**

Source: Proposed Contract Amendment

*Optional one-year product subscription for OpenGov Enterprise Asset Management, including Transportation & Traffic, Walkability, Signals. This would also require an additional professional services fee, which is not included in the agreement.

Implementation & Training

Payment Structure

The original agreement tied payment of the $1.9 million professional services fee for implementation and training to project deliverables, which is a best practice in government contracting for services. Payment of the fee was divided into four payments, with 30 percent paid at project initiation, 20 percent paid after completion of the validation phase, 20 percent paid after completion of the configure phase, and the remaining 30 percent tied to completion of the launch phase. Of the $1.9 million professional services fee, $1,330,000 has been paid, or 70 percent, with the remaining payment pending completion of the launch phase which is expected to occur by October 2026.

The proposed amendment does not tie the $6.5 million professional services fee to deliverables or milestones. The amendment specifies the dates of a payment schedule with 11 payments over three years and payments occurring every three months except for a six-month gap between the second and third payments. As discussed below, PermitSF plans to change the payment structure to tie to deliverables.

Implementation & Training Budget

Exhibit 5 below shows the professional services fee budget for the contract extension. The $2.2 million budget for record type configuration is calculated based on the complexity distribution and pricing established in the agreement, from $12,062 per record for low complexity records to $19,312 per record for high complexity records.

Exhibit 5: Professional Services Fee Budget

Professional Services	Amount
Record Type Configuration (150 Records)	
Low Complexity Records (25%)	$446,281
Medium Complexity Records (50%)	998,375
High Complexity Records (25%)	733,843
Subtotal, Configuration	*2,178,499*
Project Oversight	1,833,000
Change Management	721,251
Data Migration	650,000
Integration Work	476,250
Travel Onsite	336,000
Post-Implementation Support	305,000
Total	**$6,500,000**

Source: PermitSF

Application & Hosted Services

The application and hosted services fees are due annually at the start of the contract year and are for an unlimited number of users. The fees include subscriptions for all departments that are expected to use OpenGov for permitting and licensing.

Exhibit 6 shows the change in the application and hosted services fees budget between Year 1 and Year 2. Total fees are increasing by seven percent from $4.0 million to $4.3 million due to additional testing and reporting capabilities and an increase in custom expert services after Year 2, annual fees may not increase by more than five percent per year.

Exhibit 6: Change in Application & Hosted Services Fees, Years 1 and 2

Fee	Year 1 Amount	Year 2 Amount	Change	% Change
Permitting & Licensing Fees				
Permitting & Licensing for 12 Service Areas	$2,772,331	$2,731,483	($40,848)	-1%
Other Subscription Features				
Additional User Acceptance Testing	134,803	132,691	(2,112)	-2%
Additional Development or Sandbox		132,691	132,691	
Advanced Reporting Integration (Production)	238,602	219,211	(19,391)	-8%
Advanced Reporting Integration (Test Environment)		219,211	219,211	
Autofill Interface Quantity: 100	235,461	216,325	(19,136)	-8%
Permitting and Licensing - Mobile App	113,620	104,386	(9,234)	-8%
Bluebeam Integration for Electronic Plan Review	4,708	4,325	(383)	-8%
Contractor License Verification	37,357	34,321	(3,036)	-8%
Accounting & Finance Export Quantity: 2	9,416	8,651	(765)	-8%
Document Management Interface	5,604	5,149	(455)	-8%
Master Address Table or Assessor System Integration	4,708	4,325	(383)	-8%
Record Data Export to Support Data Security	4,708	4,325	(383)	-8%
Esri ArcGIS Integration	2,355	2,163	(191)	-8%
Flag Integration for Esri ArcGIS	2,355	2,163	(191)	-8%
Custom Expert Services (User guides & new feature training, annual system optimization, 2-day on-site training)	398,074	417,978	19,904	5%
Premium Support	35,899	32,981	(2,917)	-8%
Subtotal, Other Subscription Features	*1,227,669*	*1,540,897*	*313,228*	26%
Total Annual Subscription Fees	**$4,000,000**	**$4,272,380**	**$272,380**	7%

Source: Proposed contract amendment

Public Works Asset Management Option

According to PermitSF staff, the Department of Public Works wants to replace its existing asset management system, and Public Works would like to have an option to use OpenGov to replace the system. PermitSF staff report that using OpenGov to implement the new system would improve the permitting system since staff would be able to see the assets and locations within the same system and would not have to check a separate system to find the information. The $1.85 million price for one-year reflects OpenGov's quote for a specific set of capabilities to be used for Public Works' right of way permitting, including tracking utility poles, utility cabinets, trees, light fixtures, and trees. Pursuing this option would require a contract amendment to add an additional professional services fee, which is not included in the agreement.

Basis of Budget

Original Contract

The original contract budget was negotiated between PermitSF leadership and Mayor's Office staff and OpenGov. PermitSF did not obtain cost proposals from other vendors during the selection process to provide a cost comparison. PermitSF leadership and the Mayor's Office assessed the reasonableness of the original contract budget based on a comparison of OpenGov's price proposal to the National Association of State Procurement Officials (NASPO)-pricing model[4] for state permitting systems which varies based on the size of a jurisdiction's budget and includes: (a) subscription fees for the different permit types, system integrations required, reporting and other features, and support; and (b) a fixed fee for custom professional services deployment. The subscription fee in Year 1 ($4 million) was four percent less than the NASPO-pricing model and the fixed professional services fee ($1.9 million) was 24 percent less than OpenGov's quote for Year 1 implementation costs ($2.5 million).

Proposed Amendment

According to PermitSF staff, the $6.5 million budget for implementation and training was based on OpenGov's initial quote of $7.9 million and subsequent negotiations. City staff negotiated a budget based on the anticipated complexity distribution and a total budget that was 18 percent lower than OpenGov's initial quote. The application and hosted services fees were based on Year 1 fees plus the additional testing and reporting capabilities shown in Exhibit 6 above.

Comparison of Budget to Consultant Estimate

In 2023, Gartner, Inc. prepared a rough order of magnitude estimate for the City for the costs to implement a centralized permitting platform, as well as ongoing SaaS licensing costs for five years. The report states the costs are based on recent permitting and licensing procurements for jurisdictions that are similarly large and complex, but it does not state which jurisdictions were evaluated in the analysis. The report estimated one-time implementation costs of between $14.5 million and $19.8 million over 2.5 years and ongoing annual costs of between $1.8 million and $3.0 million for 471 licenses. If we double the annual cost estimates based on the expected number of users (1,000), the range is between $3.6 million and $6.0 million. The proposed budget of $8.4 million for implementation is less than the estimated range, and the proposed budget for annual costs of approximately $4.3 million is within the range of the estimate if adjusted for the anticipated number of users (1,000).

[4] OpenGov developed its NASPO-pricing model following a competitive 2015 Request for Proposals process conducted by the State of Utah on behalf of NASPO ValuePoint participating states. NASPO ValuePoint is a cooperative purchasing program of the National Association of State Procurement Officials (NASPO).

Potential Savings from Deprecation of Other City Systems

Planning Department staff anticipate approximately $2.5 million in annual savings from migrating services from legacy systems to OpenGov based on systems identified for retirement to date.[5] This reflects anticipated savings for six of the 12 departments in scope, and the estimate will be updated as the implementation scope is defined. Once these systems are retired, the City will realize savings that will at least partially offset the annual OpenGov fees, which are $4.3 million in Year 2.

Funding Source

The contract would be funded by department operating budgets through workorders and a General Fund contribution from the Planning Department.

The FY 2026-28 approved budget included $7.2 million in FY 2026-27 and $7.4 million in FY 2027-28 for the OpenGov contract, for a total of $14.6 million over two years. Exhibit 7 shows the funding breakdown by department based on the approved budget.

Exhibit 7: Approved Budget by Department, FY 2026-27 and FY 2027-28

Department	FY 2026-27	FY 2027-28	2-Year Total
Building & Inspection	$2,562,500	$2,095,193	$4,657,693
Planning	1,767,241	1,444,961	3,212,202
Public Works	1,325,431	1,083,721	2,409,152
Fire	751,078	614,108	1,365,186
Public Health		953,674	953,674
Public Utilities Commission	424,138	346,791	770,929
General City Responsibility	212,069	303,442	515,511
Port		433,488	433,488
Municipal Transportation Agency	132,543	108,372	240,915
Total	**$7,175,000**	**$7,383,750**	**$14,558,750**

Source: PermitSF

Release of Reserved Funds

Planning Department OpenGov Contract

The Board of Supervisors placed $4,783,333 of the $7,175,000 FY 2026-27 programmatic project budget and all of the $7,383,750 FY 2027-28 budget on Budget and Finance Committee reserve pending approval of the contract amendment. If the proposed contract amendment is approved, the Budget and Finance Committee will need to approve the release of reserved funds before

[5] The following systems are identified for retirement in the future: Accela and Infilla (Planning); Oracle licenses, hardware, and professional services (DBI); Clariti (DPW); PUC – Water Service; Permit Center Bluebeam tool for electronic review of construction and professional services from AECOM; and annual maintenance and bank fees for the Print Center. There are no offsetting savings for the migration of Fire Department permits to OpenGov because the Fire Department uses its Oracle system for other department functions.

the Year 2 application and hosted services fee can be paid. The contract budget in FY 2026-27 is $6,222,380, or $952,620 less than the $7,175,000 budget. According to DBI staff, the balance will support Planning Department permanent and temporary staff that are not fully funded in the approved budget.

Planning Department Salaries and Benefits

The remaining $265,891 in FY 2026-27 and $279,728 in FY 2027-28 of the reserve request would fund the upward substitution of 1.0 FTE 5278 Planner II to 1.0 FTE 1054 IS Business Analyst-Principal for the Enterprise Addressing System Manager.

DBI Temporary Staff

The reserve request includes $272,513 in FY 2026-27 and $293,862 in FY 2027-28 to the Department of Building Inspection for temporary implementation staff for PermitSF.

POLICY CONSIDERATION

Procurement

As discussed in the Budget and Legislative Analyst's June 2026 OpenGov Procurement Report (BLA OpenGov Procurement Report), the OpenGov procurement process did not violate City requirements. However, it did not conform to best practices or typical City practices in procurement because it was not competitively procured. Formal, competitive bidding for the permitting system would have added time to the vendor selection process but would have incorporated controls and safeguards to avoid potential vendor favoritism and to provide assurance that the contract price was the best value for the City.

Large City contracts for software are typically awarded through a formal competitive solicitation process, and contracts awarded through a 21.30 solicitation waiver are typically for a lower contract amount (relative to contracts competitively procured). Based on our review of Section 21.30 waivers granted in FY 2024-25, we found that the waivers were most commonly granted for existing software (rather than new software) and waivers for new software were for a lower amount than the OpenGov contract. At $5.9 million, the original one-year OpenGov contract was nearly eight times larger than the average contract amount for new software contracts that received Section 21.30 waivers in FY 2024-25. The proposed amended $39.0 million contract is more than 50 times the average contract amount for new software contracts that received Section 21.30 waivers.

Contract Terms to Mitigate Risk of Delays and Underperformance

Implementation Scope and Timeline Not Defined

As discussed above, the proposed amendment does not define the permits or licenses in scope, the phasing of records, or the delivery timeline. OpenGov will make recommendations for the consolidation and sequencing of permits as part of Phase Zero to be completed by December 13, 2026, and the City will define the scope and timeline of each phase in Project Charters. Because

the scope is not clearly defined, it is difficult to assess the reasonableness of the fees and what the system is anticipated to deliver after the next three-year implementation period.

Professional Services Fee Not Tied to Deliverables

Tying vendor payments to performance, including milestones or deliverables, is a best practice in government contracting for services.[6] Unlike the original agreement, the proposed amendment in the legislative file does not tie the $6.5 million professional services fee to deliverables or milestones. Following review of our draft report, PermitSF staff agreed to make changes to the agreement to require payment to be tied to acceptance of project deliverables.

Based on amendments to the proposed draft agreement provided by PermitSF staff, payments to OpenGov for implementation and training will be tied to project deliverables and will be made after acceptance of Project Charter deliverables within the corresponding period. OpenGov will receive a payment of $975,000 upon acceptance of Milestone 1 deliverables (which are due December 31, 2027) and another payment of $975,000 upon acceptance of Milestone 2 deliverables (which are due March 31, 2027). Deliverables after Milestone 2 are not defined in the contract. Subsequent payment amounts and dates will be based on timelines and milestones established in the Project Charters, with the total amount limited by the not to exceed amount of $6.5 million for implementation and training.

Contract Termination Terms

The contract includes provisions that allow the City to terminate the contract under certain conditions, including:

- Termination for cause if OpenGov commits an event of default or a material breach of the agreement and does not remedy the default or breach
- Termination based on performance if OpenGov does not configure the permitting software as required under the warranty of performance, does not meet performance requirements established in the service level agreement, or breaches the data security requirements of the contract
- Termination due to non-appropriation of funds by the Mayor and the Board of Supervisors.

The contract does not include the right for the City to terminate for convenience, which would allow the City to terminate the contract without demonstrating that breach of contract terms or performance criteria has occurred, saving time and costs. According PermitSF staff, termination for convenience rights were not included in the contract based on negotiations with OpenGov, and City staff determined the termination options identified above were sufficient to ensure satisfactory performance from the vendor. However, we note that other City contracts we reviewed for SaaS and implementation services included termination for convenience rights.

[6] *State and Local Government Procurement: A Practical Guide, 2024.* National Association of State Procurement Officials.

Specifically, the SaaS contract for the Office of the Assessor's Property Assessment System and the SaaS contract for the Treasurer Tax Collector's online payment platform included termination for convenience rights, as did the implementation contract for the property assessment system.

Recommendation and Policy Options

We consider approval to be a policy matter for the Board of Supervisors because the procurement process did not adhere to best practices or typical City practice and because the scope and project milestones are not fully defined, and the agreement does not include termination for convenience rights. While PermitSF's proposed changes to the payment structure alleviate some of the risk in the accountability structure, we have not seen the full schedule of deliverables which will be tied to payments and we do not know if they will be sufficient. PermitSF staff will need to actively monitor OpenGov to ensure success of the project.

The Board of Supervisors should consider the following options to address the lack of specificity in the contract's deliverables:

- Amend the proposed resolution to reduce the not to exceed amount to $12,122,380 to provide sufficient funding through Year 2 of the contract, request that PermitSF provide an update on the project scope and timeline when seeking Board of Supervisors' approval for subsequent contract amendments, and approve the proposed resolution as amended.

  or

- Request PermitSF to provide an update on the project scope, timeline, and milestones to the Budget and Appropriations Committee during the FY 2027-29 budget process

RECOMMENDATIONS

1. Approval of the proposed resolution (File 26-0868) is a policy matter for the Board of Supervisors.
2. If approving the proposed resolution, approve the proposed release of reserves (File 26-0949).

Appendix 1: Procurement Results from BLA Report on OpenGov Procurement

Exhibit A: Procurement Results for 15 Vendors Selected for Vendor Day

Vendor	Invited to Vendor Day/Type of Solution	Asked to Share Application for User Testing	Finalist Evaluation	Confirmatory Diligence	Contract Award
OpenGov	Comprehensive	Comprehensive	x	x	x
Clariti	Comprehensive	Comprehensive	x	x	
Leapthought	Specialized	Comprehensive	x		
Archistar	Specialized	Specialized*			
Brain Co.	Comprehensive	Specialized*			
CivCheck	Specialized	Specialized*			
Accela	Comprehensive				
Anthropic	Specialized				
cBrain	Comprehensive				
Hugo	Specialized				
Ichi	Specialized				
Nava PBC	Comprehensive				
Salesforce	Comprehensive				
Slalom	Comprehensive				
Stanford RegLab	Specialized				
Total Count	**15** ***8 Comprehensive*** ***7 Specialized***	**6** ***3 Comprehensive*** ***3 Specialized***	**3**	**2**	**1**

Source: Mayor's Office of Innovation

*Note: Specialized solutions were removed from user testing before it commenced.

Exhibit B: 35 Vendors with RFI Responses Not Selected for Vendor Day

Comprehensive (19)	Specialized (10)	Consultant (5)
Accenture	Ascot Software	Bloom Works
Alvarez & Marsal	Centific	Capital Partnerships Inc.
Autocene	Docusign	Gartner
BlueVector AI & Sapient	Esri	GenSigma
Carollton Enterprise Services	Google Public Sector	Larios Consulting Services
CODICE	GovStream.AI	
Consultadd	Infilla	
DataBank	Permit Haven	**Not Categorized (1)**
Deloitte	Qualtrics	Cloverinfotech
IBM	Symbium	
Ignyte Group		
MTX Group		
Oracle		
Pacific Point		
ServOs		
StackNexus		
SuccessMetrics		
Timmons Group		
Tyler Tech		

Source: Mayor's Office of Innovation