

Bond Case Briefs

Municipal Finance Law Since 1971

America's Cities Are Running on Software From the '80s.

Even San Francisco's tech chops can't save it from relying on computers that belong in a museum.

The only place in San Francisco still pricing real estate like it's the 1980s is the city assessor's office. Its property tax system dates back to the dawn of the floppy disk. City employees appraising the market work with software that runs on a dead programming language and can't be used with a mouse. Assessors are prone to make mistakes when using the vintage software because it can't display all the basic information for a given property on one screen. The staffers have to open and exit several menus to input stuff as simple as addresses. To put it mildly, the setup "doesn't reflect business needs now," says the city's assessor, Carmen Chu.

San Francisco rarely conjures images of creaky, decades-old technology, but that's what's running a key swath of its government, as well as those of cities across the U.S. Politicians can often score relatively easy wins with constituents by borrowing money to pay for new roads and bridges, but the digital equivalents of such infrastructure projects generally don't draw the same enthusiasm. "Modernizing technology is not a top issue that typically comes to mind when you talk to taxpayers and constituents on the street," Chu says. It took her office almost four years to secure \$36 million for updated assessors' hardware and software that can, among other things, give priority to cases in which delays may prove costly. The design requirements are due to be finalized this summer.

For local officials throughout the country, the shift from old-school servers to rented cloud storage has made it tougher than ever to fund upgrades. They can budget physical equipment as capital expenses, meaning they could issue bonds to pay for them. But cloud computing is a service, as the people selling it love to say, which means officials have to pay for it with operating funds—the same pool of money that goes toward addressing more tangible demands, such as parks and cops. The deliberate pace of government compounds the problem of strained resources, says Marc Pfeiffer, a former New Jersey official who now advises municipalities on managing technology as part of Rutgers University's Bloustein Local Government Research Center.

[Continue reading.](#)

Bloomberg Businessweek

By Romy Varghese

February 28, 2019