

C-Pages – BOS Meeting 05/24/11, File: 110628

Petitions and Communications received from May 10, 2011, through May 16, 2011, for reference by the President to Committee considering related matters, or to be ordered filed by the Clerk on May 24, 2011.

Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted.

From Department of Human Resources, regarding various personnel matters in the San Francisco Police Department. Copy: Each Supervisor (1)

*From concerned citizens, submitting support for proposed ordinance amending the San Francisco Business and Tax Regulations Code, by adding Section 906.5 to establish a payroll expense tax exclusion for stock-based compensation. File No. 110462, Approximately 50 letters (2)

From Danny Sullivan, submitting opposition to proposed ordinance amending the San Francisco Business and Tax Regulations Code, by adding Section 906.5 to establish a payroll expense tax exclusion for stock-based compensation. File No. 110462 (3)

From Office of the Controller, submitting the FY2010-2011 Nine-Month Status Report. (4)

*From Department of Elections, submitting a memorandum regarding the results of the 2010 Census Data. Copy: Each Supervisor (5)

From Department of Public Health, submitting request for waiver of Administrative Code Section 12B for Safeway. (6)

From concerned citizens, urging the Board of Supervisors to take action to restore the wetlands at Sharp Park Golf Course. 12 letters (7)

From Office of Civic Engagement and Immigrant Affairs, submitting notice of an upcoming naturalization information workshop for City residents. (8)

From Clerk of the Board, the following individual has submitted a Form 700 Statement: Joseph Smooke, Legislative Aide - Assuming (9)

From Jeanie Scott, submitting support for the proposed Parkmerced Project. File No. 110206, Copy: Each Supervisor (10)

From Michael Russom, submitting opposition to the proposed Parkmerced Project. File No. 110206 (11)

From concerned citizens, urging the Mayor and Board of Supervisors to eliminate the \$2,000,000 in service fees charged to City College. 13 letters (12)

From Sandy Weil, urging the Board of Supervisors to rescind their vote on the Stow Lake Boathouse Concession Lease. File No. 101416 (13)

*From concerned citizens, regarding the sidewalk sitting ban. Approximately 30 letters (14)

From Roger Kat, regarding the possible closure of the Haight Street Food Pantry. (15)

From Office of the Mayor, submitting the appointment of Johanna Wald to the Commission on the Environment. Copy: Rules Committee Clerk (16)

From Doug Buckwald, urging the Board of Supervisors to reconsider the appointment of Joel Ramos to the MTA. File No. 110294, Copy: Each Supervisor (17)

From Ivan Pratt, regarding senior citizens learning martial arts for self defense. (18)

From concerned citizens, submitting support for motion reversing the certification by the Planning Commission of the Final Environmental Impact Report for the 2004 and 2009 Housing Elements. File No. 110454, 4 letters (19)

From Susan Vaughan, regarding transit oriented development in San Francisco. (20)

From Charles Pitts, submitting opposition to the three candidates appointed to the Local Homeless Coordinating Board. (21)

From San Francisco County Civil Grand Jury, submitting the Parkmerced Vision: Government-By-Developer Report. Copy: Each Supervisor, Government Audit and Oversight Committee Clerk (22)

From Office of the Controller, submitting the February 2011 Economic Barometer Report. (23)

(An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is available at the Clerk's Office, Room 244, City Hall.)

COB, Leg Dep
Joy, page
BOS-11



To: Joy Lamug/BOS/SFGOV,
Cc:
Bcc:
Subject: Inquiries from Members of the Board of Supervisors regarding Personnel Matters in the San Francisco Police Department

From: Micki Callahan/DHR/SFGOV
To: Board of Supervisors/BOS/SFGOV@SFGOV, Angela Calvillo/BOS/SFGOV@SFGOV
Cc: Chief Suhr/SFPD/SFGOV@SFGOV
Date: 05/12/2011 11:22 AM
Subject: re: Inquiries from Members of the Board of Supervisors regarding Personnel Matters in the San Francisco Police Department
Sent by: Jessica Williams

Honorable Members of the Board of Supervisors,

Attached is the response to inquiries by Members of the Board of Supervisors regarding various personnel matters in the San Francisco Police Department.



Response to BOS regarding Personnel Matters in SFPD.pdf



DROP 4-11 Renewal Analysis .pdf



Analysis of DROP cost neutrality.pdf

Micki Callahan
Human Resources Director
City and County of San Francisco
415.557.4845

①

COB
Leg Dep
CPAGEBen Rosenfield
ControllerMonique Zmuda
Deputy Controller

MEMORANDUM

TO: Mayor Edwin Lee
Members of the Board of Supervisors

FROM: Ben Rosenfield, Controller *BR*

DATE: April 15, 2011

SUBJECT: Analysis of the Deferred Retirement Option Program's Cost Neutrality and Achievement of the Program's Goals

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 MAY 10 AM 10:50
BY RN

I am providing with this memo background information and findings concerning the City's Deferred Retirement Option Program (DROP or the Program). The memo provides the Controller's Office analysis of the Program and includes an attached report with actuarial and analytical work as required on this subject from Cheiron, Inc., the Retirement System's consulting actuary.

In 2008 voters approved Proposition B, which created a voluntary Deferred Retirement Option Program for an initial three-year period. The DROP is intended to provide incentives to encourage Police Officers to continue working beyond the date they would have retired and thereby reduce the need to recruit, hire and train new officers to meet staffing requirements. The Program is intended to be "cost neutral" to the City. To this end, the Controller's Office and the San Francisco Retirement System's (SFERS) consulting actuary are required to report on the cost effects of the Program. On the basis of these reports, the Board of Supervisors may act to continue the Program for an additional period of time, but in no event beyond an additional three years, or the Board may let the program sunset on June 30, 2011.

Summary Findings

In summary, Cheiron's actuarial work and our analysis show that:

- The net increase or decrease in City costs attributable to the DROP over its first three years is difficult to state with certainty. This is due largely to difficulty in quantifying DROP's impact, in isolation from all other changes, on police officers' retirement behavior.

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- Although only a limited number of people have been eligible, and retirement decisions are influenced by a myriad of factors, since DROP was instituted an officer is likely to enter DROP earlier than they would have otherwise retired;
- Overall, the Retirement System's accrued liability has likely increased under the DROP because of this change in retirement behavior;
- In particular, Cheiron forecast the current observed retirement rates and existing conditions of the DROP and found that if the Program is continued under current conditions, the City would expect a resulting accrued liability of \$52 million in retirement costs. Amortizing this liability over 20 years as is SFERS' current practice for benefit changes would add approximately 0.25 percent of payroll (or approximately \$6 million annually) to the current employer contribution rate;
- While the City does save some operating costs by not having to replace an officer during their DROP period, those savings are less than the change in the expected value of that officer's retirement benefits and the overall cost to SFERS.

Description of the DROP

The Program became available to San Francisco police officers on July 1, 2008. To be eligible to participate in DROP, a police officer must have at least 25 years of service as a sworn member of the Police Department, be at least 50 years of age, be a full-duty officer and agree to retire at the conclusion of his or her service in DROP.

Participants in DROP:

- Continue working for a specified period of time, not longer than three years;
- May elect to leave the Program at any time prior to end of their eligibility period;
- Continue to receive their regular pay and benefits;
- Continue to make contributions to the Retirement System from their regular pay;
- Do not directly receive retirement pay and benefits. Retirement benefits are "frozen" at the level that the officer had earned upon entry into DROP;
- The officer's retirement payments, with cost of living adjustments, are placed in a tax-deferred account maintained by the SFERS with a set four percent interest rate;
- At the end of the DROP period, officers retire, leave service, stop receiving regular pay and benefits and begin receiving their regular retirement payments;
- At the end of the DROP period, officers receive a lump sum payment of the retirement benefits, plus interest, accumulated in their DROP account.

Savings and Costs with the DROP

Overall, the Program could save the City money if the officer had planned to retire and the DROP causes that officer to work more years than originally intended. Conversely, the Program could cost the City money if the officer does not work past their planned retirement date, or retires earlier than they would have otherwise.

Savings could come in three primary ways—avoided retiree health benefit costs, recruitment and training costs, and savings in the retirement trust fund.

A working DROP officer means that instead of the City paying for health benefits for two individuals (a retiree and a replacement hire), the City only has to pay for the DROP Officer during that period. In particular, the period of time between an individual's retirement and their eligibility for Medicare at age 65 is the highest cost period for City retiree health benefits and savings per person during those years could be significant.

Second, during the DROP period, the City can defer the cost of recruiting, hiring and training an additional officer.

Finally, under the City's Program design, while an officer is enrolled in the DROP they continue to make a required contribution of 7.5 percent of pay to the Retirement System, but do not accrue additional retirement benefits.

To illustrate, the DROP would save money if the officer intended to retire at age 55 but instead joined the DROP at age 55 and worked another three years to age 58. Conversely, the DROP costs money if the officer joins the Program at age 52 and then retires at age 55 when they had planned to retire anyway. In that instance, they are effectively taking a cash payout with their DROP account instead of a somewhat increased retirement payment under the City's defined benefit formula that would have accrued during those DROP years. They are not working any longer than originally anticipated; there is no offset from saved health insurance premiums or deferred training costs. Instead, there are increased costs to the Retirement System due to their beginning to draw benefits sooner and reduced retirement contributions, on a net basis, with the four percent that they earn on retirement payments to their DROP account.

Demographics and Retirement Behavior under the DROP

The data provided by Cheiron and SFERS shows that relative to retirement experience prior to DROP, the actual DROP entry date is not the date at which officers would likely have retired if DROP had not existed (See Table 1).

Over a long period of time, the demographics of SFERS' Police members show that prior to DROP, approximately 12 percent of officers age 55 with 25 or more years of service would have been expected to retire. Since DROP, 33 percent of these officers have elected to retire or enter DROP. With an adjustment for the initial rush of entrants at the beginning of DROP, in summer of 2008, 21 percent of these officers have elected to retire or enter DROP.

Some members who enter DROP earlier than they planned to retire may work for the City longer than they planned to before DROP was offered, but others may be retiring from DROP exactly as they would have if there had been no DROP. It appears from the data that most members enter DROP before they would have retired if no DROP existed. As these members continue to work through their period in DROP they may exit DROP after they would have otherwise retired. There are too few members who have retired from DROP to determine the additional service due to the Program.

Pre-DROP	12%
Since-DROP	33%
Since-DROP (adjusting for initial rush)	21%
Source: Cheiron Report	

For the period July 1, 2008 to January 1, 2010, the most recent period for which complete data exists, 252 officers retired based on their service (disability retirements also occur but are not included here). Of these, 169 (67 percent) participated in DROP and 83 (33 percent) chose to retire without participating.

The 169 officers who participated in DROP represent 27% of all officers who were eligible to retire via DROP during the period. Of the officers who have elected to retire during the period, Group 2, Inspectors and Sergeants, have the highest DROP enrollment rate at 74 percent, Group 3, Lieutenants and Captains, have the lowest enrollment rate at 53 percent and Group 1, Police Officers, are in the middle at 66 percent. Overall, 67 percent of all officers who retired elected to take advantage of DROP and all Groups have over a 50 percent election rate. (See Table 2)

Rank	Total Eligible to Retire through DROP	Eligible but has not elected to Retire	Retired by Entering DROP	Retired without DROP	Retired for Disability
Group 1: Police Officers	278	149	82	43	4
Group 2: Inspectors and Sergeants	235	139	70	25	1
Group 3: Lieutenants and Captains	102	69	17	15	1
TOTAL	615 (100%)	357 (58%)	169 (27%)	83 (13%)	6 (>1%)
Source: Retirement System Data					

In the period from July 1, 2008 to January 1, 2011, 169 officers have enrolled in DROP, 114 are currently enrolled and 55 have since retired, either because their eligibility expired or because they left voluntarily.

Group 1—the 82 individuals with the rank of Police Officer that represent approximately 50 percent of total enrollment, are eligible to enroll for up to three years. Eighty percent of these officers are currently enrolled. Group 2—the 70 Inspectors and Sergeants, represent approximately 40 percent of total enrollment and are eligible to enroll for up to two years. Of these 70 participants, 40 are currently enrolled and 30 have retired, of these 30 retirees 11 or 37 percent used over 95 percent of their eligibility prior to retiring. Group 3—the 17 Lieutenants and Captains, represent 10 percent of total enrollment and are eligible to enroll for one year. Of the nine Group 3 participants that have retired, seven or 78 percent used over 95 percent of their eligibility prior to retiring (one used 94 percent and the other used 34 percent) (See Table 3).

Through January 1, 2011, Captains and Lieutenants that entered the Program almost always use their full year of eligibility, Inspectors and Sergeants are much less likely to have used their full two-year term—only 15 percent of these officers have used over 95 percent of their eligibility; however 57 percent are currently enrolled and may still maximize their eligibility. Eighty percent of Group 1 Police Officers who have enrolled are still enrolled and are on track to maximize their three-year eligibility. It is unclear what caused 37 officers (67 percent of all exits to date) to enroll for less than the maximum term—in general it is beneficial to both the member and the System to maximize eligibility.

Table 3. DROP Enrollment
July 1, 2008 to January 1, 2011

Rank	Length of Eligibility	Entered DROP	% Total Enrollment	Currently Enrolled	% Currently Enrolled	Since Retired	Median % Eligibility Used by Retired	% Retiring after using at least 95% of Eligibility
Group 1: Police Officers	3 years	82	49%	66	80%	16	37%	0%
Group 2: Inspectors and Sergeants	2 years	70	41%	40	57%	30	52%	37%
Group 3: Lieutenants and Captains	1 year	17	10%	8	47%	9	100%	78%
TOTAL		169	100%	114		55		

Source: Retirement System Data

Cost Neutrality Considerations and Findings

The Charter requires the Controller and the consulting actuary of the Retirement System to analyze whether the Program has been cost-neutral and whether, in consideration of its achievement of its goals, it should be continued for an additional period of time as specified by the Board of Supervisors, but in no event beyond an additional three years. In fulfillment of this requirement, the Controller considered savings and costs to both SFERS and the City.

As noted above, the net increase or decrease in City costs attributable to the DROP over its first three years is difficult to state with certainty. In large part this is due to the difficulty of quantifying the impact that DROP, in isolation from all other changes within the Police Department, the City and the

overall economy, has had on police officers' retirement behavior and on the City and the Police Department's hiring decisions. In other words: if DROP had not existed what would have happened?

Retirement System Trust Fund Cost/Savings

We asked the actuary to analyze three scenarios. Scenario 1 shows the range of possible net savings and net costs using actual data through January 1, 2011, the latest period for which complete data exists. Scenario 2 shows the range of possible costs expected if DROP sunsets and all 357 officers that are eligible as of January 1, 2011 enroll. Scenario 3 is a projection of what the Program would cost in retirement benefits, or overall liability to the Retirement System, if it were continued for three years with the current DROP design and with the current behavior as experienced to date.

For Scenario 1, DROP enrollment is frozen as of January 1, 2011. Under this Scenario Cheiron calculates the present value of benefits¹ for the 114 active DROP participants and 55 DROP retirees² as of January 1, 2011 to be \$300.5 million—that is the net amount the Retirement System Trust Fund (Trust) would be expected to pay these Officers during their DROP enrollment and retirement. Within this Scenario, Cheiron tested two assumptions. Assumption 1 is that Officers would have retired when they entered DROP, (i.e. DROP extended their service), and under that assumption DROP has saved the Trust \$5 million. Assumption 2 is that Officers would have retired when they exited DROP (i.e. DROP did not extended their service), and under that assumption DROP has cost the Trust \$29.5 million.

For Scenario 2, DROP sunsets as of June 30, 2011 and all eligible members enter the program. Using the same assumptions as above to test what would have occurred if DROP did not exist, Cheiron found that under this Scenario DROP's net cost impact to the Trust would range from net savings of \$47.1 to net costs of \$47 million.

Table 4. Present Value of Benefits Due to DROP Participants			
	(Actual) DROP Participants	Assumption 1: Retire DROP Entry	Assumption 2: Retire DROP Exit
Scenario 1: DROP enrollment frozen as of 1/1/11	\$300.5 million	\$305.5 million	\$271 million
Scenario 1: (Costs)/Saving		\$5 million	(\$29.5 million)
Scenario 2: DROP Sunsets at 6/30/11 all eligible Officers join	\$838.5 million	\$885.6 million	\$808.1 million
Scenario 2: (Costs)/Savings		\$47.1 million	(\$47 million ³)
Source: Cheiron Report			

These valuation results, taken together with the actual demographic findings discussed above, present a likelihood that DROP has increased the City's retirement costs because a significant portion of eligible individuals did enter DROP earlier than they would have retired under previous conditions.

¹ Present Value of Benefits is roughly equal to: (monthly pension benefits payments while in DROP+ monthly pension benefits due during retirement) - pension contributions while in DROP.

² Officers who have enrolled in DROP and exited either voluntarily or because they have reached their maximum allowable participation.

³ \$47 million assumes eligible Officers that would be made worse off by joining DROP do not join. If these Officers elect to join DROP, even though this is against their own financial interest, the City's projected costs are reduced to approximately \$30.4 million.

For Scenario 3, Cheiron modeled the cost to extend DROP as allowed in the Charter under current conditions and with current demographics and behavior. The change in the overall actuarial liability to the Trust under this scenario would be approximately \$52 million. Citywide, the employer contribution would need to increase by 0.25 percent of payroll to amortize the \$52 million in costs over 20 years and accrue for expected future service DROP costs. Expressed in terms of the FY11-12 budget, that change would mean approximately \$6 million in increased retirement contributions required from the City.

Table 5 shows this change in payroll contribution rates not on the citywide basis, but for Police only. If the Police Department alone was required to fund the increased costs, the Department's net employer contribution rate would increase from 28.17 percent of Police payroll to 30.36 percent of Police payroll, an increase of 2.19 percent of payroll.

	2010 Valuation without DROP	2010 Valuation with DROP	Change Due to DROP
Employer Normal Cost Rate	18.57%	19.28%	0.71%
Amortization of NET UAL	9.15%	10.63%	1.48%
Expenses	0.45%	0.45%	0.00%
Net Employer Contribution Rate	28.17%	30.36%	2.19%
Source: Cheiron Report			

City and Police Department Operating Costs/Savings

Officers who enter the DROP program effectively allow the San Francisco Police Department (SFPD) to avoid the cost of recruiting, hiring and training a replacement. The salary and fringe benefit cost for a cadet in training at the Police Academy is approximately \$98,000. Cost savings from keeping a senior officer at the top of their pay band instead of hiring a new officer have not been included in this analysis.

There have been administrative and operating costs associated with the DROP program as well. The Retirement System estimated it cost approximately \$700,000 to set up and administer the DROP through January 1, 2011. In addition, the Police Department, the Department of Human Resources and the Controller's Office have used staff time for this Program, however those costs are considered here as part of the City's operations and not material to this analysis.

As discussed above, if the DROP encourages officers to work longer than they would have without DROP, then the Program's potential for deferred costs are realized. For each entrant to DROP, costs can be deferred for a maximum of three years since they may participate in the Program for a range of only 12 months (Lieutenants and Captains) to 36 months (Police Officers).

Averaged over the aggregate cost of the hiring and training program, the City's costs for a new recruit, outside of the recruit's salary and benefits, include:

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- \$4,700 Premium pay to trainers
- \$3,200 Uniform and equipment costs
- \$27,600 Background investigation: third party medical, poly and psych costs
- \$11,600 Background investigations: research by former sworn officers
- \$8,000 Health benefit savings (\$15,000 for retiree vs. \$7,000 for active employee)
- **\$55,100 Minimum Costs Avoided or Delayed per Recruit**

During the first 30 months, 169 officers enrolled in DROP. On average these officers enrolled in DROP for 12 months. On a yearly basis this equates to approximately 68 officers retained due to DROP. If the 169 individuals retired one year later than they would have absent the Program, the City would have deferred operating costs of approximately \$3.75 million (\$55,100 in deferred costs for 68 officers) during the initial three year pilot period of the Program.

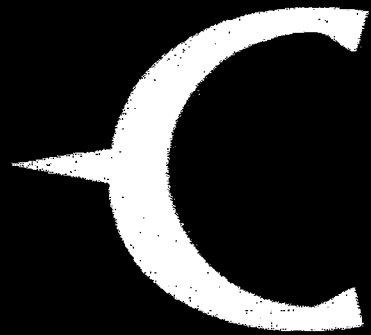
If the Program is extended, the likely increase in employer-paid retirement contributions will exceed these deferred cost savings, even assuming that officers retire later than they actually have during the pilot period.

In summary, the impact to the City's operating budget from the Program to date ranges from incurred costs of \$700,000 to potential savings or deferred costs of \$3.75 million. With this range, under any scenario, the City's possible savings are exceeded by the Retirement System's liability costs.

With its current design, and with the demographics and behavior of the eligible members to date, it appears that the DROP program represents a net increase in the City's liability and is not cost-neutral. We note that there are other considerations, both programmatic and financial, that may affect the City's review of the Program.

The Controller's Office is available to answer your questions on this analysis and to work with the Retirement System and the consulting actuary as appropriate.

cc: Department Heads
Labor Organizations



**City and County of San Francisco
Employees' Retirement System**

**Deferred Retirement Option
Program Analysis**

Produced by Cheiron

April 2011



Classic Values, Innovative Advice

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Classic Values, Innovative Advice

April 15, 2011

Mr. Gary Amelio
Executive Director
City and County of San Francisco Employees' Retirement System
30 Van Ness Avenue, Suite 3000
San Francisco, CA 94102

Re: Deferred Retirement Option Program Analysis

Dear Mr. Amelio:

As requested, we have analyzed the cost impact of the Deferred Retirement Option Program (DROP) on the City and County of San Francisco Employees' Retirement System (SFERS) as the actuary's portion of the cost impact study being prepared by the City Controller's office. It is our understanding that the Charter requires a cost analysis (joint report from the Controller and the SFERS actuary) no later than April 15, 2011. This report represents Cheiron's response to that requirement.

We have analyzed the cost impact under three different scenarios as requested by the City Controller:

1. The DROP program sunsets on June 30, 2011, and there are no new DROP participants after December 31, 2010.
2. The DROP program sunsets on June 30, 2011, and all eligible members enter DROP before it sunsets.
3. The DROP program is made permanent (ongoing 3-year renewals), and funding for DROP is anticipated in the annual actuarial valuation.

The cost impact of these scenarios depend on the retirement decisions of members assuming there was no DROP provision compared to their decisions with the DROP. Because we cannot know what retirement decisions members would have made if there had been no DROP we have developed a range for the cost impact.

This report was prepared exclusively for the City and County of San Francisco for a specific and limited purpose. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Cheiron's work product who desires professional guidance should not rely upon Cheiron's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice. In preparing our report, we relied, without audit, on information supplied by SFERS' staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.



Mr. Gary Amelio

April 15, 2011

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We hereby certify that, to the best of our knowledge, this report and its contents, which are work products of Cheiron, Inc., are complete and accurate and have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report.

Sincerely,

Cheiron



William R. Hallmark, ASA, FCA, EA, MAAA
Consulting Actuary



Kenneth Kent, FSA, FCA, EA, MAAA
Principal Consulting Actuary

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

EXECUTIVE SUMMARY

Assessing the impact on City contributions to the City and County of San Francisco Employees' Retirement System (SFERS) of the adoption of the Deferred Retirement Option Program (DROP) effective July 1, 2008 requires some judgment. We know what members elected DROP and what their benefits cost under DROP, but there is no way to know for sure when these same members would have retired had there been no DROP available to them.

It is reasonable to assume that without DROP, members would have retired somewhere between the time they entered DROP and the time they exited DROP and began receiving benefits. Consequently, our analysis determines a range of cost impacts based on the two ends of this spectrum of member retirement decisions if there had been no DROP.

The table below summarizes the range of the cost impact for DROP since its effective date using both members who had entered DROP by December 31, 2010 and assuming all members eligible for DROP enter the program before June 30, 2011. These estimates assume DROP sunsets on June 30, 2011.

Net (Cost) or Savings if DROP Sunsets June 30, 2011		
	Retire on DROP Entry Date	Retire on DROP Exit Date
DROP enrollment frozen as of 1/1/2011	\$ 5.0	\$ (29.5)
DROP Sunsets at 6/30/11: all eligible enter DROP	\$ 47.1	\$ (30.4)

Dollar amounts in millions

The breadth of the cost impact range shown in the table is substantial, but doesn't capture the highest cost scenario. The highest cost scenario assumes that all eligible members who are financially advantaged enter DROP before it sunsets. Under this scenario, the cost impact would be a net cost of approximately \$47 million.

As of July 1, 2011, the estimated range of the impact on City contribution rates is shown in the table below.

Amortization of Net (Cost) or Savings if DROP Sunsets June 30, 2011		
	Retire on DROP Entry Date	Retire on DROP Exit Date
DROP enrollment frozen as of 1/1/2011	(0.02)%	0.10%
DROP Sunsets at 6/30/11 all eligible enter DROP	(0.16)%	0.10%

If DROP is renewed and becomes a permanent part of SFERS, the expected cost of DROP would become embedded in the cost of SFERS. The data gathered after just two and one half years of experience is not sufficient to determine long-term changes in retirement behavior due to DROP with a high degree of certainty. Nevertheless, we would need to make an initial estimate, and we would update our assumptions with each experience study to refine the initial estimate. Based on the current data available, our estimate indicates an increase in the net employer contribution rate for Police of about 2.19% of payroll. On a composite basis (including Miscellaneous and Fire), the increase is about 0.25% of payroll.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

EXECUTIVE SUMMARY

The experience data indicates that most members who enter DROP have reached the maximum percentage of final compensation they can receive from SFERS. Whether or not DROP is cost neutral with respect to SFERS depends on whether these members would have retired immediately if DROP did not exist or if they would have continued working and DROP provides an option for them to maximize their benefits. It appears from the data that most enter DROP before they would have retired if no DROP had existed. However, as these members continue to work through their period in DROP, on average, we expect that they will exit DROP after they would have otherwise retired. There are too few members who have retired from DROP for us to determine the additional service due to DROP.

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS

INTRODUCTION

To address recruitment and retention, a Deferred Retirement Option Program (DROP) was established under the City Charter for Police members of the City and County of San Francisco Employees' Retirement System (SFERS) effective July 1, 2008. The Charter provision specifically stated that the intent was for the DROP to be "cost neutral" to the City. The Charter established an automatic sunset for the DROP as of June 30, 2011, a requirement for a cost analysis, and an option for the Board of Supervisors to renew the program for another three years. This process could be repeated every three years.

The determination of cost neutrality is defined in the Charter to *"take into account the costs associated with payroll, the expenditures associated with the recruitment and training of Police Officers, the costs of conducting academies for such recruits and trainees, the Field Training Officer costs, the retirement contributions made by members participating in the DROP, and the City, and the City's share of the return on the investment of the DROP funds, along with any other cost or savings elements related to the implementation of the Program."* Much of this analysis must be performed by the City Controller. This report only addresses the cost impact on City contributions to SFERS.

The cost impact of DROP depends in part on whether members who are eligible for the program actually elect to participate. When the DROP became effective on July 1, 2008, a number of members elected to participate in the program within the first month having anticipated the option to join. After the first month, the rate of participation dropped significantly. If DROP is allowed to sunset on June 30, 2011, there may be a similar surge in participation before the program ends. However, if DROP is renewed well in advance of the sunset date, we would not expect a similar surge in participation.

Consequently, this report analyzes the cost impact using actual DROP participation through December 31, 2010 (the latest date for which data was available) assuming both no new DROP participation and all eligible members elect to participate in DROP by June 30, 2011. These two scenarios provide the potential range of costs if the DROP program is not renewed.

Under the current actuarial valuation, no explicit adjustment has been made to the assumptions for the DROP. As we noted in the recent demographic experience study, with the combination of limited data and a sunset date, we recommended deferring the adoption of specific DROP assumptions unless the program was renewed by the Board of Supervisors. If DROP becomes permanent (renewed every three years), assumptions will need to be considered for the annual actuarial valuation, and these assumptions will be revisited with each demographic experience study to ensure that the costs of the DROP program are funded in advance. For this report, we used a set of DROP assumptions, to evaluate the cost impact of making DROP permanent, which are described at the end of this report.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

ANALYSIS RESULTS

This section provides the full analysis for each of these three scenarios:

1. DROP sunsets -- No new DROP participants,
2. DROP sunsets -- All eligible members enter DROP, and
3. DROP is renewed every three years.

DROP Sunsets -- No New DROP Participants

Under this scenario, the DROP program is not renewed and there are no new DROP participants after December 31, 2010. Consequently, the cost of the DROP program is based on those members who entered DROP between July 1, 2008 and January 1, 2011.

The cost impact of DROP is equal to the difference between the present value of benefits in DROP and the present value of benefits assuming there was no DROP program. To estimate the benefits assuming there was no DROP program, however, requires an assumption as to when members would have retired if there had been no DROP program. We have calculated the value of the benefits under two assumptions that represent the range of likely behavior and the range of the cost impact: (1) assuming the member would have actually retired when they chose to enter DROP and (2) assuming the member would have actually retired when they exited DROP (or are anticipated to exit DROP). The table below summarizes these calculations.

DROP Members as of January 1, 2011				
Present Value of Benefits				
		DROP	Assuming No DROP	
Status	Count	Current Participant	Retire on DROP Entry Date	Retire on DROP Exit Date
Active	114	\$ 197.8	\$ 200.3	\$ 172.1
Retired	55	102.7	105.2	98.9
Total	169	\$ 300.5	\$ 305.5	\$ 271.0
Difference (Cost)/Savings			\$ 5.0	\$ (29.5)

Dollar amounts in millions

The potential cost impact for this scenario ranges from a net savings of \$5.0 million to a net cost of \$29.5 million before consideration of any of the City and County cost savings outside SFERS. This difference would have been recognized as an experience gain or loss in the July 1, 2009, July 1, 2010, and July 1, 2011 actuarial valuations. The estimated impact on City contribution rates in each of those valuations is shown in the table below.

Estimated Impact on City Contribution Rates		
Actuarial Valuation Date	Retire on DROP Entry Date	Retire on DROP Exit Date
July 1, 2009	(0.01)%	0.03%
July 1, 2010	(0.02)%	0.10%
July 1, 2011	(0.02)%	0.10%

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS

ANALYSIS RESULTS

The increase in contribution rate as of the July 1, 2011 actuarial valuation is expected to decrease as a percentage of pay over time following the rolling 15-year amortization method for actuarial gains and losses.

Explanation

The present value of benefits for members who participated in DROP, but are now retired is equal to the accumulated value of all benefits paid prior to January 1, 2011 (including the DROP account balance) plus the present value of all benefits expected to be paid in the future less the accumulated value of any employee contributions paid while the member was in DROP.

For DROP members who are still active employees, the present value of benefits equals the present value of all benefits expected to be paid on or after January 1, 2011 (including the DROP account balance) less the accumulated value of employee contributions paid while the member was in DROP prior to January 1, 2011 and less the present value of expected future employee contributions while in DROP. For DROP members who are still active employees, it is assumed that they will remain active employees until the maximum DROP period expires.

For the assumption that members would have retired when they entered DROP, the present value of benefits is calculated based upon the retirement benefit commencing immediately upon entering DROP. In addition, there is an offset for the accrual of benefits of a replacement employee during the DROP period. This amount is calculated as the employer normal cost rate multiplied by the member's pay during the period the member was in DROP.

For the assumption that members would have retired when they exited DROP, the member's pay and service and age specific benefit accrual during their DROP participation is used to calculate what their benefit would have been had they actually retired at the later date. Then, the present value of benefits is calculated as before using the hypothetical benefit amounts and commencement date.

DROP Sunsets – All Eligible Members Enter DROP

Under this scenario, the DROP is not renewed, and all eligible members enter DROP before it sunsets. Again we have calculated the value of the benefits under two assumptions that represent the range of likely behavior and the range of the cost impact: (1) assuming the member would have actually retired when they chose to enter DROP and (2) assuming the member would have actually retired when they exited DROP (or are anticipated to exit DROP). The table below summarizes these calculations.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

ANALYSIS RESULTS

DROP Members as of January 1, 2011				
Present Value of Benefits				
		DROP	Assuming No DROP	
Status	Count	Current Participant	Retire on DROP Entry Date	Retire on DROP Exit Date
Eligible	357	\$ 538.0	\$ 580.1	\$ 537.1
Active	114	197.8	200.3	172.1
Retired	55	102.7	105.2	98.9
Total	526	\$ 838.5	\$ 885.6	\$ 808.1
Difference (Cost)/Savings			\$ 47.1	\$ (30.4)

Dollar amounts in millions

The potential cost impact for this scenario ranges from a **net savings of \$47.1 million to a net cost of \$30.4 million** before consideration of any of the City and County cost savings outside SFERS. This difference would have been recognized as an experience gain or loss in the July 1, 2009, July 1, 2010, and July 1, 2011 actuarial valuations. The estimated impact on City contribution rates in each of those valuations is shown in the table below.

Estimated Impact on City Contribution Rates		
Actuarial Valuation Date	Retire on DROP Entry Date	Retire on DROP Exit Date
July 1, 2009	(0.01)%	0.03%
July 1, 2010	(0.02)%	0.10%
July 1, 2011	(0.16)%	0.10%

The increase in contribution rate as of the July 1, 2011 actuarial valuation is expected to decrease as a percentage of pay over time following the rolling 15-year amortization method for actuarial gains and losses.

However, it should be noted that some members who are eligible for DROP are not advantaged by entering DROP by June 30, 2011 even if they were planning to retire by the time they would have to exit DROP. The value of additional accruals for these members is greater than the value of accumulating a year of pension payments in a DROP account. If these members did not elect DROP, but all others did (i.e., assume the maximum impact of what is referred to as anti-selection), the cost of DROP assuming DROP members would have retired on their DROP exit date would increase by approximately \$17 million, increasing the City contribution rate to SFERS in the July 1, 2011 valuation by an additional 0.06% (0.16% total increase).

Explanation

For members who are eligible, but have not entered DROP yet, we assumed that they all entered on June 30, 2011 and remained in DROP for the maximum period permitted. The present value of benefits for these members equals the present value of all benefits expected to be paid on or after July 1, 2011 (including the projected DROP account balance) less the present value of expected future employee contributions while projected to be in DROP.

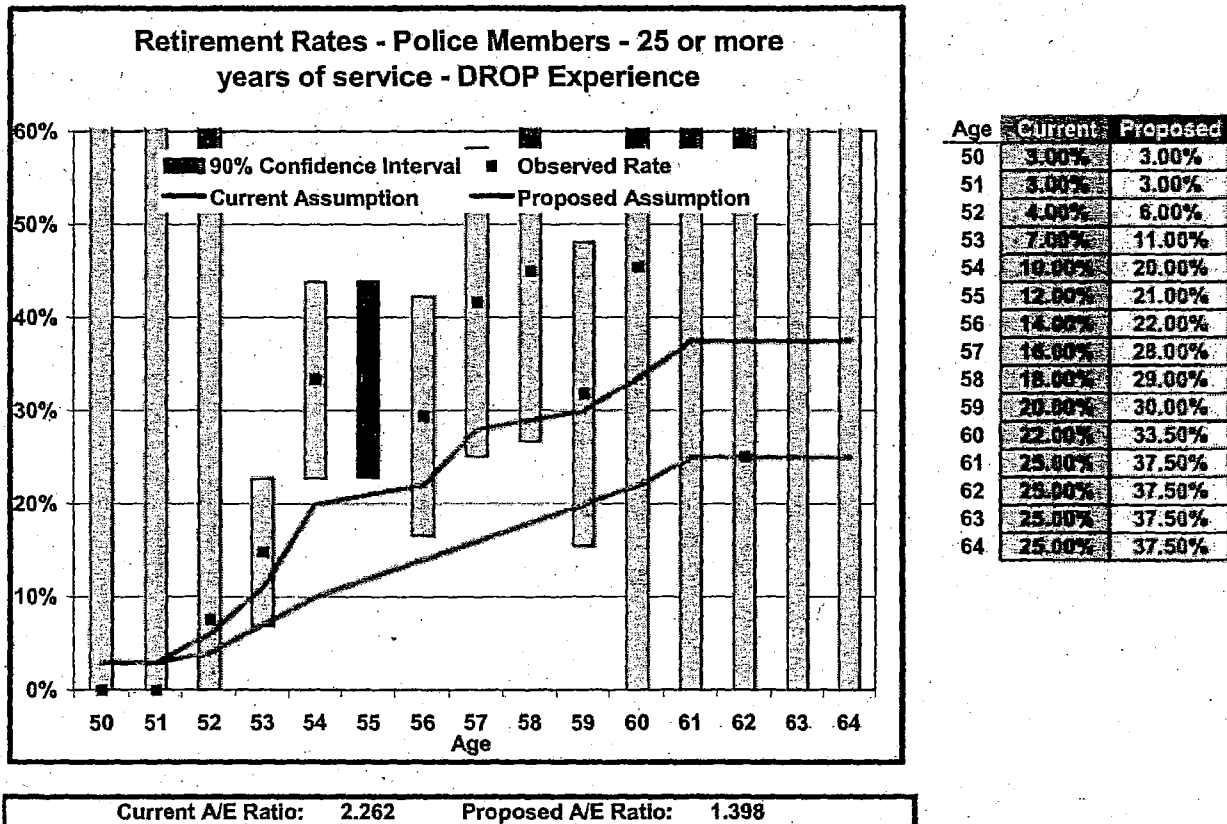
**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

ANALYSIS RESULTS

DROP is Renewed Every Three Years

Under the current actuarial valuation, no adjustment has been made to the assumptions for the DROP program. As noted in the recent demographic experience study, with the combination of limited data and a sunset date, we recommended deferring the adoption of specific DROP assumptions unless the program was renewed by the Board of Supervisors. If DROP becomes permanent (renewed every three years), assumptions will need to be incorporated into the annual actuarial valuation, and these assumptions will be revisited with each demographic experience study to ensure that the costs of the DROP program are funded in advance.

To develop initial DROP assumptions, we examined the rates of retirement or entry into DROP for those members eligible to enter DROP since July 1, 2008. The chart below summarizes the data and the proposed assumption. The current assumption is the retirement assumption used in the July 1, 2010 actuarial valuation.



The black squares represent the observed rate of retirement or DROP entry during the period, and the gray bars represent the 90% confidence interval around the observed rate. The larger confidence intervals indicate that there is less data so there is less credibility in predicting the long-term rate.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

ANALYSIS RESULTS

The relatively large gray bars indicate that the amount of data after just two and one half years of experience is not sufficient to discern behavior changes with a high degree of confidence. But clearly, the retirement rates are higher with the DROP than without it. However, some of this difference is due to the relatively large proportion of DROP retirements in the first month after DROP became effective. Consequently, the proposed assumption adjusts for the higher rates in the first month. Because the data is limited, it should be anticipated that additional adjustments to this assumption will be needed over time as more data on rates of retirement and DROP entry become available. Such adjustment will modify the implications of cost neutrality of the DROP as it relates to SFERS component of the program impact. It is also important to note that before these retirement rates could be used in an actuarial valuation, they would need to be presented to the Retirement Board and adopted.

The table below shows the impact on the July 1, 2010 valuation results of applying the proposed retirement rates above to Police members.

Impact on Employer Contribution Rate for Police			
	2010 Valuation w/o DROP	2010 Valuation w/ DROP	Change Due to DROP
Employer Normal Cost Rate	18.57%	19.28%	0.71%
Amortization of Net UAL	9.15%	10.63%	1.48%
Expenses	0.45%	0.45%	0.00%
Net Employer Contribution Rate	28.17%	30.36%	2.19%

The change in the composite employer contribution rate (includes Miscellaneous and Fire) would be approximately 0.25% of payroll. The change in actuarial liability under this scenario would be approximately \$52 million and the rates shown above assume the change is treated as a plan change and amortized over 20 years.

In addition to adjusting the retirement rates, the impact on employer contribution rates shown above includes an adjustment for the continued employee contributions while in DROP and for the difference between crediting the DROP account with 4.0% interest and the discount rate of 7.75%.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

MEMBER DATA

The following tables summarize key aspects of the census data for members who have participated in DROP or are currently eligible for DROP.

DROP Participation		
Year	Entered DROP	Exited DROP
7/1/2008 – 6/30/2009	59	3
7/1/2009 – 6/30/2010	92	26
7/1/2010 – 12/31/2010	18	26

DROP Membership Statistics		
	Active DROP	Retired DROP
Count	114	55
<u>Averages</u>		
Age at DROP Entry	57.3	56.5
Service at DROP Entry	31.2	30.6
Months in DROP as of 1/1/2011	12	13
DROP Account Balance	\$ 118,711	\$ 124,616
Monthly Benefit as of 1/1/2011	\$ 9,544	\$ 9,520

The maximum benefit payable to a police officer is 90% of final compensation. While final compensation may continue to increase with additional service, the 90% limit is reached with 30 years of service at age 55 or older. This limit corresponds fairly close with the average age and service for members entering DROP as shown in the tables above.

Whether or not DROP is cost neutral with respect to the pension plan largely depends on whether these members who had reached the 90% limit would have retired immediately if DROP did not exist or if they would have continued working and DROP provides an option for them to maximize their benefits. Based on retirement experience prior to the effective date of DROP, approximately 12% of police members age 55 with 25 or more years of service retired. After the effective date of DROP, the observed experience (including entry into DROP) for police members age 55 with 25 or more years of service was 33% and after adjusting for the initial rush of DROP members, the proposed assumption was 21%. This experience indicates that a significant portion of the members entering DROP probably would not have retired at that date if DROP didn't exist. Some of these DROP members may exit DROP after they would have otherwise retired, but others may exit DROP at the same time they would have otherwise retired. However, given the short period of experience, other factors could also play a role in the change in retirement rates.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

ADDITIONAL CONSIDERATION

The estimates provided in this report reflect the range of cost impacts on the retirement system of the DROP, and do not include any cost impact such as training or recruitment costs that are outside of the retirement system.

In examining the cost impact of the first three years of the DROP, we have only identified a range because it is uncertain what the long term retirement behavior would have been had there been no DROP.

In determining the cost if the DROP becomes permanent, we have estimated the change in retirement behavior based on a comparison of retirement behavior since DROP became effective to retirement behavior for similar employees prior to DROP becoming effective. These initial estimates of retirement rates are likely to change as a longer period of data becomes available.

The retirement behavior over the short period since the DROP was available has been influenced by pent up demand, concern of future availability given the sunset provisions as well as a challenging economic environment. As cost/saving in terms of SFERS is associated primarily with the change in retirement behavior, the value of the DROP to the City and County of San Francisco should be anticipated to change over time if the DROP is continued.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

**APPENDIX A
AGE-SERVICE EXHIBITS**

Age - Service Distribution - Retired DROP Members				
Age	Service			Total
	25 - 29	30 - 34	35 +	
50 - 54	1	0	0	1
55 - 59	8	31	1	40
60 - 64	4	5	3	12
65 +	0	0	2	2
Total	13	36	6	55

Age - Service Distribution - Active DROP Members				
Age	Service			Total
	25 - 29	30 - 34	35 +	
50 - 54	2	3	0	5
55 - 59	14	60	4	78
60 - 64	7	13	6	26
65 +	0	2	3	5
Total	23	78	13	114

Age - Service Distribution - Active Members Eligible for DROP				
Age	Service			Total
	25 - 29	30 - 34	35 +	
50 - 54	120	106	0	226
55 - 59	46	54	4	104
60 - 64	9	8	8	25
65 +	0	0	2	2
Total	175	168	14	357

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS

APPENDIX B
SUMMARY OF DROP PLAN PROVISIONS

Effective Date – July 1, 2008 through June 30, 2011

Section A8.900 – effective July 1, 2008 through June 30, 2011. DROP sunsets on June 30, 2011 unless the Board of Supervisors votes to renew for up to three more years.

1. Membership Requirement

Active, full duty sworn officers occupying one of the eligible ranks; Police Officer, Sergeant, Inspector, Lieutenant, or Captain.

2. Eligibility

Age 50 with 25 years of credited service as a sworn member, including any service as a member of the San Francisco Airport Police. To participate, the member must agree to terminate employment through retirement at the end of their participation in DROP. No member shall be eligible for a promotion during their participation in DROP.

3. Length of DROP period

Once a member enters DROP, participation continues until either termination of employment or the maximum DROP participation period has been reached.

<u>Rank</u>	<u>Maximum DROP Period</u>
Police Officer	36 months
Sergeant/Inspector	24 months
Lieutenant/Captain	12 months

4. DROP Benefit

DROP Account Balance

The service pension, which is calculated based on age, compensation and length of service as of their date of entry into the Program, is credited monthly into a DROP Account including any Basic or Supplemental Cost of Living Adjustments. The DROP Account is also credited on a monthly basis with interest at an annual effective rate of 4% throughout the member's DROP period.

Retirement Benefit

At the end of the DROP period, a lump sum distribution of the DROP Account Balance will be made and monthly retirement benefits will commence based on the initial DROP benefit calculated based on age, compensation and service at the date of entry into DROP including any cost of living adjustments to which the member would otherwise be entitled.

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS

APPENDIX B
SUMMARY OF DROP PLAN PROVISIONS

5. **Employee Contributions while in DROP**

The member still makes employee contributions into the retirement system which are deemed contributions to the general assets of SFERS, and shall not be part of the member's DROP Account.

6. **Effect of Disability on DROP participation**

Duty Related Disability

The Member will receive an industrial disability benefit as though the participant was never enrolled in DROP. Service, compensation, and age at the time of disability will be used to calculate the disability benefit. The DROP Account will be waived.

Non-Duty Related Disability

Member will terminate participation in DROP and is paid the balance in their DROP Account. They will begin receiving a monthly payment equal to the service retirement benefit determined as of the DROP entry date including any cost of living adjustments to which the member would otherwise be entitled.

7. **Effect of Member Death on DROP participation**

Duty Related Death

The member's qualified surviving spouse, domestic partner or other qualified dependent will receive a death allowance as though the participant was never enrolled in DROP. Service, compensation, and age at the time of death will be used to calculate the benefit. The DROP Account will be waived. The qualified spouse, domestic partner or qualified dependent may elect to receive a non-work related death benefit specific below instead.

Non-Duty Related Death

Participation in DROP is terminated and the balance in the Member's DROP Account is paid to the Member's beneficiary. In addition, any qualified survivor will begin receiving a post-retirement continuation allowance determined on the basis of beneficiary elections made by the member at the time of entry into DROP including any cost of living adjustments to which the Member would otherwise be entitled.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
DEFERRED RETIREMENT OPTION PROGRAM ANALYSIS**

**APPENDIX C
SUMMARY OF STUDY ASSUMPTIONS AND METHODS**

The assumptions and methods used in this study are identical to those used in the July 1, 2010 actuarial valuation issued in January, 2011, except as noted below.

1. Active Members Eligible for DROP

- Assumed members' pay would increase annually by 5.5% (4.0% + 1.5%) for FYE 6/30/12, 6/30/13, and 6/30/14.
- Future COLA's on benefits will be 2% for new police and 4% for old police.
- Miscellaneous benefits were not included in this analysis.
- Maximum length in DROP based on Job code was assumed.
- Pay as of 1/28/2011 provided in data was annualized for FYE 6/30/2011.

2. Active Members In DROP

- Assumed members' pay would increase annually by 5.5% (4.0% + 1.5%) for FYE 6/30/12, 6/30/13, and 6/30/14.
- Pay as of 1/28/2011 provided in data was annualized for FYE 6/30/2011.
- Future COLA's on benefits will be 2% for new police and 4% for old police.
- Miscellaneous benefits were included in this analysis.
- Assumed that actual DROP exit is equal to expected DROP exit date provided in the data.
- The DROP Account Balance given as of 1/31/2011 was adjusted to 1/1/2011.
- Assumed retirement benefits accumulated are equal to the DROP Account Balances provided in the data adjusted for the difference between the 7.75% discount rate and the 4.0% DROP crediting rate.
- The recently granted Supplemental COLA was added to the benefit amounts provided in the data.

3. Retired Members Who Participated in DROP

- Future COLA's on benefits will be 2% for new police and 4% for old police.
- Miscellaneous benefits were included in this analysis.
- No adjustment was made for the recently granted Supplemental COLA as it would have an identical impact on all scenarios studied.

City and County of San Francisco

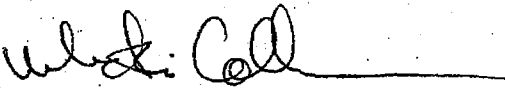
Edwin M. Lee
Mayor



Department of Human Resources

Micki Callahan
Human Resources Director

MEMORANDUM

DATE: May 11, 2011
TO: Honorable Members of the Board of Supervisors
THROUGH: Angela Calvillo, Clerk of the Board
FROM: Micki Callahan, Human Resources Director 
COPY: San Francisco Police Chief Greg Suhr
RE: **Response to Inquiries from Members of the Board of Supervisors regarding Personnel Matters in the San Francisco Police Department**

This memorandum is in response to inquiries by Members of the Board of Supervisors regarding various personnel matters in the San Francisco Police Department ("SFPD"). Specifically, the Department of Human Resources was asked to provide information on whether the SFPD is "top heavy" as compared to other police departments, what the participation levels have been in the Deferred Retirement Option Program ("DROP"), whether there are retention issues in the SFPD, and whether disciplinary issues are keeping police officers off the streets.

1) Is the SFPD "top heavy" as compared to other police departments in the Bay Area?

Although DHR has not conducted any surveys on staffing levels in other police departments, we note that SFPD records reflect that there were 639 supervisory officers (Command Staff, Captain, Lieutenant, Inspector and Sergeant) and 1,580 police officers in the SFPD as of last month. However, it is our understanding that the newly appointed Police Chief, Chief Greg Suhr, has made or intends to make a number of staffing changes which will impact supervisory staffing levels in the SFPD, including a reduction in the number of Assistant Chiefs.

2) What are the statistics on officer participation in the DROP?

According to our records, there were 113 officers enrolled in the DROP from July 1, 2008 through December 31, 2010. Please see the attached document with an analysis of DROP participation. The Controller's Office also conducted an extensive analysis on demographics and retirement behavior under the DROP (the Controller's report is attached for your ease of reference).

3) Are there retention issues in the SFPD?

I believe that the primary focus of this question is on whether the SFPD is at risk for mass retirements in the near future, resulting in vacancies that it will be unable to fill.

There are currently 2,204 police officers on the SFPD's active payroll. The average age of those officers is 43.9 years, and they have on average 16.1 years of service. The average age of retirement for police

officers in the SFPD is 56.3 years, and the average number of years of service at retirement is 30.7 years. Our records indicate that there are 305 police officers who are at or above the age of 55; and of those 305 officers, 165 have 30 or more years of service, and 267 have between 20 and 25 years of service. From July 2008 to December 2010, there were on average, 72 retirements per year in the SFPD, and we expect to see the same retirement trends of about 70 to 100 retirements in the SFPD for the foreseeable future.

Although these retirements will result in police officer vacancies, it is important to note that the SFPD has indicated that it is depending on those retirements as a means of achieving cost savings in its budget next year (a little over \$7 million in savings).

Regarding the question of whether the SFPD will have the ability to fill the number of vacancies that it wishes to fill, it will depend on the availability of funding for future academy classes. The approximate cost of an 8-month academy class of 50 new recruits is \$5 million; however, the Civil Service Commission has approved the lateral hire of police officers from other jurisdictions. Lateral hires require a much shorter academy course of only 6 to 8 weeks, which not only results in reduced costs for those abbreviated academy classes, but also means that field training officers and the new lateral hires are available for deployment in the field sooner. Given the fact that the City now pays a competitive salary in the Bay Area, and in light of recent police officers layoffs in surrounding jurisdictions, we believe that the City will be able to hire new and lateral officers over the next few years to fill the vacancies for which it has funding, depending on the City's willingness to fund academy classes.

4) Are disciplinary issues keeping police officers off the streets?

Disciplinary matters are handled within the SFPD; and as such, DHR does not have any information regarding the status of pending disciplinary matters. However, according to the SFPD, only 2 police officers are currently out due to administrative suspension, and 33 are on disciplinary assignment—not significant numbers given the 2,200+ number of police officers in the SFPD.

I hope you found this information helpful. Please do not hesitate to contact me at (415) 557-4845 or Micki.Callahan@sfgov.org if I can be of further assistance.

Attachments

DHR Analysis Sheet of the DROP Program

Controller's Office Analysis of the DROP Program



Deferred Retirement Option Plan (DROP)
April 2011 Renewal Analysis

- Active Demographics: 2,282 Police Officers (Units P-1 and P-2A); January 2011
 - 165 Police Officers age 55+ with 30+ years of service.
 - 267 Police Officers age 50-55 with 25+ years of service.

- DROP Enrollment: July 1, 2008 through December 31, 2010

<u>Rank</u>	<u>Enrolled</u>	<u>Length of Eligibility</u>	<u>Avg. Time Enrolled</u>
Q2-Q4 Police Officer	64	36 months	12.5 months
Q50-Q52 Sergeant	18	24 months	12.8 months
0380-0382 Inspector	22	24 months	11.1 months
Q60-62 Lieutenant	5	12 months	9.7 months
Q80-Q82 Captain	4	12 months	11.3 months
Total	113 (avg. 45 a year)		

- Average Age: 56.3 years
- Average Years of Service: 31.6 years
- Retirements: July 1, 2008 through December 31, 2010
 - Retirements: 180 (9 of which were disability retirements) (avg. 72 a year)
 - Average Age: 55.6 years
 - Percent under age 55: 32.7% (excluding disability retirement)
 - Average Years of Service: 30.7 years
 - Percent under 30 years of Service: 40.6%
 - Percent under 25 years of Service: 20.2%
 - Wellness Sick Leave Payouts Upon Retirement: Maintain through FY12-13 so no spike in retirements to avoid losing as took place with miscellaneous employees at the end of FY09-10 such that this recent retirement history should be a good indicator of the rate of retirements in the near future.



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: FILE 110462: support for farrell economic growth initiative

From: Mark Kelleher <mdkelsf@yahoo.com>
To: mayoredwinlee@sfgov.org, Board.of.Supervisors@SFGov.org
Date: 05/11/2011 02:31 PM
Subject: support for farrell economic growth initiative

**Document is available
at the Clerk's Office
Room 244, City Hall**

Dear Mayor Lee and Supervisors,

I strongly urge you to support Supervisor Mark Farrell's stock option legislation.

Technology job growth has been a bright spot in San Francisco's recent history. San Francisco has an opportunity to continue to grow as a major technology center – but the City's tax on stock options threatens to throw this trend into reverse. We need a permanent solution to the problem, to send the message that San Francisco wants to be a long-term home for rapidly growing technology companies.

It appears stock option taxation is actually causing public companies to relocate employees outside of San Francisco.

Supervisor Farrell's legislation will not aggravate San Francisco's budget deficit. City Hall won't collect more taxes on stock options, but his legislation will maintain current levels of tax revenue from stock options.

In fixing the stock option tax problem, private and public companies should both be treated equally - it is the only fair solution. Supervisor Farrell's legislation ensures that both private and public companies are affected similarly.

Supervisor Farrell's legislation strikes the right balance in creating incentives for tech companies in San Francisco, while protecting the City from adverse budget impacts. Our local economy is at stake - please focus on the long-term, and support Supervisor Farrell's legislation!

Sincerely,
Mark Kelleher

2



Taxing stock options is not even penny-wise, much less pound foolish

Danny Sullivan to: Board.of.Supervisors@sfgov.org

05/09/2011 12:59 PM

Please respond to Danny Sullivan

File 110462

View: (Mail Threads)

To the SF Board of Supervisors:

Small businesses are critical to positive economic growth for San Francisco and the region.

Creating a unique tax on stock options - effectively a frontal attack on the most successful type of small businesses this region produces - is foolhardy policy for San Francisco.

I'm a recent graduate of The Wharton School MBA program here in SF, with a major in entrepreneurial management. The perception that SF has enough other advantages to persuade option-laden companies to move here is already more than suspect. Passing this law can virtually guarantee the next business I start will not make San Francisco its home.

Thank you for your time.

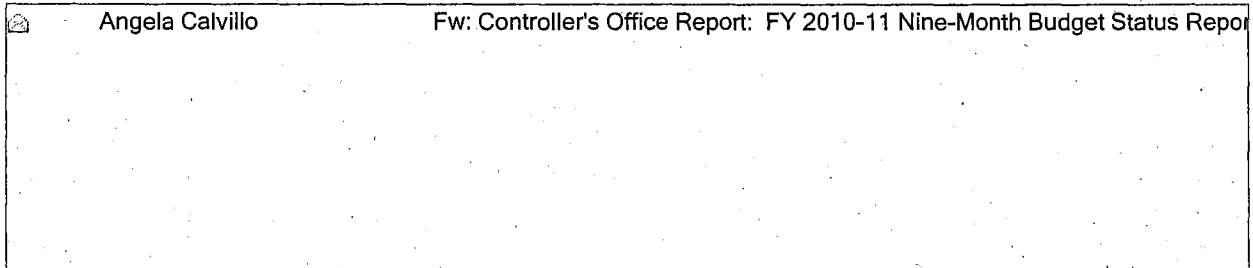
Danny Sullivan
Glen Park

Danny Sullivan
dannysully@yahoo.com

Fw: Controller's Office Report: FY 2010-11 Nine-Month Budget Status Report

Angela Calvillo to: Peggy Nevin

05/10/2011 07:32 PM



Controller Reports

----- Original Message -----

From: Controller Reports

Sent: 05/10/2011 01:53 PM PDT

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Subject: Controller's Office Report: FY 2010-11 Nine-Month Budget Status Report

The City and County of San Francisco Controller's Office Nine-Month Budget Status Report projects an ending FY 2010-11 General Fund balance of **\$136.0 million**, representing a \$46.9 million improvement from the Six-Month Report. The increase is primarily driven by improvements in the City's real property transfer, payroll, sales, and other general tax revenues. The balance may be used to support the Mayor's FY 2011-12 General Fund Budget which will be submitted to the Board of Supervisors by June 1, 2011.

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City and County of San Francisco

Office of the Controller

FY 2010-11 Nine-Month Budget Status Report



May 10, 2011



City and County of San Francisco

Office of the Controller

FY 2010-11 Nine-Month Budget Status Report

May 10, 2011

Summary

The Controller's Office provides periodic budget status updates to the City's policy makers during the course of each fiscal year, as directed by Charter Section 3.105. This report provides the most recent expenditure and revenue information and projections for the Fiscal Year End. This report updates the projections provided in the Controller's FY 2010-11 Six-Month Budget Status Report (Six-Month Report), published February 9, 2011.

As shown in Table 1, this report projects an ending General Fund balance of \$136.0 million.

Table 1. FY 2010-11 Projected General Fund Variances to Budget, \$M

A. Starting Balance	6-Month	9-Month	Change
Better than anticipated starting balance	\$ 25.4	\$ 25.4	\$ -
Budgeted General Fund reserve	25.0	20.9	(4.1)
Subtotal Starting Balances	50.4	46.3	(4.1)
B. Citywide Revenues and Baselines			
Citywide Revenue Surplus	70.4	132.0	61.6
Rainy Day Reserve Withdrawal Threshold No Longer Met	(12.3)	(12.3)	-
General Fund Impact of Baseline Revenue Transfers	(9.6)	(16.0)	(6.4)
Subtotal Citywide Revenues and Baselines	48.5	103.7	55.2
C. Departmental Operations			
Budgeted allowance for State revenue shortfall	30.0	30.0	-
Net Departmental Summary	(39.7)	(43.9)	(4.2)
Subtotal Departmental Operations	(9.7)	(13.9)	(4.2)
D. Ending Surplus (Shortfall)	\$ 89.2	\$ 136.0	\$ 46.9

A. General Fund Starting Balance

The General Fund available fund balance at the end of FY 2009-10 was \$105.3 million. The FY 2010-11 budget assumed and appropriated \$79.9 million of this balance, leaving a surplus of \$25.4 million available for use in the current fiscal year. The FY 2010-11 budget also included a General Fund Reserve of \$25.0 million, of which \$4.1 million has been used. Together these represent a starting balance of \$46.3 million.

B. Citywide Revenues and Baseline Transfers

As shown in Table 2, Citywide revenues net of baseline transfers have improved by \$61.6 million since the Six-Month Report, primarily due to updated projections of property transfer taxes, payroll and sales taxes, and other revenues. More information on these revenue trends are provided in Appendix 1.

Table 2. General Fund Citywide Revenues Variances to Budget (\$ Millions)

	6-Month Surplus (Shortfall)	9-Month Surplus (Shortfall)	Change
Property Tax	35.2	34.2	(1.0)
Payroll & Business Registration Tax	19.6	27.0	7.4
Sales Tax - Local 1% and Public Safety	3.4	7.6	4.2
Hotel Room Tax	(8.3)	(8.3)	-
Health & Welfare Sales Tax/MLF Realignment	(2.0)	0.9	2.8
Utility User & Access Line Taxes	(3.9)	(1.1)	2.8
Transfers In from Other Funds	0.9	1.0	0.1
Property Transfer Tax	23.6	58.0	34.3
Parking Tax	1.2	3.9	2.7
Interest Income	(2.8)	(2.8)	-
Other	3.5	11.7	8.2
Total Major Citywide Revenues	70.4	132.0	61.6

Table 3 shows that as a result of the improvement in discretionary revenues, projections for baseline and parking tax in-lieu transfers to the Municipal Transportation Agency (MTA), Public Library and Public Education Enrichment Fund are increased by a net \$7.4 million compared to the Six-Month Report, and \$17.0 million greater than budget. However, as described in Appendix 4 and according to Charter Section 16.109 we project the Library Preservation fund to have savings this year and return \$1.0 million for a net impact of \$16.0 million.

Table 3. General Fund Baseline Transfers (\$ Millions)

Note: negative variance denotes increased transfer from the General Fund. This will appear as a surplus to the recipient of the transfer.

	6-Month	9-Month	Variance from Budget
Baseline Transfer to MTA	181.7	185.8	(10.8)
Parking Tax in Lieu Transfer to MTA	53.2	55.3	(3.1)
Baseline Transfer to Library	45.2	46.2	(2.7)
Baseline Transfer to Public Education Fund	5.7	5.9	(0.4)
Total	285.8	293.2	(17.0)
Less Library return to General Fund			1.0
Net Baseline Transfers			(16.0)

C. Departmental Operations

We project a net departmental operations shortfall of \$43.9 million summarized in Table 4 below and further detailed and discussed in Appendix 2. This represents an decline of \$4.2 million from the Six-Month Report. Offsetting this shortfall is a budgeted \$30 million allowance for citywide revenue losses related to the State budget.

Table 4. FY 2010-11 Departmental Operating Summary (\$ Millions)

	Revenue Surplus / (Shortfall)	Uses Savings / (Deficit)	Net Surplus / (Deficit)
Net Shortfall Departments			
Public Health	\$ (25.0)	\$ (25.4)	\$ (50.4)
Sheriff	(0.4)	(6.2)	(6.6)
City Attorney	-	(1.0)	(1.0)
Public Works	(0.2)	(0.4)	(0.6)
Human Rights Commission	-	(0.3)	(0.3)
City Administrator	-	(0.1)	(0.1)
Subtotal Departments with Net Deficits	\$ (25.7)	\$ (33.4)	\$ (59.1)
Net Surplus Departments			
Human Services Agency	\$ (12.8)	\$ 17.6	\$ 4.8
Police	1.1	2.5	3.6
Controller	-	2.0	2.0
Asian Art Museum	-	0.5	0.5
District Attorney	0.0	0.4	0.5
Economic and Workforce Development	-	0.5	0.5
Other Net Surplus	(0.6)	3.8	3.2
Subtotal Departments with Net Surpluses	\$ (12.2)	\$ 27.4	\$ 15.2
Combined Total	\$ (37.9)	\$ (6.0)	\$ (43.9)

Supplemental Appropriations have been introduced for the Sheriff and the Department of Public Health, and for litigation expenses in the Department of Public Works, Recreation and Park Department and Mayor's Office on Disability. For all other departmental shortfalls, the Mayor's Office and the Controller's office will continue to work with departments to develop a plan to bring expenditures in line with revenues by year-end without requiring supplemental appropriations.

D. Reserves

General Reserve: To date, \$4.1 million has been appropriated through supplemental appropriations from the budgeted \$25.0 million General Reserve leaving a remaining balance of \$20.9 million. An additional \$16.5 million is anticipated to be approved through supplemental appropriations for a year end balance of \$4.5 million. The following table details the anticipated \$20.5 million use of the General Reserve:

Table 5. Uses of General Fund Reserve (\$ Millions)

Beginning General Reserve Balance	\$	25.0
Approved Deposits / (Withdrawals)		
Public Finance Campaign Fund		(1.3)
4 th Street Bridge Litigation Expenses		(2.8)
		<u>(4.1)</u>
Current Balance	\$	20.9
Anticipated Deposits / (Withdrawals)		
Women's and LGBT Services		(0.2)
Sheriff Supplemental		(6.2)
Public Health Supplemental		(8.1)
Kirola Litigation Expenses		(1.9)
		<u>(16.4)</u>
Anticipated Ending Balance	\$	4.5

Although the assumed Sheriff and Public Health supplemental appropriations of \$6.2 million and \$8.1 million respectively are projected to draw from the General Reserve, these shortfalls are reflected in departmental shortfalls. This report assumes that the remaining \$4.5 million appropriation will close to fund balance at the end of the fiscal year.

Budget Savings Incentive Reserve: This projection assumes that deposits into the Citywide Budget Savings Incentive Reserve (authorized by Administrative Code Section 10.20) will be suspended for FY 2010-11. The Administrative Code states that the Controller may suspend the carryforward of Citywide Budget Savings Incentive Reserve balances in years when the Controller determines that the City's financial condition cannot support deposits into the fund. Based on the FY 2010-11 \$306 million deficit projected in the Three-Year Budget Projection for

General Fund Supported Operations, the Controller has determined that deposits to the Budget Savings Incentive Reserve will be suspended for FY 2010-11.

Recreation & Parks Savings Incentive Reserve: As the Recreation & Parks Department is not anticipated to have operating savings, no deposits are projected for the Recreation & Parks Savings Incentive Reserve established by Charter section 16.107.

Rainy Day Economic Stabilization Reserve: Charter Section 9.113.5 establishes a Rainy Day Economic Stabilization Reserve funded by excess revenue growth in good years, which can be used to support the City General Fund and San Francisco Unified School District operating budgets in years when revenues decline. The Rainy Day Economic Stabilization Reserve began the year with \$39.6 million. As prescribed in the FY 2010-11 budget, \$6.1 million was withdrawn from the Reserve for the benefit of the San Francisco Unified School District to offset the impact of declining State aid. The FY 2010-11 budget also included a \$12.3 million allocation from the reserve for the General Fund. However, this report reaffirms the projection provided in the Six Month Report that due to improved General Fund revenues, the City will no longer be eligible to withdraw from the Reserve for the General Fund. As a result, the projected year-end balance for the Rainy Day Economic Stabilization Reserve remains \$33.4 million.

Salary and Benefits Reserve: Administrative Provisions Section 10.4 of the FY 2010-11 Annual Appropriation Ordinance (AAO) authorizes the Controller to transfer funds from the Salary and Benefits Reserve, or any legally available funds, to adjust appropriations for employee salaries and related benefits for collective bargaining agreements adopted by the Board of Supervisors. The Salary and Benefits Reserve had a FY 2010-11 starting balance of \$15.9 million, \$11.7 million appropriated in the FY 2010-11 Annual Appropriation Ordinance and \$4.2 million carried forward from FY 2009-10. As of April 30, 2011, the Controller's Office anticipates transfers of the full amount million to individual City departments as detailed in Appendix 3.

E. Ending Available General Fund Balance \$136.0 Million

Based on the above assumptions and projections, this report anticipates an ending available General Fund balance for FY 2010-11 of \$136.0 million.

F. Other Funds

Special revenue funds are used for departmental activities that have dedicated revenue sources or legislative requirements that mandate the use of segregated accounts outside the General Fund. Some of these special revenue funds received General Fund baseline transfers and other subsidies.

Enterprise funds are used primarily for self-supporting agencies, including the Airport, Public Utilities Commission and the Port. The Municipal Transportation Agency receives a significant General Fund subsidy.

Projected General Fund Support requirements for these funds are included in the department budget projections in Appendix 2. Appendix 4 provides a table of selected special revenue and enterprise fund balance projections and a discussion of their operations.

G. Projection Uncertainty Remains

Projection uncertainties include the potential for continued fluctuations in tax revenues in the final months of the fiscal year as well as property tax appeal decisions that may require us to revise our assumptions regarding set-asides for future refunds.

H. Scheduled Year-end General Fund Balance Update: Revenue Letter

The Controller's Office will update the year-end General Fund balance projection in the Discussion of the Mayor's FY 2011-12 Proposed Budget (also known as the "Revenue Letter"), scheduled to be published in mid-June 2011.

I. Appendices

1. General Fund Revenues and Transfers In
2. General Fund Department Budget Projections
3. Salaries and Benefits Reserve Update
4. Other Funds Highlights

Appendix 1. General Fund Revenues and Transfers In

As shown in Table A1-1, total General Fund citywide and departmental revenues are projected to be \$124.1 million above budget. Of this total, -\$37.9 million relates to departmental operations discussed in Appendix 2. Of the remaining \$162.0 million variance, \$30.0 million is due to the reflection of the unallocated state budget shortfall in departments, and all other changes are discussed in this Appendix.

The FY 2010-11 budget assumed a moderate rate of recovery throughout the fiscal year. Tax revenues projected to recover beyond budgeted levels include property, payroll, sales and property transfer taxes. These gains are partially offset by shortfalls in key sources including interest income, charges for services, and state and federal subventions. Selected revenue streams are discussed below.

Table A1-1: Detail of General Fund Revenue and Transfers In

GENERAL FUND (\$ Millions)	FY 2009-10	FY 2010-11		FY 2011-12		
	Year End Actual	Original Budget	Revised Budget	9-Month Projection	Surplus/ (Shortfall)	Projection
PROPERTY TAXES	\$ 1,060.3	\$ 984.8	\$ 984.8	\$ 1,019.0	\$ 34.2	\$ 1,023.0
BUSINESS TAXES						
Business Registration Tax	7.9	7.9	7.9	8.3	0.3	8.2
Payroll Tax	345.6	334.4	334.4	361.1	26.7	371.5
Total Business Taxes	353.5	342.4	342.4	369.4	27.0	379.7
OTHER LOCAL TAXES						
Sales Tax	96.6	98.0	98.0	101.4	3.4	104.5
Hotel Room Tax	135.5	157.2	157.2	148.9	(8.3)	159.3
Utility Users Tax	94.5	97.5	97.5	93.6	(3.9)	92.3
Parking Tax	66.5	65.3	65.3	69.1	3.9	69.9
Real Property Transfer Tax	83.7	70.9	70.9	128.9	58.0	118.8
Stadium Admission Tax	2.4	2.3	2.3	2.3	-	2.3
Access Line Tax	41.5	37.3	37.3	40.0	2.8	37.8
Total Other Local Taxes	520.7	528.5	528.5	584.3	55.8	584.9
LICENSES, PERMITS & FRANCHISES						
Licenses & Permits	9.2	8.6	8.6	8.7	0.0	8.7
Franchise Tax	15.1	14.6	14.6	15.1	0.5	14.7
Total Licenses, Permits & Franchises	24.2	23.2	23.2	23.8	0.5	23.4
FINES, FORFEITURES & PENALTIES	17.3	3.8	3.8	5.5	1.7	3.8
INTEREST & INVESTMENT INCOME	8.4	9.5	9.5	6.8	(2.8)	4.7
RENTS & CONCESSIONS						
Garages - Rec/Park	8.8	11.0	11.0	12.8	1.8	11.4
Rents and Concessions - Rec/Park	8.2	9.6	9.6	9.3	(0.2)	9.6
Other Rents and Concessions	1.8	1.8	1.8	1.8	-	1.8
Total Rents and Concessions	18.7	22.3	22.3	23.9	1.5	22.7
INTERGOVERNMENTAL REVENUES						
Federal Government						
Social Service Subventions	181.9	203.0	205.4	199.6	(5.8)	200.1
Other Grants & Subventions	30.5	33.6	37.3	37.3	0.0	6.8
Total Federal Subventions	212.4	236.6	242.7	236.9	(5.8)	206.8
State Government						
Social Service Subventions	140.4	133.6	133.8	127.0	(6.8)	128.1
Health & Welfare Realignment - Sales Tax	96.1	94.2	94.2	97.5	3.3	99.9
Health & Welfare Realignment - VLF	43.3	43.9	43.9	41.5	(2.4)	43.0
Health/Mental Health Subventions	78.7	107.8	107.6	87.2	(20.5)	95.0
Public Safety Sales Tax	65.8	63.8	63.8	68.1	4.2	68.8
Motor Vehicle In-Lieu	2.3	1.7	1.7	1.7	-	1.7
Other Grants & Subventions	27.6	19.9	19.9	29.7	9.8	19.9
State Budget Reduction Placeholder	-	(30.0)	(30.0)	-	30.0	(30.0)
Total State Subventions	454.1	434.9	435.0	452.7	17.7	426.4
CHARGES FOR SERVICES:						
General Government Service Charges	30.8	35.8	35.8	32.9	(2.9)	36.2
Public Safety Service Charges	21.9	20.9	21.0	21.1	0.1	20.8
Recreation Charges - Rec/Park	11.4	11.0	11.0	11.5	0.5	11.1
MediCal, MediCare & Health Service Charges	56.8	53.5	54.4	52.0	(2.5)	51.8
Other Service Charges	12.4	15.5	15.1	15.2	0.2	15.4
Total Charges for Services	133.2	136.7	137.3	132.7	(4.6)	135.3
RECOVERY OF GEN. GOV'T. COSTS	7.9	9.4	9.4	9.4	-	9.5
OTHER REVENUES	19.8	21.5	21.5	19.3	(2.2)	7.4
TOTAL REVENUES	2,830.6	2,753.7	2,760.5	2,883.6	123.1	2,827.7
TRANSFERS INTO GENERAL FUND:						
Airport	28.1	28.5	28.5	29.9	1.4	30.0
Other Transfers	64.1	85.7	87.1	86.7	(0.4)	73.6
Total Transfers-In	92.2	114.2	115.6	116.5	1.0	103.6
TOTAL GENERAL FUND RESOURCES	2,922.8	2,867.8	2,876.0	3,000.1	124.1	2,931.3

Property Tax. General Fund property tax revenues are projected to be \$34 million above budget, a \$1 million reduction of the surplus projected in the Six-Month Report. As noted in the Six-Month Report, the improvement above budget is primarily due to updated revenue projections from the Assessor's office regarding supplemental and escape tax assessments, an updated analysis of amounts required to be set aside for property tax appeals and current year roll corrections, and penalties and interest receipts coming in higher than budgeted.

Business Tax revenues are projected to be \$27.0 million over budget, a \$7.4 million increase from the Six-Month Report projection. Payroll taxes are projected to be 4.5% above FY 2009-10 given tax year 2010 employment and wage data for the first three calendar quarters of 2010, which indicate total wages up 1.8%, 2.4%, and 6.7% over the same quarter in 2009, respectively, and assuming a fourth quarter total wage increase of 7.1%. While the number of payroll tax credits and exclusions approved in tax year 2010 increased nearly 50% from 2009, these increases were offset by prepayment reductions. Delinquent business registration and payroll tax collections are projected at FY 2009-10 levels (\$17.5 million) given year to date collections.

Local Sales Tax revenues are projected to be \$3.4 million over budget, or 5.0% over prior year actual revenues and \$1.9 million over the Six-Month Report projection. Cash collections for the first and second quarters of FY 2010-11 improved 7.1% and 10.4% from the same quarters in the prior year, respectively. In the second quarter, increases in general retail, restaurants, construction and transportation were somewhat offset by decreases in revenue from business-to-business sales and higher gasoline prices. While sales tax revenues continue to recover, we continue to anticipate that it will take several years to return to the prior peak in FY 2007-08.

Hotel Room Tax revenues are projected to be \$8.3 million under budget in the General Fund, which is no change from the Six-Month Report projection. The budget assumed \$6.0 million in revenue from the passage of a November, 2010 ballot measure to require online travel companies to remit hotel tax on the retail price of hotel rooms, however, neither of the measures that would have closed this loophole passed. In addition, we are projecting slightly weaker growth toward the end of the fiscal year than initially expected. Between July 2010 and February 2011 revenue per available room (RevPAR), or the combined effect of occupancy, Average Daily Room rates, and room supply, has increased 11.9% over the same period in the prior year. Our projections assume monthly RevPAR increases of 6.5% through the remaining months of the fiscal year. Any shortfall in hotel tax revenue is entirely reflected in the General Fund unless the allocation stipulated in the Annual Appropriation Ordinance (AAO) is changed.

San Francisco and a number of other jurisdictions in California and the U.S. are currently involved in litigation with online travel companies regarding the companies' duty to remit hotel taxes on the difference between the wholesale and retail prices paid for hotel rooms. Final year-end revenue will be either greater or less than our projection depending on developments with these lawsuits.

Real Property Transfer Tax revenues are projected to be \$58.0 million over budget, or 54% above prior year actual revenues and a \$34.3 million improvement from the Six-Month Report projection. Current year revenues are largely driven by large commercial sales activity. Total taxes paid through April were approximately 88% above prior year levels, with the largest increase in the top 2.5% tax tier. Proposition N, passed by the voters in November 2010, increased the property transfer tax rate on transactions valued at \$5 million to \$10 million from 1.5% to 2.0%, and for transactions of over \$10 million in value, the rate increased from 1.5% to 2.5%. Nineteen transactions in the over \$10 million tax bracket have occurred between the effective date of Prop N

and the end of April 2011, generating \$10.7 million in additional revenue. Transactions in the \$5 million to \$10 million range have generated \$49.2 million in revenue through April, offsetting a \$3.0 million reduction in revenue from transactions valued at under \$1 million during the same period.

Utility Users Tax revenues are projected to be \$3.9 million under budget, or 1.0% below prior year actual revenues and no change from the Six-Month Report projection. Changes are driven by a 5.6% decrease in telephone user taxes from prior year actual revenues, offset by a 3.9% increase in water user tax revenues and a 4.5% increase in gas and electric user tax revenues.

Access Line Tax revenues are projected to be \$2.8 million over budget and the Six-Month Report projection. Year to date revenues are approximately 3.5% below prior year actual revenues, and this trend is expected to continue through year end. Over half of this decline is due to an increase in revenue accrued to the prior fiscal year based on the timing of payments to the Tax Collector. The remainder of the decline (about 1.5%) reflects trends in business and residential use of phone lines. As consumers increasingly rely on cell phones and drop land lines, they are more able and likely to locate their cell phone area of primary service outside of San Francisco and avoid access line tax obligations.

Parking Tax revenues are projected to be \$3.9 million over budget, or 4.0% above prior year actuals and \$2.6 million more than the 6-Month Report projection. Parking tax revenues are correlated with business activity, employment, and rate increases. The recovery in business activity and employment have contributed to this increase, however, it is largely driven by the annualization of parking rate increases that went into effect in April 2010.

Interest & Investment Income is projected to be \$2.8 million under budget, or 13% below prior year actual revenues and no change from the Six-Month Report projection. The average monthly Treasurer's pooled interest rate in the current year is projected to be 1.2%, or 11% below prior year.

State Government - Other Grants & Subventions revenue is \$10.7 million over both budget and Six-Month Report projections. This includes \$10.1 million from the recognition of audit reserves for state mandated programs that have either been audited or are no longer at risk for being audited, as well as \$0.6 million in unexpected current year reimbursements.

Public Safety Sales Tax revenues are projected to be \$4.2 million over budget, or 3.5% over prior year actual revenues and \$2.3 million more than the Six-Month Report projection. The increase is due to a 3.1% increase in the statewide sales tax base for this subvention in the first and second quarters of FY 2010-11 and assumes a 4.2% increase for the remainder of the year, offset by a decrease in San Francisco's share of these taxable sales during the prior calendar year.

Appendix 2. General Fund Department Budget Projections

Table A2-1. General Fund Supported Operations (\$ Millions)

GENERAL FUND (\$ millions)	Uses Revised Budget	Uses Projected Year-End	Revenue Surplus/ (Shortfall)	Uses Savings/ (Deficit)	Net Surplus/ (Deficit)	Notes
PUBLIC PROTECTION						
Adult Probation	11.4	11.2	-	0.2	0.2	
Superior Court	32.8	32.8	-	-	-	
District Attorney	33.0	32.6	0.0	0.4	0.5	
Emergency Management	40.9	40.5	-	0.4	0.4	
Fire Department	263.7	263.0	(0.4)	0.7	0.3	
Juvenile Probation	31.9	31.2	(0.3)	0.7	0.4	
Public Defender	25.3	25.2	-	0.1	0.1	
Police	391.5	389.0	1.1	2.5	3.6	1
Sheriff	129.0	135.2	(0.4)	(6.2)	(6.6)	2
PUBLIC WORKS, TRANSPORTATION & COMMERCE						
Public Works	33.4	33.8	(0.2)	(0.4)	(0.6)	3
Economic & Workforce Development	11.9	11.4	-	0.5	0.5	
Board of Appeals	0.9	0.9	(0.1)	0.1	0.0	
HUMAN WELFARE & NEIGHBORHOOD DEVELOPMENT						
Children, Youth & Their Families	29.8	29.4	-	0.4	0.4	
Human Services	647.5	629.9	(12.8)	17.6	4.8	4
Environment	3.0	3.0	-	-	-	
Human Rights Commission	0.2	0.6	-	(0.3)	(0.3)	5
County Education Office	0.1	0.1	-	-	-	
Status of Women	3.3	3.3	-	-	-	
COMMUNITY HEALTH						
Public Health	672.0	660.6	(25.0)	(25.4)	(50.4)	6
CULTURE & RECREATION						
Asian Art Museum	7.1	6.6	-	0.5	0.5	
Arts Commission	9.6	9.6	-	-	-	
Fine Arts Museum	11.1	11.1	-	-	-	
Law Library	0.7	0.7	-	-	-	
Recreation and Park	72.6	72.7	0.3	(0.2)	0.1	7
Academy of Sciences	4.2	4.2	-	0.1	0.1	
GENERAL ADMINISTRATION & FINANCE						
City Administrator	51.8	51.9	-	(0.1)	(0.1)	8
Assessor / Recorder	18.5	18.1	-	0.4	0.4	
Board of Supervisors	11.3	11.3	0.1	-	0.1	
City Attorney	10.0	11.0	-	(1.0)	(1.0)	9
Controller	23.7	21.7	-	2.0	2.0	10
City Planning	22.9	22.6	(0.3)	0.3	0.0	
Civil Service Commission	0.5	0.5	-	-	-	
Ethics Commission	8.2	8.1	0.0	0.1	0.1	
Human Resources	14.2	13.8	-	0.4	0.4	
Health Service System	0.8	0.8	0.1	0.0	0.2	
Mayor	9.8	9.7	-	0.1	0.1	
Elections	9.3	9.3	-	-	-	
Retirement System	1.7	1.7	-	-	-	
Technology	3.7	3.7	-	-	-	
Treasurer/Tax Collector	22.2	22.2	-	-	-	
GENERAL CITY RESPONSIBILITIES						
	170.4	170.4	-	-	-	
TOTAL GENERAL FUND						
	2,846.2	2,815.4	(37.9)	(6.0)	(43.9)	

Notes to General Fund Department Budget Projection

The following notes provide explanations for the projected variances for select department's projected actual revenues and expenditures compared to the revised budget.

1. Police Department

The Police Department projects to end the fiscal year with a net surplus of \$3.6 million. The Department projects \$2.5 million in expenditure savings primarily due to salary savings offset slightly by increases in fuel costs. The Department projects a revenue surplus of \$1.1 million driven by a \$0.7 million increase in false alarm fees and a \$0.4 million increase in parking lot and garage licensing fee revenue.

2. Sheriff

The Sheriff projects to end the fiscal year with a net \$6.6 million deficit comprised of a \$0.4 million revenue shortfall, due to decreased state funding for boarding of prisoners, and a \$6.2 million expenditure deficit. The projected \$6.2 million expenditure deficit includes a \$7.5 million over-expenditure in employee salaries and benefits due to fewer retirements than anticipated in the budget, an increase in the jail population since July, and several large unplanned public events; a \$0.7 million shortfall in disability pay; and a \$0.8 million shortfall in workers' compensation. This shortfall is offset by \$2.3 million in debt service savings due to refinancing of the San Bruno Jail debt and \$0.5 million of other savings. A \$6.2 million supplemental appropriation request is currently pending with the Board of Supervisors to cover the balance of the expenditure deficit.

3. Public Works

The Department of Public Works projects to end the fiscal year with a net deficit of \$0.6 million. The Department also projects a \$0.2 million revenue shortfall in the Bureau of Street Use and Mapping due to the economic downturn and the anticipated reduction in the demand for permits. Expenditure savings of \$0.4 million are offset by anticipated litigation expenses of \$0.8 million for a net expenditure shortfall of \$0.4 million. A supplemental appropriation request is currently pending with the Board of Supervisors for the increased litigation expenses.

4. Human Services Agency

The Human Services Agency projects to end the fiscal year with a net \$4.8 million surplus, representing a \$3.5 million improvement from Six-Month Report projections. The savings consist of \$17.6 million in expenditure savings offset by \$12.8 million in reduced federal and state reimbursements. Major programmatic variances to budget are:

- \$1.3 million net surplus in client assistance payments primarily due to lower than expected County Adult Assistance Program (CAAP) and Adoption Aid caseloads, partially offset by an increase in expected Foster Care aid costs due to lawsuit settlements requiring higher payments to providers.
- \$3.5 million in net operating savings related to controls on hiring resulting in \$3 million in employee salary and benefit savings compared to budget along with savings on contracts and other expenditures.

5. Human Rights Commission

The Human Rights Commission is projected to end the year with a net deficit of \$0.3 million due to under-recoveries from work orders with other City departments. The Controller's Office and Mayor's Office are working with departments to resolve these discrepancies.

6. Public Health

The Department of Public Health projects to end the fiscal year with a net deficit of \$50.4 million. This represents a \$13.5 million deficit increase from the Six-Month Report largely driven by \$17 million in Hospital Fee reimbursements the Department no longer expects to receive offset slightly by higher Skilled Nursing Facility rates at Laguna Honda Hospital. A supplemental appropriation request is currently pending with the Board of Supervisors to address the overexpenditures. Table A2.2 below shows the departmental projections by fund.

Table A2.2. Department of Public Health by Fund (\$ Millions)

Fund	Sources	Uses	Net
	Surplus / (Shortfall)	Savings / (Deficit)	Surplus / (Deficit)
Public Health General Fund	\$ (25.0)	\$ 1.2	\$ (23.8)
Laguna Honda Hospital	14.9	(10.7)	4.1
San Francisco General Hospital	(15.1)	(14.2)	(29.2)
SF General Realignment	(1.5)	-	(1.5)
Total All Funds	\$ (26.8)	\$ (23.7)	\$ (50.4)

Non-Hospital Operations in the General Fund

The Department of Public Health projects a \$23.8 million deficit in General Fund non-hospital operations, of which \$18.6 million is due to a delay in the effective date for a State Plan Amendment to draw federal matching funds for the Short-Doyle program. Additionally there were reductions to the enhanced Federal Medical Assistance Percentages (FMAP) associated with the federal stimulus program as well as a \$1.6 million deficit in personnel costs. The Department is projecting slight variances in other divisions, including deficits of \$0.8 million in health at home, \$0.7 million in jail health, \$0.8 million in substance abuse and \$1.2 million in public health.

Laguna Honda Hospital

The Department projects a \$4.1 million surplus for Laguna Honda Hospital, made up of a projected \$14.9 million revenue surplus primarily due to increases in Skilled Nursing Facility base rates retroactive to August 1, offset by a \$10.7 million deficit in expenditures due to \$6.6 million in personnel costs, \$2.5 million in pharmaceutical costs, and \$1.6 million in unbudgeted security costs.

San Francisco General Hospital

The Department of Public Health projects a \$29.2 million deficit for the San Francisco General Hospital. The Department estimates a \$44.8 million revenue surplus comprised of a \$24.1 million favorable variance in Medi-Cal Waiver funding and \$20.8 million in net patient revenue, offset by deficits of \$56.5 million in funding from SB188/AB1383 Hospital Fees and \$3.4 million in managed care revenues. Expenditure shortfalls are due to personnel and unbudgeted security costs.

7. Recreation and Park

The Recreation and Park Department projects to end the fiscal year with a \$0.3 million revenue surplus. This surplus consists of higher than anticipated special event permits, facilities rentals, program fees, and Candlestick Park revenues offset by a shortfall in concessions. The Department is also anticipating a \$0.2 million expenditure shortfall due to litigation expenses. A supplemental appropriation request is currently pending with the Board of Supervisors for the increased litigation expenses.

8. City Administrator

The City Administrator projects to end the fiscal year with a net deficit of \$0.1 million. Slight expenditure savings are offset by increased litigation expenses in the Mayor's Office on Disability. A supplemental appropriation request is currently pending with the Board of Supervisors for the increased litigation expenses.

9. City Attorney

The City Attorney projects a \$1.0 million shortfall at the end of the fiscal year due to underrecoveries from other departments.

10. Controller

The Controller projects to end the year with a savings of \$2.0 million largely due to savings of \$1.3 million in City Services Auditor from the last fiscal year is no longer required, and will revert to the General Fund balance by year end. Also, the Controller's Office current year savings in salaries and fringe benefits has increased by \$0.4 million to a total of \$0.7 million since the 6-month report due to the City's hiring freeze and delays in testing and recruitment.

Appendix 3. Salary and Benefits Reserve Update

Table A3-1. Salary and Benefits Reserve (\$ millions)

SOURCES

Adopted AAO Salary and Benefits Reserve	\$	11.7
Remaining FY 2008-09 Salary and Benefits Reserve Balance		4.2
Total Sources	\$	15.9

USES

Transfers to Departments

Police Wellness, Premium, and Compensatory Time Payouts	\$	6.0
Fire Wellness, Premium, and Compensatory Time Payouts		2.5
SEIU as needed temp healthcare		1.0
Various Depts - Local 21 Life Insurance		0.5
Police Other		0.4
Police Recruitment Committee		0.3
Visual Display Terminal Insurance		0.2
Total Transfers to Departments	\$	10.8

Remaining Allocations

Citywide retirement/severance payouts	\$	2.1
Various, Training, Tuition Reimbursement, and Premium Payouts	\$	0.8
Other Year-end Payouts	\$	2.2
Total Remaining Allocations	\$	5.1

Total Uses	\$	15.9
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Net Surplus / (Shortfall)	\$	0.0
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Appendix 4. Other Funds Highlights

Table 4-1. Other Fund Highlights, \$ Millions

	Prior Year		FY 2010-11					
	FY 2009-10 Year-End Available Fund Balance	Fund Balance Used in FY 10-11 Budget	Starting Available Fund Balance	Sources Surplus / (Shortfall)	Uses Savings / (Deficit)	Net Operating Surplus / (Deficit)	Estimated Year-end Fund Balance	Note
<u>SELECT SPECIAL REVENUE FUNDS</u>								
Building Inspection Operating Fund	\$6.0	\$0.0	\$6.0	\$1.6	\$2.0	\$3.6	\$9.7	1
Children's Fund	\$0.2	\$0.0	\$0.2	\$1.2	\$0.5	\$1.7	\$1.9	2
Convention Facilities Fund	\$5.1	\$0.0	\$5.1	\$0.0	\$3.3	\$3.3	\$8.4	3
Golf Fund	\$0.0	\$0.0	\$0.0	(\$2.2)	\$2.2	\$0.0	\$0.0	4
Library Preservation Fund	\$16.0	\$3.7	\$12.3	\$2.7	\$1.8	\$4.5	\$16.8	5
Local Courthouse Construction Fund	\$0.2	\$1.0	(\$0.8)	(\$0.3)	\$0.0	(\$0.3)	(\$1.1)	6
Open Space Fund	\$2.5	\$1.6	\$0.9	\$0.4	\$1.4	\$1.8	\$2.7	7
<u>SELECT ENTERPRISE FUNDS</u>								
Airport Operating Fund	\$97.8	\$25.9	\$71.9	(\$0.2)	\$20.8	\$20.6	\$92.5	8
MTA – Operating Funds	\$5.7	\$0.0	\$5.7	(\$5.2)	\$0.0	(\$5.2)	\$0.5	9
Port Operating Fund	\$31.4	\$9.9	\$21.5	\$5.5	\$1.5	\$7.0	\$28.5	10
PUC – Hetch Hetchy Operating Fund	\$95.1	\$31.1	\$64.0	\$0.6	\$17.0	\$17.6	\$81.6	11
PUC – Wastewater Operating Fund	\$15.4	\$0.0	\$15.4	(\$5.5)	\$22.0	\$16.5	\$31.9	12
PUC – Water Operating Fund	\$40.1	\$0.0	\$40.1	(\$44.3)	\$15.7	(\$28.6)	\$11.5	13

Notes to Special Revenue, Internal Services and Enterprise Funds

Select Special Revenue Funds

1. Building Inspection Fund

The Building Inspection Department operating fund began the year with \$6.0 million in available fund balance. The Department projects operating revenues net of refunds to be \$1.6 million over budget and an expenditure savings of \$2 million. This results in a projected fiscal year-end available fund balance of \$9.7 million.

2. Children's Fund

The Children's Fund began the fiscal year with a fund balance of \$0.2 million. Current year revenues are projected to be \$1.2 million better than budget due to the projected increases in Property Tax revenue. The fund is also projecting \$0.5 million in expenditure savings resulting in a projected fiscal year-end available fund balance of \$1.9 million.

3. Convention Facilities Fund

The Convention Facilities Fund began the fiscal year with \$5.1 million in available fund balance. The Department projects revenues to be on budget and expenditure savings of \$3.3 million due to Moscone Center debt service savings. The net result is an operating surplus of \$3.3 million and a projected fiscal year-end available fund balance of \$8.4 million.

4. Golf Fund

The Golf Fund began the fiscal year with no available fund balance. The Department projects that revenue shortfalls due to inclement weather will be offset by expenditure savings including a \$0.7 million reduced payment to the Open Space fund. The net result is a zero operating surplus and no available fiscal year-end fund balance.

5. Library Preservation Fund

The Library Preservation Fund began the fiscal year with \$12.3 million in available fund balance. The Department projects a revenue surplus of \$3.7 million due to increases in the Property Tax allocation and the General Fund baseline contribution. The Department projects expenditure savings of \$1.8 million primarily due to savings in employee salaries and benefits. Pursuant to San Francisco Charter Section 16.109, the Department would also return the General fund share of savings, resulting in a reduction to the required baseline contribution of \$1.0 million, for a total revenue surplus of \$2.7 million. The net result is an operating surplus of \$4.5 million and a projected fiscal year-end available fund balance of \$16.8 million.

6. Local Courthouse Construction Fund

The Local Courthouse Construction Fund began the year with a fund balance shortfall of \$0.8 million due to the prior year-end fund balance of \$0.2 million being insufficient to support the \$1.0 million appropriated in the FY 2010-11 budget. Parking fine surcharges and court filing fee revenue are projected to be \$0.3 million less than budget for a combined fiscal year-end available fund balance deficit of -\$1.1 million.

Parking fine surcharge revenues and a designated share of Court filing fees are applied toward \$4 million annually in debt service on Certificates of Participation sold to support construction of the 400 McAllister Street Courthouse. Under the terms of agreements with the State of California, the City and County of San Francisco is responsible for debt service on this

Courthouse. The Six-Month Report assumed a General Fund supplemental appropriation would be required to support this fund. However, after further discussion with the State, it has been determined that the Fund can borrow from the Treasurer's pooled funds in the short term, and pay back that borrowing after FY 2016-17 when debt service requirements drop and the Fund is expected to run an operating surplus. Accordingly we no longer anticipate the need for a current year General Fund transfer.

7. Open Space Fund

The Open Space Fund began FY 2010-11 with \$0.9 million available fund balance above the \$1.6 million appropriated in the budget. Property Tax set-aside revenues are anticipated to be \$1.1 million over budget. These surplus revenues are expected to be partially offset by a \$.9 million decreased revenue transfer in from the Golf Fund. Closing inactive capital project balances is anticipated to generate \$1.4 million of savings, resulting in a projected fiscal year-end available fund balance of \$2.7 million.

Select Enterprise Funds

8. Airport Operating Fund

The Airport Operating Fund began the fiscal year with \$71.9 million in available fund balance. The Department is projecting a net revenue shortfall of \$0.2 million, which consists of a \$16.2 million increase in operating revenues, including a \$14.4 million increase in nonairline revenue, primarily concessions and parking, and a \$1.8 million increase in aviation revenues, primarily from terminal rentals. However, this increase is offset by a shortfall in non-operating revenues consisting of a \$5.1 million projected shortfall in interest income, a \$5.1 million use of fund balance to cover last year's appropriations carried forward into the current year, and a \$6.1 million difference between airline rates and the budgeted use of fund balance for deferred aviation revenue. The Department projects expenditure savings of \$20.8 million primarily driven by a \$16.2 million in nonpersonnel services, \$3.3 million in services of other departments, \$2.6 million in employee salaries and benefits, and \$2.5 million in materials and supplies. The expenditure savings is partially offset by a \$3.4 million increase in debt service payments and a \$1.4 million increase in the annual service payment due to higher concession revenues. This results in a projected net surplus of \$20.6 million and a fiscal-year end available fund balance of \$92.5 million.

9. Municipal Transportation Agency (MTA) – Operating Funds

MTA began the fiscal year with \$5.7 million in available operating fund balance. As of the April 5, 2011 SFMTA Board of Directors Policy and Governance meeting, the Agency projected a net revenue shortfall of \$8.2 million. This consisted of a \$14.8 million shortfall in Parking and Traffic fees and fines and \$0.5 million in advertising due to the tabling of an advertising contract amendment. These revenue shortfalls are partially offset by a revenue surplus of \$7.4 million in transit fares and \$6.7 million in the General Fund Baseline. Since the April 5, 2011 meeting, General Fund Baseline projections improved by \$3 million, resulting in a net revenue shortfall of \$5.2 million.

Absent additional cost-saving actions, the Agency projected a net expenditure deficit of \$12.6 million, primarily due to overtime costs related to backfilling for early retirements, furloughs and special events, such as the Major League Baseball 2010 World Series. This would have resulted in overspending the entire available fund balance by \$12.1 million. The Agency plans to eliminate the \$12.6 million projected expenditure deficit through ensuring that hiring and

overtime is limited to essential front line positions, limiting new contracts only to those with a service impact, and reducing rent by maximizing use of space across facilities. This would result in a \$0.5 million fiscal year-end available operating fund balance.

10. Port Operating Fund

The Port Operating Fund began the fiscal year with \$21.5 million in available fund balance above the \$9.9 million appropriated in the budget. The Port projects an operating surplus of \$7.0 million in the current year, including a \$5.5 million revenue surplus due to better than expected commercial and industrial rents, parking, and other revenues. The \$1.5 million in expenditure savings is due principally to salary savings generated by a delay in filling several vacant positions, lower than anticipated rent expenses for the lease of the Port offices at Pier 1, and lower than previously anticipated interdepartmental work order charges. This results in a projected fiscal year-end available fund balance of \$28.5 million.

11. Public Utilities Commission – Hetch Hetchy Operating Fund

The Hetch Hetchy Operating Fund began the fiscal year with \$64 million available fund balance above the \$31.1 million appropriated in the budget. The Department projects a net revenue surplus of \$0.6 million including a \$11.7 million due to greater Western Systems Power Pool and excess power sales, offset by the non-receipt of Clean Renewable Energy Bonds from the Federal government, lower than expected natural gas prices, and lower power consumption than assumed in the budget. Expenditure savings are projected to be \$17 million, including \$6.9 million in power purchases, \$4.0 million in General reserve contingency, and \$2.3 million due to lower than expected natural gas prices. This results in a projected net surplus of \$17.6 million and a fiscal year-end available fund balance of \$81.6 million.

12. Public Utilities Commission – Wastewater Operations Fund

The Wastewater Operations Fund began the fiscal year with \$15.4 million in available fund balance. Revenues are projected to be \$5.5 million lower than budget due to lower than projected water consumption and lower interest revenues. This shortfall is projected to be offset by \$1.1 million in expenditure savings and \$20.9 million use of expenditure reserves. This results in a projected net savings of \$16.5 million and a fiscal year-end available fund balance of \$31.9 million.

13. Public Utilities Commission – Water Operating Fund

The Water Operating Fund began the fiscal year with an available fund balance of \$40.1 million. Revenues are projected to be under budget by \$44.3 million, due to lower wholesale and retail revenues (\$25.5 million and \$9.8 million, respectively), lower Federal Interest Subsidy (\$5.9 million), lower quarries and mining revenues (\$3.8 million), delayed bond sale scheduled for July 2011 (\$1.2 million), and lower water sales to City departments (\$1.1 million). Expenditures are expected to be under budget by \$15.7 million, largely due to debt service savings from delayed debt issuance compared to budget. This results in a projected net shortfall of \$28.6 million and a projected fiscal year-end available fund balance of \$11.5 million.

Staff Contacts

Leo Levenson, Director of Budget & Analysis, Leo.Levenson@sfgov.org

Cynthia Czerwin, Budget Manager, Cynthia.Czerwin@sfgov.org

Michelle Allersma, Revenue Manager Michelle.Allersma@sfgov.org

Aimee Fribourg, Budget Analyst, Aimee.Fribourg@sfgov.org

Drew Murrell, Budget Analyst, Drew.Murrell@sfgov.org

Joe Nurisso, Budget Analyst, Joe.Nurisso@sfgov.org

Gayle Revels, Budget Analyst, Gayle.Revels@sfgov.org



John Arntz
Director

orig: Joy, COB, BOS-11
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Memorandum

To: Honorable Edwin M. Lee, Mayor
Honorable Members, Board of Supervisors

Document is available
at the Clerk's Office
Room 244, City Hall

From: John Arntz, Director of Elections

Date: May 9, 2011

RE: Report to the Board of Supervisors Regarding Results of 2010 Census Data

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 MAY 10 AM 8:30

The purpose of this memorandum is to report to the Board of Supervisors (Board), as required under San Francisco Charter section 13.110(d), that the data compiled by the U.S. Census Bureau (Bureau) from the 2010 Decennial Census requires the Board, by ordinance, to convene and fund a Redistricting Task Force (Task Force) to redraw boundary lines for San Francisco's supervisorial districts. The Board must convene the Task Force no later than July 6, 2011 and the Task Force must complete its work by April 15, 2012. The Task Force's determination of district lines is final.

The full text of Charter section 13.110 is attached to this memorandum.

Charter Section 13.110(d): The Board of Supervisors Convenes and Funds Task Force
San Francisco Charter (Charter) section 13.110(d) provides the steps the City must take whenever the Bureau publishes Decennial Census data. The Director of Elections must report to the Board within 60 days of publication of the Census data and indicate whether current supervisorial district lines fit narrow criteria. If the Director of Elections reports that the current boundary lines do not fit the criteria, within 60 days of the Director of Elections' report, the Board must convene and fund a Redistricting Task Force.

The Mayor, Board, and the Elections Commission each appoint three members to the Task Force. The Director of Elections serves as an ex officio, non-voting member of the Task Force. The Charter requires the City Attorney to add the metes and bounds for the new district lines as an appendix to the Charter after the Task Force completes its work.

Report on Population in San Francisco's Supervisorial Districts

The total population in San Francisco reported in the 2010 Census is 805,235. The Census data indicates that San Francisco's population added 28,502 residents, a 3.7% increase, from the 2000 Census count of 776,733 people. The reported increase in population, however, was not uniform amongst the 11 supervisorial districts.

5

City and County of San Francisco

Department of Public Health



Edwin M. Lee
Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 MAY 10 AM 9:58
BY [Signature]

May 10, 2011

Ms Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Ms Calvillo:

Pursuant to the Human Rights Commission's instructions, the Department of Public Health (DPH) wishes to notify the Board of Supervisors that DPH has requested the following waiver from compliance with Chapter 12B of the City's Administrative Code:

- **Safeway:** For the acquisition of supplies (e.g. decorations, flowers, sundries, food, refreshments, etc.) for ongoing monthly "Celebration of Life" event for terminal patients residing in the Laguna Honda Hospital Hospice.

The attached 12B Waiver was prepared in accordance with the instructions from the Human Rights Commission.

Please contact Harry Mar at 554-2839 should you have questions regarding this matter.

Sincerely,

Jacquie Hale
Director, Office of Contract Management and Compliance

6



Edwin M. Lee
Mayor

MEMORANDUM

TO: Theresa Sparks, Executive Director, Human Rights Commission

THROUGH: Barbara A. Garcia, MPA, Director of Health *[Signature]*

FROM: Jacquie Hale, Director, DPH Office of Contracts Management *[Signature]*

DATE: May 6, 2011

SUBJECT: 12B Waiver Request

The Department of Public Health (DPH) respectfully requests approval of the attached 12B waiver for the following:

Safeway Inc.

Commodity/Service: For the acquisition of supplies (e.g. decorations, flowers, sundries, food, refreshments, etc.) for ongoing monthly "Celebration of Life" event for terminal patients residing in the Laguna Honda Hospital Hospice.

Amount: Utilization is estimated at less than \$6,000 per year or less than \$18,000 for three years.)

Fund Source: No General Fund will be used in making any of these purchases. Instead, the purchases will be funded through the Laguna Honda Hospital Hospice gift fund that's administered by Laguna Honda Hospital. The Laguna Honda Hospital Hospice gift Fund is comprised of private donations specifically contributed to the Laguna Honda Hospital Hospice Gift Fund.

Term: 6/01/2011 through 6/30/2014

Rationale for this Waiver request:

Safeway has multiple, easily accessible, locations near Laguna Honda Hospital where each location has a sufficient variety of commodities to furnish all the supplies that Laguna Honda Hospital Hospice would need for its monthly "Celebration of Life" event for its terminal residents.

For questions concerning this waiver request, please call Harry Mar at 554-2839 or Robert Longhitano at 554-2659.

Thank you for your consideration.



CITY AND COUNTY OF SAN FRANCISCO HUMAN RIGHTS COMMISSION

S.F. ADMINISTRATIVE CODE CHAPTERS 12B and 14B WAIVER REQUEST FORM (HRC Form 201)

FOR HRC USE ONLY
Request Number: _____

► Section 1. Department Information

Department Head Signature: [Signature]
 Name of Department: Public Health
 Department Address: 101 Grove St. Rm. 307 San Francisco, CA 94102
 Contact Person: Jacque Hale
 Phone Number: 554-2607 Fax Number: 554-2555

► Section 2. Contractor Information

Contractor Name: SAFEWAY INC Vendor No.: 16135
 Contractor Address: 5918 STONERIDGE MALL RD, PLEASANTON CA 94588-3229
 Contact Person: _____ Contact Phone No.: _____

► Section 3. Transaction Information

Date Waiver Request Submitted: MAY 10 2011 Type of Contract: Food
 Contract Start Date: 6/1/2011 End Date: 6/30/2014 Dollar Amount of Contract: \$ 18,000

► Section 4. Administrative Code Chapter to be Waived (please check all that apply)

- Chapter 12B
- Chapter 14B *Note: Employment and LBE subcontracting requirements may still be in force even when a 14B waiver (type A or B) is granted.*

► Section 5. Waiver Type (Letter of Justification *must* be attached, see Check List on back of page.)

- A. Sole Source
- B. Emergency (pursuant to Administrative Code §6.60 or 21.15)
- C. Public Entity
- D. No Potential Contractors Comply – Copy of waiver request sent to Board of Supervisors on: MAY 10 2011
- E. Government Bulk Purchasing Arrangement – Copy of this request sent to Board of Supervisors on: _____
- F. Sham/Shell Entity – Copy of waiver request sent to Board of Supervisors on: _____
- G. Subcontracting Goals
- H. Local Business Enterprise (LBE) (for contracts in excess of \$5 million; see Admin. Code §14B.7.1.3)

HRC ACTION	
12B Waiver Granted: _____	14B Waiver Granted: _____
12B Waiver Denied: _____	14B Waiver Denied: _____
Reason for Action: _____	
HRC Staff: _____	Date: _____
HRC Staff: _____	Date: _____
HRC Director: _____	Date: _____

DEPARTMENT ACTION – This section must be completed and returned to HRC for waiver types D, E & F.	
Date Waiver Granted: _____	Contract Dollar Amount: _____



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Please Protect Sharp Park

From: richard campbell <rtc63@yahoo.com>
To: Board.of.Supervisors@sfgov.org
Date: 05/09/2011 01:33 PM
Subject: Please Protect Sharp Park
Sent by: National Parks Conservation Association <takeaction@npca.org>

May 9, 2011

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

Dear Board of Supervisors,

I am writing to ask that you take action to restore wetlands at Sharp Park Golf Course and that you create a better public park in partnership with the National Park Service. Closing the Pacifica-based, but San Francisco-owned golf course--which is also located within the boundary of the Golden Gate National Recreation Area--will best protect endangered species, provide more diverse recreational activities, provide flood control for adjacent neighborhoods, and is the least expensive option for San Francisco. Restoration would also allow money spent on the failing course to be reinvested into parks and other golf courses actually located within San Francisco.

Sharp Park Golf Course loses up to hundreds of thousands of dollars each year and continues to kill endangered species. We can do better. Please help build a better public park at Sharp Park that everyone can enjoy!

Thank you for considering my comments.

Sincerely,

Mr. richard campbell
9039 Hunter Pass
Alpine, CA 91901-2621

7



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Please Save The Sharp Park Wetlands

From: Karen Gunn <frogprincess@cjnetworks.com>
To: Board.of.Supervisors@sfgov.org
Date: 05/10/2011 05:34 PM
Subject: Please Save The Sharp Park Wetlands

Dear Board of Supervisors

I am writing to urge the City of San Francisco to turn the Sharp Park Golf Course over to its next door neighbor, the National Park Service. The Sharp Park Wetlands provide critical habitat for the endangered California Red-Legged Frog and a variety of other wildlife. Both frogs and wetlands are rapidly disappearing in California and worldwide, so it is disconcerting that the City of San Francisco is currently using taxpayer dollars to pump the Sharp Park Wetlands dry, killing endangered frogs in the process, and violating state and federal laws.

The Sharp Park Golf Course has a long history of environmental and economic troubles, and the time has clearly come for the City of San Francisco to change course. By closing the golf course and handing the land over to the National Park Service, the City of San Francisco would relieve itself of its current financial, legal and environmental burden, and it would also clearly mark itself as a world leader in environmental protection efforts.

The restored Sharp Park Wetlands would be a safe haven for threatened wildlife and would provide valuable recreational opportunities to San Francisco residents and tourists alike. This would not only improve the quality of life for San Francisco's residents, it would increase the long-term economic value of the property.

On behalf of all those who enjoy nature and wildlife, thanks for your consideration.

Karen Gunn

Lawrence, KS 66046
US

Sharp Park Golf Course

Marge

to:

Board.of.Supervisors

05/12/2011 11:17 AM

Show Details

Dear Members of the Board of Supervisors:

I'm writing to insist that San Francisco stop subsidizing suburban golf in San Mateo County and to ask that you close Sharp Park Golf Course and partner with the National Park Service to build a better park at Sharp Park that everyone can enjoy.

Sincerely,

Marge Turngren



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Please Save The Sharp Park Wetlands

From: lori beraha <L_beraha@hotmail.com>
To: Board.of.Supervisors@sfgov.org
Date: 05/11/2011 10:15 PM
Subject: Please Save The Sharp Park Wetlands

Dear Board of Supervisors

I am writing to urge the City of San Francisco to turn the Sharp Park Golf Course over to its next door neighbor, the National Park Service. The Sharp Park Wetlands provide critical habitat for the endangered California Red-Legged Frog and a variety of other wildlife. Both frogs and wetlands are rapidly disappearing in California and worldwide, so it is disconcerting that the City of San Francisco is currently using taxpayer dollars to pump the Sharp Park Wetlands dry, killing endangered frogs in the process, and violating state and federal laws.

The Sharp Park Golf Course has a long history of environmental and economic troubles, and the time has clearly come for the City of San Francisco to change course. By closing the golf course and handing the land over to the National Park Service, the City of San Francisco would relieve itself of its current financial, legal and environmental burden, and it would also clearly mark itself as a world leader in environmental protection efforts.

The restored Sharp Park Wetlands would be a safe haven for threatened wildlife and would provide valuable recreational opportunities to San Francisco residents and tourists alike. This would not only improve the quality of life for San Francisco's residents, it would increase the long-term economic value of the property.

On behalf of all those who enjoy nature and wildlife, thanks for your consideration.

lori beraha

Santa Cruz, CA 95062
US



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Sharp Park Golf Course

From: Patricia Bereczki <pat.bereczki@gmail.com>
To: Board.of.Supervisors@sfgov.org
Date: 05/11/2011 01:35 PM
Subject: Please Protect Sharp Park
Sent by: National Parks Conservation Association <takeaction@npca.org>

May 11, 2011

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

Dear Board of Supervisors,

I am writing to ask that you take action to restore wetlands at Sharp Park Golf Course and that you create a better public park in partnership with the National Park Service. Closing the Pacifica-based, but San Francisco-owned golf course--which is also located within the boundary of the Golden Gate National Recreation Area--will best protect endangered species, provide more diverse recreational activities, provide flood control for adjacent neighborhoods, and is the least expensive option for San Francisco. Restoration would also allow money spent on the failing course to be reinvested into parks and other golf courses actually located within San Francisco.

Sharp Park Golf Course loses up to hundreds of thousands of dollars each year and continues to kill endangered species. We can do better. Please help build a better public park at Sharp Park that everyone can enjoy!

Thank you for considering my comments.

Sincerely,

Ms. Patricia Bereczki
17003 SE 5th St
Vancouver, WA 98684-8406

----- Forwarded by Board of Supervisors/BOS/SFGOV on 05/12/2011 05:01 PM -----

From: brian lamb <me@wolfdogg.org>
To: Board.of.Supervisors@sfgov.org
Date: 05/12/2011 09:24 AM
Subject: Please Protect Sharp Park
Sent by: National Parks Conservation Association <takeaction@npca.org>

May 12, 2011

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

Dear Board of Supervisors,

I am writing to ask that you take action to restore wetlands at Sharp Park Golf Course and that you create a better public park in partnership with the National Park Service. Closing the Pacifica-based, but San Francisco-owned golf course--which is also located within the

boundary of the Golden Gate National Recreation Area--will best protect endangered species, provide more diverse recreational activities, provide flood control for adjacent neighborhoods, and is the least expensive option for San Francisco. Restoration would also allow money spent on the failing course to be reinvested into parks and other golf courses actually located within San Francisco.

Sharp Park Golf Course loses up to hundreds of thousands of dollars each year and continues to kill endangered species. We can do better. Please help build a better public park at Sharp Park that everyone can enjoy!

Thank you for considering my comments.

Sincerely,

Mr. brian lamb
1506 Oak Dr Spc 3
Vista, CA 92084-3505

C-page



Please Protect Sharp Park

Joann Leonard to: Board.of.Supervisors

05/12/2011 10:26 PM

Sent by: National Parks Conservation Association
<takeaction@npca.org>

Please respond to Joann Leonard

May 13, 2011

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

Dear Board of Supervisors,

I am writing to ask that you take action to restore wetlands at Sharp Park Golf Course and that you create a better public park in partnership with the National Park Service. Closing the Pacifica-based, but San Francisco-owned golf course--which is also located within the boundary of the Golden Gate National Recreation Area--will best protect endangered species, provide more diverse recreational activities, provide flood control for adjacent neighborhoods, and is the least expensive option for San Francisco. Restoration would also allow money spent on the failing course to be reinvested into parks and other golf courses actually located within San Francisco.

Sharp Park Golf Course loses up to hundreds of thousands of dollars each year and continues to kill endangered species. We can do better. Please help build a better public park at Sharp Park that everyone can enjoy!

Thank you for considering my comments.

Sincerely,

Mrs. Joann Leonard
2525 Thames St
Los Angeles, CA 90046-1606



Please Save The Sharp Park Wetlands
Mervi Rantala to: Board.of:Supervisors
Please respond to rantala.mervi

05/12/2011 06:37 PM

Dear Board of Supervisors

I am writing to urge the City of San Francisco to turn the Sharp Park Golf Course over to its next door neighbor, the National Park Service. The Sharp Park Wetlands provide critical habitat for the endangered California Red-Legged Frog and a variety of other wildlife. Both frogs and wetlands are rapidly disappearing in California and worldwide, so it is disconcerting that the City of San Francisco is currently using taxpayer dollars to pump the Sharp Park Wetlands dry, killing endangered frogs in the process, and violating state and federal laws.

The Sharp Park Golf Course has a long history of environmental and economic troubles, and the time has clearly come for the City of San Francisco to change course. By closing the golf course and handing the land over to the National Park Service, the City of San Francisco would relieve itself of its current financial, legal and environmental burden, and it would also clearly mark itself as a world leader in environmental protection efforts.

The restored Sharp Park Wetlands would be a safe haven for threatened wildlife and would provide valuable recreational opportunities to San Francisco residents and tourists alike. This would not only improve the quality of life for San Francisco's residents, it would increase the long-term economic value of the property.

On behalf of all those who enjoy nature and wildlife, thanks for your consideration.

Mervi Rantala

Tampere, ot 33310
FI



Please Save The Sharp Park Wetlands
James Thompson to: Board.of.Supervisors
Please respond to jimlinkat

05/13/2011 09:59 AM

Dear Board of Supervisors

I am writing to urge the City of San Francisco to turn the Sharp Park Golf Course over to its next door neighbor, the National Park Service. The Sharp Park Wetlands provide critical habitat for the endangered California Red-Legged Frog and a variety of other wildlife. Both frogs and wetlands are rapidly disappearing in California and worldwide, so it is disconcerting that the City of San Francisco is currently using taxpayer dollars to pump the Sharp Park Wetlands dry, killing endangered frogs in the process, and violating state and federal laws.

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The restored Sharp Park Wetlands would be a safe haven for threatened wildlife and would provide valuable recreational opportunities to San Francisco residents and tourists alike. This would not only improve the quality of life for San Francisco's residents, it would increase the long-term economic value of the property.

On behalf of all those who enjoy nature and wildlife, thanks for your consideration.

James Thompson

Helsinki, ot none
FI



Please Protect Sharp Park

Bobbette Mack to: Board of Supervisors

05/15/2011 11:05 PM

Sent by: National Parks Conservation Association

<takeaction@npca.org>

Please respond to Bobbette Mack

May 16, 2011

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

Dear Board of Supervisors,

I am writing to ask that you take action to restore wetlands at Sharp Park Golf Course and that you create a better public park in partnership with the National Park Service. Closing the Pacifica-based, but San Francisco-owned golf course--which is also located within the boundary of the Golden Gate National Recreation Area--will best protect endangered species, provide more diverse recreational activities, provide flood control for adjacent neighborhoods, and is the least expensive option for San Francisco. Restoration would also allow money spent on the failing course to be reinvested into parks and other golf courses actually located within San Francisco.

Sharp Park Golf Course loses up to hundreds of thousands of dollars each year and continues to kill endangered species. We can do better. Please help build a better public park at Sharp Park that everyone can enjoy!

Thank you for considering my comments.

Sincerely,

Ms. Bobbette Mack
7007 La Tijera Blvd
Los Angeles, CA 90045-2107



End the Sidewalk Sit-Lie Ordinance
Dawn Edwards to: Board.of.Supervisors
Please respond to Dawn Edwards

05/16/2011 03:30 PM

Greetings,

It has been a year after the prohibition against sitting or lying on San Francisco sidewalks and police officers have begun enforcing the law known as Sit/Lie. Being that the Board of Supervisors mission is to "respond to the needs of the people of the City and County of San Francisco..." it is very contradicting that this law is even in place.

It is extremely important to emphasize on the real needs of many of the residents in San Francisco. This law is targeting the innocent act of sitting or lying and it happens that the population that is being targeted is primarily homeless individuals. Many of the individuals whom are homeless are recent immigrants, seniors, mentally ill, addictively ill, veterans, and working poor. Many of them are poor and homeless who are trying to adapt to a new language and environment, live off the little income they receive, lack the appropriate health care services, and/or barely make it through with their wages. Taking that into consideration it is very conflicting and irrational that fining \$50 to \$500 and possibly even jail time is going to address the needs of the community.

Having police officers give out warnings and citations is not helping address the real problem. Please consider an attempt to end the discriminatory sidewalk sit-lie ordinance and focus on the outreach and provide services for those who chronically sit or lie on public sidewalks.

Dawn Edwards
chicago, IL

Note: this email was sent as part of a petition started on Change.org, viewable at www.change.org/petitions/end-the-sidewalk-sit-lie-ordinance. To respond, email responses@change.org and include a link to this petition.



End the Sidewalk Sit-Lie Ordinance
Cindy Brower to: Board of Supervisors
Please respond to Cindy Brower

05/16/2011 01:40 PM

Greetings,

It has been a year after the prohibition against sitting or lying on San Francisco sidewalks and police officers have begun enforcing the law known as Sit/Lie. Being that the Board of Supervisors mission is to "respond to the needs of the people of the City and County of San Francisco..." it is very contradicting that this law is even in place.

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Having police officers give out warnings and citations is not helping address the real problem. Please consider an attempt to end the discriminatory sidewalk sit-lie ordinance and focus on the outreach and provide services for those who chronically sit or lie on public sidewalks.

Cindy Brower
Chicago, IL

Note: this email was sent as part of a petition started on Change.org, viewable at www.change.org/petitions/end-the-sidewalk-sit-lie-ordinance. To respond, email responses@change.org and include a link to this petition.



End the Sidewalk Sit-Lie Ordinance
Arsenio Rincon to: Board of Supervisors
Please respond to Arsenio Rincon

05/16/2011 12:30 PM

Greetings,

It has been a year after the prohibition against sitting or lying on San Francisco sidewalks and police officers have begun enforcing the law known as Sit/Lie. Being that the Board of Supervisors mission is to "respond to the needs of the people of the City and County of San Francisco..." it is very contradicting that this law is even in place.

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Arsenio Rincon
Los Banos, CA

Note: this email was sent as part of a petition started on Change.org, viewable at www.change.org/petitions/end-the-sidewalk-sit-lie-ordinance. To respond, email responses@change.org and include a link to this petition.



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Naturalization Workshop for City Residents

From: Adrienne Pon/ADMSVC/SFGOV
To:
Date: 05/12/2011 03:27 PM
Subject: Naturalization Workshop for City Residents



Natz Info Session Flyer & Summary English.pdf



Advisory.SFcivicCenter5-26-11ma.pdf



Natz Info Session Flyer & Summary Chinese.pdf



Natz Info Session Flyer & Summary Russian.pdf



Natz Info Session Flyer & Summary Spanish.pdf

Dear Supervisors,

Attached is an announcement and media advisory regarding an upcoming Naturalization Information Session co-hosted by our office and the U.S. Citizenship & Immigration Services agency. Immediately following the May 26th session, we will be conducting a free immigration legal clinic with the American Immigration Lawyers Association, Bar Association of San Francisco, and Lawyers' Committee for Civil Rights.

We have translated the flyer into Chinese, Russian and Spanish. Please share this with any district residents who might be interested in attending.

Cheers,

Adrienne

Adrienne Pon
Executive Director
Office of Civic Engagement & Immigrant Affairs
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 368
San Francisco, CA 94102
Telephone: (415) 554.7029 (ask for Whitney Chiao, Executive Assistant)
(415) 554.7028 (direct)
Facsimile: (415) 554.4849
Website: www.sfgov.org/oceia

8



Media Advisory

May 12, 2011

USCIS and the City and County of San Francisco to Host Naturalization Information Sessions *Will Showcase Civics and Citizenship, and Offer Help*

SAN FRANCISCO, Calif. — U.S. Citizenship and Immigration Services and the City and County of San Francisco, Office of Civic Engagement & Immigrant Affairs will host two free information sessions at 1 South Van Ness Avenue on May 26. The objective is to help immigrants better understand the naturalization process, including the content of the naturalization test, and to become familiar with free educational resources and materials available from the agency. Those who attend will also learn how to avoid being victimized by people not authorized to practice immigration law.

The public is invited, and USCIS personnel will be on hand to discuss the naturalization process step-by-step, and provide information about eligibility and residency requirements, application forms, fees, the background security check and processing times. Participants will also see sample questions from the new test, watch a demonstration of the naturalization interview, and will receive an overview of U.S. history and civic principles. Free educational materials will be handed out while supplies last.

Immediately following this session is an immigration legal clinic sponsored by the Office of Civic Engagement and Immigrant Affairs, in partnership with the American Immigration Lawyers Association of Northern California, the Bar Association of San Francisco, and the Lawyers' Committee for Civil Rights of the San Francisco Bay Area. At the free clinic, attorneys will answer immigration questions and assist with applications. Space is limited so those who plan to attend should RSVP to 415-554-5098 or send an email message to civic.engagement@sfgov.org by Friday, May 20, 2011.

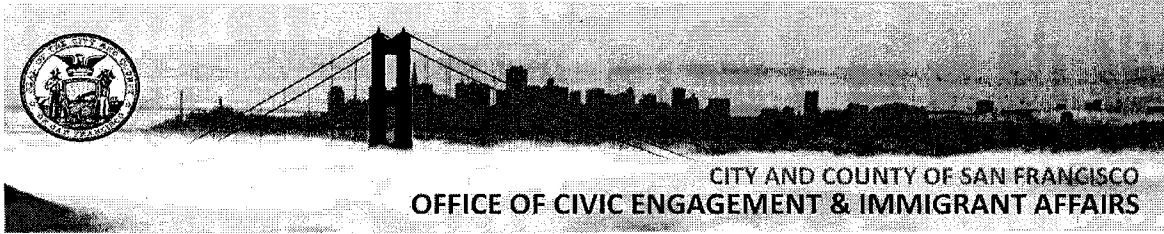
We're sharing this information with you now, in hopes you'll include it in your community calendar of events. Your immigrant media audience will thank you!

WHO: USCIS San Francisco Field Office, City and County of San Francisco's Office of Civic Engagement and Immigrant Affairs

WHEN: May 26, Information Session from 1 p.m. to 3 p.m.; Legal Clinic from 3 p.m. to 5 p.m.

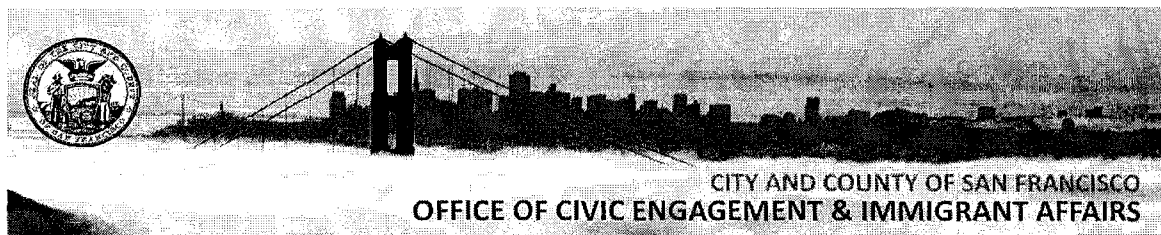
WHERE: 1 South Van Ness Avenue
2nd Floor Atrium Conference Center
San Francisco

MEDIA CONTACT: Sharon Rummery (415)987-0191 (immigration questions)
Guianna Henriquez (415) 554-5098 (City and County of San Francisco)



Become a Citizen and Get Your Immigration Law Questions Answered

On May 26, 2011, The U.S. Citizenship and Immigration Services (USCIS) and the City and County of San Francisco's Office of Civic Engagement and Immigrant Affairs (OCEIA) will present a free Naturalization Information Session from 1-3 P.M. at 1 South Van Ness Avenue, 2nd Floor Atrium Conference Center. The Naturalization Information Session will include a step-by-step description of the naturalization process, a mock interview featuring USCIS officers, and a free mock interview DVD and other resource materials. A free Legal Clinic sponsored by OCEIA will follow from 3-5 P.M. at the same location. Immigration lawyers from the American Immigration Lawyers Association of Northern California, the Bar Association of San Francisco, and the Lawyers' Committee for Civil Rights will provide answers to your questions about immigration law. To RSVP or for more information, email civic.engagement@sfgov.org by May 20, 2011 or call 415-554-5098.



FREE IMMIGRATION LEGAL CLINIC

Immediately following the U.S. Citizenship and
Immigration Services Naturalization Information Session
for all parties interested in the naturalization process

Thursday, May 26, 2011
3:00 - 5:00 P.M.
1 South Van Ness Avenue
2nd Floor Atrium Conference Center

This free clinic is sponsored by the
Office of Civic Engagement and Immigrant Affairs,
City and County of San Francisco (www.sfgov.org/oceia).

In partnership with:

American Immigration Lawyers Association of Northern California
Bar Association of San Francisco
Lawyers' Committee for Civil Rights

**Space is limited. Please RSVP to civic.engagement@sfgov.org or
415-554-5098 by Friday, May 20, 2011.**



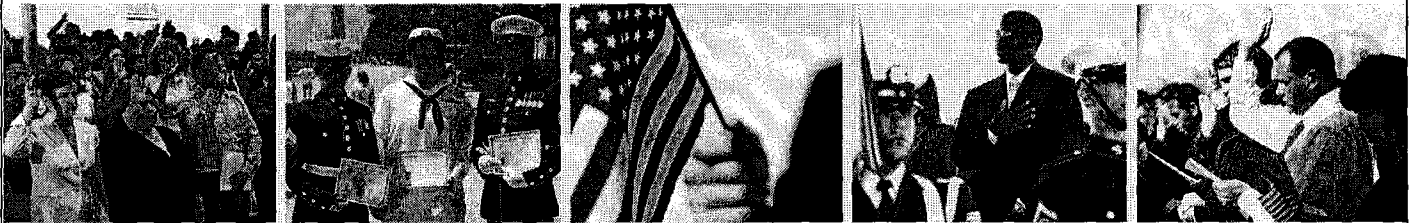
U.S. Citizenship
and Immigration
Services

Naturalization Information Session

For Legal Permanent Residents and Interested Naturalization Applicants

Topics covered at this FREE session will include:

- The Naturalization Process
- The Naturalization Test
- Rights and Responsibilities of U.S. Citizenship



Date: Thursday, May 26, 2011

Time: 1:00 pm to 3:00 pm

Address: 1 South Van Ness Avenue
2nd Floor Atrium Conference Center
San Francisco

Program Highlights

- Step-by-step description of the naturalization process
- Mock naturalization interview featuring USCIS officers
- FREE mock interview DVD and other resource materials

* For case information, please contact Customer Service at 1-800-375-5283 or go to www.infopass.uscis.gov.

* For more information on U.S. citizenship, visit www.uscis.gov/citizenship.

* To find an English class in your area, visit America's Literacy Directory at www.literacydirectory.org.



Session hosted by the Office of Civic Engagement and Immigrant Affairs, City and County of San Francisco, www.sfgov.org/ocea. Space is limited for this event. Please RSVP to civic.engagement@sfgov.org by Friday, May 20, 2011.



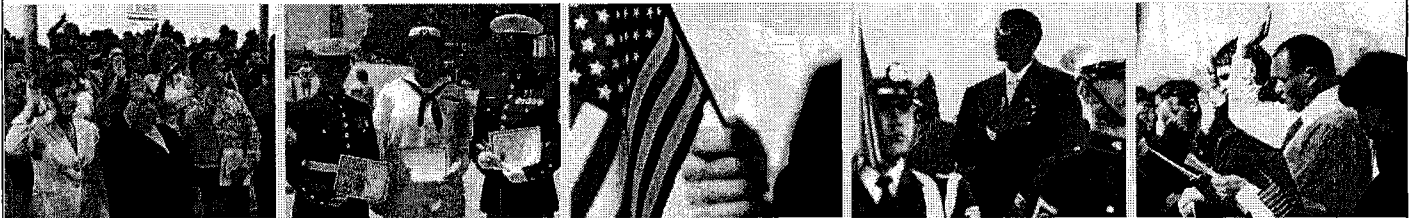
U.S. Citizenship
and Immigration
Services

入籍資訊講座

為合法永久居民及有興趣入籍的申請人而提供

這個免費講座的主題包括:

- 入籍程序
- 入籍考試
- 美國公民的權利與責任



日期：2011年5月26日，週四

時間：下午 1:00 至 3:00

地址：三藩市南雲尼斯大道 1 號
(1 South Van Ness Avenue)
2 樓會議中心大堂

議程重點

- 詳細講解入籍程序
- 由移民官模擬的入籍面試過程
- 免費的模擬面試視頻光盤以及其他參考資料

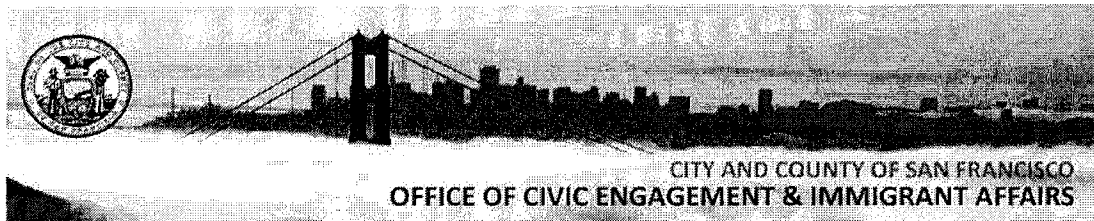
*有關個案資料查詢，請聯繫客戶服務熱線1-800-375-5283或瀏覽網頁www.infopass.uscis.gov.

*欲了解更多有關美國公民身份的資訊，請瀏覽網頁 www.uscis.gov/citizenship.

*要查詢你所在地區的英語課程，請瀏覽網頁 www.literacydirectory.org.



講座由三藩市市縣政府民政及移民辦事處主辦。
會場座位有限，有興趣蒞臨人士請於 2011 年 5 月 20 日星期五
之前電郵至 civic.engagement@sfgov.org 進行預約



免費移民法律諮詢

緊接美國公民及移民服務部為合法永久居民，及有興趣入籍的申請人而提供的入籍資訊講座後舉行。

2011年5月26日星期四

下午3時至5時

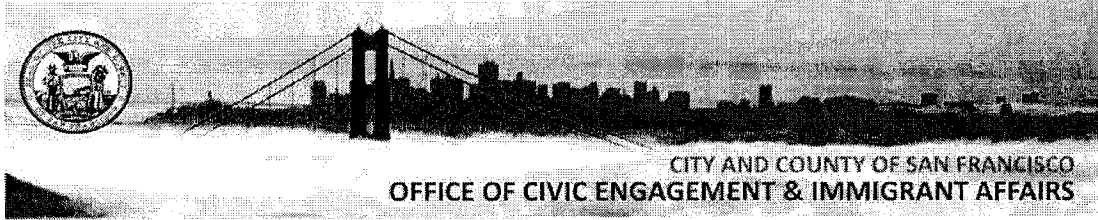
三藩市南雲尼斯大道1號
(1 South Van Ness Avenue)

2樓會議中心大堂

這個免費諮詢由
三藩市市縣政府民政及移民辦事處
(網址：www.sfgov.org/ocea)主辦

北加州美國移民律師協會
三藩市大律師公會
民權律師委員會
協辦

活動名額有限，有興趣蒞臨人士請於2011年5月20日星期五之前
電郵至 civic.engagement@sfgov.org 或致電 415-554-5098 進行預約。



成為公民以及為您解答有關移民法律的問題

在2011年5月26日下午1時至3時，美國公民及移民服務部(USCIS)連同三藩市市縣政府的民政及移民辦事處(OCEIA)，於三藩市南雲尼斯大道1號 (1 South Van Ness Avenue)2樓會議中心大堂舉辦免費的入籍資訊講座。講座內容包括詳細講解入籍程序，由移民官模擬的入籍面試過程以及免費的模擬面試視頻光盤和其他參考資料。此外，當天下午3時至5時在相同地點會有由民政及移民辦事處主辦的免費移民法律諮詢活動。來自北加州移民律師協會、三藩市大律師公會以及民權律師委員會的移民律師將為您解答有關移民法律的問題。如需進行預約或查詢更多有關詳情，請於2011年5月20日之前電郵到civic.engagement@sfgov.org或致電415-554-5098。



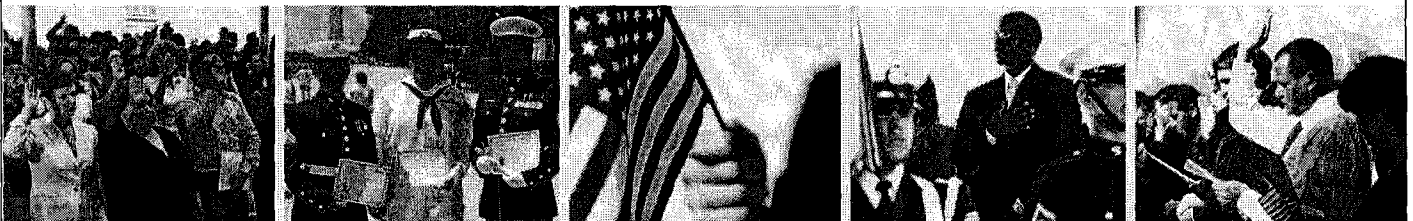
U.S. Citizenship
and Immigration
Services

Sesión de Información de Naturalización

Para Residentes Permanentes Legales y Candidatos Interesados en Naturalización

Tópicos Cubiertos en esta Sesión GRATUITA Incluirán:

- El Proceso de Naturalización
- El Examen de Naturalización
- Derechos y Responsabilidades de la Ciudadanía Estadounidense



Fecha: Jueves, 26 de Mayo, 2011

Hora: 1:00 pm a 3:00 pm

Dirección: 1 South Van Ness Avenue
2^{do} piso Atrium Conference Center
San Francisco

Aspectos Destacados del Programa

- Descripción detallada del proceso de naturalización
- Simulacro de entrevista de naturalización con funcionarios de USCIS
- DVD de simulacro de entrevista y otros materiales de recursos GRATUITOS

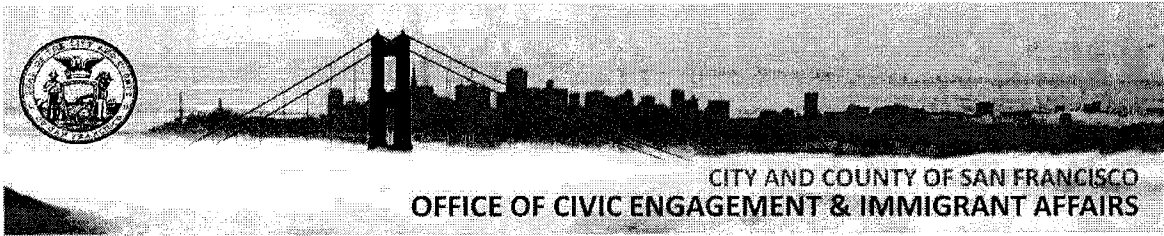
** Para información sobre casos, por favor contacte el servicio al cliente al 1-800-375-5283 o www.infopass.uscis.gov.*

** Para más información sobre la ciudadanía estadounidense, visite www.uscis.gov/citizenship.*

** Para encontrar clases de inglés en su área, visite el Directorio de Alfabetización de Estados Unidos en www.literacydirectory.org.*



Sesión organizada por la Oficina de Participación Cívica y Asuntos de Inmigrantes, Ciudad y Condado de San Francisco, www.sfgov.org/ocea. Espacio limitado. Por favor responda a civic.engagement@sfgov.org para confirmar su participación.



CLINICA LEGAL DE INMIGRACION GRATUITA

Inmediatamente después de la Sesión de Información de Naturalización de la Oficina de Servicios de Ciudadanía e Inmigración de los Estados Unidos (USCIS) para todas las partes interesadas en el proceso de naturalización

Jueves, 26 de Mayo, 2011

3:00 - 5:00 P.M.

1 South Van Ness Avenue
2^{do} Piso Atrium Conference Center

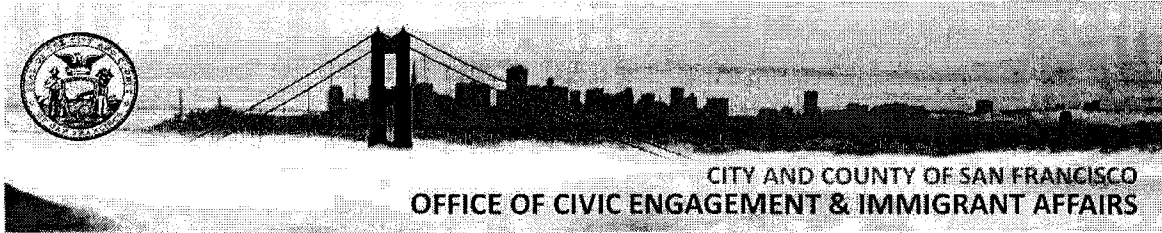
Esta clínica gratis es patrocinada por la Oficina de Participación Cívica y Asuntos de los Inmigrantes de la Ciudad y Condado de San Francisco,
(www.sfgov.org/oceia).

En Colaboración con:

La Asociación Americana de Abogados de Inmigración del Norte de California
(AILA)

El Colegio de Abogados de San Francisco
Comité de Abogados por los Derechos Civiles

Espacio para este evento es limitado. Por favor reservar en civic.engagement@sfgov.org o llamar al 415-554-5098 antes del viernes, 20 de mayo, 2011.



Hágase Ciudadano y Reciba Respuestas a Sus Preguntas Acerca de la Ley de Inmigración

El 26 de Mayo del 2011, la Oficina de Servicios de Ciudadanía e Inmigración de los Estados Unidos (USCIS) y la Oficina de Participación Cívica y Asuntos de Inmigrantes de la Ciudad y Condado de San Francisco (OCEIA) presentarán una sesión de información gratuita de Naturalización de 1-3 P.M. en 1 South Van Ness Avenue, 2do. Piso, Atrium Conference Center. La sesión de información de naturalización, incluye una descripción paso a paso del proceso de naturalización, una entrevista simulacro realizada por oficiales de USCIS, un DVD del simulacro de la entrevista y otros materiales de recursos gratuitos. Una Clinica Legal gratuita, patrocinada por OCEIA se realizará de 3-5 P.M. en el mismo local. Abogados de inmigración de la Asociación Americana de Abogados de Inmigración del Norte de California, el Colegio de Abogados de San Francisco y el Comité de Abogados por los Derechos Civiles darán respuestas a sus preguntas acerca de la Ley de Inmigración. Para confirmar su participación o para mayor información, mande un correo electrónico civic.engagement@sfgov.org antes del viernes 20 de mayo, 2011 o llame al 415-554-5098.



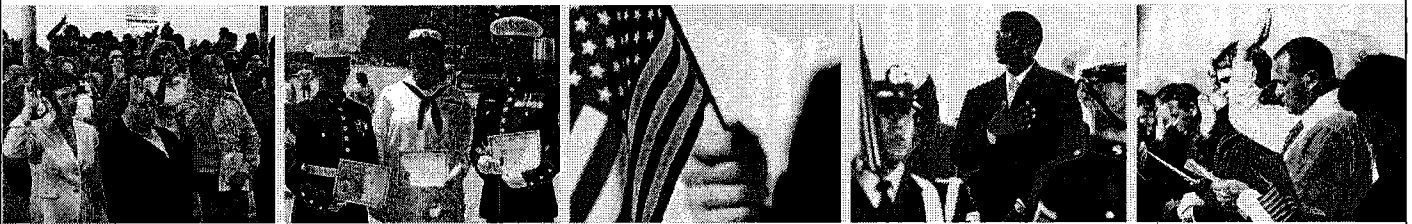
U.S. Citizenship
and Immigration
Services

Натурализация: Информационная сессия

Для обладателей грин карты и для заинтересованных лиц

Темы этой **БЕСПЛАТНОЙ** сессии включают:

- Процесс натурализации
- Экзамен на гражданство
- Права и обязанности гражданина США



Дата: Четверг, 26 мая 2011

Повестка дня

Время: 13:00 – 15:00

Адрес: 1 South Van Ness Avenue
2nd Floor Atrium Conference Center
San Francisco

- Пошаговое расписание процесса натурализации
- Репетиция интервью по натурализации с эмиграционными служащими
- **БЕСПЛАТНОЕ DVD** с репетицией эмиграционного интервью и другими источниками

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Бесплатную Иммиграционная Юридическую Клинику

Сразу после Информационной сессии об
Натурализации для всех заинтересованных в процессе
натурализации

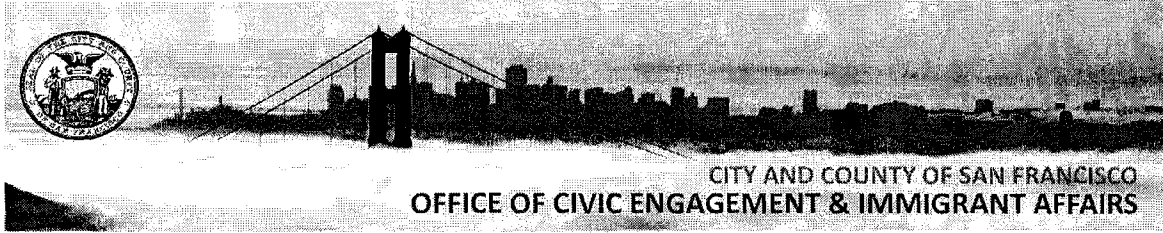
В четверг, 26 мая 2011
3:00 - 5:00 вечера
1 South Van Ness Avenue
2-й этаж Атриум Конференц-центр

Это бесплатная клиника проводится при поддержке
Управления Гражданской активности и дел иммигрантов,
Города Сан-Франциско (www.sfgov.org/oceia).

В сотрудничестве с:

Американская Ассоциация Иммиграционных юристов Северной
Калифорнии
Коллегия адвокатов Сан-Франциско
Юристы "Комитет за гражданские права"

Количество мест ограничено. Просьба связаться с
civic.engagement@sfgov.org или 415-554-5098 по пятницу, 20 мая
2011.



Стать Гражданином и Получить Ответы на Ваши Вопросы об Иммиграционном Законе

26 мая 2011 года с 1:00pm до 3:00 pm, Иммиграционная служба США (USCIS) и Управление Гражданской Активности и Дел Иммигрантов города Сан-Франциско (OCEIA) проводит бесплатную Информационную сессию об Натурализации по адресу 1 South Van Ness Avenue, 2-й этаж конференц-центр Атриум. Сессия будет включать в себя описание процесса натурализации шаг за шагом, макет интервью Featuring USCIS офицеров, и бесплатно пакет с DVD интервью и другие информационные материалы. Также OCEIA будет проводить бесплатную юридическую клинику с 3:00pm до 5:00pm в том же месте, иммиграционные адвокаты из Американской Ассоциации Иммиграционных Адвокатов Северной Калифорнии, адвокаты Сан-Франциско, и Комитета юристов по гражданским правам даст ответы на ваши вопросы об иммиграционном законодательстве. Чтобы задать вопросы или получить дополнительную информацию, по проекту остановлению насилия отправте электронную почту: civic.engagement@sfgov.org до 20 мая 2011 года или позвоните по телефону 415-554-5098.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

Date: May 11, 2011
To: Honorable Members, Board of Supervisors
From: ~~AC~~ Angela Calvillo, Clerk of the Board
Subject: Form 700

This is to inform you that the following individual has submitted a Form 700 Statement:

Joseph Smooke, – Legislative Aide – Assuming

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2011 MAY 10 PM 3:04

BY AK

orig: Joy Cpage
File 110206

769 Gonzalez Dr. BOS-11
San Francisco, CA 94132
May 8, 2011

San Francisco Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Members of the San Francisco Board of Supervisors,

I am a resident of Parkmerced and approve of the plans to change this residential community into one that would meet the needs of current and future residents. It also offers solutions to many environmental issues that need to be addressed. Overall, the plan has many positive attributes that would be very beneficial to San Francisco.

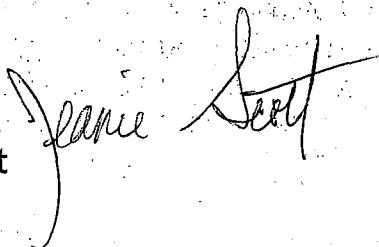
Some residents who are adamantly opposed to this plan have often stated that THE residents do not want this plan to go forward. This implies that all the residents are opposed, but in reality there are many who are in favor of the plan or have no opinion either way. I helped collect signatures of residents who would like better housing and are in favor of the plan. I have knocked on residents' doors with a Parkmerced employee to explain how the renovation plans would affect them personally. Many residents told us they were pleased to get this personal attention and have the opportunity to ask questions. We did meet with some who were skeptical or unhappy about the plan but by the time we left were more informed and much happier. I would say from my experience, that a majority of the residents are either for the plan or are willing to learn more about it.

I understand some board members have walked Parkmerced with some residents and managers. I urge those who have not visited to come to Parkmerced so you can better understand how this community would benefit with this plan.

I would like to pose a question to the Board. If this plan is not approved and this residential community remains unchanged, how long would it be before it did become apparent that renovation was needed? How long would it be before residents would be faced with housing that had seriously deteriorated?

Sincerely,

Jeanie Scott





To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: The Parkmerced investors - Page 3 | San Francisco Bay Guardian

From: Michael Russom <michaelrussom@sbcglobal.net>
To: board.of.supervisors@sfgov.org, cityattorney@sfgov.org
Date: 05/11/2011 01:43 PM
Subject: The Parkmerced investors - Page 3 | San Francisco Bay Guardian

Check out this link to the owners of Parkmerced, their manipulative and destructive behavior and think whether they should be trusted for their worthless promises to you. If you give our homes to them to destroy and things go wrong, your dreams of a beneficent legacy for this city will be in tatters. As Mose Allison has so aptly put it, "You'll be livin in a fool's paradise."

<http://www.sfbg.com/2011/03/29/parkmerced-investors?page=0,2>



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Invest in City College!

From: "Angel Cheng" <canond320@gmail.com>
To: Board.of.Supervisors@sfgov.org
Date: 05/11/2011 09:51 PM
Subject: Invest in City College!

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

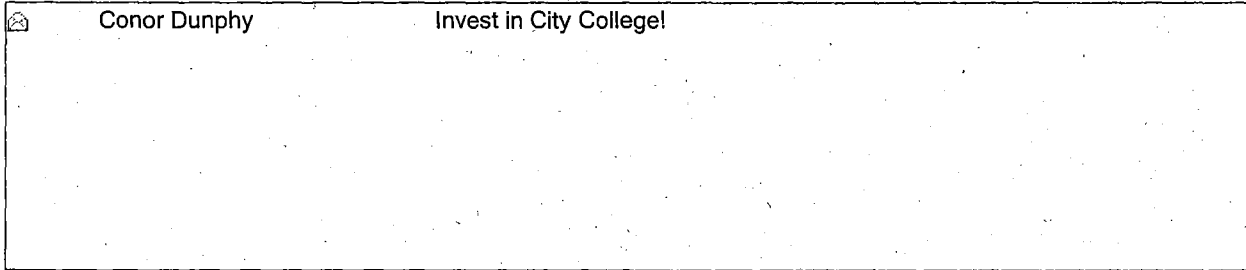
Angel Cheng
San Francisco, 94134



Invest in City College!
Conor Dunphy to: Board.of.Supervisors

05/11/2011 01:08 PM

History: This message has been forwarded.



To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College. Without foundation, any structure will crumble.

Sincerely,

Conor Dunphy
San Francisco, 94112



Invest in City College!
Mahedi Rakib to: Board.of.Supervisors

05/09/2011 04:27 PM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Name: Mahedi Rakib
City:
Zip:



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Invest in City College!

The Clerk's office received ~~5~~₆ form emails with the same message as below.

Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

Complete a Board of Supervisors Customer Service Satisfaction form by clicking
<http://www.sfbos.org/index.aspx?page=104>

--- Forwarded by Board of Supervisors/BOS/SFGOV on 05/10/2011 11:45 AM ---

From: "Brian Hertzog" <oxalis@aol.com>
To: Board.of.Supervisors@sfgov.org
Date: 05/09/2011 06:46 PM
Subject: Invest in City College!

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Brian Hertzog
San Francisco, 94109



View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Seni Maafu
San Francisco, 94112



Invest in City College!
Howard Tong to: Board.of.Supervisors

05/10/2011 12:21 AM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Howard Tong
San Francisco, 94122



Invest in City College!
Aifang Fu to: Board.of.Supervisors

05/09/2011 11:09 PM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Aifang Fu
San Francisco, 94112



Invest in City College!
Steven to: Board.of.Supervisors

05/09/2011 06:58 PM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Steven
Cervantes, 94112



Invest in City College!
Nathan Garst to: Board.of.Supervisors

05/10/2011 04:25 PM



Nathan Garst

Invest in City College!

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Nathan Garst
San Francisco, 94122



Invest in City College!
Mahedi Rakib to: Board.of.Supervisors

05/09/2011 04:27 PM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Name: Mahedi Rakib
City:
Zip:



Invest in City College!
Christina Nguyen to: Board.of.Supervisors

05/10/2011 07:24 PM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Christina Nguyen
Oakland, 94619



Invest in City College!
Jose-Luis Mejia to: Board.of.Supervisors

05/11/2011 12:29 AM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Jose-Luis Mejia



Invest in City College!
Katie Gelardi to: Board.of.Supervisors

05/11/2011 04:34 AM

View: (Mail Threads)

To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College..

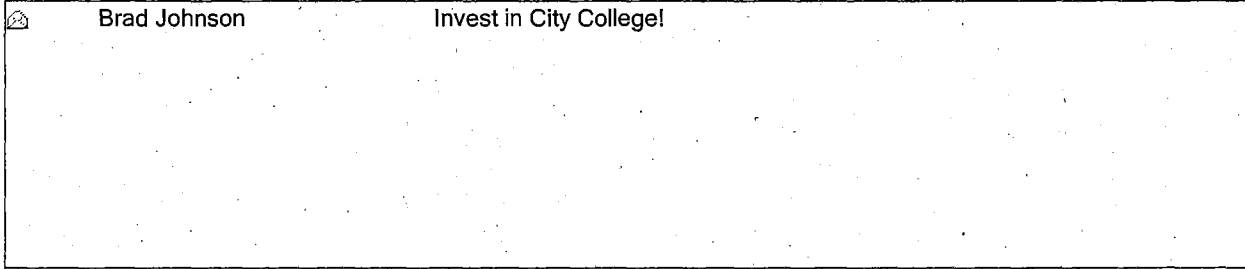
Sincerely,

Katie Gelardi
San Francisco, 94117



Invest in City College!
Brad Johnson to: Board.of.Supervisors

05/12/2011 03:08 PM



To Mayor Lee and Supervisors: City College provides critical educational opportunities to 100,000 working students every year. Our future depends on quality, affordable education. Students have it hard enough as it is -- let's give students a break by eliminating the \$2 million in service fees charged to City College.

Sincerely,

Brad Johnson
Berkeley, 94709



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: RESCIND vote on Stow lake Lease 5/10/10

From: sandy weil <sweil46117@aol.com>
To: Board.of.Supervisors@sfgov.org, sweil46117@aol.com
Date: 05/09/2011 09:43 PM
Subject: RESCIND vote on Stow lake Lease 5/10/10

Dear Supervisors:

You obviously (unbelievable to me still) either believed the lies spoken by RPD/Tourke and gang or went along with their game plan for some reason we still have yet to unravel. Either way, you must rescind your vote.

1) Public testimony in Ortega's favor was paid for by the Ortega's at the suggestion of Alex Tourke - 30 people \$500, another 15 people \$500 more etc.

These were not people that frequented Stow Lake, Golden Gate Park and may not have even lived here. They were ringers!

2) The RPD Commission that is supposed to be an independent oversight group looking out for the interest of our parks and us people that use the parks - didn't do any due diligence. They didn't even right their own questions to ask of the winning bidder. Tourke/RPD or RPD/Tourke whichever you prefer, they are one in the same, Touke wrote and directed what questions should be asked of their clients the Ortega's! You, BOS based some of your decision on the way you voted on the fact that you believed RPD Commission did their homework. they did NOT!

3) Your were lied to about the increase of revenue that will be generated at the boathouse with the Ortega's plan. Shane Ortega himself is quoted in the now public emails as stating, "The City doesn't realize this is not a money maker." then he goes on to say that they (the Ortega's) can't spend a lot of money on this, all this contract is to them is a stepping stone to get their foot in the door for better contracts!!!! Hello!!!!!!!!!!!!!! How can Tourke/RPD tell you an increase of 30-40% revenue will take place? How do Ortega's know they would win any future contracts? Sounds like major back-room deals to we the people.

4) From the beginning real San Franciscans who care deeply about their parks (not paid people from who knows where) told you all over and over this is a bad deal. Told you back-room deals were happening. Told you that RPD management had lied numerous times about all kinds of issues. You didn't listen to us then, and we can only hope you'll listen to us now. Prove it that you will do the right thing.... take immediate action and rescind your vote!

Here is to grassroots democracy winning over the people in "power"
Sandy Weil

BOS-11
C-pages



End the Sidewalk Sit-Lie Ordinance
Lindsey Poore

to:
Board of Supervisors
05/16/2011 09:10 AM
Please respond to Lindsey Poore
Show Details

**Document is available
at the Clerk's Office
Room 244, City Hall**

Security:

To ensure privacy, images from remote sites were prevented from downloading. Show Images

Greetings,


It has been a year after the prohibition against sitting or lying on San Francisco sidewalks and police officers have begun enforcing the law known as Sit/Lie. Being that the Board of Supervisors mission is to "respond to the needs of the people of the City and County of San Francisco..." it is very contradicting that this law is even in place.

It is extremely important to emphasize on the real needs of many of the residents in San Francisco. This law is targeting the innocent act of sitting or lying and it happens that the population that is being targeted is primarily homeless individuals. Many of the individuals whom are homeless are recent immigrants, seniors, mentally ill, addictively ill, veterans, and working poor. Many of them are poor and homeless who are trying to adapt to a new language and environment, live off the little income they receive, lack the appropriate health care services, and/or barely make it through with their wages. Taking that into consideration it is very conflicting and irrational that fining \$50 to \$500 and possibly even jail time is going to address the needs of the community.

Having police officers give out warnings and citations is not helping address the real problem. Please consider an attempt to end the discriminatory sidewalk sit-lie ordinance and focus on the outreach and provide services for those who chronically sit or lie on public sidewalks.

Lindsey Poore
federalsburg, MD

Note: this email was sent as part of a petition started on Change.org, viewable at www.change.org/petitions/end-the-sidewalk-sit-lie-ordinance. To respond, email responses@change.org

and include a link to this petition. 

14



Possible closure of Haight Food Pantry (waller and Clayton) update

Roger Kat

to:

Frederick Roesti, Otto Buckenthal, Rev. Tom Taylor, Richard Ivanhoe, Robert Leon, Ross Mirkarimi, Vallie Brown

05/12/2011 08:49 PM

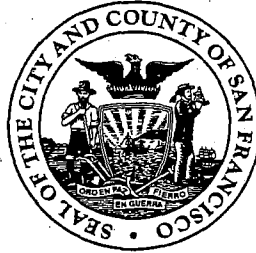
Show Details

I spoke w/ some one at The Willie Brown Foundation and urge you to do the same. Please let me know of any recent developments that you are aware of.

Regards Roger Kat 415-861-6433.

15

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

Date: May 10, 2011
To: Honorable Members, Board of Supervisors
From: *ACC* Angela Calvillo, Clerk of the Board
Subject: APPOINTMENT BY THE MAYOR

The Mayor has submitted an appointment to the following Commission:

- Johanna Wald, Commission on the Environment, term ending March 10, 2015

Under the Board's Rules of Order Section 2.24, a Supervisor can request a hearing on an appointment by notifying the Clerk in writing.

Upon receipt of such notice, the Clerk shall refer the appointment to the Rules Committee so that the Board may consider the appointment and act within thirty days of the appointment as provided in Section 3.100(18) of the Charter.

Please notify me in writing by 12:00 p.m., Monday, May 16, 2011, if you wish this appointment to be scheduled.

Attachments

OFFICE OF THE MAYOR
SAN FRANCISCO



Orig: Rules Clerk
C: COB, Leg Dep

EDWIN M. LEE
MAYOR

Notice of Appointment

May 9, 2011

San Francisco Board of Supervisors
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, California 94102

Honorable Board of Supervisors:

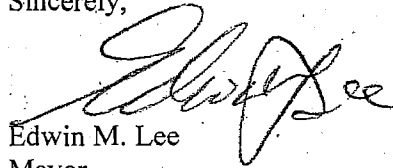
Pursuant to the Charter Section 3.100 (17), I hereby make the following appointment:

Johanna Wald to the Commission on the Environment for a four-year term ending March 10, 2015.

I am confident that Ms. Wald will serve our community well. Attached are her qualifications to serve, which demonstrates how this appointment represents the communities of interest, neighborhoods and diverse populations of the City and County of San Francisco.

I encourage your support and am pleased to advise you of this appointment.

Sincerely,


Edwin M. Lee
Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 MAY -9 PM 3:54
BY: PC



Johanna H. Wald

Johanna Wald is a Senior Attorney in NRDC's San Francisco office. She has been with NRDC since 1973, during which time she has become one of the nation's leading advocates for protection and improved management of federal public lands. Ms. Wald received her law degree from Yale University and her undergraduate degree from Cornell University. She has been involved in a number of major legal challenges to federal energy programs, including coal and oil and gas programs in the Intermountain West. For approximately the last three years she has led NRDC's efforts to facilitate the identification and designation of appropriate sites for development of renewable energy projects as well as associated necessary transmission.

Ms. Wald's honors include being named, in 1992, the National Wildlife Federation's lawyer of the year. In 1993, she was named one of ten Pew Scholars in Conservation and the Environment and, in 1998, she received the Environmental Leadership Award from the Ecology Law Quarterly at the University of California's Boalt Hall School of Law.

Ms. Wald is a member of the Boards of Directors of the Southern Utah Wilderness Alliance, the American Wind Wildlife Institute, and Exloco, a Bay-area based environmental non-profit. She also serves as a member of San Francisco's Commission on the Environment and is the Chair of the Commission's Policy Committee.



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Item # 110294

epage
BOS-11
File 110294

From: Doug Buckwald <dbuckwald@hotmail.com>
To: <board.of.supervisors@sfgov.org>
Date: 05/11/2011 04:57 PM
Subject: Item # 110294

My letter to the Board of Supervisors is below and attached.

Doug Buckwald

May 11, 2011

RE: File # 110294 (Appointment of Joel Ramos to MTA)

Dear members of the Board of Supervisors:

I urge you in the strongest terms to reconsider the appointment of Joel Ramos to the Municipal Transportation Agency, and to delay your vote on this matter.

The open seat on the Municipal Transportation Agency is a very important position, due to the critically important role that transportation plays in the life and commerce of the city of San Francisco. And it is even more important due to the current transportation problems that the city faces now and will face in the future.

In my opinion, Joel Ramos falls short in a number of key areas.

First, Mr. Ramos appears to lack essential expertise that would benefit the board. The MTA board is facing serious financial issues in improving the system's operations in a climate of scarce resources. It would be highly beneficial to appoint someone to the board with financial experience, but Mr. Ramos has little or no background in this area.

Second, experience with labor negotiations would be major asset, as labor contract issues are another important area that will impact transportation options in the near future. Mr. Ramos has no experience in this area.

Third, Mr. Ramos' experience in community planning is largely as an advocate for certain groups, and he lacks the perspective that comes from an objective study of transportation systems and transit policy issues. His degree in geography from San Francisco State University is only partially relevant to the issues that he would face as a board member.

However, most important, Mr. Ramos has misrepresented himself as a transit advocate who wants to work in an inclusive way with the whole community. This is just not true—and I know this from personal experience.

For one thing, Mr. Ramos is an extreme anti-car zealot. His activities in promoting the East Bay Bus Rapid Transit system have revealed this on numerous occasions.

I am aware that Mr. Ramos made the following statement to the members of the Rules Committee last week:

(17)

"My wife owns a car. And she won't give it up because of the problems with the reliability of the MUNI system that I've described. I recognize the value and the luxury of mobility that a car has, and I want to make it easier for cars to get around as well..."

You should know that in the East Bay, Mr. Ramos has done everything in his power to make it more difficult for cars to get around, because that a strong principle he holds. If you doubt my characterization, I invite you to read the attached article by him that decries the decision of the City of Berkeley to forego dedicated lanes within its city borders. It clearly shows his utter contempt for automobile drivers. (Incidentally, you may also note the disrespect he shows towards the elected city council members of the City of Berkeley.)

In addition, Mr. Ramos does not make efforts to involve the entire affected community on transportation and transit decisions. On the contrary, he actually takes steps to exclude people from the planning process if they disagree with his positions.

In Berkeley, Mr. Ramos never once met with any neighborhood association or community group about Bus Rapid Transit. He openly admits this fact. Even so, he consistently mischaracterized these citizens' positions and discredited them with inaccurate accusations in public meetings on this issue. His behavior was very disrespectful and inappropriate.

In short, Mr. Ramos, far from being a team player and a coalition builder, is indeed a very polarizing figure who significantly increased that level of mistrust and anger in the transit planning process throughout the East Bay.

I know that Mr. Ramos was careful to say all the right things in his hearing before the Rules Committee. But he misrepresented his positions about some important issues, and left out a lot of the truth about his advocacy.

It is not too late to slow the process down to make sure you are doing the right thing. I urge you to look into this matter further, because I think you may be very surprised by what you learn.

Thank you for your consideration.

Respectfully,

Doug Buckwald

Director, Better Transit Options
Berkeley, CA

Please read article on following pages.

Joel Ramos: Car enthusiasts Kill BRT in Berkeley

May 11, 2010 (From the Oakland blog "Living in the O.")

This is the second in a two-part series of guest posts about Berkeley's vote on BRT. Today's post, by Joel Ramos, focuses on what happened and what's next, particularly as it relates to Oakland.

This guest post was written by Joel Ramos, who grew up riding AC Transit and is now a Community Planner at TransForm. He began working in Oakland in 1998 when he worked on getting community input for planning projects in the Fruitvale. He has been conducting outreach to community groups along the proposed BRT corridor for the past four years.

* * *

April 29th was an unfortunate day for "Green" Berkeley, and East Bay transit riders as a whole.

Despite support from the Sierra Club, the Alameda County Building Trades Council, UNITE-HERE Local 2850, TransForm, Livable Berkeley, the UC Berkeley Graduate Student Union, the East Bay Young Democrats and others to study a Full-Build BRT alternative with dedicated lanes, Berkeley City Council members Jesse Arreguin, Gordon Wozniak, Susan Wengraff, and Kriss Worthington would only vote to study an alternative that had not yet been considered. The alternative that was approved would be similar to existing 1R service, but with bulb-outs, proof-of-payment systems, and traffic signal priority – but no dedicated lanes – as the build alternative.

The outcome of this vote and the comments made by the councilmembers made it clear that **logic lost and mob-rule reigns in Berkeley**. The public comments made just before the vote made it clear that **a majority of the opponents had been mis-informed**, and were led to be convinced that the project would "kill Telegraph" and had "no environmental benefits", despite any legitimate sources or studies, and in denial of the success of every other BRT project that has been built in the U.S.

While **most transit advocates expected nothing less from Councilmember Kriss Worthington**, it was Councilmembers Jesse Arreguin and Gordon Wozniak that were most surprising.

Wozniak (**who often claims to be a "scientist"**) openly stated that even if studied, he wouldn't vote for the build alternative on account of (unfounded) fears of traffic impacts to his district. Jesse Arreguin (who won the Sierra Club's endorsement in his election campaign) abstained from the vote for a study of dedicated lanes, despite the Sierra Club's consistent support of the study of dedicated lanes for BRT. **Councilmember Susan Wengraff was the least informed (and apparently most ignorant** of the thousands of riders who opt for the 1/1R everyday and DON'T ride BART), and said she was against the project because she thought it duplicated BART. She then abstained from the vote for a study of the Full-Build Alternative with dedicated lanes. Councilmembers Kriss Worthington and Gordon Wozniak were the only two who voted "No" for the motion made by Daryl Moore to study the dedicated lanes as part of a BRT system, but the motion failed anyway.

It was an eye-opening Public Hearing for BRT in "Transit First" Berkeley. The transit advocates in the meeting were validated by one speaker's efforts who asked every opponent of BRT to raise their hand. When the opponents did, he then asked them to

keep their hand up if they voted for Measure G (Berkeley's recent ballot measure to commit to reduce greenhouse gases). Nearly every opponent's hand was lowered again. The speaker then pointed out that 80% of Berkeley's voters had voted for Measure G, and that clearly, the BRT opponents were not a representation of Berkeley overall.

Nevertheless, the City Council voted to **validate the radical skepticism of the car-centric opponents, and their rude, uninformed resistance to change** of the fossil-fueled status quo in Berkeley.

Unfortunately, the approved alternative is not expected to deliver the same amount of reliability that dedicated lanes would give, and to run BRT outside of dedicated lanes for long stretches in Berkeley could cause a delay in the overall system, reducing the overall capacity for shorter headways. It remains unclear if what Berkeley did vote for would even be worthwhile for AC Transit to pursue, as opposed to simply leaving Berkeley out of the future project altogether. If Oakland (upon study of the impacts of a full-build BRT system in a Final Environmental Impact Report) decides to move forward with a full-build BRT system, AC Transit could decide to have BRT "turn around" before going to downtown Berkeley (i.e. at the Uptown Transit Center or Macarthur BART).

As such, BRT supporters who live in North Oakland should see this as a "call to arms" for BRT in the Temescal, which may now be left out of the scope of the project if AC Transit decides not to build anything in Berkeley, and instead opt to turn BRT around at either Macarthur BART or at the Uptown Transit center.

To help in that fight, join a group of North Oakland BRT supporters by contacting Joel Ramos of TransForm at joel@TransFormCa.org or contact Councilmember Brunner yourself (jbrunner@oaklandnet.com) and let her know of your continued support for BRT with bike lanes and dedicated lanes in the Temescal.

Note: A similar article appeared on TransForm's website, entitled, "City Council Bullied by Mis-informed Opponents into Killing Dedicated Lanes and BRT in Berkeley."



Letter to Board of Supervisors re Joel Ramos appointment.doc

(Shmeas
email)



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: Tenderloin Senior Citizens Learning Martial Arts for Self Defense

From: Ivan E Pratt <prattbuddhahood@gmail.com>
To: Brody Tucker <Brody.Tucker@sfdph.org>, reiko <reiko@cyberhedz.com>, IVAN E PRATT <IEP55@juno.com>, chiman.lee@greencitizen.com, asha <asha@sfdigifilm.com>, "board.of.supervisors" <board.of.supervisors@sfgov.org>, rfreeman <rfreeman@peralta.edu>, Chughes <Chughes@ymcasf.org>, sgiangel <sgiangel@earthlink.net>, Edward Evans <edwevans@gmail.com>, Gavin Newsom <gavin@gavinnewsom.com>, cwatros <cwatros@ggsf.com>, AlexanderTenantsAssociation-owner <AlexanderTenantsAssociation-owner@yahoogroups.com>, Michael Nulty <sf_district6@yahoo.com>, Chi Wolf <chiwolf@hotmail.com>, NichirenDaishoninsBuddhism <NichirenDaishoninsBuddhism@yahoogroups.com>, david_villalobos <david_villalobos@sbcglobal.net>, mhann <mhann@tndc.org>, media <media@gavinnewsom.com>, "chico.garza" <chico.garza@sbcglobal.net>, henkelderek <henkelderek@yahoo.com>, heidi <heidi@studycenter.org>, sro <sro@thclinic.org>, regimeadows <regimeadows@ymail.com>, goldoor5 <goldoor5@yahoo.com>, KPFA Worker <no-reply@wordpress.com>, "richard.montantes" <richard.montantes@sfdph.org>, ecomerritt <ecomerritt@peralta.edu>, mayoredwinlee <mayoredwinlee@sfgov.org>, Steven Andrew Kacsmar <stevenandrew@earthlink.net>, pbca <PBCA@cahi-oakland.org>, Mark Kaplan <rockwellproperties@gmail.com>
Date: 05/12/2011 01:24 PM
Subject: Tenderloin Senior Citizens Learning Martial Arts for Self Defense

CHOSSING A MARTIAL ARTS TEACHER May 12 2011

HAWAIIAN SCHOOL TEACHER ADVISES ON CHOOSING A MARTIAL ARTS MASTER AS A TEACHER IN MARTIAL ARTS

Hawaiian Teachers remark on choosing a Martial Arts Teacher for self defense, "Remember, most of these martial arts came from monks--many were actually buddhist. all valid martial arts contain mind-training. if i remember correctly, search up william chen, a master, and look for students that are now sifu in Bay Area--there has to be!
Mike

On The Subject of Senior Citizens Learning Martial Arts to Defend Themselves Living in the San Francisco's Tenderloin, Continued:

What is Sifu,
WebPage: <http://en.wikipedia.org/wiki/Sifu>

Sifu Martial Arts in the Bay Area, WebPage: <http://www.shaolinsf.com>

William Chen, master martial arts teacher, WebPage: <http://www.michaelshaman.com/lm2-williamccchen.html>

Sifu Martial Arts School,
WebPage: <http://www.michaelshaman.com/lm2-williamccchen.html>

IVAN'S REMARK: I don't want to be misunderstood with consistent adamancy in finding and investigating the values of 'Senior Citizens Learning the Art of Self Defence, Living In San Francisco's Tenderloin'. All of us living in the Tenderloin have heard about the people who beat-up senior citizens in the Tenderloin, because they steal from senior citizens, or they are so crazy they enjoy beating up on senior citizens because they think are weaker then they are - I've even talked to senior citizens who have had these kind of experiences in San Francisco's Tenderloin Area. I've been advised that because I am a Buddhist, that I should use my charming smile to ward off such characters who would assault me on the streets for one reason or another, but as we all know, there are people on the streets who are so mentally dysfunctional a mediating means nothing to them, and they will hurt you in they're assault motivations directed to toward your

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person. Hostility for it's sake is not my, Ivan's, cup of tea; but defending my right to live in the neighborhood as a happy nurturing person contributing to my community is my right, and I feel I also have a right to defend myself against miscreant personalities who care little for humanitarian practices in they're community. I am also of the conviction that if you are trying to represent a social advocation for change in the community, that you should learn some ways and means of protecting yourself against miscreant personalities who may become obstacles against creating positive causes for an effect for your most immediate community in a nurturing manner beneficial for all members of the community.

Sciences Directly Appropriate for Environmental Studies/Social Advocation:

Yahoo Group: Buddha Virtue Within: Sustainable Ecology Exclamation And Forum,
WebPage: <http://groups.yahoo.com/group/buddhavirtuewithin/>
Nichiren Daishonin's Buddhism,
WebPage: NichirenDaishoninsBuddhism@yahoo.com

IVAN EDGAR PRATT, "XERISCAPE / BUDDHA, INC." IEP55@juno.com, Internet direct quote and paraphrase transcription "?" information, Sustainable Systems Environmental Ecology, WebPage: http://www.brookscole.com/cgi-brookscole/course_products_bc.pl?fid=M20b&product_isbn_issn=0534376975&discipline_number=22

Merritt College Ecology Department & Matriculations,
WebPage: <http://www.ecomeritt.org/>,
Social psychology, WebPage: http://en.wikipedia.org/wiki/Social_psychology
Sierra Club Membership, WebPage: <http://www.sierraclub.org>,
Geophysics, WebPage: <http://en.wikipedia.org/wiki/Geophysics> ,
Astrophysics, WebPage: <http://en.wikipedia.org/wiki/Astrophysics> ,
NAM MYOHO RENGE KYO, WebPage: <http://www.sgi-usa.org>

Reference Bibliography: Science Direct - Forest Ecology and Management, Volume 260, issue 3, Pages 239-428 (30 June 2010),
WebPage: <http://www.sciencedirect.com/science/journal/03781127>



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: File 110452: BOS 4:00 - Housing Element - please reverse the EIR certification

From: "howmiller" <howmiller@earthlink.net>
To: <Board.of.Supervisors@sfgov.org>
Date: 05/10/2011 01:31 PM
Subject: BOS 4:00 - Housing Element - please reverse the EIR certification

Supervisor,

Please reverse the EIR certification and to send it back to Planning. The EIR for the Housing Element did not adequately analyze the impacts and failed to consider a reasonable range of alternatives.

Thank you for your consideration.

Gregory P. Miller

San Francisco, CA 94122

19



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: File 110452: BOS 4:00 - Housing Element - please reverse the EIR certification

From: "Kathy Howard" <kathyhoward@earthlink.net>
To: <Board.of.Supervisors@sfgov.org>
Date: 05/10/2011 01:31 PM
Subject: BOS 4:00 - Housing Element - please reverse the EIR certification

Supervisor,

I urge you to reverse the EIR certification and to send it back to Planning. The EIR for the Housing Element inadequately analyzed impacts and failed to consider a reasonable range of alternatives.

Thank you for your consideration.

Katherine Howard

1243 42nd Avenue, San Francisco, CA 94122



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: File 110452: SFBOS May 10th - Housing Element (A.Goodman)

From: Aaron Goodman <amgodman@yahoo.com>
To: board.of.supervisors@sfgov.org
Date: 05/10/2011 09:24 AM
Subject: SFBOS May 10th - Housing Element (A.Goodman)

SF Board of Supervisors

It is again the issue of the LACK OF OPTIONS in relation to home-ownership vs. renting.

With numbers from Sean Elsbernd stated at the last WOTPCC meeting that we have had approx. 20 units built in the last 10 years in district 7 we need to ensure that there is viable affordable (1200-1500 range) rental housing for families that does not eat up over 50% of there salaries.

Without true and honest discussion on the options on housing.

The OPTION to rent vs. to purchase, being developed fairly and equitably within ALL neighborhoods of SF we have lost the true ability to discern affordable housing, from a pro-forma spread sheet on capital gains for developers and private interests vs the PUBLICs best interests.

I urge you to reverse the EIR certification on the proposed Housing Element and send it back to Planning. This document and many area plans and projects currently approved or in the pipeline for approval inadequately analyze impacts and failed to consider a reasonable range of alternatives INCLUSIVE of the

OPTION of renting vs. buying a home...This was submitted prior as an issue for the items edited in the SF General Plan that I sent in memo form prior on the EIR and Housing element changes....

By ignoring this simple issue you disenfranchise the entire city and low-mid income earners forcing them to leave the city, and gentrifying it to the high-end overpriced units both rental and for sale that the marl

Your decision as public policy makers should be simply to reject the current proposal.

Sincerely

Aaron Goodman



To: BOS Constituent Mail Distribution,
Cc:
Bcc:
Subject: File 110452 :Appeal Certificate FEIR Case#2007.1275E

From: bjfa4@aol.com
To: board.of.supervisors@sfgov.org
Date: 05/10/2011 12:21 PM
Subject: Re:Appeal Certificate FEIR Case#2007.1275E

Re: Appeal of the FEIR Case #2007.1275.E

For the Public Record

To: The Board of Supervisors

"Kathy Devincenzi, counsel of record for SFLN, submitted to you the administrative records which provide the specifics and citations as to the violations of state law."

- The City Planning Dept. is using a convoluted process of project approval. The City Attorneys Office has misadvised the Planning Commission on their violations of state law.
- The appeals filed on the HE in previous years caused a delay of 4-5 years due to the BOS rejecting the appeal and the previous version should not be certified due to clear violation of CEQA.
- The BOS is pushing projects such as the HE through even though the EIR is in clear violation of state law and the City assumes no lawsuit will come forth. However, if that is not to be believed, the recent Live Nations EIR and CU were found by the court to be in violation even though the BOS voted 10-1 to adopt.
- The City is not complying with state law in this last iteration of the 2009 Housing Element EIR.

Whether you have read the numerous documents or not it is apparent that just considering the above statements is enough to send this document back to Planning Department to comply with CEQA law.

Barbara Austin
Francisco Heights Neighborhood



To: Alisa Somera/BOS/SFGOV,
Cc:
Bcc:
Subject: File 110452: Freeway-oriented development being marketed as TOD in the Housing Element; Items 12, 13, 14, and 15

From: susan vaughan <susan_e_vaughan@yahoo.com>
To: david chiu <david.chiu@sfgov.org>
Cc: Angela Calvillo <board.of.supervisors@sfgov.org>, Eric Mar <Eric.L.Mar@sfgov.org>, mark farrell <mark.farrell@sfgov.org>, carmen chu <carmen.chu@sfgov.org>, ross mirkarimi <ross.mirkarimi@sfgov.org>, jane kim <jane.kim@sfgov.org>, sean elsbernd <sean.elsbernd@sfgov.org>, scott wiener <scott.wiener@sfgov.org>, david campos <david.campos@sfgov.org>, malia cohen <malia.cohen@sfgov.org>, john avalos <john.avalos@sfgov.org>, rebecca evans <rebecae@earthlink.net>
Date: 05/09/2011 10:53 PM
Subject: Freeway-oriented development being marketed as TOD in the Housing Element; Items 12, 13, 14, and 15

SF Group
San Francisco Bay Chapter
Sierra Club
May 9, 2011

Supervisor David Chiu
SF Board of Supervisors Land Use and Economic Development Committee
SF City Hall, 1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Supervisor Chiu:

The Sierra Club expresses its concern about Transit Oriented Development in the Housing Element where height bonuses near freeway ramps are approved without significant reductions in parking ratios. The Sierra Club notes that high-density, high rise developments have been approved by the Planning Commission in recent years that seem to contradict the intent of transit-oriented development – making it easier for, and more likely that, residents will commute to work at places outside of San Francisco such as the Silicon Valley using cars or company operated shuttles as opposed to mass transit. The SF Group of the SF Bay Chapter has significant concerns about ‘freeway-oriented development’ and encourages the Planning Commission to significantly reduce parking requirements when considering proposed developments near freeways.

Sincerely,
Sue Vaughan
Member, Conservation Committee of the SF Group of the SF Bay Chapter,
Sierra Club, Sent on behalf of the San Francisco Group

CC:
Angela Calvillo
Eric Mar
Mark Farrell
Carmen Chu
Ross Mirkarimi
Jane Kim
Sean Elsbernd
Scott Wiener
David Campos

Malia Cohen
John Avalos
Rebeca Evans, Sierra Club

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 MAY 10 PM 2:51
BY _____

I do not support the three candidates for the
local homeless coordinating board
the two reappointments and the new appointment

the balance between concerned citizens and
services providers is to extreme

the people making money from homelessness
or very close ties to this
are running most of the checks and balances
of the local homeless coordinating board
and the shelter monitoring committee

the attendance of several of it's members
is low enough to get them removed
the members in the running
said nothing of this

part of their job is to
Monitor the implementation of the Continuum of Care and
the Ten Year Plan to End Chronic Homelessness
they had separate meetings for this but now
the 10 year and the 5 year plan to end homelessness looks forgotten
they are more fixed on trying to get money
then how these systems flow or are quality

no one for the city of San Francisco
has shown up for several sunshine ordnance hearings
they have lost several hearings

ps

it's quite alarming their is only 1 black person
on the shelter monitoring committee when the population
of the shelter system is over 30% black
and again it's filled with people making money off homelessness

charles pitts

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO
GRAND JURY

Orig: Joy, BOS-11
c. COB, Leg Dep
GAO clerk
epage

OFFICE
400 MCALLISTER ST., ROOM 008
SAN FRANCISCO, CA 94102
TELEPHONE: (415) 551-3605

May 12, 2011

Supervisor David Chiu, President
San Francisco Board of Supervisors
#1 Dr. Carleton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 MAY 12 PM 2:59
BY MC

Dear Supervisor Chiu:

The 2010-2011 San Francisco Civil Grand Jury will release its report to the public entitled "The Parkmerced Vision: Government-By-Developer" on Tuesday, May 17, 2011. Enclosed is an advance copy of this report. Please note that by order of the Presiding Judge of the Superior Court, Katherine Feinstein, this report is to be kept confidential until the date of release.

California Penal Code section 933.05 requires the responding party or entity identified in the report to respond to the Presiding Judge of the Superior Court, within a specified number of days. You may find the specific day the response is due in the last paragraph of this letter.

For each Finding of the Civil Grand Jury, the response must either:

- (1) agree with the finding; or
- (2) disagree with it, wholly or partially, and explain why.

Further as to each recommendation made by the Civil Grand Jury, the responding party must report either:

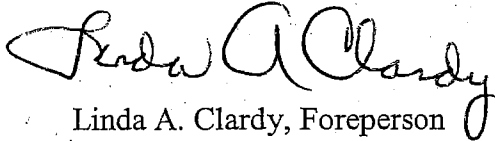
- (1) that the recommendation has been implemented, with a summary explanation of how it was implemented;
- (2) the recommendation has not been implemented, but will be implemented in the future, with a time frame for the implementation;
- (3) the recommendation requires further analysis, with an explanation of the scope of that analysis and a time frame for the officer or agency head to be prepared to discuss it (less than six months from the release of the report); or



- (4) that the recommendation will not be implemented because it is not warranted or reasonable, with an explanation of why that is. (California Penal Code sections 933, 933.05)

Please provide your responses to the Findings and Recommendations in this report to the Presiding Judge of the Superior Court, Hon. Katherine Feinstein, not later than Thursday, August 11, 2011, with an information copy sent to the Grand Jury Office at the above address.

Very truly yours,

A handwritten signature in cursive script, reading "Linda A. Clardy". The signature is written in black ink and is positioned above the printed name and title.

Linda A. Clardy, Foreperson
2010-2011 San Francisco County Civil Grand Jury

cc: Members of the Board of Supervisors
Angela Calvillo, Clerk of the Board

**THE PARKMERCED VISION:
GOVERNMENT-BY-DEVELOPER**



**CIVIL GRAND JURY
CITY AND COUNTY OF SAN FRANCISCO
2010-2011**

THE CIVIL GRAND JURY

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations resulting from its investigations.

Reports of the Civil Grand Jury do not identify individuals by name. Disclosure of Information about individuals interviewed by the jury is prohibited. California Penal Code, section 929

STATE LAW REQUIREMENT California Penal Code, section 933.05

Each published report includes a list of those public entities that are required to respond to the Presiding Judge of the Superior Court within 60 to 90 days as specified. A copy must be sent to the Board of Supervisors. All responses are made available to the public.

For each finding the response must:

- 1) agree with the finding, or
- 2) disagree with it, wholly or partially, and explain why.

As to each recommendation the responding party must report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set timeframe as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

THE PARKMERCED VISION: GOVERNMENT-BY-DEVELOPER

SUMMARY

Parkmerced is a privately-owned residential community located in southwest San Francisco at 3711 19th Avenue. Because it is the City's single largest rental complex, housing more than 9,000 tenants, the treatment of those tenants affects all renters throughout the city, as well as residential owners and business people who live and work here. Because Parkmerced is an integral part of the city, any abrogation of tenant rights would set a destructive precedent for the future of tenants throughout the city.

On February 10, 2011, the re-development of Parkmerced was sanctioned by the City's Planning Commission. Commissioners voted 4-3 to support a Development Agreement drafted by the Office of Economic and Workforce Development and the Planning Department for the City and County of San Francisco and the owner/developer of Parkmerced. The Agreement calls for the demolition of 1,583 rental units ¹ currently covered under San Francisco's Residential Rent Stabilization and Arbitration Ordinance ² (hereby known as the "rent stabilization ordinance") and relocation of the tenants to newly constructed replacement units.

While the Development Agreement makes extraordinary efforts to assure that Parkmerced's relocated tenants will have the same rent-control protections they currently have, the new units may not be protected by the rent stabilization ordinance, but only by the contractual agreement of the owner/developer.

Pivotal to the Development Agreement is a provision calling for the present or future owner/developer of Parkmerced to apply the City's rent stabilization ordinance to the newly built replacement units and forego its statutory rights to raise rental rates to market levels (Costa-Hawkins) or evict tenants (Ellis). In exchange, the City and County of San Francisco will rezone the property as a Special Use District to provide for increased density, relaxed height and bulk restrictions, elimination of discretionary reviews, and other incentives to make the project financially viable for the developer.

The Costa-Hawkins Act was passed by the California Legislature in part so no municipality could interfere (through strict ordinance) with an owner's right to raise rental rates to market level once a unit has been vacated. ³ The Ellis Act permits property owners to evict tenants if the property owner's intent is to 'go out of the rental business.'⁴ The Development Agreement

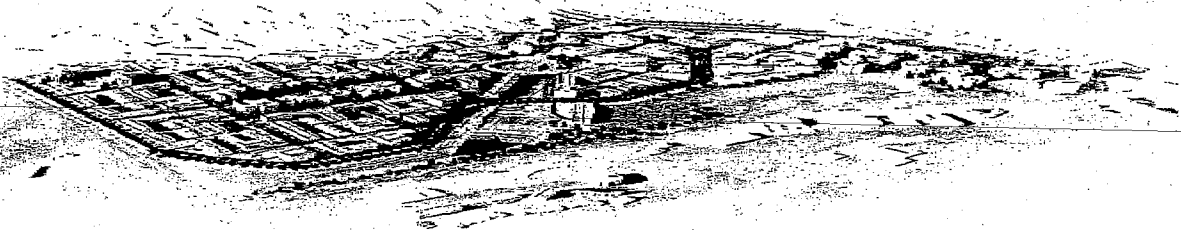
however, specifically requires the owner/developer to waive both of these statutory rights as a means to protect renters.

Based on California case law, certain owner rights are arguably inviolable. At least one appellate court has ruled that owners' rights cannot be given away, even voluntarily. ⁵ This would appear to make the terms of the Agreement unenforceable and could invalidate the Development Agreement. Should the present or future owner/developer of Parkmerced challenge the provisions of the Development Agreement, there would be no ironclad assurance Parkmerced tenants would have the legal protections they formerly enjoyed.

At the heart of the Development Agreement for the City is the potential to realize enormous tax revenues in the future from re-development of Parkmerced. However, this windfall, no matter how promising, should not come at the expense of citizens' legal rights.

The Development Agreement does take steps to assure continuity of protection for tenants in rent-controlled units, but it is aspirational and inconclusive; only a future court can provide the definitive conclusion.

Meanwhile tenants will live under a cloud of uncertainty, possibly for years.



Parkmerced Vision Plan
San Francisco Planning Department Website

PURPOSE

The purpose of this report is to recommend that the City and County of San Francisco take action to protect the rights and interests of tenants affected by the Project, and more generally citizen/taxpayers, prior to entering any Development Agreement for the property.

At hand is whether the proposed Development Agreement between the City and Parkmerced's developer/owners can keep rent-controlled units intact as promised in view of the Costa-Hawkins and Ellis Acts.

The Office of Economic and Workforce Development and the Planning Department, lead architects of the Agreement for the City, reported at a Planning Commission hearing that they believe the Agreement contains enough incentives and other concessions to meet the exemption clause in Costa-Hawkins and overcome the burden of proof required for invocation.

But any legal action by the owner of Parkmerced (present or future), or a court decision that views the incentives or concessions as not meeting the exemption, could render the Agreement useless for protecting rent-controlled units. And, the incentives and concessions themselves are not a certainty because they may 'run with the land' (are subject of the property itself, not its current owners) and could be challenged at any time as 'hostile and inimical' by an owner who claimed its rights were being forced away by the Agreement.

Any of these scenarios would ultimately cause tenants to lose their claim to rent control.

The Development Agreement, a work-in-progress at the time of this report, claims to make exceptional efforts to assure tenants in rent-controlled units have continuity of protection under San Francisco's rent stabilization ordinance. However, the Agreement is fundamentally unable to deliver such assurances because of overarching State laws that are changeable and subject to court interpretation.

Through its call for demolition of existing units, the Agreement eliminates existing statutory rights of tenants, replaces them with a contractual Agreement from the owner/developer, and bypasses due process in the face of eviction.



Wikipedia Photo

HISTORY

Parkmerced, with its 3,221 units, is San Francisco's largest single apartment complex. It is a privately owned neighborhood of apartment towers and garden apartments sited in the city's southwest corner. Parkmerced was built by Metropolitan Life Insurance Company between 1941 and 1951 to satisfy affordable housing demands. One of four privately owned large scale garden apartment complexes in the country, Parkmerced is noted for its generous open spaces and modern landscaping.

In the early 1970s Parkmerced was sold to the Helmsley Group of New York, who held the property until 1999. Since then, the property has had several owners and commercial acreage has been sold off. Today, only 116 of the original 192 acres are owned by the current owner, Parkmerced Investors LLC.

Now a half century old, Parkmerced shows expected wear. Nonetheless, it has been a treasured home for many. And though the plan by noted landscape architect Thomas Church is considered outdated by some, others note its historic use of space, light and air.

In 2008 Parkmerced Investors hired Skidmore Owings and Merrill to transform the property. The result was a design that sets out a 30 year vision for Parkmerced including density increases, light rail, sustainable land use, and an innovative watershed habitat. In a city looking for affordable housing, the Parkmerced vision promises 8,900 units.

Never before has a re-development project of this size and length been undertaken in San Francisco in an existing community where more than 9,000 people live.

THE DEVELOPMENT AGREEMENT

The Development Agreement between the City and Parkmerced Investors LLC is a comprehensive contract that frames approximately what will happen in the Parkmerced Mixed Use Development Program. It defines the obligations, concessions, incentives and performance thresholds that legally bind the City and the owner/developer for the 30-year duration of the project.

DEMOLITION OF RENT-CONTROLLED UNITS

As it pertains to demolition and replacement of rent-controlled units, and relocation of tenants, the Development Agreement requires the developer to maintain 3,221 rent-controlled units at all times (1683 existing and 1583 replacement units) throughout the life of the project.

“Of the existing 3,221 residential units on the Site, approximately 1,683 units located within the existing 11 towers would remain and approximately 1,583 existing apartments would be demolished and replaced in phases over the approximately 20 to 30 year development period. As provided in the proposed Development Agreement, all 1,538 new replacement units would be subject to the Rent Stabilization Ordinance and existing tenants in the to-be-replaced existing apartment units would have rights to relocate into new replacement units of equivalent size with the same number of bedrooms and bathrooms at their existing rents.”¹⁰

As it is stated, the Agreement claims it can cause newly constructed units to be protected under the same rent stabilization ordinance previously applied to the demolished dwellings. In reality, current laws appear to contravene this claim.

Counsel for the owner/developer submitted a letter to the City Attorney and the San Francisco Planning Director dated February 10, 2011, discussing some of the legal issues created by the proposed demolition and expansion of portions of Parkmerced.¹¹ The letter asserts that the developer’s proposed program is “legally defensible”¹² and cites numerous cases which appear to be off-point. The developer apparently takes the view that otherwise applicable rental unit development limitations would be inapplicable because the developer, acting for the City, would provide benefits to Parkmerced as a sort of surrogate for the City.

None of the cases cited by the owner/developer involve this 'developer-acting-as-government' concept, and the Civil Grand Jury has not found any in its own review.

Moreover, the owner/developer fails to discuss the potentially painful consequences to the Parkmerced tenants, local businesses and users of the 19th Avenue traffic corridor if the owner/developer, for whatever reason, simply elects to abandon re-development of Parkmerced and sell the property to another party. The Development Agreement and other documents contain no hint of any penalty to the developer if this should occur, and the Civil Grand Jury is unable to discern any concrete disincentives to the developer to refrain from doing so. Without such penalties or disincentives, the property could potentially be sold many times and have several owner/developers throughout the 30-year project. Each new owner/developer would have the opportunity to challenge the Agreement.

Finally, the Development Agreement presumes demolition is necessary, and presents no alternative, or combination of alternatives, that might satisfy the programmatic goals of re-development without the demolition of 1,583 occupied units.

The Civil Grand Jury believes the City should address these critical issues before any binding commitment to the owner/developer is made.

TRANSFER OF PROPERTY OWNERSHIP

Under "Transfer or Assignment; Release; Rights of Mortgagees; Constructive Note" there is a list of requirements demanded by the Developer:

"At any time, Developer shall have the right to transfer the entirety of its right, title, and interest in and to the Project Site together with all rights and obligations of this Agreement without the City's consent. Developer shall also have the right, at any time, without the City's consent, to sell developable lots or parcels within the Project Site for vertical development ... "

"The Parties acknowledge that the Project involves the demolition of dwelling units but that the Project replaces all demolished dwelling units with the Replacement Units and increases the City's overall supply of housing, including the supply of BMR [Below Market Rate] Units. By adopting this Agreement, the City acknowledges that it has thoroughly considered the Project's effects on housing supply and therefore, during the Term of this Agreement, shall not

require Developer to obtain conditional use authorization for the demolition of any dwelling units on the Project Site that may be required by Planning Code section 317 or subsequent amendment of the Planning Code, Administrative Code or any other City code or regulation.”¹⁴

Numerous cases in California and elsewhere recognize that development obligations and restrictions may “run with the land” and may not be waived by contract or by land transfer. See *Monterey/Santa Cruz County Building and Construction Trades Council v. Cypress Marina Heights LP*, 11 C.D.O.S. 1147 (January 24, 2011).¹⁵

The application of this established principle should be reviewed by City, and publicly addressed by the owner/developer before any binding commitment to the Development Agreement is made.

COSTA-HAWKINS ACT

The Development Agreement also addresses the Costa-Hawkins Act. (Civil Code § 1954.50 et seq.) Passed in 1995, the Costa-Hawkins Act “prohibit(s) ‘strict’ municipal rent control ordinances which do not allow landlords to raise rents to market level when tenants vacate a unit.”¹⁶

The law applies to units built after February 1, 1995, as long as the developer did not receive any financial or other form of assistance under the Density Bonus provision. It also establishes “vacancy decontrol,” permitting a landlord to reset rent levels when a tenant has voluntarily vacated, abandoned or been legally evicted.¹⁷

In the Parkmerced Development Agreement the developer clearly waives rights:

“These public benefits to be provided by Developer at its cost include, without limitation:

[A.2 The non-applicability of certain provisions of the Costa-Hawkins Rental Housing Act (California Civil Code sections 1954.50 et seq.; the “Costa-Hawkins Act”), and Developer’s waiver of any and all rights under the Costa-Hawkins Act and the Ellis Act (California Gov’t Code Section 7060 et seq.; the “Ellis Act”) and any other laws or regulations so that (i) each Replacement Unit will be subject to rent control and other

provisions and provisions protecting tenants under the San Francisco Rent Ordinance and (ii) each Inclusionary Unit will be subject to the City's Inclusionary Unit requirements as set forth in Planning Code section 415;]" 18

The Civil Grand Jury believes this waiver may be insufficient to protect the rights of Parkmerced residents.

THE ELLIS ACT

Passed in 1985, The Ellis Act (California Government Code section 7060 et seq.) is a statute that permits property owners to evict tenants if the property owner's intent is to 'go out of the rental business.' Landlords must evict all tenants in a given building or parcel of land. 19

The Act also contains provisions to prevent 'false' evictions. If, for example, a landlord begins renting a previously rent-controlled property again after evicting its tenants, local rent control measures would still apply to the unit. In addition, local governments under certain conditions may impose rent control on replacement units under the Ellis Act. 20

WAIVER OF RIGHTS

Can an owner/developer waive its rights? The answer is uncertain. The City's ability to prevent an owner/developer from invoking Costa-Hawkins or the Ellis Act at Parkmerced could be hampered by a 2009 court ruling, where the developer agreed to waive its rights under the Ellis Act. In *Embassy v. City of Santa Monica*, the Court held that a landlord's written waiver of the right to invoke the Ellis Act was invalid. 21, 22

If the Development Agreement were ever to be challenged in court, the voluntary waiver could become invalid. That would have a profound effect on San Francisco. Tenants' rights would immediately be questionable.

CONCLUSION

The Parkmerced Mixed Use Program Development Agreement, for all its complexity, fails to mitigate the most significant risk it creates: the direct loss of statutory rights by Parkmerced citizen tenants.

As it is written, the proposed Development Agreement does not give adequate rent control protection to the residents of the Parkmerced property. The owner/developer, present or future, has the opportunity to challenge the Agreement. By doing so, it will deflect a portion of its investment risk (rent control) onto tenants through no choice of their own.

So long as the opportunity exists for tenants to involuntarily bear the burden of lost rent control, the City must provide legal protection.

FINDINGS

1. By not explaining how it will override/resolve potentially conflicting provisions of state law, the Development Agreement does not protect tenants against rent increases as it claims.
2. Having no penalties or disincentives for the owner/developer in the Development Agreement should it choose to abandon the project before completion, encourages short term investment speculation over long term collaborative development with the City, and adds risk to the program.
3. The owner/developer fails to address the social and financial impact to the Parkmerced citizen/tenants, local businesses and citizen users of the 19th Avenue traffic corridor if it elects to abandon re-development of Parkmerced and sell the property to another party.
4. The Development Agreement presumes demolition is necessary, and presents no alternative, or combination of alternatives, that might satisfy the programmatic goals of re-development without the demolition of 1,583 occupied units.
5. The Development Agreement's claim that it provides rent control protection on newly constructed units under the City's rent stabilization ordinance is uncertain. It may not be enforceable.

RECOMMENDATION

In addition to addressing the findings of this report, the Civil Grand Jury recommends the City and County of San Francisco remove Section 2.2.2 (h) of the Development Agreement²³ and enact legislation prior to signing the Development Agreement that adequately assures the statutory rights of existing tenants to remain at Parkmerced and enjoy undisturbed continued tenancy.

A possible provision would include:

"If a landlord demolishes residential property currently protected under the City's Rent Stabilization and Arbitration Ordinance, and builds new residential rental units on the same property within five (5) years, the newly constructed units are subject to the San Francisco Rent Stabilization Ordinance. (See Los Angeles City Ordinance No. 178848, codified as Los Angeles Municipal Code section 151.28)²⁴

The new legislation should be applicable to all development, including Special Use Districts.

With such an ordinance, tenants and citizens of San Francisco can be reasonably assured that the City and County of San Francisco is making its best efforts to ensure rights are being upheld regardless of development arrangements in the future.

METHOD OF INVESTIGATION

Investigating the validity of the Development Agreement, the Civil Grand Jury:

- reviewed in detail four versions of the Development Agreement Draft between the City and Developer/Owner
- conducted ten face-to-face interviews for eighteen hours with officials in the following agencies:
 - Members of the San Francisco Board of Supervisors
 - Office of Economic and Workforce Development
 - San Francisco Planning Commission
 - San Francisco Planning Department
- conducted several face-to-face interviews with Parkmerced tenants
- attended several public meetings and hearings
- exchanged correspondence with City staff
- conducted background research in case law, documents, and videos found in libraries and on the internet

ENDNOTES

1. "Development Agreement By and Between the City and County of San Francisco And Parkmerced Investors LLC Relative To The Development Known As The Parkmerced Development Project" (The Development Agreement) PUBLIC DRAFT 4; January 20, 2011; p. 1
2. CITY AND COUNTY OF SAN FRANCISCO MUNICIPAL CODE; ADMINISTRATIVE CODE, File No. 101445, (CHAP 37 et seq.) <http://search.municode.com/html/14131/level1/CH37RERESTAROR.html>
3. Costa-Hawkins Rental Housing Act (Civ. Code, § 1954.50 et seq.)
4. Ellis Act; (California Government Code 7060 et seq.)
5. *Embassy LLC v. City of Santa Monica*, 185 Cal. App. 4th 771, 777 (2010).
6. "Parkmerced"; http://en.wikipedia.org/wiki/Parkmerced,_San_Francisco
7. Ibid
8. "Garden and Landscape Guide"; Biography of Thomas Church (1902 – 1978); *"American landscape architect and garden designer, author and pioneer of the 'California Style', using asymmetrical plans, raised planting beds, sitting walls and timber decks."*; http://www.gardenvisit.com/biography/thomas_church
9. SF Planning Department Memo "Parkmerced Mixed-Use Development Program Development Agreement" to SF Planning Commission; Executive Summary; January 27, 2011, p. 2; "February 10, 2011: Planning Commission Packet" (http://www.sf-planning.org/ftp/files/publications_reports/parkmerced/PC_Packet_012711.pdf)
10. Ibid
11. Gibson-Dunn Letter to SF City Attorney and SF Planning Director; SF Planning Department Memo "Memo To The Planning Commission" to SF Planning Commission, February 10, 2011, pp. 3-8; "February 10, 2011: Addendum To Planning Commission Packet" (http://www.sf-planning.org/ftp/files/publications_reports/parkmerced/PC_Packet_021010.pdf)
12. Gibson-Dunn Letter to SF City Attorney and SF Planning Director; SF Planning Department Memo "Memo To The Planning Commission" to SF Planning Commission, February 10, 2011, p.3; "February 10, 2011: Addendum To Planning Commission Packet" (http://www.sf-planning.org/ftp/files/publications_reports/parkmerced/PC_Packet_021010.pdf)

13. "Development Agreement By and Between the City and County of San Francisco And Parkmerced Investors LLC Relative To The Development Known As The Parkmerced Development Project" (The Development Agreement) PUBLIC DRAFT 4; January 20, 2011; p.73

14. "Development Agreement By and Between the City and County of San Francisco And Parkmerced Investors LLC Relative To The Development Known As The Parkmerced Development Project" (The Development Agreement) PUBLIC DRAFT 4; January 20, 2011; p.74

15. *Monterey/Santa Cruz County Building and Construction Trades Council v. Cypress Marina Heights LP*, 11 C.D.O.S. 1147 (January 24, 2011)

16. Costa-Hawkins Rental Housing Act (Civ. Code, § 1954.50 et seq.)

17. Ibid

18. "Development Agreement By and Between the City and County of San Francisco And Parkmerced Investors LLC Relative To The Development Known As The Parkmerced Development Project" (The Development Agreement) PUBLIC DRAFT 4; January 20, 2011; p. 1

19. Ellis Act; (California Government Code 7060 et seq.)

20. Ibid

21. San Francisco Real Estate Brain; "Ellis Act".
<http://www.sanfranciscorealestatebrain.com/EllisAct>

22. *Embassy LLC v. City of Santa Monica*, 185 Cal. App. 4th 771, 777 (2010).

23. "Development Agreement By and Between the City and County of San Francisco And Parkmerced Investors LLC Relative To The Development Known As The Parkmerced Development Project" (The Development Agreement) PUBLIC DRAFT 4; January 20, 2011; p.18

24. Los Angeles City Ordinance No. 178848 (Los Angeles Municipal Code SEC. 151 et seq.)

FINDINGS	RECOMMENDATIONS	RESPONSES REQUIRED
<p>1. By not explaining how it will override/resolve potentially conflicting provisions of state law, the Development Agreement does not protect tenants against rent increases as it claims.</p> <p>2. Having no penalties or disincentives for the owner/developer in the Development Agreement should it choose to abandon the project before completion, encourages short term investment speculation over long term collaborative development with the City, and adds risk to the program.</p> <p>3. The owner/developer fails to address the social and financial impact to the Parkmerced citizen/tenants, local businesses and citizen users of the 19th Avenue traffic corridor if it elects to abandon re-development of Parkmerced and sell the property to another party.</p> <p>4. The Development Agreement presumes demolition is necessary, and presents no alternative, or combination of alternatives, that might satisfy the programmatic goals of re-development without the demolition of 1,583 occupied units.</p> <p>5. The Development Agreement's claim that it provides rent control protection on newly constructed units under the City's rent stabilization ordinance is uncertain. It may not be enforceable.</p>	<p>In addition to addressing the findings of this report, the Civil Grand Jury recommends the City and County of San Francisco remove Section 2.2.2 (h) of the Development Agreement and enact legislation prior to signing the Development Agreement that adequately assures the statutory rights of existing tenants to remain at Parkmerced and enjoy undisturbed continued tenancy.</p> <p>A possible provision would include:</p> <p>"If a landlord demolishes residential property currently protected under the City's Rent Stabilization and Arbitration Ordinance, and builds new residential rental units on the same property within five (5) years, the newly constructed units are subject to the San Francisco Rent Stabilization Ordinance." (See Los Angeles City Ordinance No. 178848, codified as Los Angeles Municipal Code section 151.28)</p> <p>The new legislation should be applicable to all development, including Special Use Districts.</p> <p>With such an ordinance, tenants and citizens of San Francisco can be reasonably assured that the City and County of San Francisco is making its best efforts to ensure rights are being upheld regardless of development arrangements in the future.</p>	<ul style="list-style-type: none"> ▪ Board of Supervisors ▪ Office of Economic and Workforce Development ▪ SF Planning Commission ▪ SF Planning Department



To:
Cc:
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From: Controller Reports/CON/SFGOV
To: BOS-Supervisors/BOS/SFGOV, BOS-Legislative Aides/BOS/SFGOV, Steve Kawa/MAYOR/SFGOV@SFGOV, Greg Wagner/MAYOR/SFGOV@SFGOV, Debra Newman/BudgetAnalyst/SFGOV@SFGOV, Severin Campbell/BudgetAnalyst/SFGOV@SFGOV, Ben Rosenfield/CON/SFGOV@SFGOV
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Date: 05/12/2011 02:40 PM
Subject:
Sent by: Maura Lane

Please find the February 2011 release of the Controller's Economic Barometer at the link below:

<http://co.sfgov.org/webreports/details.aspx?id=1276>

This advance release is being sent only to City employees who have requested it, and a few people in the economic development community who may be asked for comment. It will be released to the media on Friday, 5/13/2011.

Please contact Ted Egan at 554-5268 if you have any questions.

Discussion

The February unemployment rate in San Francisco was 9.1%, unchanged on a seasonally adjusted basis from the prior month, and down from 9.8% in February 2010. While the number of unemployed in San Francisco decreased by 3,700 since last February, this figure has remained above 40,000 since mid-2009, nearly twice the number of unemployed workers San Francisco had in mid-2007.

Total employment in the 3-County Metro Division remains weak, increasing just 0.8% in the last year, yet still a 3.3% decline from two years ago.

Housing prices in San Francisco continue to fluctuate month-to-month depending on the number and type of transactions, with February's average price marking a slight decline from the prior month to about \$590,000.

Demand for rental housing remains strong, with asking 1 bedroom rental rates increasing nearly 17% in the last year. Average asking rents in February 2011 were \$2,130/month, approaching the last peak of \$2,280/month in September, 2008.

Domestic and international airport traffic at SFO remains steady with both indicators showing healthy annual increases of nearly 4% since February 2010, while domestic traffic declined slightly from the prior month, on a seasonally adjusted basis.

San Francisco's office market continues to show signs of recovery nearly three years after the

23

market last peaked at the start of 2008. Increased tenant demand is evidenced by three quarters of positive net absorption, resulting in a nearly 1% decline in vacancy rates and a 13% increase in asking Class A lease rates compared to 1st Q 2010.

The hotel sector continued to show signs of improvement through February, with both the average daily room and occupancy rates increasing from the prior year. Revenue per available room night showed consistent annual growth for most of the past year, with February's RevPAR 31% higher than it was a year ago.

City and County of San Francisco

Office of the Controller – Office of Economic Analysis

ECONOMIC BAROMETER

February 2011



May 12, 2011

CONTROLLER'S OFFICE
Office of Economic Analysis (OEA)

The Office of Economic Analysis identifies and reports on all legislation introduced at the Board of Supervisors that might have a material economic impact on the City. It analyzes the likely impacts of legislation on business attraction and retention, job creation, tax and fee revenues to the City, and other matters relating to the overall economic health of the City and reports its findings to the Board of Supervisors.

About the Economic Barometer:

The purpose of the Economic Barometer is to provide the public, elected officials, and City staff with a current snapshot of San Francisco economic indicators. The Economic Barometer reviews major sectors of the City's economy, including tourism, real estate, retail sales, as well general economy-wide employment indicators.

This is a recurring bi-monthly report. The April 2011 report is scheduled to be issued in June 2011.

Program Team:

For more information, contact the Office of the Controller, Office of Economic Analysis:
Ted Egan, Chief Economist, (415) 554-5268
Kurt Fuchs, Senior Economist, (415)554-5369

Prior editions can be downloaded from the OEA's website: www.sfgov.org/controller/oea

If you would like to receive this report every month, please e-mail your request to Debbie Toy in the Controller's Office: debbie.toy@sfgov.org

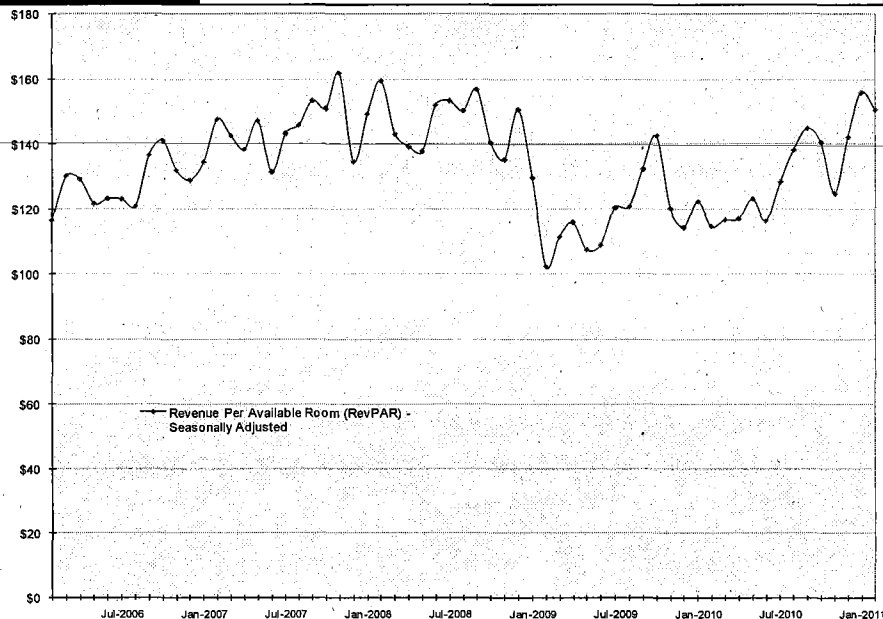
Economic Barometer – February 2011

- The February unemployment rate in San Francisco was 9.1%, unchanged on a seasonally adjusted basis from the prior month, and down from 9.8% in February 2010. While the number of unemployed in San Francisco decreased by 3,700 since last February, this figure has remained above 40,000 since mid-2009, nearly twice the number of unemployed workers San Francisco had in mid-2007.
- Total employment in the 3-County Metro Division remains weak, increasing just 0.8% in the last year, yet still a 3.3% decline from two years ago.
- Housing prices in San Francisco continue to fluctuate month-to-month depending on the number and type of transactions, with February's average price marking a slight decline from the prior month to about \$590,000.
- Demand for rental housing remains strong, with asking 1 bedroom rental rates increasing nearly 17% in the last year. Average asking rents in February 2011 were \$2,130/month, approaching the last peak of \$2,280/month in September, 2008.
- Domestic and international airport traffic at SFO remains steady with both indicators showing healthy annual increases of nearly 4% since February 2010, while domestic traffic declined slightly from the prior month, on a seasonally adjusted basis.
- San Francisco's office market continues to show signs of recovery nearly three years after the market last peaked at the start of 2008. Increased tenant demand is evidenced by three quarters of positive net absorption, resulting in a nearly 1% decline in vacancy rates and a 13% increase in asking Class A lease rates compared to 1st Q 2010.
- The hotel sector continued to show signs of improvement through February, with both the average daily room and occupancy rates increasing from the prior year. Revenue per available room night showed consistent annual growth for most of the past year, with February's RevPAR 31% higher than it was a year ago.

Exhibit 1 illustrates historic hotel performance based on the seasonally-adjusted RevPAR, a metric which combines average occupancy and daily room rates. After declining in mid-2008, RevPAR has been steadily increasing, and is approaching the previous peak experienced at the end of 2007.

Exhibit 1

San Francisco Hotel Revenue Per Available Room (RevPAR): 2006 to 2011



Source: Colliers PKF Consulting.

City and County of San Francisco
Office of the Controller
Economic Barometer - February 2011



Economic Sector/ Indicator	Most Recent Month/ Quarter	Value	Adjusted Recent Change ^a	Year-to-Year Change ^b	Five-Year Position ^c	Trend ^d
Economy-Wide						
San Francisco Unemployment Rate ^{1,e}	Feb-11	9.1%	0.0%	-0.7%	Weak	Positive
Number of Unemployed in San Francisco ¹	Feb-11	41,300	-360	-3,500	Weak	Positive
Consumer Price Index, San Francisco MSA ²	Feb-11	230.0	0.1%	1.7%	Strong	Positive
County Adult Assistance Program Caseload ³	Feb-11	7,436	-0.7%	3.3%	Weak	Positive
Total Employment, San Francisco MD ¹	Feb-11	929,900	0.2%	0.8%	Weak	Positive
Temporary Employment, San Francisco MD ^{1,f}	Feb-11	17,300	2.6%	16.9%	Strong	Positive
Real Estate						
Median Home Sales Price ⁴	Feb-11	\$589,000	-2.0%	-6.1%	Weak	Negative
Average 1BR Asking Rent ⁵	Feb-11	\$2,129	3.1%	16.8%	Strong	Positive
Office Vacancy Rate ^{6,e}	1Q 2011	16.8%	-0.3%	-0.9%	Weak	Positive
Office Average Class A Asking Lease Rate ⁶	1Q 2011	\$41.71	5.3%	12.7%	Neutral	Positive
Tourism						
Domestic Air Passengers ⁷	Feb-11	2,022,187	-1.5%	3.9%	Strong	Neutral
International Air Passengers ⁷	Feb-11	579,954	0.2%	3.7%	Neutral	Positive
Hotel Average Daily Rate ⁸	Feb-11	\$176.42	-0.3%	20.0%	Neutral	Positive
Hotel Occupancy Rate ⁸	Feb-11	76.1%	-3.2%	9.5%	Strong	Positive
Retail						
Average Daily Parking Garage Customers ⁹	Feb-11	9,935	1.9%	-4.8%	Weak	Negative
Powell St. BART Average Saturday Exits ¹⁰	Feb-11	22,656	-7.7%	-6.7%	Weak	Negative

Notes:

- [a] - Adjusted recent change is a seasonally-adjusted percentage change to the most recent month or quarter from the prior one.
- [b] - Year-to-Year change is the percentage change from a given month or quarter to the same one last year.
- [c] - Five-year position is a relative measure of how strong or weak the indicator is compared to the average over the last five years.
- [d] - Trend is a relative measure of the indicator's recent performance.
- [e] - Rate change is shown as a percentage point difference, not a percentage change.
- [f] - Temporary employment refers to employment in the "Employment Services" industry.

Sources:

- [1] - California Employment Development Department, March 2010 Benchmark. MD refers to the San Francisco Metropolitan Division: San Francisco, Marin, & San Mateo counties.
- [2] - US Department of Labor, Bureau of Labor Statistics. CPI-U (all urban consumers) is reported for the San Francisco-Oakland-San Jose MSA.
- [3] - San Francisco Human Services Agency (HSA)
- [4] - MDA DataQuick Information Systems
- [5] - Craigslist
- [6] - Jones Lang LaSalle
- [7] - San Francisco International Airport
- [8] - Colliers PKF Consulting
- [9] - San Francisco Municipal Transportation Agency (MTA). Parking garages include Union Square, Fifth-Mission, Sutter-Stockton, and Ellis-O'Farrell.
- [10] - Bay Area Rapid Transit (BART)