

From: [aj](#)
To: [Major, Erica \(BOS\)](#); [Board of Supervisors, \(BOS\)](#); [Yee, Norman \(BOS\)](#)
Cc: [BRCAC \(ECN\)](#); [SNA BRC](#); [Public Lands for Public Good](#); [CCSF Collective](#); [ccsfheat@gmail.com](#); [Safai, Ahsha \(BOS\)](#); [MandelmanStaff, \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [Stefani, Catherine \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Mar. Gordon \(BOS\)](#); [RonenStaff \(BOS\)](#); [Haney, Matt \(BOS\)](#); [Fewer, Sandra \(BOS\)](#); [Walton, Shamann \(BOS\)](#)
Subject: Looking 57 years forward when affordability ends
Date: Saturday, June 27, 2020 7:35:23 PM

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Land & Transportation Committee, BOS, BRCAC, D7 Supervisor Yee:

The Balboa Reservoir Development Agreement's affordability restriction expires after 57 years. 57 years is not "in perpetuity" as it had been deceptively marketed by OEWD, Planning Dept, and Avalon-Bridge.

The situation described in the San Mateo Daily Journal article below should serve as a warning of what lies ahead.

Foster City residents living in affordable units are encountering a crisis because of expiration of affordability restrictions. The same will happen at the Balboa Project.

After 57 years, the patient Reservoir developers will have hit the jackpot when they own everything without restrictions that they bought at a giveaway price.

Don't be party to this Privatization Scam!

Here's the Foster City story:

Affordable rents to expire at Foster City apartment building

More than 70 facing massive rent increases they say they can't afford

By Zachary Clark Daily Journal staff Mar 7, 2020

A Foster City apartment building's below-market rate program will soon expire, causing 74 renters, including seniors with disabilities and families, to face rent increases

with some more than six times what they currently pay.

Located at 700 Bounty Drive and owned by Essex Property Trust, the 490-unit Foster's Landing Apartments entered into an agreement with the city in 1986 to keep 15% of units affordable for more than three decades. That agreement will soon sunset.

On Dec. 31, 40 of the building's below-market rate units will become market-rate ones, while rents for the other 24 affordable units will become market rate over the next two years.

While the residents aren't being evicted from their apartments, the enormous rent increases will mean many if not all of them will have to relocate. They're fearful they'll be forced to leave an area that has been their home for decades and some are worried they'll soon be homeless.

"This leaves a lot of families in a very vulnerable place," said Corrine Warren, whose mother has been a resident at Foster's Landing for 33 years. "This has caused my mom a lot of stress. We're not sure what to do. We don't know what's going to happen."

Residents of the below-market rate units at Foster's Landing currently pay in rent 30% of their monthly income. For Warren's mother, that comes out to \$800 per month for a two-bedroom apartment. Starting Jan. 1, she'll have to pay around \$4,200 per month for it.

Barbara Grossetti, also a Foster's Landing resident, currently pays \$500 a month for an apartment that by the same time will likely cost about \$3,200 per month.

“We have disabled people, people in their 90s here, families, single parents and seniors like me living on Social Security,” she said. “They have nowhere to go. They’ll be homeless.

“Legally [Essex] has the right to do this, but morally they don’t,” she added. “It’s all about greed, that’s what it comes down to. They’ll get so much money for these apartments.”

Grossetti moved into Foster’s Landing three years ago after being on an affordable housing wait list for six years. She said at the time she wasn’t told her below-market rate rents will soon expire.

The tenants acknowledge Essex’s legal right to charge market rate rents, but feel they should at least be granted more time to find a new home.

“Since my mother has been there 33 years I think it’s fair to give her one to three years time before the new rates begin,” Warren said. “But even then it’d be really difficult to find anything. I’ve called a few places and the wait list is between five and 10 years.”

Essex only wanted to comment on the situation in a statement. In it, Barb Pak, a senior vice president for the company, said notifications were sent to residents over a year ago “to provide ample time to prepare for the transition” with follow-up notifications delivered recently.

“The city is aware of all tenants who have expiring leases and we hope the city will help provide alternatives,” the statement adds. Essex purchased the building and assumed the affordable housing agreement with the city in 2014.

At a meeting Monday, Charlie Bronitsky, a former Foster

City mayor and land use lawyer, asked the current council to discuss the situation at its next meeting and form a committee to explore potential solutions for the tenants. The council appeared amenable to his proposal.

Councilman Sam Hindi has already began working with the tenants as well as the office of U.S. Rep. Jackie Speier, D-San Mateo, to see what can be done to support the tenants.

“It’s a tragedy,” he said of the tenants’ uncertain future. “The city wants to preserve all these below-market rate units no question about it. We need all hands on deck and I will not leave any stone unturned to try to get safety and a roof over the heads of our residents.”

Bronitsky said he’s only in the beginning stages of researching what can be done to assist, but has already concluded recently-passed state laws, including Assembly Bill 1482, do not apply in this case. Assembly Bill 1482 created rent caps in California and went into effect in January.

He said some are asking charitable organizations to help with the tenants’ rent. Councilmembers are also exploring the feasibility of placing the tenants at the top of affordable housing lists elsewhere.

Other potential actions include the adoption of an urgency rent control ordinance or the council could choose to subsidize the tenant’s rents or provide relocation assistance, among other actions. Officials are also engaging the nonprofit community to see what can be done.

Bronitsky hopes a solution can be arrived at voluntarily and said he’s trying to arrange meetings with Essex to do so.

Assistant City Manager Dante Hall said the city has met with Essex representatives on multiple occasions and is still working with them on potential solutions.

“We don’t want to say they’re not being cooperative,” he said. “Essex is still thinking about it and we’re trying to find out if we can bring in some partners or if we can find some other ways to take care of families. Hopefully we find a resolution.”

On the bright side, Hindi said no other affordable apartment complex in the city will expire until 2050.

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Cc: [Peskin, Aaron \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Stefani, Catherine \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Mar, Gordon \(BOS\)](#); [RonenStaff \(BOS\)](#); [Haney, Matt \(BOS\)](#); [Yee, Norman \(BOS\)](#); [MandelmanStaff, \[BOS\]](#); [Fewer, Sandra \(BOS\)](#); [Walton, Shamann \(BOS\)](#); [SNA BRC](#); [Public Lands for Public Good](#); [Defend City College Alliance](#); [CCSF Collective](#); ccsfheat@gmail.com
Subject: BOS Budget & Legislative Analyst Report vs. Reservoir Development Agreement
Date: Sunday, June 28, 2020 7:52:15 PM

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Land Use and Transportation Committee, Budget & Finance Committee, BOS:

The enacting Ordinance for the Development Agreement states:

The Board of Supervisors finds that due to current exigencies, the number of analyses of the Project that have been conducted, and the depth of analysis and sophistication required to appraise the Project Site, an Appraisal Review of the Project Site is not necessary and waives the Administrative Code Section 23.3 requirement of an Appraisal Review as it relates to the Project Site.

Schedule 2-2 of the Development Agreement states:

In recognition of the Fiscal Feasibility Report adopted by the Board of Supervisor as Resolution 85-18 and the depth of analysis and sophistication required to appraise the Project Site in connection with the sale of the Project Site, the Appraisal Review required by Section 23.3 is waived.

Resolution 85-18's Budget & Legislative Analyst's Fiscal Feasibility Report is cited to support bypassing Appraisal Review. However, the Budget & Legislative Analyst Report says the exact opposite. This is what the 3/9/2018 Report **really** says:

*The price that Reservoir Community Partners will pay SFPUC to acquire the site will be informed by a cash flow analysis that takes into account the development's 33 percent affordability requirement, and by **an independent appraisal and appraisal review conducted in accordance with the requirements set out in Administrative Code Chapter 23.***

RECOMMENDATION: Preparation of a rigorous, independent cash flow analysis...to ensure that land price paid to SFPUC ...are maximized.

The Budget & Legislative Analyst Report affirmatively calls for compliance with the requirements of Administrative Code 23.3 to protect the public interest. Instead, the Enacting Ordinance and the Development surrenders the public interest to by gifting public land to a private developer joint venture for dirt cheap.

Do not approve the enacting Ordinance for the Development Agreement. Do not waive the requirement of Administrative Code 23.3 for independent, objective Appraisal Review.

Protect the public interest. Do not be a party to a corrupt permanent giveaway of public land at \$15.95 per square feet.

Alvin Ja, D7

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To: [Major, Erica \(BOS\)](#); [Wong, Linda \(BOS\)](#); [Board of Supervisors. \(BOS\)](#); [Yee, Norman \(BOS\)](#); [Low, Jen \(BOS\)](#)
Cc: [Phil Matier](#); [JK Dineen](#); [Roland Li](#); [Laura Waxmann](#); [Ida Mojadad](#); [Joshua Sabatini](#); [Joe Fitzgerald Rodriguez](#); [Tim Redmonds](#)
Subject: No to a culture of corruption
Date: Monday, June 29, 2020 11:35:29 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Land Use & Transportation Committee, Budget & Finance Committee, BOS:

As you should know by now, Planning Commission, SFMTA, and PUC have all approved the necessary elements to facilitate the final approvals of the Balboa Reservoir Project.

You should also know by now that the Reservoir Project's Purchase & Sales Agreement (PSA) gives away 16.4 acres for a pittance, in the dirt-cheap amount of \$11.4 Million.

You should furthermore know that the Enacting Ordinance for the Development Agreement, as well as Schedule 2-2 of the Development Agreement itself, forego Administrative Code 23.3's appraisal requirements, which is in direct contradiction to your 2018 Budget & Legislative Analyst Report's recommendation.

The US Attorney and FBI Press Release of 6/24/2020 (incidentally, one day following PUC's approval of the \$11.4M sale) regarding corruption in SF City government stated:

He [US Attorney David Anderson] added, "As this investigation continues, the breadth and depth of the identified misconduct is widening. To everyone with a piece of public corruption in San Francisco, please understand that here in federal court we will distinguish sharply between those who cooperate and those who do not. If you love San Francisco, and regret your misconduct, you still have an opportunity to do the right thing. Run, don't walk, to the FBI, before it is too late for you to cooperate."

"Today's announcement is part of a complex, ongoing FBI investigation into public corruption in San Francisco city government," said FBI's Special Agent in Charge John F. Bennett. "This type of unscrupulous behavior erodes trust in our municipal departments and will not be tolerated. The FBI is committed to investigating any individual or company involved and hold them accountable."

Please, don't be foolish enough to be part of giving away public property for cheap in what amounts to be a Privatization Scam.

And please, even if you have no direct involvement, take up the advice of US Attorney Anderson to report what you know about the suspiciously low Reservoir valuation, and the 'who, how, why' of the waiver of Administrative Code 23.3:

".....we will distinguish sharply between those who cooperate and those who do not. If you love San Francisco, and regret your misconduct, you still have an opportunity to do the right thing. Run, don't walk, to the FBI, before it is too late for you to cooperate."

Please don't be a part of a culture of corruption.

Sincerely,

Alvin Ja, D7