

FILE NO. 161274

Petitions and Communications received from November 7, 2016, through November 21, 2016, for reference by the President to Committee considering related matters, or to be ordered filed by the Clerk on November 29, 2016.

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 will not be redacted.

From concerned citizens, regarding Rincon Hill construction. 4 letters. Copy: Each Supervisor. (1)

From concerned citizens, regarding proposed project at 1515 South Van Ness Avenue. File No. 161001. 4 letters. Copy: Each Supervisor. (2)

From concerned citizens, regarding petition for a permanent Alex Nieto memorial. Copy: Each Supervisor. (3)

From concerned citizen, regarding removal of 19 Polk bus line stops in proximity to the Main Library. 2 letters. Copy: Each Supervisor. (4)

From Sidney M. Russell, regarding quality of life issues. Copy: Each Supervisor. (5)

From Joseph Szot, regarding election costs. Copy: Each Supervisor. (6)

From concerned citizens, regarding proposed ordinance to limit short-term rental of a residential unit to no more than 60 days per calendar year. File No. 161093. 2 letters. Copy: Each Supervisor. (7)

From Alvin Ja, regarding proposed Balboa Reservoir project. Copy: Each Supervisor. (8)

From Clerk of the Board, reporting that the following individual has submitted a Form 700 Statement: (9)

Dyan Ruiz - Legislative Aide - Assuming Office

From Planning Department, regarding notice of hearing and notice of availability of a draft Environmental Impact Report for the 1500 Mission Street project. Copy: Each Supervisor. (10)

From Sierra Club, submitting a resolution regarding proposed development at San Francisco Pier 29. Copy: Each Supervisor. (11)

From Kristin Tieche, regarding proposed resolution on the election of President-Elect Donald Trump. File No. 161235. Copy: Each Supervisor. (12)

From West Area California Public Utilities Commission, submitting CPUC Notification regarding Verizon Wireless. Copy: Each Supervisor. (13)

From Mayor Lee, designating Supervisor Mark Farrell as Acting-Mayor from November 17, 2016, to November 18, 2016. Copy: Each Supervisor. (14)

From Clerk of the Board, submitting response to Civil Grand Jury Report, Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings. File No. 160615. Copy: Each Supervisor. (15)

From Office of the Controller's City Performance unit, submitting San Francisco Public Library Public Services Division Staffing Analysis. Copy: Each Supervisor. (16)

From Office of the Controller's City Services Auditor Division, submitting Citywide Nonprofit Monitoring and Capacity Building Program: FY 2015-2016 Annual Report. Copy: Each Supervisor. (17)

From Office of the Treasurer and Tax Collector, submitting City and County of San Francisco Monthly Pooled Investment Report for October 2016. Copy: Each Supervisor. (18)

From Elections Commission, pursuant to Charter, Section 4.103 and Administrative Code, Sections 1.56 and 8.16, submitting CY 2015 Annual Report. Copy: Each Supervisor. (19)

From Office of the Controller's Office of Public Finance, regarding Treasure Island/Yerba Buena Island Affordable Housing Funding Plan. Copy: Each Supervisor. (20)

From Mayor Lee, regarding Charter, Section 3.100 (18), appointment to the Arts Commission. (21).

Barbara Sklar - term ending July 1, 2019

From State Fish and Game Commission, submitting Notice of Findings regarding Livermore tarplant. Copy: Each Supervisor. (22)

From State Fish and Game Commission, submitting Notice of Findings regarding the Townsend's big-eared bat. Copy: Each Supervisor. (23)

From State Fish and Game Commission, submitting proposed regulatory action regarding Falconry regulations. Copy: Each Supervisor. (24)

From Christian Gainsley, regarding Type 40 on-sale beer license application for 1000 Cortland Avenue. File No. 161234. (25)

From San Francisco Chamber of Commerce, regarding proposed Fiscal Feasibility Determination for Major Events. File No. 160384. Copy: Each Supervisor. (26)

From Rethinking Access to Marijuana, regarding marijuana policy. Copy: Each Supervisor. (27)

From concerned citizen, regarding Infant and Toddlers Day Care Fund. Copy: Each Supervisor. (28)

From L. Julius M. Turman, regarding November 15, 2016 Joint Meeting of the San Francisco Board of Supervisors and the San Francisco Police Commission. Copy: Each Supervisor. (29)

From Aaron Goodman, regarding Municipal Transportation Agency Commuter Shuttle Mid-Year Status Report and Hub Study. Copy: Each Supervisor. (30)

From Office of the Controller's City Services Auditor Division, submitting audit report titled "Pacific Gas and Electric Company Properly Paid Its Franchise Fees and Surcharges for 2013 and 2014." Copy: Each Supervisor. (31)

From Diana Scott, regarding guidance for the Municipal Transit Agency. Copy: Each Supervisor. (32)

From Planning Department, regarding notice of hearing and notice of availability of a draft Environmental Impact Report for the One Oak Street project. Copy: Each Supervisor. (33)

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Rincon Hill construction

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

From: Ralph Harms [mailto:ralphharms@yahoo.com]
Sent: Thursday, November 10, 2016 8:54 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>
Subject: Rincon Hill construction

I am writing to request relief from the severe impacts of round-the-clock construction in the Rincon Hill neighborhood.

For several years now, residents of Rincon Hill have suffered from lack of sleep as a result of endless night construction. The City has been issuing night permits to construction projects as a matter of routine, without any regard for the thousands of residents in the area. In the past, the City acted responsibly, strictly limiting night construction permits; but that neighborhood protection policy has been abandoned, and now there is continuous noise all night long. It is time for the City and developers to act responsibly again and halt all night permits except those strictly required for special circumstances.

Additionally, there are heightened health risks from inconsistent enforcement of mitigation measures against dirt and dust.

Finally, construction sites require proper traffic control--something that has been sorely lacking around Rincon Hill.

/Ralph

Ralph Harms
338 Spear Street, Unit 10C
San Francisco, CA 94105
Ralphharms@yahoo.com
408-832-1678

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Rincon Hill construction

From: Chiodin, Davy [mailto:davy.chiodin@gmail.com]
Sent: Saturday, November 19, 2016 3:40 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>
Subject: Rincon Hill construction

Hello,

Once again

I am writing to request relief from the severe impacts of round-the-clock construction in the Rincon Hill neighborhood.

For several years now, residents of Rincon Hill have suffered from lack of sleep as a result of endless night construction. The City has been issuing night permits to construction projects as a matter of routine, without any regard for the thousands of residents in the area. In the past, the City acted responsibly, strictly limiting night construction permits; but that neighborhood protection policy has been abandoned, and now there is continuous noise all night long. It is time for the City and developers to act responsibly again and halt all night permits except those strictly required for special circumstances.

Additionally, there are heightened health risks from inconsistent enforcement of mitigation measures against dirt and dust.

Finally, construction sites require proper traffic control--something that has been sorely lacking around Rincon Hill.

Thank for your consideration.
Davy

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Rincon Hill Neighborhood construction concerns

From: David Chen [mailto:pray.for.snow@gmail.com]
Sent: Thursday, November 17, 2016 3:07 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>
Subject: Rincon Hill Neighborhood construction concerns

Dear Board of Supervisors & Mayor Ed Lee:

I am a voting San Francisco citizen in the Rincon Hill neighborhood and would like to express my concerns regarding the growing frustrations with the endless night construction noise that my neighbors and I have been experiencing for the past several years. With the upcoming 160 Folsom construction, we are very much hoping that the city will cease issuing night permits!. That you will hear the voices of the many families, parents and very young children crying in the middle of the night due to this nuisance, that this has gone on long enough! Please consider our request to act responsibly and put a stop to night construction. Please end all night permits except for the most rare & unavoidable requests.

Secondly, please also be aware of the increased traffic & danger to the families in my neighborhood with the given non-stop construction. Proper traffic control and dirt/dust mitigation enforcement needs to be constantly applied to the developers. Please show your support for your citizens in this regard.

Sincerely -
David C.
Resident & Proud Parent in Rincon Hill

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Construction - Rincon Hill

From: Tim Houston [mailto:timhouston5@gmail.com]
Sent: Thursday, November 17, 2016 3:18 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>
Subject: Construction - Rincon Hill

Hell all :-)

I am writing with a simple request. Please do what is right for the people who live in this area and allow us a good night's rest. PLEASE DO NOT ALLOW round-the-clock construction in the Rincon Hill neighborhood.

For several years now, residents of Rincon Hill have suffered from lack of sleep as a result of endless night construction. The City has been issuing night permits to construction projects as a matter of routine, without any regard for the thousands of residents in the area. In the past, the City acted responsibly, strictly limiting night construction permits; but that neighborhood protection policy has been abandoned, and now there is continuous noise all night long. It is time for the City and developers to act responsibly again and halt all night permits except those strictly required for special circumstances.

Additionally, there are heightened health risks from inconsistent enforcement of mitigation measures against dirt and dust.

THANK YOU for your consideration.

Peace be with you,

Tim Houston

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; BOS Legislation, (BOS)
Subject: FW: 1515 S. Van Ness File No. 161001
Attachments: 1515 South Van Ness - CEQA Appeal - Letter from Project Sponsor.pdf

From: Beth Noah [mailto:beth@pelosilawgroup.com]
Sent: Thursday, November 10, 2016 9:47 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: 1515 S. Van Ness File No. 161001

Dear Sir or Madame:

Please add the attached document to the above-referenced matter.

Beth Noah
Legal Assistant
415-592-4521

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November 10, 2016

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

Re: 1515 South Van Ness Avenue
File No. 161001 (CEQA Appeal)
Hearing Date: October 25, 2016

Dear President Breed and Supervisors,

I am writing on behalf of my client, Lennar Multifamily Communities (“LMC”) regarding the appeal of the Community Plan Exemption (“CPE”) issued under the California Environmental Quality Act (“CEQA”) for LMC’s proposed development at 1515 South Van Ness (“Project Site”).

On August 11, 2016, the Planning Commission unanimously (6-0) approved a Conditional Use authorization for the development of 157 residential units, including 39 affordable units (25%) and six below market trade shop units on the Project Site (the “Project”). On September 12, 2016, the Calle 24 Latino Cultural District Community Council (“Appellant”) filed an appeal of the determination to prepare a CPE under CEQA for the Project. Supplemental information in support of the appeal was filed by the Appellant on October 14, 2016.¹ **No appeal of the Conditional Use authorization was filed.**

The Planning Department has prepared a detailed response to, and analysis of, the Appellant’s Claims. Based on the evidence presented and substantial evidence in the record, Planning Department staff is recommending that the Board of Supervisor’s uphold the CPE determination and deny the appeal. For all the reasons stated below, we support staff’s recommendation and respectfully request that you deny the appeal, and uphold the decision of the Planning Commission.

PROJECT BACKGROUND

The Project Site is an irregularly shaped lot along South Van Ness Avenue just north of Cesar Chavez Street. A 31,680 square foot commercial building currently exists on the site and until December 2015 was occupied by McMillan Electric a local San Francisco contractor. McMillan Electric sold the Project Site to LMC and with the sale was not only able to relocate 1.1 miles down the road to a site zoned for production distribution and repair, but also hire 25 new employees with the use of the sale proceeds. A letter from McMillan Electric in support of the Project and outlining its benefits is attached as Exhibit A.

¹ Collectively this information is referred to herein as “Appellant’s Claims.”

The Project Site is located in the Mission Neighborhood Commercial Transit (NCT) zoning district and the Mission Area Plan, which was part of the 2009 Eastern Neighborhoods rezoning effort. The Project would demolish the existing structure on the Project Site and construct a 180,277 square foot residential code compliant mixed-use development with 157 dwelling units (25% or 39 below-market rate units), seventy-nine (79) parking spaces, 1,074 square feet of retail space located on the corner of South Van Ness Avenue and 26th Street, and six “Trade Shop” spaces that will be rented at below-market rates to local artists and artisans. The Project, which complies with Proposition C and is committed to using 100% union labor during construction, was **unanimously** approved by the Planning Commission on August 11, 2016.

COMMUNITY PLAN EXEMPTION DETERMINATION

Planning Department staff, based on substantial evidence in the record, issued a CPE for the Project on July 12, 2016. The CPE was issued following review and analysis of various technical studies (including studies by historic resource and transportation experts) prepared under the City’s direction to analyze whether the Project would have a peculiar or new significant or potentially significant environmental impact that was not identified in the 2008 Eastern Neighborhoods Program EIR (the “PEIR”). Based on that analysis and evidence, the Project, which is consistent with the development density established for the Project Site under the Eastern Neighborhoods Rezoning, qualified for a CPE.

The Planning Department in issuing the CPE (and the Planning Commission’s reliance upon it) complied with CEQA, and specifically CEQA Section 21083.3 and CEQA Guidelines Section 15183. These provisions of CEQA mandate the issuance of a CPE for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified and specifically provide that the City cannot require further environmental review unless necessary to examine whether there are project-specific impacts peculiar to the project or its site that were not disclosed as significant impacts in the prior Program EIR. Because the Project is consistent with the existing NCT zoning and the Mission Area Plan, and there are no impacts peculiar to the Project or Project site that were not disclosed in the PEIR, the City cannot require any further CEQA review and the Planning Department complied with CEQA in issuing the CPE.

The Appellant Claims that the CPE is inappropriate because the PEIR is out of date and fails to analyze the cumulative impacts of the Project on the Latino Cultural District. The Appellant, however, has provided no **substantial evidence** to support its claims and instead is basing them on unsubstantiated opinion.² The Appellant cites a series of cases supporting the assertion that a lay person’s testimony can support a “fair argument” that a project may have a significant impact.

² The courts have made clear that unsubstantiated opinion is not substantial evidence. “Substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. [Citations.] It does not include [a]rgument, speculation, **unsubstantiated opinion** or narrative, [or] evidence which is clearly inaccurate or erroneous. . . .” [Citations.]” (emphasis added) (*North Coast Rivers Alliance v. Kawamura* (2015) 243 Cal.App.4th 647.) Moreover, “[c]omplaints, fears, and suspicions about a project’s potential environmental impact . . . do not constitute substantial evidence. [Citations.]” and “in the absence of a specific factual foundation in the record, dire predictions by nonexperts regarding the consequences of a project [also] do not constitute substantial evidence. [Citations.]” (1 *Kostka & Zischke*, Practice under the Cal. Environmental Quality Act (2d ed. 2015) § 6.42, pp. 6-47-6-48; *Gentry v. City of Murrieta* (1995) 36 Cal.App.4th 1359, 1417.)

These cases, however, **are not on point**. They either involve decisions where the applicable standard of review is the “fair argument test”³ or cite **only** a portion of the findings of the decision thereby misleading the reader into thinking that the courts relied only a layperson’s opinion as substantial evidence.⁴ The Appellant has not presented a factual foundation to establish that the changes occurring in the Mission or the Eastern Neighborhoods are either peculiar to the Project or individually or cumulatively would exacerbate impacts identified by the PEIR.

Established case law makes clear that projects qualify for an exemption under Public Resources Code section 21083.3 and 14 Cal. Code Regs. Chapter 3 (“CEQA Guidelines”), section 15183), where **substantial evidence exists to support the decision that a project is exempt and that evidence exists in the record**.⁵ That evidence has been presented by the Planning Department in the preparation of the CPE and in the detailed response to the Appellant’s Claims. In contrast, the Appellant has not presented any technical studies that counter the analysis conducted as part of the CPE or any substantial evidence that creates the necessary link between the Project and any physical environmental impacts⁶

As we fully support and agree with the Planning Department, instead of restating their analysis, we incorporate their responses by reference. The following are a few additional points to consider in evaluating the merits of the Appellants Claims.

1. **The Claims Raised By The Appellant Are Not New**

On September 13, 2016, the Board of Supervisors considered almost the exact same claims raised by the Appellant during a hearing on an appeal of the CPE for the 2000 – 2070 Bryant Street project. At that hearing, **the Board unanimously rejected the claims raised**, finding that the Bryant Street project correctly relied upon the PEIR based on substantial evidence in the record to support a determination to prepare a CPE. Now, two months later, the Appellant once again raises almost identical issues without preparing any specific technical analyses to support their claims. Nothing has changed in the intervening months and the Appellant has not raised any new significant

³ *Keep Our Mountains Quiet v. County of Santa Clara* (2015) 236 CA4th 714, *Pocket Protectors v. City of Sacramento* (2004) 124 CA4th 903, *Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 CA3d 151 and *Rominger v. County of Colusa* (2014) 229 CA4th 690 all involved Negative or Mitigated Negative Declarations, which are subject to a standard of review that only requires a “fair argument” that a potential significant environmental impact may occur. This is different than the standard of review for a CPE, which requires that the lead agency’s decision be upheld if there is substantial evidence in the record to support the decision.

⁴ In *Banker’s Hill, Hillcrest, Park West Community Preservation Group v. City of San Diego* (2006) 139CA4th 249, the court found that “**although** local residents may testify to their *observations* regarding existing traffic conditions, **in the absence of a specific factual foundation in the record, dire predictions by non-experts regarding the consequences of a project do not constitute substantial evidence**’... [and] we conclude that substantial evidence supports a finding that the Project will not have a significant effect on traffic relating to the offset intersection.” (citing *Gentry, supra*, 36 Cal.App.4th at p. 1417, italics added.) The **bolded** language is what was excluded from the quotation cited by the Appellants.

⁵ See *Wal-Mart Stores, Inc. v. City of Turlock* (2006) 138 CA4th 273, overruled on other grounds in *Hernandez v. City of Hanford* (2007) 41 C4th 279; *Gentry v. City of Murrieta* at 1406 n24; *Citizens for Responsible Equitable Ent’l Dev. V. City of San Diego Redeve. Agency* (2005) 134 CA4th 598, 610.

⁶ The technical reports included in the record as evidence note facts related to changing demographics and information regarding the new demographic, but fail to create a causal link between that demographic change and specific physical impacts to the environment.

claims or presented any new substantial evidence. While the Appellant references the Board's concerns regarding the Eastern Neighbors Plan in today's environment, it fails to present the type of evidence that would require any CEQA analysis beyond preparation of a CPE.⁷ The Appellant's claims relate to social and economic issues, which are **policy considerations**, not physical impacts on the environment and nothing in the evidence presented creates a causal link between the social and economic issues and a physical impact on the environment as required under *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 CA4th 1184. As a result, the Board's position regarding the validity of the PEIR, we believe, should be steadfast as it continues to be based on substantial evidence in the record as detailed by Planning Department staff in their response.

2. **An Update To The PEIR Is Not Warranted And Will Impact Many Other Project Including 100% Affordable Projects**

The PEIR remains current and legally adequate. None of the conditions that would require an amendment or update to the PEIR have occurred, including, but not limited to, changes to the underlying zoning. The zoning adopted by the Board of Supervisors under the Eastern Neighborhoods Planning effort has not been changed and is not proposed for amendment or revision, which is the key factor that helps determine whether a supplemental analysis is required. The Project itself also complies with the requirements of the Planning Code and applicable zoning and does not seek a Zoning Map or other amendment. For all these reasons alone an update to the PEIR is not warranted.

In addition, as previously detailed in a response prepared by the attorney for the 2000 – 2070 Bryant Street project, by making these claims the Appellant places in jeopardy the very projects they seek to encourage – 100% affordable projects. The following is a list of the **affordable projects** that would be impacted by the Appellants claims:

- 2060 Folsom Street, 136 units of affordable housing proposed by MEDA and CCDC. CPE issued on June 10, 2016 (Case No. 2015-014715ENV)
- 1950 Mission Street, 157 units of affordable housing proposed by Mission Housing Development Corporation and BRIDGE Housing. CPE pending (Case No. 2016001514ENV).
- 1296 Shotwell Street, 96 units of affordable senior housing proposed by MEDA and CCDC. CPE pending (Case No. 2015-018056ENV).
- 490 South Van Ness. CPE relying on Eastern Neighborhoods EIR for previously approved 84-unit market rate project issued in June 24, 2014 (Case No.

⁷ At the September 13, 2016, hearing on the CPE appeal of the 2000-2070 Bryant Street project, reference was made to the type and level of supplemental analysis required to establish a causal link between economic or social impacts and a physical effect on the environment. (http://sanfrancisco.granicus.com/MeiaPlayer.php?view_id=10&clip_id=26119 time 3:10 through 3:26 and beginning at time 4:18). Studies prepared by technical experts linking the Project or its cumulative impacts to specific environmental impacts such as air quality, traffic, noise, etc. are needed and mere reference to studies discussing the topics generally do not amount to substantial evidence.

2010.0043E); CPE for revised affordable project pending (Case No. 2015-010406ENV).

3. **Mission District Interim Controls Considered Displacement Impacts From The Project, But That Impact Is Not Generally A CEQA Issue**

The Appellants have asserted that the Project would cause significant economic and social change, including the displacement of residents and businesses, an issue that as noted in the Planning Department's response is not generally studied or required as part of CEQA analysis, **unless there is substantial evidence of related physical impacts on the environment, as discussed above.** The Appellant has presented no evidence of a physical impact from the economic and social change asserted and therefore, while an important policy consideration, it is not a CEQA issue. That does not mean, however, that these issues were not considered by the Planning Commission in **unanimously approving the Project.**

In January 2016, the Planning Commission adopted Mission District Interim Controls which require all projects in the Mission District to prepare an analysis of the project's potential socio-economic impact on the neighborhood and community. Mission Interim Control findings were prepared by the Project sponsor that provided information on the socio-economic characteristics of the neighborhood and the Project's potential impact on existing and future residents and businesses. A copy of those findings are attached as Exhibit B. The Appellant's claims regarding these issues may be outside the scope of CEQA, but they were analyzed and considered by the Planning Department and the Planning Commission as part of the Project's approval process.

4. **The Latino Cultural District Is Not A CEQA Resource Nor Would The Project Impact It**

As noted by the Planning Department in their response, the Latino Cultural District is not an historic resource under CEQA. The Latino Cultural District is an intangible cultural heritage asset that is not eligible for listing on a state, local or federal registry of historic properties and therefore does not meet the definition of an "historic resource" under CEQA Guidelines Section 15064.5(a). The Latino Cultural District's eligibility as a historic district is not something that has been overlooked as the Planning Department studied the area as part of the 2011 South Mission Historic Resource Survey. That survey did not identify the boundaries of the Latino Cultural District as an historic district, and the Appellant has not presented any evidence as to why the Latino Cultural District should be considered an historic district under CEQA. The Planning Department's survey did identify several other potential historic districts, but none of those districts are near the Project site, and therefore cannot be impacted by the Project. Thus, the Appellants' claims about the impact of the Latino Cultural District on the determination to prepare a CPE are without merit. The building on the Project Site was not even listed as a cultural asset or the use of it as a cultural asset theme to be protected. A review of the Latino Cultural District and the Project also indicates that the Project is not inconsistent with the intent and key components of the district.

Based on numerous discussions with the community facilitated by Planning Director John Rahaim, there are three key components of the Latino Cultural District. They are as follows: (1) protecting commercial spaces; (2) providing high quality jobs; and (3) affordable housing. The Project is consistent with each of these components.



First, the Project does not eliminate the type of commercial space envisioned for protection under the Latino Cultural District. The existing building to be demolished is a large space previously occupied by a San Francisco contractor that provides services throughout San Francisco and the Bay Area. It is not a commercial space that caters to the Mission District or a commercial space occupied by a small, local Latino business. While the existing commercial space does not meet the intent of the Latino Cultural District, the Project is creating that type of space by including six (6) new small trade shop retail spaces to be used and occupied local Mission artists, artisans and retailers. LMC has committed to providing the six (6) trade shop spaces at below market rents and will work with the community to fill them with neighborhood serving uses that fit within the context of the Latino Cultural District.

Second, the Project creates high quality jobs. It is the only development in the Mission that is committed to using 100% UNION labor. Its development also did not cause the loss of any local jobs and indirectly helped create 25 new jobs at McMillan Electric. As explained in the letter from McMillan Exhibit A), LMC's purchase of the site has allowed McMillan to not only relocate to a larger space, in a PDR zone, 1 mile from the site, but also to expand their business and hire 25 new employees.

Finally, the last component, affordable housing, has been met by LMC's commitment to provide 25% of the units on-site as affordable units. This is 10% more than what is required under the Trailing Legislation and makes the Project the ONLY one that meets the current requirements under Proposition C adopted by the voters in June. This combined with the 473 affordable units noted above result in more than 42% of the units to be built in the Mission and in and around the Latino Cultural District being set aside for affordable housing. This high percentage of affordable units meets the intent of the Latino Cultural District.⁸

* * * * *

In sum, the claims raised by the Appellant, as detailed in the Planning Department's response are without merit. The CPE issued by the Planning Department and relied upon by the Planning Commission in unanimously approving the Project was legally adequate, is supported by substantial evidence in the record and should be upheld. For all of these reasons, we respectfully request that you reject the appeal and uphold the CPE.

Very truly yours,

A handwritten signature in black ink that reads "Alexis M. Pelosi". The signature is stylized and cursive.

Alexis M. Pelosi

⁸ This figure is based on Appellant's Claims that 666 new market-rate units will be constructed in and around the Latino Cultural District and the facts in the record that there are 473 new affordable housing units being proposed in independent housing developments. As this figure of 473 new affordable housing units does not take into consideration on-site inclusionary housing units in many Mission developments, the 42% affordable housing figure is likely below the actual number of affordable housing units to be developed.

Exhibit A



Electrical Contractor - Data Communications
Preventative Maintenance - Media Systems
Energy Efficiency Solutions - Security
Lic 368179-C10

Mr. Doug Vu
San Francisco Planning Department
1650 Mission Street, STE 400
San Francisco, CA 94103

April 4, 2016

Re: 1515 South Van Ness Avenue (Case No. 2014.1020)

Dear Mr. Vu,

McMillan Bros. Electric Inc. ("McMillan Electric") is a San Francisco based electrical contracting business with over fifty (50) years of history working and operating in San Francisco. In 1965, my Father, Patrick McMillan Sr., founded McMillan Electric and since that time our business has grown from 3 employees to over 285 employees. Today, we employ approximately 55 corporate management, accounting, project management, purchasing, support staff, etc. at our combined office, warehouse, storage and space at 1950 Cesar Chavez. Prior to moving to 1950 Cesar Chavez, McMillan Electric was located at 1515 South Van Ness Avenue, a property purchased by my family in 1981.

In 2014, as part of an overall growth strategy for the company, McMillan Electric decided to place 1515 South Van Ness Avenue on the market. Selling 1515 South Van Ness Avenue was part of our long-term strategic business plan. The sale of the property freed up capital that allowed us to relocate to a larger facility in an area of the City that was not only zoned long-term for commercial, industrial and warehouse uses, but also was more compatible for our operations. In addition to the investment made in the 1950 Cesar Chavez facility, the capital gained from the sale allowed us to further invest in the company, including the hiring 65 new employees. The decision to sell 1515 South Van Ness Avenue was 100% our decision and always a part of our long term vision.

The relocation of the business to 1950 Cesar Chavez in April/May 2015 was made primarily because of its proximity to the 1515 South Van Ness Avenue, which is located approximately 1.1 miles away. Since 1950 Cesar Chavez is located in a PDR-2 zone, we know that our business can continue to grow in the new facility and employees can gain comfort of the viability for our company for years to come. Additionally, the accessibility for our employees and service vehicles is more effective to our operation. We are very happy in our newly improved facility and location. Although 1515 South Van Ness and the Mission District will always hold a special place in the history of McMillan Electric, its location within a growing residential area, we believe, makes it a better residential site than a commercial site. Its size also allows it to be developed with a significant number of residential units, which is great because the Mission needs more housing. The development of properties similar to 1515 South Van Ness helps companies like ours continue to operate in a city that we've called home for over fifty (50) years by providing much needed housing opportunities for our employees.

In closing, we believe that LMC has proposed a wonderful new residential project with a beautiful new design on our former home at 1515 South Van Ness Avenue. We fully support their proposed development, which we believe will truly benefit the community. Without their purchase of our property, we would not be in our new home at 1950 Cesar Chavez and we would not have been able to grow our businesses. Our relocation to 1950 Cesar Chavez was the result of careful planning by us, McMillan Electric, and was not the result of any direct or indirect displacement. Please feel free to come visit our new first class facility. I have joked that this is the first time in my 37 year career that I have worked in a real office, which is not far from the truth.

Best regards,

A handwritten signature in black ink, appearing to read 'P. McMillan', with a long horizontal flourish extending to the right.

Patrick J McMillan
Chief Executive Officer
McMillan Bros. Electric Inc.
McMillan Security Systems
McMillan Data Communications
McMillan Audio Visual

Exhibit B

MISSION 2015 INTERIM CONTROLS ADDITIONAL FINDINGS

(1515 South Van Ness Ave. Case No. 2014.1020)

Large Projects: Any residential or mixed-use project that would include the net addition or new construction of more than 75,000 gross square feet or includes more than 75 dwelling units shall require Conditional Use authorization under Planning Code Section 303(c). An application for conditional use shall include the following information:

- 1. Demographic Changes:** Provide information about the socio-economic characteristics of the neighborhood and evaluate how the proposed project would affect existing and future residents, businesses and community-serving providers of the area.

Demographics: Information regarding demographics of the Mission neighborhood was obtained from the October 27, 2015 City and County of San Francisco, Board of Supervisor's Budget and Legislative Analyst's Office Policy Analysis Report, "Displacement in the Mission District" ("Mission District Displacement Report").

Table 1 is a summary of the Mission neighborhood demographics.¹

Total Population	38,287
Hispanic/Latino	18,372
Hispanic/Latino % Total	48%
# Households	14,454
Average Household Size	2.6
Households w/ Children	3,041
% Total	21%
# Households: Related Individuals	6,263
% Total	43%
# Households: Unrelated Individuals	8,191
% Total	57%
Owner-occupied Units	3,655
% Total	25%
Renter-occupied Units	10,789
% Total	75%

Demographic Trends: The Mission District Displacement Report included a discussion of the demographic and socio-economic and income changes that occurred in the Mission neighborhood from 2000 to 2009-2013. **Table 2²** below is a summary of demographic trends and **Table 3³** is a summary of income changes during this same time period.

¹ Information in **Table 1** comes from the Mission District Displacement Report Exhibit 2 and Exhibit 9.

² Information in **Table 2** comes from Exhibit 2 and Exhibit 9 of the Mission District Displacement Report.

³ Information in **Table 3** comes from Exhibit 12 of the Mission District Displacement Report.

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Table 2			
Demographic Trends in Mission Neighborhood			
	2000	2009-2013	% Change
Total Population	42,266	38,281	-9%
Hispanic/Latino	25,180	18,372	-27%
Hispanic/Latino % Total	60%	48%	-12%
# Households	13,071	14,454	+11%
Average Household Size	3.2	2.6	-19%
Households w/ Children	4,088	3,041	-26%
% Total	31%	21%	-10%
# Households: Related Individuals	6,655	6,263	-6%
% Total	51%	43%	-8%
# Households: Unrelated Individuals	6,416	8,191	+28%
% Total	49%	57%	+8%
Owner-occupied Units	2,482	3,655	+48%
% Total	19%	25%	+6%
Renter-occupied Units	10,589	10,789	+2%
% Total	81%	75%	-6%

The Mission Displacement Report also indicates that if current trends continue, the Mission District's Hispanic/Latino population will decline from 48 percent of the total population to 31 percent by 2025.

Table 3			
Income Trends in Mission Neighborhood			
Annual Household Income	2000	2009-2013	% Change
Less than \$35,000	3,682	4,592	+25%
\$35,000 – 99,999	5,798	5,060	-13%
\$100,000 – 149,999	1,972	2,100	+6%
More than \$150,000	1,633	2,702	+65%

The University of California Berkeley's Center for Community Innovation's July 2015 "case studies on Gentrification and Displacement in the San Francisco Bay Area" ("Berkeley Mission District Case Study") also included information regarding demographic changes and income trends in the Mission neighborhood. **Table 4**⁴ below is a summary of the Berkeley Mission District Case Study demographic information.

⁴ Information in **Table 4** comes from the Berkeley Mission District Case Study Table 4.1, Figure 4.2, Figure 4.3

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Table 4			
Berkeley Mission District Case Study Demographic Information			
	2000	2013	% Change
Total Population	54,428	51,578	-5%
Hispanic/Latino	50%	38%	-12%
Family Households	41%	38%	-3%
Median Income	\$70,199	\$76,762	+8%

Project Information: The Project is approximately 175,000 gross square feet. It is comprised of 157 residential units, 1,115 square feet of retail space and 4,696 square feet of Trade Shop/Retail spaces divided into six spaces. It includes 82 parking spaces, three (3) car share spaces and 158 bicycle parking spaces. Approximately 41% of the units are two-bedrooms ranging in size from 783 square feet to 1,254 square feet and 59% of the units are studios, junior one-bedroom or one-bedroom units ranging in size from 396 square feet to 654 square feet. The Project is a multi-family, rental development.

The Project includes nineteen (19) on-site affordable housing units, a rental development, as set forth in Planning Code section 415, the affordable housing units will be affordable to individuals making 55% of Area Mean Income (AMI).

Discussion of Demographic Changes

Reviewing the demographic information provided and available, the overall population in the Mission has decreased by 5-9% from 2000 to 2013. The Hispanic/Latino population has decreased by 12-27%, the number of families has decreased 3-10%, the overall number of owner-occupied units has increased 6% and the number of renter-occupied units has decreased by 6% during this same time period.

Socio-economically, the Mission District Displacement Report indicates that from 2000 to 2009-2013, the number of households in the Mission neighborhood making less than \$35,000 increased by 25% and the number of households making more than \$100,000 increased by 71% and the number of households making \$35,000-\$99,999 decreased by 13 percent.

From 2010 to 2014, according to the May 29, 2015 City and County of San Francisco, Board of Supervisor’s Budget and Legislative Analyst’s Office Policy Analysis Report, “Housing Development in the Mission District” (“Housing Development in the Mission Report”), the Mission District gained approximately 627 housing units. Only 498 of those housing units resulted from new construction and the remaining 145 units resulted from alterations of existing units. Approximately 16 housing units were also demolished during this timeframe. Of the 627 new units, 60 units (or 10%) were affordable residential units (40 units for low income and 20 for moderate income). This is consistent with the findings of the Berkeley Mission District Case Study which found that “the Mission District has failed to see significant increases in its housing stock,” identifying only 96 new housing units being built since 2010.⁵

⁵ Berkeley Mission District Case Study p. 29, Table 4.2.

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In September 2015, John Rahaim, the Director of Planning, prepared a summary to the Board of Supervisors of the Housing Balance Report ("Housing Balance Report Summary"). According to that summary, from the 3rd quarter 2005 until the 2nd quarter 2015, only 1,707 net new housing units were built in the Mission neighborhood with 637 of the units built considered affordable housing units.⁶ As a result, 37.3% of the total new housing built in the Mission over the past 10 years has been affordable housing.⁷

According to the September 10, 2015, Office of the Controller – Office of Economic Analysis report entitled "Potential Effects of Limiting Market-Rate Housing in the Mission" ("Controller's Report"), the amount of housing built or in the pipeline in the Mission under the Eastern Neighborhoods Plan is "only a small fraction of the development capacity [envisioned]."⁸ According to the report, the "Eastern Neighborhoods planning process provided for 15,005 new housing units in the Mission, of which approximately 500 are either under construction or have been built since 2008, when the plan was passed."⁹ This means there are another 14,500 remaining units under the plan to be built in the Mission.

The Project is constructing 157 new residential units and 19 on-site affordable units. According to the Housing Development in Mission Report, which looked at new housing construction from 2009 to 2013, the Project would result in a 25% increase in new residential units in the Mission District and a 32% increase in the number of new affordable units. According to the Housing Balance Report Summary, which looked at new housing construction from 2005-2015, the Project would result in a 10% increase in new residential units and a 3% increase in affordable units. The Project would also only represent 1% of the total number of new housing units envisioned under the Eastern Neighborhood Plan. This new housing will help address the housing shortfall and housing pressure in the Mission neighborhood that the Berkeley Mission District Case Study and the Mission District Displacement Report both identified. Unfortunately, this is only a "drop in the bucket" of the total demand for new housing in the City or the Mission.

According to the Mission District Displacement Report, from 1980 to 2010 the City added an average of 2,011 housing units per year. The estimated annual demand during that period was 15,300 new housing units per year. This difference between the number of units demanded and the number of units supplied, resulted in a 13,289 unit per year shortfall and a total shortfall of 398,666 units from 1980 to 2010.¹⁰ The Housing Balance Report Summary found that from the third quarter 2005 to the second quarter of 2015, city-wide 22,605 new housing units were constructed.¹¹ **If 15,300 new housing units per year were required, the total shortfall in housing build during this period was 130,395 units or only 17% of the total amount of housing needed was built.**

Given the significant shortfall in housing units constructed, constructing any housing will be beneficial to meet housing demand. Whether that new housing will push out, price out or

⁶ Housing Balance Report Summary, Table 2.

⁷ Housing Balance Report Summary, Table 2.

⁸ Controller's Report, p. 10.

⁹ Controller's Report, p. 10.

¹⁰ Housing Balance Report. As a result of the shortfall, the Legislative Analyst's Office estimates the City's housing need was 561% greater than the housing supply produced during that period. Mission District Displacement Report, pgs. 4 and 27.

¹¹ Housing Balance Report Summary, Table 1.

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force out existing residents and businesses in the Mission neighborhood was analyzed in the September 10, 2015, Controller's Report.¹² Looking only at the rise in income levels and the limited construction of new market-rate housing, the Controller's Report determined a link between market-rate housing construction and gentrification was unlikely. The data analyzed found no link between market-rate housing construction and “no statistical relationship between housing prices and evictions, in the Mission or in the city as a whole.”¹³ Instead, it found that reducing market-rate housing construction does not slow the changes that are occurring in the Mission and would likely only place additional stress on housing affordability by further constraining housing supply.

This finding was further substantiated by a recently published study from the California Legislative Analyst Office dated February 9, 2016 titled “Perspectives on Helping Low Income Californians Afford Housing” (“California LAO Report”) which found that when new construction is abundant in communities around the State, middle-income households looking to upgrade the quality of their housing often move from older, more affordable housing into new housing which in turn frees up the older housing for lower income households. The California LAO Report, looking at both Los Angeles and San Francisco, concluded that the more constrained the supply of new housing is, the greater the probability that an affordable unit will move out of the affordable housing stock to a middle income or even higher income household.

The Controller's Report also looked at population changes and frequency of movement. It found that “[r]ather than the construction of new and demolition of old housing, the population change in the Mission since the 1990s has largely occurred through changes in the occupancy of the existing housing stock.”¹⁴ It found that approximately 5,000 new residents move to the Mission each year.¹⁵ Given that the overall population of the Mission has declined during that period, it indicates people are leaving the Mission as quickly as new residents are entering the Mission, but that the change is not linked to new housing construction. If the Mission has only been adding approximately 193 new housing units per year since 2000, the demand for new housing is significant.

As noted above, the Project includes 1,115 square feet of new Retail space and 4,696 square feet of Trade Shop/Retail uses in six (6) separate spaces. It is located on the former site of a commercial use, which as discussed in the finding below, relocated voluntarily. The non-residential spaces in the Project are specifically designed for local artists and artisans and include roll-up doors, separate entries and creative/flexible spaces similar to what currently exists in the Mission neighborhood. The intent is for these spaces to be occupied by neighborhood serving businesses and local artists or artisans. The estimated 200+ new residents of the Project are likely to shop at or frequent not only the new non-residential spaces in the Project but, the other surrounding local businesses increasing their economic base.

The Project will construct 138 new market-rate housing units and 19 affordable housing units. It will increase the housing supply by 25% over what was constructed from 2009 to 2013. It will also

¹² Controller's Report, pgs. 22-23.

¹³ Controller's Report, pg. 18.

¹⁴ Controller's Report, p. 7.

¹⁵ Controller's Report, p. 7.

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provide non-residential spaces for local artists and artisans. Based on the evidence included in the reports cited above, the Project will not impact the demographic changes occurring in the Mission.

2. Economic Pressure: Provide information about the additional housing supply provided by the project and evaluate how that may affect affordability of newly vacant units of housing (indirect displacement) and the rate of evictions (direct displacement) within the neighborhood.

The Project would provide 157 new residential units, including 19 on-site affordable units. Approximately 59% of the total Project units will be studios, junior one-bedroom or one-bedroom units and 41% of the units will be two-bedrooms. As noted in the Mission District Displacement Report, the annual demand for new housing in the City is 15,300 new housing units per year.¹⁶ The Project in constructing 157 new residential units would meet 1% of the City's estimated annual housing demand.

According to the Berkeley Mission District Case Study, the Mission is "host to a sizable stock of subsidized housing: nearly 2,000 units."¹⁷ The Controller's Report also found that from 2001 to 2013, of the 1,464 units constructed in the Mission, 51% of them were affordable units with 646 units developed in 100% affordable projects and 97 units developed in market-rate projects.¹⁸

Indirect Displacement

The Controller's Report defines "Indirect Displacement" as housing price inflation caused by the development of new housing nearby. The theory behind "Indirect Displacement" is that the construction of new market-rate housing can increase the overall price of adjacent existing housing. The Controller ran three separate pricing models with one model looking at the impact of proximity to market-rate housing built in the Mission in the previous year on home sale prices and the other two models looking at the impact of proximity of market-rate housing built in the Mission over a two (2) and three (3) year period. The results of the modeling found that new market-rate housing had a **negative** effect on nearby house prices. Specifically, the Controller's Report analyzed a property 250 feet from 75 units of new market-rate housing. The report found that construction of the new market-rate housing would result, at a maximum, in a 5.9% **lower** price for the existing property.¹⁹ As a result, the construction of new housing did not increase surrounding land prices or result in indirect displacement. This is also consistent with the Controller's Report's findings, as noted above, that there is not "statistical relationship between housing prices and evictions."²⁰

The California LAO Report also looked at displacement and found that as market-rate housing construction tends to slow the growth in prices and rents, it can make it easier for low-income households to afford their existing homes. This can help to lessen the displacement of low-income households. The California LAO analysis of low-income neighborhoods in the Bay Area actually

¹⁶ Mission District Displacement Report, pgs. 4 and 27.

¹⁷ Berkeley Mission District Case Study, p. 31.

¹⁸ Controller's Report, p. 7.

¹⁹ Controller's Report, p. 26.

²⁰ Controller's Report, p.18.

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suggested a link between increased construction of market-rate housing and reduced displacement.²¹

Direct Displacement

The Controller's Report defines "Direct Displacement" as the no-fault eviction of a household **in order to demolish its housing unit**, so that new market-rate housing may be constructed on the parcel. The Controller's Report found that since 1997, 3,835 eviction notices have been filed in the Mission neighborhood, but that only 2.6% of those notices have been for the demolition of a residential unit, or "Direct Displacement" as that term is defined.

The Rent Control Board maintains a database of evictions within the City. This database does not capture buy-outs and other "non-official" eviction proceedings. The March 23, 2015, Annual Report by the Rent Control Board to the Board of Supervisors found a total of 2,120 eviction notices were filed **in the City** from March 1, 2014 through February 28, 2015. This includes 145 notices for failure to pay rent. A breakdown of notices by neighborhood was not available.

The Berkeley Mission District Case Study found that between 2009 and 2013 there were 71 Ellis Act evictions in the Mission District and from 2008 to 2014 "165 or about 28% of the total share of buyouts."²² Buyouts are not required to be reported and may therefore be under reported. While Ellis Act evictions, buyout and other "Direct Displacement" is occurring in the Mission neighborhood, because the Project site has been used for commercial purposes for the last approximately 50 years, no "Direct Displacement" of residential units will occur.

3. Total Housing Production: Provide information about i) the maximum allowable dwelling unit density the site could accommodate and ii) the density of the proposed project, then iii) evaluate how effectively the proposed project would house future residents – add or change the net supply of housing for all income levels and types of tenure.

The Project is located in the Mission Neighborhood Commercial Transit District ("NCT") and is in the 55-X and 65-X Height and Bulk District. The Project site is approximately 36,000 square feet. Under the NCT zoning, the maximum allowable density on the Project site is dictated by the physical requirements of the Planning Code such as height, bulk, setback, open space, exposure, unit mix, and other requirements.

The Project site is over ½ of an acre. As a result, it qualifies for a Planned Unit Development ("PUD"). Under a PUD, the Project can seek certain exceptions from the requirements of the Planning Code. Assuming a modification from the setback, open space, exposure and unit mix requirement, the maximum allowable dwelling unit density the Project site could accommodate is 221 new dwelling units. This assumes that the Project is seeking an exception from the rear yard and exposure requirements of the Planning Code as well as the 40% 2-bedroom requirement. Under this maximum buildout scenario, the Project would construct 183 studios, 33 junior 1-bedroom units and 5 1-bedroom units. This figure does not take into consideration livability of the units.

²¹ California LAO Report, p. 9.

²² Berkeley Mission District Case Study, pgs. 33-34.

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The Project is proposing 157 new dwelling units, which is a reduction of 70 units from the maximum buildout scenario or 30% fewer overall units.

The Project includes 19 permanently affordable units. These housing units will be restricted for individuals and families making 55% of AMI in perpetuity pursuant to Planning Code Section 415.8. These new affordable housing units increase by 32% the number of affordable units in the Mission according to the Housing Development in the Mission Report.

The remaining 138 residential units will provide long-term housing for a mix of individuals and families. The 55 studio units will likely house one (1) person while the 38 junior 1-bedroom and 1-bedroom units may house a combination one (1) person or two (2) people. The 64 2-bedroom units are likely to house families and/or unrelated individuals living together (i.e., roommates). The tenure of residents cannot be determined, but the development is a rental product with regular turnover of units expected.

According to the Controller's Report, based on the 5-year census data collected from 2009 to 2013, "87% of Mission residents lived in the same house one year previously, and 13% moved from another location. More than half of the movers – 8% of the total in the Mission moved from somewhere else in San Francisco into the Mission."²³ This "population churn" is lower than the citywide average of 16 percent. As a result, the housing units being built will likely be occupied by Mission residents for more than one year.

The residential units being developed are affordable by design. They include smaller sized units ranging from 396 to 497 square feet for studios, 440 to 654 square feet for 1-bedrooms and 887 to 1254 square feet for 2-bedrooms. Assuming rents based on a price per square foot, the smaller size of the units combined with the limited building amenities offered creates a market rate rental development that is affordable by design.

4. Affordable Housing Production: Provide information about whether additional affordable housing could be provided on the site, through the availability of public financing or financial incentives, or through use of the State Density Bonus Law, Government Code Section 65915 or other applicable affordable housing incentive program to provide an economic incentive or financial support for additional affordable units on the site.

The Project site is located within the Mission Area of the Eastern Neighborhoods Community Plan. Because it is within a recently adopted comprehensive plan area, it is not eligible for the proposed Local Bonus Program. The Project is eligible for the State Density Bonus Law, but its use is feasible or practical.

The Project currently maximizes the physical development opportunities on the Project site. Requesting increased height would require an amendment to the Zoning Map and is not financially practical or a viable alternative.

In August 2015, Seifel Consulting Inc. prepared a "Financial Analysis of San Francisco's Proposed Affordable Housing Bonus Program" ("Seifel Report"). That report analyzed key financial factors

²³ Controller's Report, p. 7.

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that were likely to influence the inclusion of additional affordable housing on project sites through either the proposed Local Bonus Program or the State Density Bonus Law. In reviewing the cases studied, the Seifel Report found a link between the ability to use of the State Density Bonus Law and land costs, hard construction costs, soft costs, construction financing, revenues and impact fees. Projects were more likely to utilize the State Density Bonus Law where a development benefitted from “economies of scale” or spreading development costs across more units. Unfortunately, simply adding more units to a development does not necessarily achieve “economies of scale” as adding more units increase certain costs while decreasing others. The Seifel Report found that the State Density Bonus Law “made sense” when “project sponsors have owned the property for a long time or developers are able to purchase sites at favorable terms” or in “higher priced areas where the increased number of market rate units at high price levels could more than offset the increased number of BMR units, or where development costs are significantly less than estimated.”²⁴ Here, the Project sponsor recently purchased the Project site, which means the land costs are market-rate, the types of units being developed are affordable by design which means they are not intended for higher prices or in a higher priced area and construction costs are at all all-time high. For all these reasons, including the site constraints, utilization of the State Density Bous Law is not feasible.

The Project will provide 19 on-site inclusionary housing units. It is, however, a market-rate development. Housing subsidy financing from the State and Federal government is very competitive and a market-rate development with affordable housing would not meet the minimum qualifications for such financial awards. Those subsidies are targeted toward 100% affordable projects. Similarly, the value of City affordable housing dollars is better leverage or maximized by supporting 100% affordable projects. As a result, the Project is highly unlikely to qualify for or receive any financial incentives to construct more affordable housing.

5. Housing Preservation: Provide information about existing housing on the project site in terms of occupancy types, relative affordability, adaptability rent-control and other tenant-features.

The Project site does not have any existing housing.

6. Tenant Displacement: Provide information about whether the Rent Board has recorded a history of evictions or buyouts on the property.

The Project site has been in commercial use since 1948. The Rent Board confirmed via telephone on January 27, 2016, that there is “[n]o record of any evictions at that address” (i.e., 1515 South Van Ness Avenue).

Additional Information for Displacement, Demolition or Conversion of Certain Uses:
If the project would displace, demolish or convert Assembly, Recreation, Arts & Entertainments, Light Manufacturing, Auto Repair, Trade Shops or Institutional uses in any zoning district in making its Conditional Use Authorization Application the application shall include the following analysis:

The Project site was occupied by McMillan Electric, a local electrical contractor, until April/May of

²⁴ Seifel Report, p. 7.

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2015. McMillan Electric used the property for back-office and warehouse storage.

(a) Relocation assistance in non-PDR zoning districts: In zoning districts other than PDR districts, provide information about the existing or last known Assembly, Recreation, Entertainment, PDR or Institutional tenants, for the last-known tenant the information required would be limited to uses that have been operating within three years prior to the entitlement date of the project, and disclose whether the tenant has relocated or relocation benefits have been or will be provided.

The Project site is located in the Mission-NCT zoning district, not a PDR district. McMillan Electric has been located on the Project site since the late 1980s. Prior to McMillan's use, the property was occupied by auto sales and service use and then a tire sales and service use. McMillan Electric is a local San Francisco electrical contracting company. Recognizing the increasing value of property and the need to capture that value to accomplish its expansion goals, McMillan Electric placed its property at 1515 South Van Ness Avenue on the market for sale. Lennar Multifamily Communities entered into a contract to purchase the Project site. Using a portion of the proceeds from the sale of the Project site, in April/May of 2015, McMillan Electric relocated to 1950 Cesar Chavez Street. 1950 Cesar Chavez Street is located approximately 1.1 miles from 1515 South Van Ness Avenue.

1950 Cesar Chavez Street is in the PDR-2 zoning district. McMillan Electric's use of the property is consistent with the PDR-2 zoning and is the type of use envisioned for this zone. McMillan Electric voluntarily relocated as part of its overall business plan and no relocation benefits were or will be provided.

(b) Businesses and Community Building Uses: If the existing Assembly, Recreation, Entertainment, PDR or Institutional tenants have not been relocated or offered relocation benefits then the applicant shall provide information regarding potential impacts to the community and benefits of the project as described below:

McMillan Electric is staying within the community. It has located approximately 1.1 miles from its previous location at 1515 South Van Ness Avenue. As a result, its relocation will not impact the community.

The Project will benefit the community by providing much needed housing, including 19 new on-site affordable housing units, and much needed new trade spaces.

(c) Jobs & Economic Profile: An analysis of the economic and fiscal impact of the proposed project. Towards this end, the application shall include an analysis of the loss of the existing use compared to the benefit of the proposed use, including an estimate, if known, of permanent job creation and/or job retention in the community of the proposed use compared to the existing use and associated wages and benefits for both;

As noted above, the previous use and employer is remaining in the community. **Its relocation to 1950 Cesar Chavez Street has allowed it to grow its business and hire an additional 25 employees.**

The Project development will employ a significant number of construction workers over the 24-

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month construction period. Once completed, the Project will create approximately three (3) full-time management and approximately three (3) to four (4) maintenance jobs on the Project site. The 1,115 square foot retail space is likely to generate between 3-5 full, and part-time, employees. In addition, the six (6) Trade Shop/Retail spaces along 26th Street are likely to result in a minimum of six (6) new local artists or artisans on the Project site.

The Project will result in a net increase in jobs and a positive economic and fiscal impact as it not only helped maintain and expand an existing business (McMillan Electric) in the neighborhood but will create short-term construction jobs and long-term Project management, leasing and maintenance employment opportunities.

(d) Available Space in the Mission. Discuss whether sufficient vacant space for the use type being demolished or removed exists in the neighborhood; and

The Project will demolish an existing approximately 31,680 square foot commercial building. Based on a January 28, 2016, search of LoopNet, an online commercial real estate platform that lists and tracks commercial real estate in the United States, there are approximately sixty (60) commercial office, warehouse or industrial properties/buildings between 15,000 and 40,000 square feet within a one (1) mile radius of 1515 South Van Ness Avenue. A table of the properties identified in that search is attached. Reducing the size of the building searched to 30,000 square feet, but still within a mile yielded 52 properties and expanding that same search to a 2-mile radius yielded 241 properties. Finally, looking only at buildings of this size and type within the Mission interim control area, there are approximately 45 such buildings. A table of the buildings of this size and type within the Mission Interim Control area is attached. LoopNet identified only two buildings of a similar type in the Mission Interim Control area that were currently available for lease or sale.²⁵

Based on a search of LoopNet the loss of the existing building will not impact the type of space available in the neighborhood.

(e) Affordability of Community-Building Uses. Provide an assessment of the affordability of community-building uses. Community-building uses shall include but not be limited to arts, nonprofit services and childcare uses. This assessment should discuss the nature of the community-building uses, the affordability of the uses and the amount of space provided for such uses on the existing site compared to similar uses associated with the proposed project, if any.

The existing building on the Project site is a commercial building. It does not include any space for community-building uses. The Project will include six (6) smaller Trade Shop/Retail uses along 26th Street. These smaller Trade Shop/Retail uses are intended for local artist and artisans. It will create new space within the community for these types of uses that does not currently exist.

(f) Non-Residential Displacement. Discuss existing businesses or non-profit organizations that will not be retained in the proposed project, or offered an opportunity to lease space in the proposed project, in terms of length of lease, number of employees, whether the use is minority owned and a non-restaurant or bar use, and if a business is retail whether that business is formula retail. Discuss whether a commercial tenant has

²⁵ Vacant space may exist and may simply not be captured by the LoopNet database.

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been displaced through rent increases or lack of lease renewal in the last 12 months.

As noted above, the existing business on the Project site, McMillan Electric voluntarily relocated to 1950 Cesar Chavez Street a property in the PDR-2 zone. No other tenant has occupied the site. Development of the Project will not result in the displacement of any existing business.

From: Board of Supervisors, (BOS)
To: BOS Legislation, (BOS); Farrell, Mark (BOS); Cohen, Malia (BOS); Wiener, Scott; Tang, Katy (BOS)
Subject: File 161001 FW: Special 3 PM Order 1515 South Van Ness Ave. Lennar Appeal

From: mari eliza [mailto:mari.eliza@sbcglobal.net]
Sent: Tuesday, November 15, 2016 2:19 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; Choy, Jarlene (BOS) <jarlene.choy@sfgov.org>; Mar, Eric (BOS) <eric.mar@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Breed, London (BOS) <london.breed@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Campos, David (BOS) <david.campos@sfgov.org>; Chung Hagen, Sheila (BOS) <sheila.chung.hagen@sfgov.org>; Avalos, John (BOS) <john.avalos@sfgov.org>; Angulo, Sunny (BOS) <sunny.angulo@sfgov.org>; Ang, April (BOS) <april.ang@sfgov.org>
Subject: Special 3 PM Order 1515 South Van Ness Ave. Lennar Appeal

November 15, 2016

Supervisors:

re: Special 3 PM Order 1515 South Van Ness Ave. Lennar Appeal

We support the appeal to the EIR Exemption for the project because we believe the EIR was inadequate and seriously flawed because it is based on the outdated Eastern Neighborhood Plan comprised of old data that does not take into account the current conditions.

The pace of development of high-end housing has out-paced the plan and left San Francisco with a serious affordable housing deficit leading to displacement of many working class families.

This project purportedly seeks to replace a 35,000 square foot PDR business with around 4,000 square feet of trade shop, and that does not appear to meet the new replacement requirements the voters just approved.

Removal of PDR businesses has resulted in a huge uptick in incoming traffic as the construction workers, contractors and other service industries are forced to drive back into the city to work in the neighborhoods they formerly resided in.

A serious shortage of trained skilled tradespeople is adding to the costs of getting anything done in this city.

Here you have a chance to send back a deficient project to the developers and demand improvements that will meet the new standards. Please send a message that voters can expect more from city officials than a rubber stamp on every project regardless of the merits.

Thank you for your time and attention to this important issue.

Sincerely,

Mari Eliza, Concerned Citizen

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; BOS Legislation, (BOS); Somera, Alisa (BOS)
Subject: File 161001FW: Letter in re: 1515 South Van Ness CEQA Hearing Today
Attachments: DOC111416-11142016203834.pdf

From: Edward Fenster [mailto:ed.fenster@gmail.com]
Sent: Tuesday, November 15, 2016 11:58 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: BreedStaff, (BOS) <breedstaff@sfgov.org>
Subject: Letter in re: 1515 South Van Ness CEQA Hearing Today

Dear Board of Supervisors Clerk and President Breed Staff,

I am a neighbor of 1515 South Van Ness who supports the project, not to mention the previous, existing legal determination by the city of its CEQA exemption.

Attached please find a letter on the topic regarding today's hearing.

Sincerely,
Edward

November 14, 2016

Edward Fenster
1348 S. Van Ness Ave
San Francisco, CA 94110

ATTN: San Francisco Board of Supervisors
IN RE: Appeal of CEQA Exemption for 1515 South Van Ness Ave.

Dear Supervisors,

As a neighbor (since 2005) of 1515 S. Van Ness, I write to urge that you uphold the CEQA exemption for the 1515 development. CEQA Exemption is a legal, and not political, matter, and the Board of Supervisors should respect the city's legal determination.

Indeed, the CEQA appeal is just another example of how Calle 24 disregards the desires and interests of most members of the neighborhood. The neighbors of 1515 support the project, so much so, that Calle 24 failed to obtain enough signatures from them, or even the Board of Supervisors, to challenge 1515's Conditional Use Authorization.

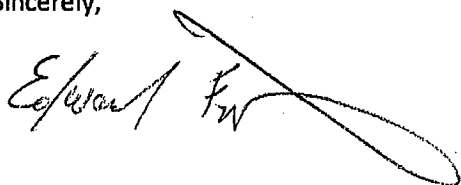
The group is famous for holding small meetings of its leadership and then claiming a broad mandate in the neighborhood, which it does not have. The last bill Calle 24 introduced in front of the Board of Supervisors, entitled "Urgency Ordinance Requiring Conditional Use Authorization for commercial storefront mergers," was so riddled with misleading factual misstatements, its critical findings section needed a substantial re-write.

Today, Calle 24 is taking an obstructionist approach by appealing the CEQA exemption. Calle 24 is wasting your time and delaying the addition of badly needed housing to the housing stock. If the Board of Supervisors cannot dismiss this maneuver, it will be hopeless ever to build badly needed new units in the Mission, and the affordability crisis will worsen. The 1515 project was unanimously approved by the Planning Commission. It uses union labor. It provides affordable housing. It offers inexpensive space for local artists. It's financed, and so can be completed. Neighbors want it.

People are moving to the Mission—that train has sailed—and now the only question is whether they occupy new units or displace existing residents.

Please support 1515's neighbors, rather than a divisive group that is lacking wide appeal and that aims to capitalize on anxieties and resentments. Please do not introduce politics into this legal determination.

Sincerely,


A handwritten signature in black ink, appearing to read "Edward Fenster". The signature is written in a cursive style with a long, sweeping flourish extending to the right.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: affordable housing


From: Analytical Labs kist [mailto:alsfok@sbcglobal.net]
Sent: Thursday, November 17, 2016 1:37 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: affordable housing

Thank you for Tuesdays landmark meeting. I believe that the Mission should build 100% affordable housing. There truly has to a sanctuary for people who are low income that can live with respect in San Francisco. The shops that support low income families now will remain and the rents in the area will remain affordable.

The Eastern Neighborhood Plan should be updated.
Olga Kist

 **Bill Shields**
San Francisco, CA · Nov 09, 2016

He was a student at our college; he should have been arrested for his erratic behavior that night perhaps, but not killed.

 **don misumi**
san francisco, CA · Nov 09, 2016

 **Kristi Kuhnen**
Mountain View, CA · Nov 09, 2016

 **Munir Eltal**
Merced, CA · Nov 09, 2016

[View all 100 supporters](#)

CHANGE.ORG FOR DECISION MAKERS

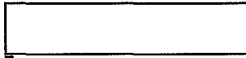
On Change.org, decision makers like you connect directly with people around the world to resolve issues. Respond to let the people petitioning you know you're listening, say whether you agree with their call to action, or ask them for more information. [Learn more.](#)

This notification was sent to Board.of.Supervisors@sfgov.org, the address listed as the decision maker contact by the petition starter. If this is incorrect, please [post a response](#) to let the petition starter know.

Change.org · 548 Market St #29993, San Francisco, CA 94104-5401, USA

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: 500 more people signed "SIGN & SHARE: Petition for Permanent Alex Nieto Memorial"

From: mail@changemail.org [mailto:mail@changemail.org]
Sent: Friday, November 11, 2016 8:50 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: 500 more people signed "SIGN & SHARE: Petition for Permanent Alex Nieto Memorial"

 New signatures

San Francisco Board of Supervisors – This petition addressed to you on Change.org has new activity. See progress and respond to the campaign's supporters.

SIGN & SHARE: Petition for Permanent Alex Nieto Memorial
Petition by Love for Alex Nieto Coalition · 500 supporters



**500 more people signed
in the last 3 days**

[View petition activity](#)

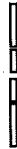
RECENT SUPPORTERS

 **Raury Girling**
San Francisco, CA · Nov 12, 2016

I believe he needs his repetitions

Darlene Camara
San Francisco, CA · Nov 12, 2016

He deserves justice and a memorial



Zachary Casciato
San Francisco, CA · Nov 12, 2016

i believe there should be a monument to all of the police brutality victims over the years, this is a good start.



Hortencia Gonzalez
San Francisco, CA · Nov 12, 2016

These parents and their deceased son deserve justice.



Anna Heredia
San Francisco, CA · Nov 11, 2016

In solidarity



[View all 500 supporters](#)



CHANGE.ORG FOR DECISION MAKERS

On Change.org, decision makers like you connect directly with people around the world to resolve issues. Respond to let the people petitioning you know you're listening, say whether you agree with their call to action, or ask them for more information. [Learn more.](#)



This notification was sent to Board.of.Supervisors@sfgov.org, the address listed as the decision maker contact by the petition starter. If this is incorrect, please [post a response](#) to let the petition starter know.

Change.org · 548 Market St #29993, San Francisco, CA 94104-5401, USA

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Retain Three Doomed Busstops at MAIN LIBRARY/CIVIC CENTER on 19Polk northbound bus line
Attachments: pw-verFF-SFMTA-and-SFPL-Info-on-19Polk-BusStop-Removals--11-10-16.doc

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

From: Library Users Association [mailto:libraryusers2004@yahoo.com]
Sent: Thursday, November 10, 2016 4:52 PM
To: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Reiskin, Ed (MTA) <ed.reiskin@sfmta.com>; MTABoard@sfmta.com
Subject: Retain Three Doomed Busstops at MAIN LIBRARY/CIVIC CENTER on 19Polk northbound bus line

Dear Mayor Ed Lee, SFMTA Director Ed Reiskin, Supervisors, City Librarian Luis Herrera:

We strongly oppose the SFMTA's planned removal of the three (3) bus stops closest to the San Francisco Public Library's Main Library, on the northbound 19Polk bus line.

This would require users of the BUSIEST STOP ON THE LINE, directly in front of the Main Library, headed for the Tenderloin, Polk Street, and Pacific Heights, to newly WALK THREE BLOCKS AND CROSS TWO BIG STREETS to get to the alternate stop proposed by SFMTA -- on McAllister and Hyde, at Hastings College.

It would remove the second busiest stop on the line as well: at the Orpheum theater.

It would require users of these three stops to NEWLY CROSS STREETS 400,000+ TIMES PER YEAR to reach SFMTA's proposed new stops -- exposing these bus riders to INJURY AND EVEN DEATH where currently they may cross no streets -- especially on the only northbound library users.

There has been almost no publicity about this, and where there have been two recent meetings, at City Hall October 14, 2016, and at the Main Library more recently -- OPINIONS EXPRESSED WERE UNANIMOUS IN OPPOSITION.

The bus stops proposed by the SFMTA's for removal are these:

- on Market and Hyde, directly outside the Orpheum theater;
- on Larkin at Grove, directly in front of the Main Library
- on Larkin at McAllister, in front of the Asian Art Museum

Please see attached flyer.

Thank you for your attention to this

Peter Warfield
Executive Director
Library Users Association
415/ 7 5 3 - 2 1 8 0

4

Library Users Association

P.O. Box 170544, San Francisco, CA 94117-0544

PRESS RELEASE

November 3, 2016,

CONTACT: Peter Warfield

Tel./Fax: (415) 753-2180

HELP STOP THIS--

SFMTA Plans to Slash 19 Polk Bus Service at Main Library--

All Three Bus Stops Closest to Main Library

On 19 Polk Northbound Bus

Proposed for Elimination

SFMTA plans to eliminate *all three of the closest bus stops to the Main Library* on the 19 Polk bus line northbound, toward the Marina.

The plan would cut the only bus stop that stops right in front of the library -- facing City Hall, on Larkin at Grove. No need to cross any streets to reach it

The plan also calls for getting rid of the 19 Polk stop before, on Market at Hyde in front of the Orpheum Theater, and the stop after the Library, on Larkin at McAllister in front of the Asian Art Museum.

The plan would force users of the Larkin/Grove stop to walk at least 2-1/2 blocks, and cross two big streets, to get to the ONLY planned replacement stop -- on McAllister Street in front of Hastings College.

This is the Main Library of the City, with 1.5+ million visits per year. It contains the Libraries for the Blind and the Deaf, which have 13,000+ visits per year. It also has many disabled and older users. And the Library stop is the most heavily-used of all stops on the line!

***** If you don't like this idea -- we don't! -- *****

(1) Call 311 and file a complaint - (2) Send a note to key parties such as Mayor, SFMTA, Library, Supervisors -- and send us a copy!
If you prefer, send your note to us and we will forward it.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Re-routing of the 19 Polk: Please prevent removal of SFPL stop, and those adjacent to it

From: Diana Scott [mailto:dmscott01@yahoo.com]
Sent: Tuesday, November 15, 2016 10:53 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Tang, Katy (BOS) <katy.tang@sfgov.org>; Reiskin, Ed (MTA) <ed.reiskin@sfmta.com>; MTABoard <mtaboard@sfmta.com>
Subject: Re-routing of the 19 Polk: Please prevent removal of SFPL stop, and those adjacent to it

To the members of the Board of Supervisors:

I learned recently that due to MTA's proposed bus route changes, the 19 Polk will no longer stop in front of the main branch of the San Francisco Public library, nor at stops on either side of it, and that the closest stop along this bus route will be near Hastings Law School at McAllister St. -- several long blocks away, across several very busy streets.

This re-routing, which circumvents a popular destination - in the name of "safety" -- creates an increased hazard as well as inconvenience for library patrons who will be forced to walk a distance to and from the Library, with more exposure to traffic.

It is UNACCEPTABLE that the SFMTA continues to modify transit routes without sufficient attention to the dislocations, dangers, and barriers to inclusive use of transit that these changes cause in accessing much-used destinations and services.
Nor does it actually promote transit use.

PLEASE TAKE ACTION TO PREVENT THIS AND OTHER SIMILAR CHANGES ALONG MUNI ROUTES (like removal of stops near other libraries, supermarkets, post offices, and similar much-used and needed destinations), both downtown and in our neighborhoods.

I write to you because it occurs to me that since supervisors have given over transit decisions to this super-agency, you may not be aware of the extent to which safe, convenient access to the Library and many other services is being reduced. Since the SFMTA Board meetings overlap your own meetings, it's unlikely that you attend the former, where these decisions are proposed and approved, often over serious public opposition. That is the other reason I address this to you directly rather than the MTA Board.

"Transit improvements" - for whatever stated reasons - should not reduce service or access to important destinations; transportation engineers cannot alone be responsible for redesigning city transit, if the aim is serving people and reducing automobile traffic. No amount of agency-generated publicity changes this fact.

Please take action to maintain our direct access, by various modes of city transit, to the places we most need to go. Please do this in your capacity as County Transit Authority Board members, if it is beyond your influence as members of the Board of Supervisors.

Thank you.

Diana Scott
Wawona St., Outer Sunset

Sidney MacDonald Russell
133 - 30th Avenue
San Francisco, California 94121

Nov. 3, 2016

Dear Mayor Lee, and Board of Supervisors,
Why are you making our city
unlivable? The construction here is
surreal. It is a city under siege.
It is impossible to drive anywhere.
I realize you are trying to remove cars
entirely from the city of San Francisco
but I am 68 years old and I have
a business in a different part of the
city from where I live which requires
me to drive to work often with
heavy materials relating to my work
in my car.

You have taken countless parking
places out of existence to make absurdly
wide curbs, for what? So that 500
people can gather together to wait for
the buses? Not happening. These
wide curbs often take parking spaces
away from restaurants and other
business which depend upon them
for their customers. I cannot believe
that you have declared war on our
drivers: older people, mothers picking up
children, business owners, people driving

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2016 NOV - 8 PM 4:00
BY [Signature]

5

Sidney MacDonald Russell
133 - 30th Avenue
San Francisco, California 94121

for a million reasons.

We are angry. All of the construction and lack of parking has created for the first time in my life in this city gridlock, permanent impassability on our streets. You are responsible for encouraging unrestrained and irresponsible construction projects which has made our city during your administration, have a total lack of freedom of movement. You issue building permits for any project willy nilly. It took me one hour recently to drive from my house in The Richmond District to the Sutter Stockton garage downtown. You are hurting commerce.

Your idea of a great city is New York City, apparently. New York is a city which has total gridlock almost all day long. You think we can live with the uncontrolled and unleashed construction going on all over the city of San Francisco, but truly, we cannot.

There is no coordination of this growth.

Sidney MacDonald Russell
133 - 30th Avenue
San Francisco, California 94121

There is no planning and there is no thoughtful strategy for the Urban Design Plan of San Francisco or how to time these projects to make the city livable, comfortable, and beautiful.

You have ruined much of the pleasure of living here. You have been disrespectful and callous about people who for so many reasons cannot hop on their bicycles or, in my case, take the bus to work.

Mayor Willie Brown had his problems as mayor but he made progress in development, construction, beautification, elegance, and most importantly, the livability of San Francisco.

You are doing the exact opposite and it is a terrible thing for all of us.

Sincerely,
Sidney M. Russell

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: All Elections Are Too Costly

From: Joseph Szot [mailto:joe.szot.usa@gmail.com]
Sent: Monday, November 07, 2016 5:59 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: All Elections Are Too Costly

When you consider:

1 Rental of Precinct Locations

2 Transport and Set up Cost of Voting Machines

3 Paying Large Numbers Of Precinct Workers

4 Security Cost

5 All the Gas, Pollution and Time Wasted by Voters Driving, Standing in Line, especially in hot weather conditions. Could have the cost of emergency personal standing by for "heat stroke" victims among the elderly.

6 If the "heat stroke" is bad enough, it could mean a ambulance ride and a hospital bill for the unfortunate voter.

We need to compare our Election cost with states that use only mail in ballots. I know we spend way more dollars then we have too.

Let's Wake Up and Get Smart!

7 If all city, county, state and federal elections were Mail In ballot in the whole country. We could save enough money to maybe build a new airport, somewhere in the nation like every 3 years. Remember the richest country on earth hasn't built a brand new airport anywhere in the USA, since KDIA in 1995. That's just flat out embarrassing!

8 With all the extra mail, maybe the US Post Office could make a profit or get funding help, due to all the money the whole nation saves on cheaper mail in ballot elections.

To me it's a No Brainer!!



From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Short-Term Residential Rental Limit of 60 Days per year for New Registrations
Attachments: November 16 2016 Board of Supervisors and AirBnB summary after meeting letter.docx

From: Michelle Arrais [mailto:arrais.michelle@gmail.com]

Sent: Thursday, November 17, 2016 4:35 PM

To: Mable Huang <mable.huang@airbnb.com>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Cc: Mar, Eric (BOS) <eric.mar@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; BreedStaff, (BOS) <breedstaff@sfgov.org>; Campos, David (BOS) <david.campos@sfgov.org>

Subject: Short-Term Residential Rental Limit of 60 Days per year for New Registrations

November 16, 2016

City and County of San Francisco
San Francisco Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B. Goodlett Pl #244
San Francisco, CA 94102

Ms. Mabel Huang
AirBnB Community Organizer
888 Brannan Street
San Francisco, CA 94103

VIA EMAIL

Re: Short-Term Residential Rental Limit of 60 Days per Year for new registrations

Dear San Francisco Board of Supervisors and Ms. Mabel Huang,

Thank you for the meetings both at city hall and the AirBnB headquarters about the proposed revision of the administrative code regarding limiting short-term residential rental units for new registration of units to 60 days. Meetings for open discussions about issues with public services, private services, and residents are one of many good approaches in addressing issues. It was good to hear from other AirBnB hosts, people who were not AirBnB hosts, the San Francisco Board of Supervisors, and AirBnB's community organizers views and experiences with AirBnB and the issues that each stakeholder is concerned with.

While I think that it is good that the new 60 days limit does not apply to registered units and for renewal of registration every 2 years of registered units, there are still long-term issues with sustainability for both the short-term rental market, the city's housing market, and the city's public services that I would like to summarize my thoughts on and offer some ideas.

As I mentioned during the meeting with the AirBnB community organizer and expressed by many short-term rental hosts during the meeting with the San Francisco Board of Supervisors, the litigation between and short-term residential rental listing and reservation companies provides much unneeded and unwelcomed anxiety for short-term residential rental hosts. I hope that both the Board of Supervisors and short-term residential rental listing and reservation companies find and work on newer approaches on the following issues and I offer my suggestions on each issue:

- 1) Registration of short-term residential rental and quarterly occupancy rate reporting:
While the transient occupancy rate in the city may not have been materially impacted

by the older method of listing through classified ads in local newspapers, the transient occupancy rates in the city have been materially impacted with the newer more customized, developed, and user-friendly approach through apps and websites. Transient occupancy rates impact various areas of public service, including emergency services (firemen, police, and ambulance) and contingency services, including having contractual arrangement with neighboring counties for temporary overflow services. Therefore, it is important and a good service for both hosts and guests that AirBnB and other short-term residential rental companies provide an easy process for hosts to both register units with the city and provide quarterly reporting of occupancy rates for the city to use to estimate transient occupancy rates from. A click-button review and transfer of user profile information and occupancy information should be developed to send information from the app/website to the city department's website. A quick, simple and easy review and approval process should be developed and implemented at the office of short-term rental registry.

- 2) **Predatory Real Estate practices, Commercial Short-Term Residential Rental Hosting and Housing/Rental Supply and Availability:** Based on some of my experience in the business administration field (economic, finance, operations) and hosting, I think that providing an option for a supplemental form of income generated from the use of the residential real estate property to offset costs of homeownership, including improvements and maintenance, is something good that was not available pre-2008 financial crisis and may serve to provide more stability in the housing market in the long-term. I think providing a supplemental form of income in the form of a type of business license provides flexibility to and reduce stress for life changing and/or development activities that occurs in people's lifetimes such as changing jobs, changing careers, addressing health issues, addressing health issues of family members, adjusting to living independently, and adjusting to retirement. Having the revenue generation right in the form of a business license instead of a real estate property right makes the effect of hosting neutral to property selling price for individual properties but may have a stabilizing effect to properties within each location. Having already occupied property for residential use by the homeowner used for short-term residential rental for a portion of each unit does not impact rental availability. The city's current proposal using a 60 day limit may not be the more effective approach for both market activity support and deterrent effect on predatory real estate practices. An improved tracking and approval process utilizing property ownership records of short-term residential rental business licensees and purchase and sale records of residential properties used in short-term residential rental hosting in the city may provide a more deterrent effect with less impact to market support. A limit of 1-2 units for short-term residential rental hosting per city and county and a 3 years 60 days limit for new short-term residential rental registrations for new residential real estate purchases may help alleviate concerns about short-term residential rental hosting's impact on both housing and rental availability. Companies, like AirBnB, can work with the city to provide a process for condominium conversion remodel and/or addition to increase residential unit supply at a moderate pace. Companies, like AirBnB, can work with third-party home improvement companies to provide services to host homeowners to retrofit some of the 100 year old residential

building structures for seismic, environmental, and energy efficiency. In providing this option for increasing residential supply, additional residential units for new homeowners or renters can be made available in retrofitted existing residential buildings in existing residential zoned areas of the city without displacing existing homeowners. The technology in computing and engineering that did not exist 100 years ago is available today for 2-3 story residential buildings in some area to be converted to 5-6 story residential buildings. AirBnb can also work with financial services companies to provide remodel construction financing to existing and new home owners, including temporary housing costs if needed during construction.

- 3) More Diversified Travelers: While there are some overlap with commercial hospitality industry participants like hotels, short-term residential rentals provide another option of more affordable stays and different experience for travelers who may opt not to travel, travel less, or may not have thought of traveling to some locations. Travelers that I have hosted include students staying for short-term residency programs at universities, family visiting family in San Francisco, small-mid size business owners or self-employed people attending academic and business conferences, backpack travelers, and sports events attendees. Revenue from business income generated from visitors to the city provides support for employment in the city, new business ownership and development, and maintaining existing businesses. That business activity generates usage fees to fund the maintenance of the city provided through public services.

While the availability to meet in person was good, both the city and private companies, like AirBnB, should consider developing virtual meeting places in addition to or supplemental to in person meetings to provide more opportunities and accessibility for hosts and other stakeholders to provide feedback.

Thank you,
Michelle Arrais

cc: Aaron Peskin, Norman Yee, London Breed, David Campos, Eric Mar

From: Board of Supervisors, (BOS)
To: Evans, Derek; Somera, Alisa (BOS)
Subject: File 161093 FW: Additional Public Comment in Opposition to Pending Home Sharing Legislation

From: James Jason Wisner [mailto:jasonwisner@gmail.com]
Sent: Monday, November 14, 2016 9:30 PM
To: Farrell, Mark (BOS) <mark.farrell@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Major, Erica (BOS) <erica.major@sfgov.org>
Cc: Breed, London (BOS) <london.breed@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Campos, David (BOS) <david.campos@sfgov.org>; Avalos, John (BOS) <john.avalos@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Mar, Eric (BOS) <eric.mar@sfgov.org>; Tang, Katy (BOS) <katy.tang@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>
Subject: Additional Public Comment in Opposition to Pending Home Sharing Legislation

Re: (161093 Administrative Code - Short-Term Residential Rental Limit of 60 Days per Year and Private Right of Action)

Clerks:

Board of Supervisors: Please enter in the record as new public comment in opposition to above referenced legislation and insure dissemination to all Supervisors.

GAO Clerk: Please enter in the record to supplement my public comments offered in person in the GAO hearing on 11/14/2016.

Mayor Ed Lee: Please note my citizen concerns below. Please prepare to VETO this should it come to you. If it does, I'll follow up with your office in greater depth.

Dear Supervisor Farrell (Mine), Breed, & All Other Supervisors (GAO!):

I attended the GAO hearing today on Supervisor Breed's improvident and divisive legislation about Home Sharing. I felt compelled to follow up with you all after hearing the testimony of citizens working hard to make their lives better by sharing their lives, homes, and city with visitors who offer residents home-sustaining payments for the unique privilege of being a guest in a private residence in SF.

[Me: SF native; Russian hill resident; 33+ year property manager in SF for family properties and others; landlord; would-be AirBnB host but scared by the uncertain climate where Supervisors are moving the Home Sharing goalposts mid-game.]

In the GAO audience I saw, heard, and spoke to, there were no "greedy landlords." There were no "corporations." The only corporate interests represented were the labor unions (as if restricting AirBnB rentals will actually result in a journeyman finding an affordable apartment in The City — though it might get short term labor a sweet spot for the right price right near the job site if the contractor is paying!), and the hotels (Surprise, they are opposed to Home Sharing. Shocker!)

Everyone one else who spoke was a hard working San Francisco resident with a plan and a platform to make their lives and their City better:

1. Young mothers with supervising kids while they prep a guest space;

2. partner loses a job and they rent a space to save their home;
3. elderly grandmother making extra cash to visit her grown family in their homes across the country;
4. artists who pursue their art and share it with their guests;
5. Abused property owners who won't ever have another full time resident in their home in SF; and, yes,
6. a few people who don't have to host for financial reasons, but who do so because primarily because they love being Ambassadors for this jewel of a city we all love!

I, together with 55% of the community of San Francisco, as demonstrated by the last vote on this issue, write to express my COMPLETE OPPOSITION to this proposed legislation. (Caps for emphasis, not yelling.)

Please,

1. **Don't allow the proposed reduction in nights from the current framework.** If anything, consider allowing more un-hosted nights.
2. **WORK with AirBnB on a viable registration system** to replace the scandalously wasteful office you created to manage a system that should be handled by mouse-clicks in the cloud — if the City could get its act together with the Home Sharing Community. Also, our Supervisors (especially the “GAO 3”) need get over their transparent pique at AirBnB because they didn't get their millions of resident and visitor dollars remitted sooner.
3. **Under No Circumstances should you set up a new bureaucratic arena for neighbor combat.** (Private right of action.) We are facing the most divisive time in our history since perhaps the Civil War. What say the Board of Supervisors not promote neighbor vs. neighbor combat in an arena where cash prizes are awarded? 311 for complaints. 911 for emergencies. We already have a system for everyone to complain in San Francisco at all times; it's who we are!

In short, keep the existing caps, use currently existing City resources for neighbor complaints, and **take and additional “gravy” tax revenue and focus on the only things 99.9% of San Franciscans care about: PEUTH (not Charlie) — Potholes, Excrement, Urine, Trees, Homeless!**

Thank you.

James Jason Wisner, President
Thrid & Main, Inc.

1120 Greenwich Street
San Francisco, CA 94109
Mobile: (415) 271-0805
jasonwisner@gmail.com

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From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: RFQ and PUC's Land Use Framework
Attachments: LANDuseFramework.pdf

From: ajahjah@att.net [mailto:ajahjah@att.net]
Sent: Wednesday, November 16, 2016 12:58 PM
To: BRCAC (ECN) <brcac@sfgov.org>; Wong, Phillip (ECN) <phillip.c.wong@sfgov.org>; Hood, Donna (PUC) <dhood@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Tracy Zhu <tzhu@sfgov.org>; Wendy Aragon <wendolyn.aragon@gmail.com>; Jennifer Clary <jenclary@sbcglobal.net>; Yee, Norman (BOS) <norman.yee@sfgov.org>; Low, Jen (BOS) <jen.low@sfgov.org>; Linda Da Silva <ldasilva@ccsf.edu>; Steve Bruckman <sbruckman@ccsf.edu>; Ambrose, Noreen (CAT) <noreen.ambrose@sfgov.org>; Cityattorney, (CAT) <cityattorney@sfgov.org>
Cc: Linda M. Judge <linda.judge@sbcglobal.net>; Kishan Balgobin <balgobin@gmail.com>; Mandy Tom <mdtom8@hotmail.com>; alisontribble@mac.com; Sheila Hawthorne <mrsyh@aol.com>; Kate Favetti <woloso1@yahoo.com>; Kathy Beitiks <kobeitiks@gmail.com>; fred@lofrano.com; Francine Lofrano <ftblote@sbcglobal.net>; Anita Theoharis <atheoharis@sbcglobal.net>; Ravi Krishnaswamy <raviks.email@gmail.com>; Tim Emert <tim@timemert.com>; Laura Frey <sfpollack@sbcglobal.net>; MP Klier <maureen.klier@gmail.com>; Thomas Day <tteeday@gmail.com>; Caryl Ito <carylito@aol.com>; Jennifer Heggie <jdheggie@gmail.com>; SNA Brick <brc.sna@gmail.com>; Adrienne GO <gumbo1368@yahoo.com>; Ray Kutz <ray.kutz@gmail.com>; Bob Byrne <rbyrne6722@gmail.com>; Rita Evans <rita_e@pacbell.net>; Monica Collins <lizzy2k@gmail.com>; Ellen Wall <ellen.hegman@gmail.com>; Steve Martinpinto <smartinpinto@yahoo.com>; Chris Coghlan <chris@chriscoghlan.com>; Amy O'Hair <secretary.sunnyside@gmail.com>; Ken Hollenbeck <sunnyside.memberatlarge@gmail.com>; CCHO--fernando <fernando@sfc-409.org>; PODER <jessie@podersf.org>; Chris Hanson <chrisbhanson@sbcglobal.net>; Harry Bernstein <riquerique@yahoo.com>; Madeline Mueller <madelinenmueller@gmail.com>; Lenny Carlson <lenny.carlson@comcast.net>; Karen Saginor <ksaginor@gmail.com>; Mandy Liang <mliang@ccsf.edu>; Westwood Park Association <board@westwoodpark.com>; Susan Lamb <slamb@ccsf.edu>; Cynthia Dewar <cdewar@ccsf.edu>; R. Mandelman <rafaelmandelman@yahoo.com>; Thea Selby <thea@nextstepsmarketing.com>; Amy Bacharach <abacharach@ccsf.edu>; Steve Ngo <stevengo@ccsf.edu>; John Rizzo <jrizzo@sprintmail.com>; Brigitte Davila <bd@brigitte-davila.com>; Bouchra Simmons <boucheron@europe.com>; Alex Randolph <alex@alexrandolph.com>; Lisa Spinali <sunnyside.president@gmail.com>
Subject: RFQ and PUC's Land Use Framework

BR CAC, City Team, PUC CAC, PUC, BOS:

At Monday's 11/14/2016 Balboa CAC meeting, I commented on the Reservoir RFQ.

I brought to your attention that the RFQ's section on "Applicable Land Use Policies" did not reference PUC's own "Land Use Framework" policy (attached for your convenience).

At the same meeting, among the themes of public comment was the City Team's failure to address community concerns and that input was only incorporated if such input conformed with the City's pre-determined outcome.

Evidence that this has been the case is the fact that I had brought up the PUC Land Use Framework back in February. The concerns/issues brought up in the following 2/24/2016 submission were never responded to by the City Team:

BR CAC, PUC, BOS, Land Use Committee:



The Mayor's Office of Economic & Workforce Development and the Planning Department have presented the Balboa Reservoir Project essentially as a done-deed/fait accompli to the community.

Other than minor revisions to Principles & Parameters, OEWD/Planning has consistently and repeatedly failed to address community concerns regarding big-picture impacts on the existing conditions and setting that surround the PUC Reservoir site.

Here is a big-picture perspective on Balboa Reservoir that I urge you to consider:

1. The Public Land for Housing Program's goal is affordable housing
2. PUC requires fair market return for sale of its properties
3. The above two concepts are in contradiction, such that 100% affordable housing is not feasible.
4. The result is that the Reservoir Project predominantly promotes **unaffordable** housing: 67% unaffordable, in order to allow for 33% affordable [**as defined by law** to mean up to 120% BMI] .
5. Even the affordable housing will not be permanently affordable. The affordability will last only as long as the housing's "useful life." After the end of the "useful life" of affordable housing, such property will be owned free and clear of affordability restrictions. (This is per 2015 Proposition K language.)
6. The sale of Balboa Reservoir will result in a short-term cash gain for PUC; it will result in a long-term permanent loss of a large public property; it will result in a tremendous long-term bonanza for private interests.
7. OEWD/Planning has presented the Reservoir Project to the community pretty much as a done-deal.
8. CEQA requires assessment of a project's impact on existing conditions and "Public Services " The AECOM Study and the OEWD/Planning Principles & Parameters have failed to properly assess, or to propose realistic mitigation measures for the BR Project's significant impact on City College.
9. Before Mayor's Office can make it a done-deal, the Project will have to be facilitated by the PUC Commissioners (5 members) who would have to vote to declare the Reservoir to be surplus property.
10. PUC has a Land Use Framework to which it should adhere.
11. PUC should be asked to disallow sale of Reservoir as surplus in accordance with its own land use policy. See below:

Balboa Reservoir in context of PUC's Land Use Framework

The sale of PUC property is governed by the PUC document, "FRAMEWORK FOR LAND MANAGEMENT AND USE."

The document lays down conditions for sale of PUC land to include economic, environmental, and community criteria.

The Balboa Reservoir Project has been promoted as part of the Public Land for Housing Program whose purpose is to build affordable housing. PUC's Land Use Framework's economic criterion requires that the sale of Balboa Reservoir "must achieve fair market value compensation for the benefit of ratepayers." Because of this condition, 100% affordable housing will be unfeasible.

Public Land for Housing, in the context of Balboa Reservoir, will fail its overarching goal of affordability. Instead, Balboa Reservoir will achieve 67% **unaffordable** housing, in exchange for 33% affordable housing [OEWD/Planning's Principles & Parameters state a goal of 50/50%, but this target is unlikely to be reached. If this 50/50 target is reached, the outcome would be about 250 affordable units, and 250 unaffordable units. Would even this 50/50 ratio justify ceding public property in perpetuity to private interests?].

OTHER LAND USE FRAMEWORK CRITERIA

The PUC Land Use document states:

ECONOMIC CRITERIA: Land may be sold or transferred when:

- 1. The sale or transfer does not jeopardize the future use or potential sale of functionally related and/or adjoining SFPUC land.*
- 2. The sale or transfer will result in savings of operational costs expended to manage the property.*
- 3. The sale or transfer does not result in a change of use of the property that would increase SFPUC exposure to liability related to conditions in the soil or structures that are not warranted by the return to SFPUC from the sale or transfer.*

Sale of Balboa Reservoir fails to fulfill Condition 2 of "Economic Criteria." Selling off Balboa Reservoir will not result in saving operational/management costs for Water Enterprise.

Instead of selling off the Reservoir to private developers, retaining this large tract of land constitutes "money [public assets] in the bank" for PUC and citizenry.

The Land Use document also states:

COMMUNITY CRITERIA: Land may be sold or transferred when:

- 1. The sale or transfer is evaluated under SFPUC Community Benefit and Environmental Justice policies and objectives.*
- 2. The sale or transfer would not significantly adversely affect the implementation of an adopted resource agency plan for the area.*
- 3. The sale would not increase the risk of loss, injury or death to SFPUC employees or others on or near the parcel.*
- 4. Use of the land sold will not result in activities creating a nuisance.*

The Balboa Reservoir Project as envisioned by OEWD/Planning fails Condition 4 of "Community Criteria."

The current plan removes existing parking for City College students. It deliberately limits parking within the Reservoir to 0.5 parking spaces per residential unit in the unrealistic expectation that this will discourage car ownership by new Reservoir residents.

Given the limited street parking in the surrounding neighborhoods, and the fact that the main (practically and probably the only) ingress/egress to the Reservoir Housing project will be Phelan Avenue, the 500 unit Balboa Reservoir Project will result in creating a substantial traffic and parking nuisance [The word “nuisance” understates the problem].

The Balboa Reservoir Project as set forth in the OEWD/Planning Principles & Parameters fail to comply with PUC’s “Framework for Land Management and Use.”

The sale of Balboa Reservoir to private developers would provide a short-term cash infusion to PUC Water Enterprise. However the short-term gain of quick cash doesn’t justify losing this valuable piece of public land in perpetuity to private developers in the guise of “affordable housing.”

Submitted by:
Alvin Ja
District 7 resident



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

FRAMEWORK FOR LAND MANAGEMENT AND USE

By adoption of this Framework for Land Management and Use, the Commission is seeking to advance the analytical and decision-making process surrounding the administration of real estate assets under the San Francisco Public Utilities Commission's (SFPUC) exclusive jurisdiction. Properties under the jurisdiction of the Commission shall first and foremost serve the mission of the SFPUC to provide our customers with high quality, efficient and reliable water, power, and sewer services in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care.

In connection with the operation of its water, wastewater and power systems, the SFPUC has jurisdiction over a wide range of property types both inside and outside the City and County of San Francisco. In total, the SFPUC has jurisdiction over:

- 210 miles of water pipelines rights-of-way, owned in fee title or by easement
- 280 miles of electrical transmission lines
- 900 miles of sewer lines and 1200 miles of water distribution lines
- Facilities including impounding and distribution reservoirs, dams, powerhouses, treatment plants, maintenance yards and warehouses, pump stations, tanks, electric substations, administration buildings, and various properties acquired for, or formerly used for these purposes.
- Tuolumne River and Bay Area Watersheds
 - In the Tuolumne River Watershed, the SFPUC owns some land in fee but operates water and power facilities primarily under right of way easements granted by the United States under the Raker Act of 1913. Primary responsibility for managing these lands lies with the National Park Service and the United States Forest Service, as described in agreements with the SFPUC (below). The SFPUC coordinates with and assists the National Park Service in its management of the 459-square-mile Tuolumne River watershed and the 79-square-mile Eleanor Creek watershed located in Yosemite National Park; and similarly coordinates with and assists the Stanislaus National Forest in its management of the 114-square-mile Cherry Creek watershed located within the National Forest boundaries.
 - In the Bay Area (Alameda and Peninsula Watersheds), the SFPUC manages approximately 60,000 acres of land acquired by the City and County of San Francisco (CCSF) primarily from the Spring Valley Water Company in 1930. The SFPUC manages

Edwin M. Lee
Mayor

Anson Moran
President

Art Torres
Vice President

Ann Moller Caen
Commissioner

Francesca Vietor
Commissioner

Vince Courtney
Commissioner

Harlan L. Kelly, Jr.
General Manager



these watershed lands pursuant to adopted Watershed Management Plans that incorporate policies for the purpose of protecting these watershed lands that surround the local water supply, to ensure a reliable and high quality drinking water for the Bay Area customers, and also address public use, secondary use, and acquisition and disposition of lands.

- Lake Merced Tract
 - Lake Merced is located in the southwest corner of San Francisco near Skyline and Lake Merced Boulevards. It consists of four inter-connected freshwater lakes: North Lake, South Lake, East Lake and Impound Lake that are fed by rain water and seepage from historic springs and creeks. Lake Merced is an emergency source of water for the City of San Francisco to be used for fire fighting or sanitation purposes if no other sources of water are available. The San Francisco Recreation and Park Department manages the recreational areas of the Lake under a 1950 agreement with the SFPUC. The SFPUC manages the water aspects of the Lake.

Existing Policies Related to Land Management

The SFPUC has managed most of these lands for decades, and the Commission has established a broad range of policy guidance specifically for their use and administration, including:

- A. **Water Enterprise Environmental Stewardship Policy** adopted by the Commission in June 2006 to acknowledge responsibility for the protection of natural resources that affect or are affected by operation of the SFPUC water system. The Watershed and Environmental Improvement Program (WEIP) is an important Stewardship Policy implementation strategy – the WEIP will provide \$50 million over 10 years to protect and restore natural resources within SFPUC watershed lands, including the acquisition of easements and/or title to additional watershed lands for protection of source quality water.
- B. **Hetch Hetchy Watershed Protection 5-Year Agreement** with the National Park Service, initially adopted by the Commission in June 2005 and again as revised in August 2010, to meet federal and state criteria for source water protection instead of providing filtration. The Agreement sets priorities and schedules for water quality protection, environmental stewardship, and security activities in the Tuolumne River Watershed within Yosemite National Park by the Park Service using funding provided by Hetch Hetchy Water and Power.
- C. **Wild and Scenic River Management Plans.** The National Park Service is preparing a wild and scenic management plan for the Tuolumne River within the National Park, and is scheduled to release a draft plan for public comment in 2012. The US Forest Service completed their plan for the reach of the Tuolumne River in the Stanislaus National Forest in 1988.

- D. **Alameda Watershed Management Plan.** This comprehensive Plan thoroughly examines all aspects of land management in the Alameda Watershed, and was adopted by the Commission in 2000. The primary goal of the Plan is the protection and enhancement of source water quality. The purpose of the Plan is to provide a policy framework for the SFPUC to make consistent decisions about the activities, practices, and procedures that are appropriate on Alameda Watershed lands. The Plan divides the watershed between the primary watershed (areas tributary to the SFPUC's drinking water sources) and the secondary watershed (areas downstream of drinking water intakes, primarily the Sunol Valley). The Sunol Valley Resource Management Element of the Plan guides the SFPUC's quarry leasing activities in Sunol Valley. Finally, the SFPUC is developing a 50-year habitat conservation plan to protect certain sensitive species in the SFPUC's Alameda Watershed lands while allowing operation, maintenance, repair and replacement of water supply facilities.
- E. **Peninsula Watershed Management Plan.** This comprehensive Plan thoroughly examines all aspects of land management in the Peninsula Watershed, and was adopted by the Commission in 2001. The primary goal of the Plan is the protection and enhancement of source water quality. The purpose of the Plan is to provide a policy framework for the SFPUC to make consistent decisions about the activities, practices, and procedures that are appropriate on Peninsula Watershed lands. The Peninsula Watershed is also covered in large part by two scenic easements administered by the United States Department of the Interior through the Golden Gate National Recreation Area. The scenic easements prohibit certain activities in the watershed and generally seek to preserve open space values.
- F. **Right-of-Way Encroachment Policy.** In 1999 the SFPUC adopted a Right of Way Encroachment Policy intended to safeguard the water, power and sewer utilities and other related appurtenances on right of ways through lands controlled by the SFPUC or the City. The Right of Way Encroachment Policy provides guidance for the types of secondary uses and legal arrangements that should be authorized in these situations. The Commission amended the policy in 2007 to further address situations raised by the construction of projects under the Water System Improvement Program regarding permitted uses, or encroachment on the Rights of Way, by adjacent property owners.
- G. **Vegetation Management Policy.** This Policy was adopted by the Commission in 1999 to establish guidance for secondary uses of the Right of Way with respect to permissible vegetation incorporated in third party landscaping and gardening uses. For example, the Policy generally prohibits the planting of trees on the right of way to protect the pipelines. The Commission also adopted site specific mitigation measures when it approved the various WSIP pipeline improvement programs (e.g. Bay Division, San Joaquin Pipeline) that specify the types

of permissible vegetation for use in post construction restoration of the right of way.

- H. **Real Estate Services Guidelines.** Currently there are approximately 100 properties under lease and another approximately 300 properties where permits are issued. Leases and permits for certain uses on SFPUC lands are managed by SFPUC Real Estate using the Real Estate Services Guidelines. These Guidelines, and the Commission approved forms of specific lease or permit agreements, reflect policies for the protection of land and facilities, as well as the SFPUC's financial interests.
- I. **Environmental Mitigation and Monitoring Plans.** The Commission, in approving the Water System Improvement Program, projects within the WSIP, and other construction projects by all SFPUC enterprises, also has adopted environmental mitigation and monitoring plans or approved project related regulatory permit conditions that may include provisions for the protection of habitat, cultural resources, and water quality related to that specific project or property under construction.
- J. **MOU/MOAs.** The Commission has authorized Memorandum of Understanding or Agreement (MOU/MOA) with other governmental agencies, or city departments, concerning certain properties that incorporate policies for the use and management of those SFPUC lands. For example, there is an MOU between SFPUC and the Recreation and Park Department for the use and management of the Reis Tract, a pipeline right of way in Visitacion Valley, relating to surface improvements for community use. Another MOU with San Mateo County addresses use and access to the Sawyer Camp Trail System. An MOU between SFPUC and the Recreation and Park Department for the Lake Merced Watershed is under development and review by the Commission as a replacement for the 1950 resolutions of the two departments that generally assign responsibility for managing surface recreational uses to the Recreation and Park Department.
- K. **Policies of General Applicability.** Many other Commission policies of general applicability also guide the administration and use of SFPUC lands – including Community Benefit, Environmental Justice, Sustainability, and Storm Water Management Plan.

The Board of Supervisors has also established policies applicable to the management of all City owned properties, including the Recreation and Open Space Element of the San Francisco General Plan, Green Building Ordinance, Pesticide Ordinance, Graffiti Removal, among others. In addition, the Charter and San Francisco Administrative Code contain policies and procedures governing land acquisition, disposition, leases and permits.

Focus on Land Management Guidance for Secondary Uses, Acquisitions and Disposition of SFPUC Lands

As detailed above, the Commission has established a number of land management policies, and the nothing in this Framework is intended to amend or revise those policies currently in place. The focus of this document is on SFPUC land management in three key areas for lands not otherwise subject to specific policy guidance (e.g. Alameda and Peninsula Watershed Management Plans): I) Leases or Permits for Secondary Uses on SFPUC Land, II) Disposition of SFPUC owned Lands; and III) Acquisition of Land by the SFPUC.

I. Leases or Permits for Secondary Uses on SFPUC Land

The primary use of SFPUC land is for the delivery, operation, maintenance and protection of its water, power, and sewer systems. Secondary uses of lands devoted to these purposes may be permitted if those uses do not in any way interfere with, endanger or damage existing or future operations or the security of those systems, and there is a benefit to the SFPUC in permitting that use.

Due to the diverse nature of the SFPUC properties, each property must be evaluated individually to determine the appropriateness for secondary uses. To determine if a secondary use is allowed, the SFPUC staff will evaluate the use in light of the following additional economic, environmental, and community considerations.

ECONOMIC: Leases or permits for secondary uses may be allowed when:

1. There is no other primary SFPUC use for which the land is required at the time, and the use is compatible with the existing or anticipated future SFPUC use of the land.
2. Fair market rent or fees are received, except as provided in the SFPUC Real Estate Services Guidelines (“RES Guidelines”), and such use is at least revenue neutral.
3. The terms of the lease or permit are consistent with the SFPUC RES Guidelines, including provisions related to the forms of agreements approved by the Commission.
4. The use is subject to conditions that preclude improvements that would adversely affect the SFPUC’s ongoing use of the land.
5. The use does not displace secondary uses that are more consistent with the SFPUC’s mission and policies.
6. The use requires no ongoing maintenance by the SFPUC, unless specifically described and agreed to in the lease or permit.
7. The use creates no new legal liability for the SFPUC.

8. The use does not rely on use of any other SFPUC land to function.
9. Following the secondary use, the SFPUC may use the parcel for other SFPUC uses or purposes, without remediation, in a timely manner.

ENVIRONMENTAL: Secondary uses may be allowed when:

1. The use is consistent with existing SFPUC policies.
2. The use is subject to appropriate environmental review so that the environmental effects of the use, if any, can be considered and mitigated to the extent feasible.
3. The use does not pose unacceptable health or safety risks for SFPUC employees or others on or near the land.

COMMUNITY: Secondary uses may be allowed when:

1. The use is consistent with the SFPUC's Environmental Justice and Community Benefit policies and objectives.
2. The applicant is required to obtain all required permits and authorizations from the local jurisdiction.
3. If the proposed use involves a change of use from the existing condition, the applicant is first required to obtain SFPUC authorization to seek any necessary approvals of the local jurisdiction, and approval of the permit or lease is subject to SFPUC first considering the adjacent community's or local jurisdiction's concerns.
4. The use does not hamper emergency access to any surrounding SFPUC parcels.

II. Disposition of SFPUC Lands

In certain instances, land owned by the SFPUC may no longer serve a primary utility purpose, nor an anticipated future purpose, for use by any of the utilities under the SFPUC jurisdiction (water, sewer, power). Parcels that may be subject to a determination by the Commission that the property in question is surplus to the needs of any utility may be sold or transferred to another city department. The sale or transfer of surplus property must achieve fair market value compensation for the benefit of ratepayers, and is subject to bond covenant provisions protecting the bondholders' security for SFPUC indebtedness. Sales of property and interdepartmental jurisdictional transfers are also subject to Board of Supervisors approval, and that of the receiving department, consistent with the City Charter and ordinances.

The SFPUC's ratepayers bear the costs of significant seismic and operational upgrades to the SFPUC's utility systems. Revenues realized from the sale of surplus assets reduce the need to recover a comparable amount of funding from ratepayers through utility rates. Accordingly, the sale or transfer of a particular parcel under the jurisdiction of the SFPUC should be preferred over retention in instances where (i) such parcel is not currently being used for a primary utility purpose, (ii) staff has determined that there is not a reasonably foreseeable utility purpose for which the parcel would be uniquely suited by any of the utility enterprises under SFPUC jurisdiction, (iii) the sale or transfer of such parcel would achieve a financial return consistent with SFPUC's fiduciary duties to ratepayers and bondholders, and (iv) sale or transfer of such parcel would not result in the permanent loss of a significant asset to the cultural history of the City and County of San Francisco and the SFPUC. Additionally, the following economic, environmental, and community criteria should be considered:

ECONOMIC CRITERIA: Land may be sold or transferred when:

1. The sale or transfer does not jeopardize the future use or potential sale of functionally related and/or adjoining SFPUC land.
2. The sale or transfer will result in savings of operational costs expended to manage the property.
3. The sale or transfer does not result in a change of use of the property that would increase SFPUC exposure to liability related to conditions in the soil or structures that are not warranted by the return to SFPUC from the sale or transfer.

ENVIRONMENTAL CRITERIA: Land may be sold or transferred when:

1. The sale or transfer is subject to appropriate environmental review, so that the SFPUC can consider the environmental effects, if any, and determine whether the sale or transfer is consistent with existing SFPUC policies.

COMMUNITY CRITERIA: Land may be sold or transferred when:

1. The sale or transfer is evaluated under SFPUC Community Benefit and Environmental Justice policies and objectives.
2. The sale or transfer would not significantly adversely affect the implementation of an adopted resource agency plan for the area.
3. The sale would not increase the risk of loss, injury or death to SFPUC employees or others on or near the parcel.

4. Use of the land sold will not result in activities creating a nuisance.

III. Property Acquisitions

From time to time the Commission actively seeks out or is presented with opportunities to acquire or exchange additional land, or an easement, that would be beneficial to the SFPUC's utility operations or objectives. In such instances staff shall perform an evaluation of the utility need or objectives that would be addressed by such proposed acquisition, including whether there are other feasible alternatives that would also achieve comparable objectives while mitigating the costs or liabilities associated with the property acquisition opportunity. Staff shall present the result of such evaluation to the Commission in connection with its consideration of the acquisition. The acquisition of property is also subject to approval by the Board of Supervisors, following a determination by the Planning Commission as to the consistency of such acquisition with the San Francisco General Plan. The following additional economic, environmental, and community criteria should be considered when making the decision to acquire property.

ECONOMIC CRITERIA: Land, or easements, may be acquired or exchanged when:

1. Acquisition of the land or easement provides additional resources to further the SFPUC objectives.
2. The price does not exceed fair market value.
3. Acquisition of the land or easement would mitigate against future SFPUC costs, for instance, where SFPUC utilities are located on property owned by third parties and thus subject to displacement.
4. Current uses of the land are not compatible with adjoining SFPUC land usage, in a manner that interferes with SFPUC utility objectives.
5. A proposed exchange of surplus property for lands to be acquired can reduce the need for an appropriation of funding derived from ratepayers for the acquisition.

ENVIRONMENTAL CRITERIA: Land may be acquired when:

1. The acquisition is subject to appropriate environmental review, so that the SFPUC can consider the environmental effects, if any, and determine whether the acquisition of the land or easement furthers the SFPUC's existing policies (e.g., Water

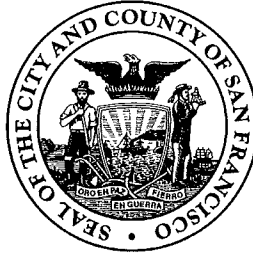
Enterprise Environmental Stewardship Policy, Alameda and Peninsula Watershed Management Plans).

2. There is no unwarranted site remediation the SFPUC would be required to undertake.
3. The acquisition and use can be found to be consistent with any adopted resource agency plan for the area.
4. The acquisition enables the SFPUC to secure one or more resource agency permits for the construction or operation of utility facilities.

COMMUNITY CRITERIA: Land may be acquired when:

1. The acquisition is evaluated under SFPUC Community Benefit and Environmental Justice policies and objectives.

BOARD of SUPERVISORS



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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

MEMORANDUM

Date: November 16, 2016
To: Members, Board of Supervisors
From: Angela Calvillo, Clerk of the Board
Subject: Form 700

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

Dyan Ruiz – Legislative Aide – Assuming Office

9



SAN FRANCISCO PLANNING DEPARTMENT

805-11
LM, CPAL

MEMO

Notice of Electronic Transmittal

Notice of Hearing and Notice of Availability of a Draft Environmental Impact Report (DEIR) for the 1500 Mission Street Project

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

DATE: November 9, 2016
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Chelsea Fordham, Environmental Planner
Planning Department (415) 575-9071
RE: Notice of Availability of a Draft Environmental Impact Report (DEIR) for
the 1500 Mission Street Project, Planning Case No. 2014 -000362ENV
HEARING DATES: Planning Commission Draft EIR Hearing on December 15, 2016

In compliance with San Francisco's Administrative Code Section 8.12.5 "Electronic Distribution of Multi-Page Documents," the Planning Department has submitted a Notice of Availability of a Draft Environmental Impact Report (DEIR) for the 1500 Mission Street Project in digital format. One hard copy and CDs will be submitted to the Clerk of the Board for the file of the Clerk by July 1, 2016. Additional copies may be requested by contacting Chelsea Fordham at the phone number or email below.

There is no hearing for this project scheduled before the Board of Supervisors at this time. However, project approvals related to this project may be heard before the Board of Supervisors at some time in the future.

The public review period for this Draft EIR is from November 9, 2016 to 5:00 p.m. on January 4, 2017. In addition, there will be a public hearing before the Planning Commission on December 15, 2016 to receive comments on the information in the Draft EIR.

Please contact me at Chelsea.Fordham@sfgov.org or 415-575-9071 if you have questions regarding this project.

cc: AnMarie Rodgers

Memo

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SAN FRANCISCO
2016 NOV 10 PM 2:40

10

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Proposed development for San Francisco's Pier 29
Attachments: Complete_Letter_Head-4-1.doc

From: Rebecca Evans [mailto:rebecae@earthlink.net]
Sent: Thursday, November 17, 2016 1:23 PM
To: Forbes, Elaine (PRT) <elaine.forbes@sfport.com>; Quesada, Amy (PRT) <amy.quesada@sfport.com>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>
Cc: Rebecca Evans <rebecae@earthlink.net>
Subject: Proposed development for San Francisco's Pier 29

Gentlepersons:

Attached is the Sierra Club resolution regarding proposed development at San Francisco's Pier 29 passed at the San Francisco Group meeting on November 15, 2016.

Becky Evans
Sierra Club





SIERRA CLUB

SAN FRANCISCO BAY

Serving Alameda, Contra Costa, Marin and San Francisco counties

SIERRA CLUB, SAN FRANCISCO GROUP, SF BAY CHAPTER RESOLUTION

OPPOSING PROPOSED MINI-MALL RETAIL PROJECT IN PIER 29

WHEREAS, San Francisco's Waterfront Land Use Plan, which the voters created by passing Proposition H in November 1990, designates Piers 27, 29, and 31 for "a unique and inviting waterfront mixed-use recreation project" that "could provide a venue for all San Franciscans and Bay Area residents to actively participate individually or as groups, in diverse amateur recreation sports, physical fitness and related activities while enjoying the scenic waterfront setting;" and

WHEREAS, the Sierra Club previously joined with the Citizens to Save the Waterfront coalition to successfully defeat the Willie Brown Administration's plan to have the national shopping mall developer Mills Corporation build a giant mall and office complex at Piers 27, 29, and 31; and

WHEREAS, instead of pursuing a new project that complies with the Waterfront Land Use Plan, the Port Commission on April 26th voted to let another mall and office developer, Atlanta-based Jamestown Properties, build a mini-mall retail center inside the historic bulkhead building of Pier 29 on the Embarcadero at Chestnut Street; and

WHEREAS, the Port has put the Jamestown mini-mall proposal on a fast-track timeline, with a plan for final approval of their 15 year lease intended to take place within months; therefore, be it

RESOLVED, that the Sierra Club urges the Port Commission to respect the current community based Waterfront Land Use Plan Review process and instead of undermining the Waterfront Land Use Review process by approving this controversial project which conflicts with the Plan the Port should allow the Waterfront Land Use Plan Review process to proceed.

FURTHER RESOLVED, that the Sierra Club joins with the Coalition for San Francisco Neighborhoods, the Fisherman's Wharf Restaurant Association, and others to oppose the proposed Jamestown Pier 29 mini-mall proposal and urges the Port and the Board of Supervisors to reject this flawed plan and instead pursue a "unique and inviting waterfront mixed-use recreation project" as called for in the Waterfront Land Use Plan.

file 161235

From: Kristin Tieche <ktieche@gmail.com>
Sent: Thursday, November 17, 2016 12:56 PM
To: Breed, London (BOS)
Cc: Avalos, John (BOS); Campos, David (BOS); Peskin, Aaron (BOS); Cohen, Malia (BOS); Farrell, Mark (BOS); Kim, Jane (BOS); Mar, Eric (BOS); Tang, Katy (BOS); Wiener, Scott; Yee, Norman (BOS); Board of Supervisors, (BOS)
Subject: BOS Resolution on Donald Trump - THANK YOU

Dear Board President Breed and all the Supervisors,

I would like to express my deepest gratitude to you for leading the path forward for our country by passing the important resolution in response to the results of the presidential election.

President Breed, I extend special thanks to you and your staff for composing this resolution.

I read the resolution aloud to a friend of mine last night, and couldn't hold back tears of emotion. I am so proud to be a San Franciscan. I am proud that you represent us as elected officials, and proud that you have made it very clear that Trump's agenda is NOT NORMAL. I hope other city governments follow San Francisco's lead.

I am not aware of any other city in the United States that has passes such a resolution, clearly stating the government's commitment to our core values and the rights we have fought hard for.

I want to thank you once again for such a swift response at a time when many people in our country are in mourning, an emotion you clearly share with us, and for providing hope at a time when many of us are waking up in fear, pain, despair, panic and sadness.

You are bringing San Francisco together in unity, and that is the kind of light that we all need right now.

Please let me know how I can contribute as a resident of what I consider to be the greatest city in this nation.

In gratitude,
Kristin Tieche

--
Kristin Tieche
<http://kristintieche.com>
producer|editor|creator

Selvavision
<http://www.selvavision.com/>
Powerful impact. Light footprint.

Velo Visionaries
<http://www.velovisionaries.com/>
Changing the world, one ride at a time

12

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: CPUC Notification - Verizon Wireless - SF UM PH2 SC 192
Attachments: CPUC Notification - Verizon - SF UM PH2 SC 192.pdf

From: West Area CPUC [mailto:WestAreaCPUC@VerizonWireless.com]
Sent: Friday, November 18, 2016 1:54 PM
To: Woods, Ashley (CPC) <ashley.woods@sfgov.org>; Administrator, City (ADM) <city.administrator@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: West Area CPUC <WestAreaCPUC@VerizonWireless.com>
Subject: CPUC Notification - Verizon Wireless - SF UM PH2 SC 192

This is to provide your agency with notice according to the provisions of General Order No. 159A of the Public Utilities Commission of the State of California ("CPUC"). This notice is being provided pursuant to Section IV.C.2.

If you prefer to receive these notices by US Mail, please reply to this email stating your jurisdiction's preference.

Thank You

13



November 18, 2016

Ms. Anna Hom
Utilities Enforcement Branch
Consumer Protection and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
alh@cpuc.ca.gov

RE: Notification Letter for SF UM PH2 SC 192
San Francisco-Oakland, CA / GTE Mobilnet of California Limited Partnership / U-3002-C

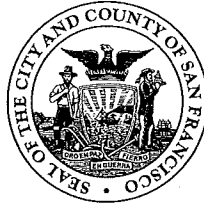
This is to provide the Commission with notice according to the provisions of General Order No. 159A of the Public Utilities Commission of the State of California ("CPUC") for the project described in Attachment A.

A copy of this notification letter is also being provided to the appropriate local government agency for its information. Should there be any questions regarding this project, or if you disagree with any of the information contained herein, please contact the representative below.

Sincerely,

Melinda Salem
Engr IV Spec-RE/Regulatory
15505 Sand Canyon Avenue, Irvine, CA 92618
WestAreaCPUC@VerizonWireless.com

OFFICE OF THE MAYOR
SAN FRANCISCO



BOS-11, CO B, an des,
Deputies, Dep Ct
city
EDWIN M. LEE
MAYOR
Mayors
office

November 17, 2016

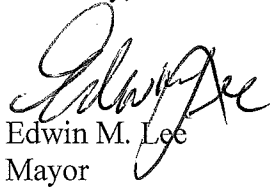
Ms. Angela Calvillo
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Dear Ms. Calvillo,

Pursuant to Charter Section 3.100, I hereby designate Supervisor Mark Farrell as Acting-Mayor from the time I leave the State of California on Thursday, November 17, at 2:35 p.m., until I return on Friday, November 18, at 11:31 p.m.

In the event I am delayed, I designate Supervisor Mark Farrell to continue to be the Acting-Mayor until my return to California.

Sincerely,


Edwin M. Lee
Mayor

cc: Mr. Dennis Herrera, City Attorney

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2016 NOV 17 AM 9:24
B


14

From: Major, Erica (BOS)
Sent: Tuesday, November 08, 2016 9:40 AM
To: BOS-Supervisors
Cc: Board of Supervisors, (BOS); BOS-Legislative Aides; Steeves, Asja (CON); pkilkenny@sftc.org
Subject: Official Board Response - Civil Grand Jury Report: Board Response - Civil Grand Jury - Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings
Attachments: Official Board Response - 160615 - Board Response - Civil Grand Jury - Into the Open.pdf

Greetings:

Attached is the Board's official follow-up response to the Presiding Judge John K. Stewart on the Civil Grand Jury Report entitled "Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings."

ERICA MAJOR
Assistant Clerk
 Board of Supervisors
 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102
 Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org

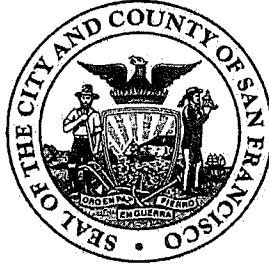
 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: 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. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

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. 544-5227

November 7, 2016

The Honorable John K. Stewart
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street, Department 206
San Francisco, CA 94102-4514

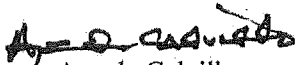
Dear Judge Stewart:

The Board of Supervisors' Government Audit and Oversight Committee conducted an additional public hearing on October 20, 2016, to receive updates from various City departments on the status of the continued Recommendation No. R.5.D from the 2015-2016 Civil Grand Jury Report (Report), "Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings."

On November 1, 2016, the Board of Supervisors unanimously adopted Motion No. M16-152 as the updated response to the Report (attached).

If you have any questions, please contact myself or Erica Major, Government Audit and Oversight Committee Clerk, at (415) 554-5184.

Sincerely,


Angela Calvillo
Clerk of the Board

c: Pat Kilkenny, Superior Court
Asja Steeves, Civil Grand Jury Coordinator

1 [Board Response - Civil Grand Jury - Into the Open: Opportunities for More Timely and
2 Transparent Investigations of Fatal San Francisco Police Department Officer-Involved
3 Shootings]

4 **Motion responding to the Civil Grand Jury's request to provide a status update on the**
5 **Board of Supervisors response to Recommendation No. R.5.D contained in the 2015-**
6 **2016 Civil Grand Jury Report, entitled "Into the Open: Opportunities for More Timely**
7 **and Transparent Investigations of Fatal San Francisco Police Department Officer-**
8 **Involved Shootings;" and urging the Mayor to cause the implementation of accepted**
9 **findings and recommendations through his/her department heads and through the**
10 **development of the annual budget.**

11
12 WHEREAS, The 2015-2016 San Francisco Civil Grand Jury published a report, entitled
13 "Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San
14 Francisco Police Department Officer-Involved Shootings" (Report) on July 6, 2016; and

15 WHEREAS, The Board of Supervisors' Government Audit and Oversight Committee
16 (GAO) conducted a public hearing to hear and respond to the Report on September 15, 2016;
17 a copy of which is on file with the Clerk of the Board of Supervisors in File No. 160616; and

18 WHEREAS, Recommendation No. R.5.D states: "The Board of Supervisors should
19 approve these additional resources requested by the DA's [District Attorney] Office and
20 included by the Mayor and the Mayor's Office of Public Policy and Finance in the proposed
21 budget for FY2017-2018, and thereafter, to expedite OIS [Officer-Involved Shootings]
22 investigations. Approval of these additional resources again should be contingent upon
23 marked, measurable improvement by the DA's Office in the time it takes to complete its
24 criminal investigations and issue its charging decision letters in OIS cases;" and

25

1 WHEREAS, The Board of Supervisors on September 15, 2016, responded in
2 Resolution No. 160616 that Recommendation No. R.5.D requires further analysis for reasons
3 as follows: As reported by the Mayor's Office of Public Policy and Finance: "The DA's Office
4 budget for FYs 2016-2017 and 2017-2018 includes \$1.8 million in each year and additional
5 staffing of 14 positions to expedite Officer-Involved shooting investigations." However as
6 noted by the Budget and Legislative Analyst's Office for the Board of Supervisors, funds have
7 been placed on reserve and currently the Budget and Finance Committee will consider the
8 release of those funds by October 1, 2016. The Board of Supervisors agrees that future
9 funding decisions and department oversight should evaluate the DA's improvement in
10 promptly completing criminal investigations and issuing charging decision letters in Officer-
11 Involved shooting cases; and

12 WHEREAS, The GAO conducted an additional hearing on October 20, 2016, to receive
13 an update from City departments on Recommendation No. R.5.D; now, therefore, be it

14 MOVED, That the Board of Supervisors reports to the Presiding Judge of the Superior
15 Court that Recommendation No. R.5.D has been implemented for reasons as follows: The
16 Board of Supervisors appropriated and placed on Budget and Finance Committee Reserve
17 \$1.8 million in FY2016-2017 to add 14 positions in the District Attorney's Office to expedite
18 Officer-Involved Shooting investigations. On September 28, 2016 the Budget and Finance
19 Committee released \$1.5 million to hire these 14 positions in FY2016-2017 and retained \$0.3
20 million on Budget and Finance Committee Reserve. The Board of Supervisors agrees that
21 future funding decisions and department oversight should evaluate the DA's improvement in
22 promptly completing criminal investigations and issuing charging decision letters in Officer-
23 involved shooting cases; and, be it

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FURTHER MOVED, That the Board of Supervisors urges the Mayor to cause the implementation of the accepted recommendation through his/her department heads and through the development of the annual budget.



City and County of San Francisco

Tails

Motion: M16-152

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 160615

Date Passed: November 01, 2016

Motion responding to the Civil Grand Jury's request to provide a status update on the Board of Supervisors response to Recommendation No. R.5.D contained in the 2015-2016 Civil Grand Jury Report, entitled "Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget.

September 15, 2016 Government Audit and Oversight Committee - CONTINUED

October 20, 2016 Government Audit and Oversight Committee - PREPARED IN COMMITTEE AS A MOTION

October 20, 2016 Government Audit and Oversight Committee - RECOMMENDED

November 01, 2016 Board of Supervisors - APPROVED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160615

I hereby certify that the foregoing Motion was APPROVED on 11/1/2016 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Certified Copy

Motion

160615 [Board Response - Civil Grand Jury - Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings]

Motion responding to the Civil Grand Jury's request to provide a status update on the Board of Supervisors response to Recommendation No. R.5.D contained in the 2015-2016 Civil Grand Jury Report, entitled "Into the Open: Opportunities for More Timely and Transparent Investigations of Fatal San Francisco Police Department Officer-Involved Shootings;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his/her department heads and through the development of the annual budget. (Government Audit and Oversight Committee)

11/1/2016 Board of Supervisors - APPROVED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Motion is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

November 03, 2016

Date

Peggy Nevin
for Angela Calvillo
Clerk of the Board

From: Reports, Controller (CON)
Sent: Thursday, November 10, 2016 1:04 PM
To: SF Docs (LIB); Calvillo, Angela (BOS); Gosiengfiao, Rachel (BOS); Kawa, Steve (MYR); Leung, Sally (MYR); Howard, Kate (MYR); Tucker, John (MYR); Hussey, Deirdre (MYR); Tsang, Francis; Elliott, Jason (MYR); Steeves, Asja (CON); Campbell, Severin (BUD); Newman, Debra (BUD); Rose, Harvey (BUD); CON-EVERYONE
Cc: Herrera, Luis (LIB)
Subject: Issued: San Francisco Public Library Public Services Division Staffing Analysis

The Office of the Controller's City Performance unit assisted the San Francisco Public Library (SFPL) in conducting a staffing analysis of their Public Services Division (PSD) staff. The objective of the assessment was to review how SFPL staffing compares with peer jurisdictions; how Public Services Division staff use their time; identify an equitable level of staffing across the system; and identify areas for improving staffing structure. City Performance presents a number of key findings:

- SFPL is well-staffed relative to its national peers, yet many Public Services Division staff report feeling stretched too thin.
- Ongoing overall vacancies across the Public Services Division, as well as branch coverage and vacancy rates, reveal significant staffing inequities across the system.
- PSD staff performs a very large number of daily activities, which limits their time available for public service.
- Collaboration of management and staff to refocus core competencies and enable standardization of work will facilitate greater alignment between staff's work and the SFPL's Service Excellence Core Values outlined in the Five Year Strategic Plan.
- Rebalancing of staff based on key workload variables will result in a more equitable distribution of staff resources.
- Improved communication between management and staff is necessary to implement the workforce changes needed to meet changing patron demands and demographics.

To view the full report and appendices, please visit our Web site at: <http://openbook.sfgov.org/webreports/details3.aspx?id=2380> and <http://openbook.sfgov.org/webreports/details3.aspx?id=2379>
This is a send-only e-mail address.

For questions about the report, please contact Inger Brinck at inger.brinck@sfgov.org, Catherine Omalev at Catherine.omalev@sfgov.org, or Randle McClure at randle.mcclure@sfgov.org.

Follow us on Twitter @SFController

City & County of San Francisco

Office of the Controller
City Services Auditor

San Francisco Public Library
Public Services Division
Staffing Analysis

November 10, 2016



CONTROLLER'S OFFICE

CITY SERVICES AUDITOR

The City Services Auditor (CSA) was created within the Controller's Office through an amendment to the City Charter that was approved by voters in November 2003. Under Appendix F to the Charter, CSA has broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

Project Team: Randle McClure, Project Manager
Inger Brinck, Performance Analyst
Catherine Omalev, Performance Analyst

Special thanks to Luis Herrera, Michael Lambert, Cathy Delneo, Mark Hall, and Donna Marion for their collaboration and assistance throughout this study.

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1. EXECUTIVE SUMMARY

The San Francisco Public Library (SFPL) requested the Controller's Office, City Performance unit, to conduct a comprehensive staffing analysis of the SFPL's Public Services Division (PSD) across its 28-facility system. The SFPL sought generally to better understand how its staffing compares with peer jurisdictions; how PSD staff use their time; identify an equitable level of staffing across the system; and identify areas for improving staff structure. The study was informed by qualitative and quantitative data collection and analysis of seven public-serving classifications including Librarians, Library Technicians, Library Assistants, and Library Pages. Qualitative data collection included interviews, job shadows, time-use surveys, and focus groups with public services division staff and peer jurisdictions. Quantitative analysis included the use of existing data sources to develop an index to measure staffing levels relative to workload across the branches.

The combination of qualitative and quantitative data provided a robust guide for developing recommendations to improve staffing resource usage across the branches and enabled the City Performance unit to develop two tools for SFPL: 1) a **Task Prioritization Tool** to assist management with improving alignment between job duties, public service needs and organizational strategic goals; and 2) a **Relative Staffing Index Tool** to create a more equitable distribution of staff across the system. Additionally, the analysis includes recommendations for management to work collaboratively with staff in finding opportunities to standardize work and to improve common understanding of SFPL's staffing protocols. Please see the appendices for greater detail on the methodology.

This report summarizes findings from each area of analysis City Performance conducted:

- A. **Net availability** – A fundamental component of staffing analyses, net availability identifies the percentage of work time staff are actually available to perform their assigned duties, net of paid and unpaid leave.
- B. **Time to hire** – Analysis of time to hire for all PSD positions to identify challenges in the hiring process that could impede consistent and optimal staffing levels.
- C. **Vacancy rates** – A calculation and comparison of vacancy rates by job class, branch, and Full-Time Equivalent (FTE) status to identify patterns and explore the causes of vacancies.
- D. **Coverage rates** – On a daily basis, branch managers try to ensure they have adequate staffing to provide services required for their branch to be open. Position vacancies, illness, vacations, leaves, and other issues arise that require those branches to request planned and unplanned coverage. This is a calculation and comparison of coverage rates by job class and branch.
- E. **Task prioritization** – A task prioritization tool designed to assist management in identifying and prioritizing core competencies for each classification and ensure those activities are aligned with and across job descriptions, performance evaluations and the SFPL strategic plan.
- F. **Relative staffing levels** – An index tool of measure relative staffing levels, based on quantitative data sources of key workload variables regularly collected by the SFPL.

Key Findings

1. SFPL is well-staffed relative to its national peers, yet many PSD staff report feeling stretched too thin.
2. Ongoing overall vacancies across the Public Services Division, as well as branch coverage and vacancy rates, reveal significant staffing inequities across the system.
3. Public Services Division staff performs a very large number of daily activities, which limits their time available for public service.
4. Collaboration of management and staff to refocus core competencies and enable standardization of work will facilitate greater alignment between staff's work and the SFPL's Service Excellence Core Values outlined in the Five Year Strategic Plan.
5. Rebalancing of staff based on key workload variables will result in a more equitable distribution of staff resources.
6. Improved communication between management and staff is necessary to implement the workforce changes needed to meet changing patron demands and demographics.

Recommendations

1. Utilize the Task Prioritization Tool to determine core competencies by job class, align competencies with long-term strategic planning goals, and prioritize tasks that most effectively promote fidelity to a model of service excellence.
2. Work with staff to implement a standard process of work, where applicable, on essential tasks that include time management, training and prioritization.
3. Promote data-driven decision-making by utilizing the Relative Staffing Index to reallocate staff in an effort to promote greater staffing equity across the system.
4. Return to a centralized and standard approach to scheduling coverage, vacation requests and weekly schedules.
5. Create an as-needed pool of available staff, capable of providing coverage in positions for short-term durations
6. Continue careful consideration of unique branch needs when reallocating or otherwise staffing branches throughout the system.
7. Identify additional opportunities for improvement in the hiring and onboarding process, focused on methods to lower the system-wide vacancy rate. *(note: scheduled in FY2016-17)*
8. Empanel an ad hoc cross-divisional committee comprised of staff to engage with management on best practices and other tools to promote organizational communication, service excellence and staff effectiveness.
9. Provide additional opportunities for staff training in key areas related to daily workplace needs, such as the implementation and troubleshooting of new technology, de-escalation of situations with patrons, and workplace prioritization and productivity tools.

2. CURRENT STAFFING

Current Public Services Division Staffing

"It's the people, not buildings, that deliver great services."

As of August 2, 2016, SFPL had a total of 823 employees, 438 of which were in full-time positions and 385 of which were part-time. Of that group of employees, 664 (80.6%) work in one of the seven classifications of the Public Services Division – organized between four circulation staff positions and three librarian positions.¹ See Figure 1. As a result, four of every five staff members at the SFPL belong to one of these classifications, illustrating the importance of optimal staffing of these classes across the system.

Figure 1. Seven Classifications Comprise the SFPL Public Services Division²

Technical Staff	Full-Time	Part-Time
3602-Library Page	4	231
3610-Library Assistant	36	55
3616-Library Technical Assistant I	57	19
3618-Library Technical Assistant II	32	0
Librarians	Full-Time	Part-Time
3630-Librarian I	98	63
3632-Librarian II	54	0
3634-Librarian III	15	0
TOTALS	296	368

The number of staff allocated across the library system is determined through the annual budgeting process. For Fiscal Year 2015-2016, SFPL budgeted a total of 662 Full-Time Equivalent (FTE) positions³, 538.6 of which were allocated to the seven Public Services Division classifications. See Figure 2.

¹ See Appendix A for job descriptions of the seven Public Services Division classifications.

² Active Employee Counts as of 08-02-2016, SFPL.

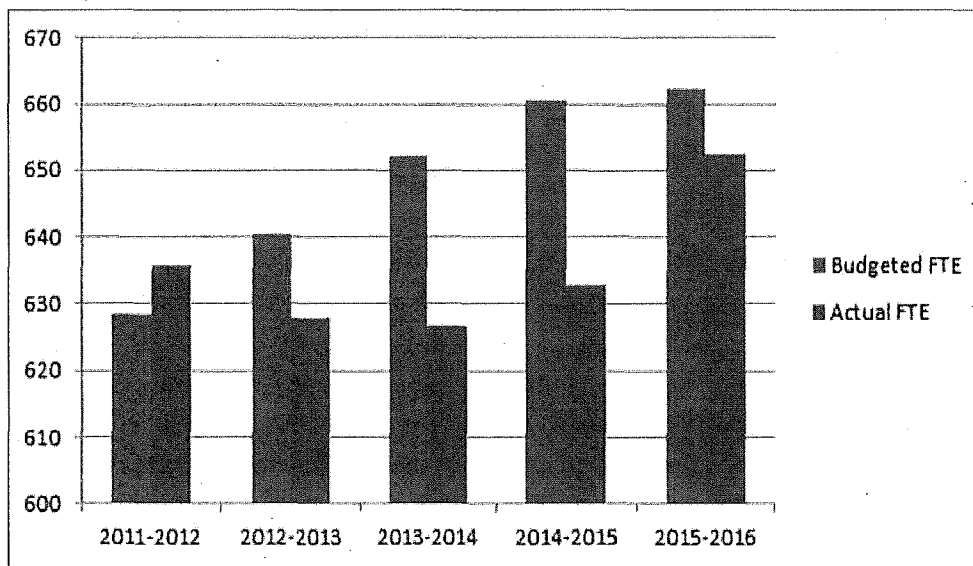
³ Mayor's Budget Book – 2015-16 & 2016-17.

Figure 2. FY2015-16 Budgeted FTEs in SFPL Public Services Division

Job Classifications	Budgeted FTEs (FY16)
3602 – Library Page	142.5
3610 – Library Assistant	73.1
3616 – Library Technical Assistant I	76.7
3618 – Library Technical Assistant II	33.0
3630 – Librarian I	138.3
3632 – Librarian II	58.0
3634 – Librarian III	17.0
Total (FY16)	538.6

Figure 3 compares budgeted versus actual FTE counts of all SFPL employees between Fiscal Year 2011-2012 and Fiscal Year 2015-2016.⁴

Figure 3. SFPL Budgeted Versus Actual Staffing Levels (FTEs), FY2011-12 through FY2015-16



In each of the last four years, SFPL has filled fewer actual positions than budgeted. This can result from many factors, including but not limited to staff turnover, lengthy hiring processes, and/or complications related to labor disputes.

⁴ SF Open Book.

3. BENCHMARKING RESEARCH⁵

Benchmarking research included the use of PLAMetrics⁶, which is a statistical data service widely used among public libraries. City Performance examined several standard nationally-recognized metrics (e.g., FTE per branch, FTE per 100,000 visits, FTE per 1,000 services hours, etc.) and determined that in the aggregate, SFPL is very well-staffed relative to its national peers. Figure 4 shows that SFPL ranks among the top 33% of its peer group (green shading) on five of the seven selected metrics. Only Denver Public Library (seven) and Multnomah County (OR) Library (five) equaled or surpassed SFPL in the number of metrics of which it ranks in the top third of the peer group.

Figure 4. National Comparison of Library Staffing

Public Library System	FY15 FTE	FTE per branch	FTE per square mile	FTE per 100k residents	FTE per 100k visits	FTE per 100k circulation	FTE per 100k	
							registered borrowers	FTE per 1k service hrs
Brooklyn Public Library	980	16.6	13.8	37.1	11.3	6.4	71.9	6.3
Charlotte Mecklenburg Library	680	35.8	1.3	65.7	20.9	11.1	99.8	13.2
Chicago Public Library	744	9.4	3.2	27.4	7.9	7.3	66.4	3.7
Columbus Metropolitan Library	603	27.4	1.8	70.9	12.0	3.5	105.6	8.0
Dallas Public Library	313	11.2	0.8	24.1	9.8	4.8	48.4	4.8
Denver Public Library	686	27.4	4.4	100.5	16.4	7.6	138.8	10.5
King County (WA) Library System	825	17.2	0.4	39.0	8.3	4.0	109.3	5.5
Los Angeles Public Library	896	12.4	1.9	22.6	6.4	5.7	72.4	4.7
Multnomah County (OR) Library	518	28.8	1.1	71.9	11.1	2.6	116.7	9.9
Orange County (CA) Library System	443	13.0	0.8	14.0	7.2	7.3	n/a	5.0
Philadelphia Free Library	557	10.3	3.9	35.5	8.6	7.7	94.1	4.1
Queens Borough (NY) Public Library	1047	17.2	9.6	44.8	9.3	7.7	107.7	7.9
Sacramento Public Library	280	10.0	0.3	57.0	6.7	3.8	42.6	5.4
San Francisco Public Library	633	23.4	13.2	73.2	9.4	5.9	149.8	8.9
San Jose Public Library	317	13.8	1.8	30.9	5.0	3.4	58.5	7.1
Seattle Public Library	596	22.9	7.1	87.1	9.9	5.2	159.5	9.0

To obtain more information on the staffing structures of other library systems, City Performance also conducted interviews with six peer systems: Charlotte-Mecklenburg (NC), Columbus (OH), Los Angeles (CA), Multnomah County (OR), Philadelphia (PA), and Seattle (WA). Figure 5 provides a snapshot of each system's FY15 FTE staffing, population, budget and budget per capita. By this metric, SFPL ranks first in budget per capita.

⁵ Additional highlights from City Performance's benchmarking interviews can be found in Appendix J.

⁶ PLAMetrics.

Figure 5. Staffing Structure and Budget Snapshot of Benchmark Libraries

LIBRARY SYSTEM	FY15 FTE	2015 Population	FY15 Budget	Library Budget Dollars Per Capita
Seattle Public Library (City)	596	684,451	\$69,000,000	\$100.81
San Francisco Public Library (City and County)	633	864,816	\$109,000,000	\$126.04
Multnomah County Library	518	720,294	\$69,000,000	\$95.79
Columbus Metropolitan Library (City)	603	850,106	\$75,000,000	\$88.22
Charlotte Mecklenburg Library (City and County)	680	1,034,070	\$36,000,000	\$34.81
Philadelphia Free Library (City and County)	557	1,567,442	\$40,000,000	\$25.52
Los Angeles Public Library (City)	896	3,971,883	\$139,000,000	\$35.00

The benchmarking work that City Performance undertook analyzing staffing levels across peer jurisdictions strongly suggests that, in the aggregate, the San Francisco Public Library is a very well-staffed organization. The SFPL ranks at or near the top of many relevant metrics among its peer group, and although those metrics do not assess relative quality, the most recent City Survey (2015)⁷ shows that the organization is also well-considered by the public. SFPL received an overall grade of B+ (good), with high grades coming on measures of assistance with library staff (A-) and condition of the branch libraries (A-).

⁷ City Survey 2015, Controller's Office City Services Auditor.

4. TIME TO HIRE, OPEN POSITIONS AND SYSTEM-WIDE VACANCY RATE

In April 2015, City Performance published a report on the time to hire across numerous departments, appointment types, and job classifications across the City.⁸ The median time to hire across the City for Permanent Civil Service positions was 137 days.⁹ The median time to hire at the San Francisco Public Library was 197 days.

While this staffing analysis did not perform another time to hire analysis, it did review SFPL Human Resources data at two separate points – April 2016 and August 2016 -- to generally determine the breadth and range of open positions at a given time. Figure 6 shows that open positions in the Public Services Division classes ranged between 10.8 percent in April 2016 (72 open positions of 664 employees) to 13.4 percent in August 2016 (89 open positions of 664 employees).

Figure 6. PSD Open Vacant Positions in April 2016 and August 2016¹⁰

Public Services Division Job Class	April 2016 Open Vacant Positions	August 2016 Open Vacant Positions
3602-Library Page	21	38
3610-Library Assistant	11	11
3616-Library Technical Assistant I	15	9
3618-Library Technical Assistant II	4	6
3630-Librarian I	14	18
3632-Librarian II	4	5
3634-Librarian III	3	2
Total	72	89

City Performance also examined the variance of budgeted FTEs versus filled FTEs to determine which Public Services Division job classes are most impacted by vacancies. As Figure 7 shows, filled PSD job classes in August 2016 were 10.9 percent under FY16 budgeted FTE counts, with the 3602-Library Page (16.1 percent under full capacity), 3616-Library Technical Assistant I (13.3%) and 3610-Library Assistant (13.1%) job classes most impacted by vacancies.

⁸ How Long Does it Take to Hire in the City and County of San Francisco? Analysis and Recommendations.

⁹ The data used for that report covered recruitments where the Request to Fill was submitted after August 13, 2013 and the position's start date was before or on August 27, 2014.

¹⁰ Open Vacant Position Recruitment Reports – 04.26.16 and 08.02.16, SFPL.

Figure 7. System-wide Vacancy Rates by Job Class in August 2016

Public Services Division Job Class	Budgeted FTEs (FY16)	Filled FTE (Aug 2016)	Variance (-FTEs)	
3602-Library Page	142.5	119.5	-23.0	-16.1%
3610-Library Assistant	73.1	63.5	-9.6	-13.1%
3616-Library Technical Assistant I	76.7	66.5	-10.2	-13.3%
3618-Library Technical Assistant II	33.0	32.0	-1.0	-3.0%
3630-Librarian I	138.3	129.5	-8.8	-6.4%
3632-Librarian II	58.0	54.0	-4.0	-6.9%
3634-Librarian III	17.0	15.0	-2.0	-11.8%
Total (FY16)	538.6	480	-58.6	-10.9%
Total (FY17)¹¹	562.6	480	-82.6	-14.7%

The Library is not unique in having a lengthy hiring process that contributes to higher vacancy rates. Most jurisdictions that operate within a civil service environment have hire times that are much longer than the private sector. Civil service rules are intended to, among other things, prevent favoritism, nepotism, and other forms of discrimination, which require additional layers of protection, and consequently, procedural steps.¹²

However, there are opportunities to expedite and further improve the hiring process at SFPL. An important improvement SFPL recently made was to restructure its internal reassignment process. For certain job classifications, SFPL posts the position for reassignment when a position opens. This means that existing SFPL employees have a right of first refusal for that position, providing greater efficiency in moving staff to new positions within the system. SFPL had previously been filling open positions through a continuous reassignment process, meaning that after one position was filled through reassignment, the next open position also went through the reassignment process. This domino effect continued until no other internal staff could fill open positions. The Library now opens the first available position for reassignment with the subsequent opening filled through the regular hiring process.

¹¹ The SFPL plans to hire 24 PSD staff in FY17, but those employees had not yet been hired at the time of this analysis. For the sake of organizational planning, City Performance provided the figures for FY17 as well.

¹² San Francisco Civil Service Commission, <http://sfgov.org/civilservice/history-commission>

5. NET AVAILABILITY

What percentage of time is staff available to work?

A fundamental component of staffing analyses is determining the net availability of staff. Net availability is the percentage of possible time staff is available to perform their duties, net of paid and unpaid leave.¹³ Its utility is that it can reveal instances where staff within job classes is more or less available than expected, which can impact service provision and support resource planning efforts across an organization.

Figure 8 shows net availability by Public Services Division job class. For example, the 3602-Library Page class has the highest net availability at 92 percent. This means that, on average, pages are available to work 92 percent of their regularly scheduled hours. This, however, leaves a gap of approximately eight percent of their regularly scheduled hours that must be covered by other staff or left uncovered. Conversely, 3610-Library Assistants have the lowest net availability among our sample, at 72 percent. This means that, on average, library assistants have a gap of approximately 28 percent of their regularly scheduled hours that must be covered by other staff or left uncovered. The remaining five PSD job classes fall within the range of 74 to 78 percent net availability.

Figure 8. Net Availability Among SFPL PSD Staff by Class

Public Services Division Job Class	Net Availability ¹⁴	Percentage Full-Time
3602-Library Page	92%	6%
3632-Librarian 2	78%	100%
3630-Librarian 1	78%	66%
3616-Library Technical Assistant I	77%	68%
3618-Library Technical Assistant II	75%	97%
3634-Librarian III	74%	100%
3610-Library Assistant	72%	51%

Other staffing analyses conducted by City Performance have shown that City employees are generally available to work at approximately 75 percent of their total possible work time. For instance, a 2014 examination of SFPL security guards and custodial staff found that they were available to work at approximately 77 and 75 percent of their normal work schedules, respectively. Additionally, social workers from the In-Home Supportive Services program of the Human Services Agency were available to

¹³ See Appendix B for a full description of Net Availability methodology.

¹⁴ Extra hours were excluded for all classes because they are not part of staff's regularly scheduled hours.

work at approximately 78 percent of their normal work schedules. The Library's PSD staff falls within reasonable bounds of City employee availability using this metric.

Net availability provides an important piece in the puzzle of determining optimal staffing to meet the Library's needs, but it must be considered in conjunction with other elements such as branch-level vacancies, coverage rates and staff workload, which will be addressed in upcoming sections.

6. BRANCH VACANCY AND COVERAGE RATES

City Performance therefore examined scheduling data (A/B schedules) from the 27 branches.¹⁵ The Main was excluded from this analysis because it does not capture absence and coverage data in the same manner of detail as the branches, and their vacancy rates anecdotally seemed lower. A/B schedules are tracking documents created by SFPL branch managers to show their coverage needs by branch on a weekly basis.

City Performance sampled five weeks of unique data from each of the 27 branches over a 16-month period from January 2015 to April 2016, and found that branches experienced a significant variance in vacancy rates – defined as a percentage of vacant position hours left unfilled in a given week -- over that span. Figure 9 shows the average vacancy rates for all 27 branches during the sample period, ranging from a high of 26.1 percent at Eureka Valley (i.e., Eureka Valley was staffed at 73.9 percent capacity) to a low of 2.8 percent at Portola (i.e., Portola was staffed at 97.2 percent capacity). The median vacancy rate of 12.4 percent and the mean vacancy rate of 13.1 percent track closely to the system-wide rate of 10.9 percent, as discussed in Section 4, and the April 2016 branch-wide rate of 15 percent.

¹⁵ Data for the analysis were extracted from the SFPL's "A/B Schedules." City Performance sampled five weeks of A/B schedule data between January 2015 through April 2016 for each of the 27 branches. For more information on the sampling methodology, see Appendix C.

Figure 9. Vacancy Rates by Branch (January 2015 – April 2016)

BRANCH	VACANCY RATE
Eureka Valley	26.1%
Richmond	23.2%
Bernal Heights	22.0%
Park	21.3%
Golden Gate Valley	20.5%
Bayview	20.2%
Mission	19.1%
West Portal	16.6%
Western Addition	15.8%
Chinatown	14.7%
Ocean View	14.7%
Mission Bay	14.6%
Parkside	13.3%
Merced	12.4%
Sunset	12.1%
Ortega	11.3%
North Beach	10.3%
Visitacion Valley	10.0%
Marina	8.2%
Noe Valley	8.0%
Potrero	7.9%
Excelsior	7.6%
Ingleside	6.5%
Anza	6.3%
Glen Park	4.6%
Presidio	3.3%
Portola	2.8%

The range of variance in branch vacancy over a 16-month period of 23.3 percent suggests that some branches are more consistently impacted by staff vacancies than others. Particularly for branches that have experienced vacancy rates near and exceeding 20 percent, this means that a 10-employee branch is consistently “short” two staff members during its normal course of business.

City Performance also examined the A/B schedules for coverage rate. Coverage rate is defined as the percentage of hours for which a branch received staff coverage while an employee was out (e.g., absence or other leaves) or the position was vacant. Figure 10 shows the average coverage rates for all 27 branches over this period, ranging from a high of 73.7 percent at Park (i.e., Park covered nearly three-quarters of its hours impacted by staff leaves and vacant positions) to a low of 9.7 percent at Potrero (i.e., Potrero covered only onetenth of its hours impacted by staff leaves and open positions).

Figure 10. Coverage Rates by Branch (January 2015 – April 2016)

BRANCH	COVERAGE RATE
Park	73.7%
Bernal Heights	72.4%
Presidio	72.1%
Eureka Valley	71.9%
Ingleside	67.2%
Western Addition	64.6%
Mission Bay	63.6%
North Beach	62.6%
Marina	60.1%
Noe Valley	54.1%
Richmond	51.6%
Ortega	48.6%
Parkside	46.9%
Ocean View	45.8%
Anza	44.9%
West Portal	44.3%
Portola	39.9%
Merced	39.5%
Sunset	36.8%
Glen Park	36.4%
Bayview	35.8%
Excelsior	35.5%
Chinatown	33.2%
Golden Gate Valley	32.1%
Visitacion Valley	30.2%
Mission	29.0%
Potrero	9.7%

The range of variance in branch coverage over a 16-month period of 64.0 percent suggests that some branches are more consistently impacted by staff leaves and vacancies than others. Park, Bernal Heights, Presidio and Eureka Valley, for example, covered hours at rates exceeding 70 percent and were therefore able to keep daily branch operations running near full capacity during our sample. Branches like Potrero, Mission, Visitacion Valley and Golden Gate Valley, on the other hand, covered hours at rates under 33 percent during our sample. This suggests that staff at those branches felt a far greater daily operational impact of their colleagues' leaves and vacancies.

While individual branch vacancy rates and coverage rates over the sample period tell an interesting story, it is likely that branch rates change over time depending on many different factors. Discussions

with management and staff indicate that those factors may include, but are not limited to, the following:

- **Transit Options.** Some branches are more appealing to staff seeking extra hours and also to internal and external candidates seeking new positions. Preferred branches are often located along or near significant public transit routes and/or have readily available parking options for automobile commuters.
- **Incidents.** In Fiscal Year 2015-2016, SFPL staff reported 1,490 incidents (defined as a situation where a patron acts inappropriately to the point of staff intervention) across all 28 facilities, but there is great variance in the frequency of those incidents. For example, Noe Valley reported only one incident in FY2015-16 while Mission reported 90 incidents. Staff may seek to avoid higher-incident branches for reasons of safety and quality of work life.
- **Labor Issues.** A protracted labor dispute regarding the 3616-Library Technical Assistant I job classification delayed filling those positions by over one year, in some cases. Other labor issues that delay or lengthen hiring processes could impact certain branches more than others, depending on the mixture of positions at those particular branches.
- **Allowable Coverage Rates.** SFPL currently allows branch managers to cover up to 50 percent of the hours made available by their vacant positions, but during the 14-year Branch Library Improvement Program (BLIP) from 2001 to 2014, some branches could fill up to 80 percent of their vacant hours. This practice may have continued in some branches but not in others.
- **Unplanned Absences.** Due to the diversity and variability in staff age, health and other contributing factors, some branches may experience more unplanned absences than others, impacting daily operations.

The more important takeaway from this data is not isolated on vacancy and coverage rates of individual branches but on the system as a whole. A high degree of variance among branches in vacancy rates (range: 23.3 percent) and coverage rates (range: 64.0 percent) results in an inequitably staffed system where branches with consistently high coverage and low vacancy rates could be considered “winners,” and branches with consistently low coverage and high vacancy rates could be considered “losers.” Those branches falling into the middle are likely to experience periods of both “winning” and “losing” depending on their unique staffing needs and circumstances over time.

The effect of this system-wide inequity on employees is that those working at branches where understaffing is a consistent problem feel stretched too thin and often unable to adequately perform all of their assigned duties. Those working at the branches that are more consistently staffed near capacity have more time to devote to their duties. The net effect to patrons is that their experience of visiting a pair of San Francisco Public Library’s 27 branches may be considerably different depending on the staffing issues related to that particular branch.

This report will examine staff perceptions in more detail in Section 7.

7. PUBLIC SERVICES DIVISION STAFF PERCEPTIONS

To ascertain how Public Services Division staff spends their time performing their duties, City Performance used a mixed methodology qualitative approach. This included staff interviews, job shadows, surveys, and focus group discussions with the seven PSD classes.¹⁶ The objective was to gather a baseline understanding of common tasks conducted within and across these classes and to enable comparisons between staff input and what is listed in their Performance Plan and Appraisal Reports (PPARs).¹⁷ This also included identifying overlaps and distinctions between job classes as well as relative time spent on those activities in the normal course of business.

City Performance conducted four different methods of outreach to Public Services Division staff, utilizing the following techniques:

- **Interviews.** City Performance conducted 15 interviews among the seven PSD job classes, including staff from the Main and various branch locations. Staff that participated in the interviews and job shadows were randomly chosen and then self-selected to ensure broad representation.
- **Job Shadows.** Following these interviews, City Performance conducted 12 job shadows with various staff across six PSD job classes.¹⁸ The job shadows, which occurred in half-shift or full-shift intervals, served as a valuable tool to learn what activities and interruptions occur in a typical work day.
- **Time Use Surveys.** To reach as many staff as possible, City Performance administered a time use survey to the seven PSD job classes on three separate dates during a two-week period in February/March 2016. The goals of the survey were for staff to report how their time is spent and how they perceive their job descriptions as reflective of their actual work. As participation was voluntary, the survey allowed for as many as three submissions each from unique respondents during the two-week period, and there were a total of 541 valid responses.
- **Focus Groups.** City Performance also facilitated four focus groups involving 29 participants across six job classes in March/April 2016. The purpose of the focus groups was to allow for greater context on tasks and perceptions not captured using other methods.

Representatives from the Main and every branch location participated in some capacity with one or more of the qualitative methods used in this study. However, it is important to note the following methodological caveats:

- Staff participation in all four methodologies was voluntary.
- All activities were derived from staff PPARs, self-reported or observed.
- Self-reported tasks do not necessarily represent duties at every job class or location.
- There is no expectation that 100 percent of tasks were captured for any specific job class.

¹⁶ The full methodology is outlined in Appendix D.

¹⁷ A sample PPAR is provided in Appendix E.

¹⁸ Members of the 3634 Librarian III job class did not participate in the job shadows or focus groups.

A Note on Multi-tasking

It is important to note that many staff reported spending much of their time engaged in multi-tasking and therefore unable to accurately report their time on the time use survey. A common example provided was that staff would sit or stand at a public service desk and conduct other activities such as completing timesheets, checking email, processing materials, or handling other necessary tasks. While it may feel like multi-tasking, research shows that humans are incapable of conducting two cognitive tasks simultaneously.¹⁹ What people commonly think of as multi-tasking is actually the practice of task switching (or switch-tasking). Job shadows conducted for this analysis demonstrated that staff frequently *switch* from one task to another, but are not actually conducting two tasks at the same time. Humans are capable of conducting one *non-cognitive* task (such as standing at a desk) and one cognitive task (such as completing a timesheet) at the same time, but unable to directly assist a patron *and* work on a timesheet at the same time. Therefore, City Performance does not consider staffing a service desk to be public service by itself. As the Library moves forward with considering what tasks to prioritize for each job classification, it is important to keep in the mind that there is significant research that shows that task switching is often counter-productive.

A. STAFF INTERVIEWS

City Performance conducted 15 staff interviews with representatives from all seven Public Services Division job classes from the Main and several branches. The purpose of the interviews was to gain an understanding of work processes, programs, and requirements that drive current staffing levels. To ensure broad representation, interviewees were randomly approached for interest and then self-selected on a voluntary basis. Figure 11 shows the breakdown of location by job class of the staff interviewed.

Figure 11. Staff that Participated in Interviews by Location

Job Class	Primary Location of Staff
3602	Main – 6 th floor
3610	North Beach
3610	Richmond
3616	Main – 4 th floor
3616	Excelsior
3618	Mission
3618	Main – 5 th floor
3630	Presidio
3632	Mission
3632	Parkside
3632	Main – 3 rd floor
3634	Main – 4 th floor

¹⁹ Meyer, D. E., Evans, J. E., Lauber, E. J., Rubinstein, J., Gmeindl, L., Junck, L., & Koeppe, R. A. (1997). Activation of brain mechanisms for executive mental processes in cognitive task switching. *Journal of Cognitive Neuroscience*, 1997, Vol. 9.

Data and findings from the 15 staff interviews will be discussed in greater detail later in this section.

B. JOB SHADOWS

City Performance performed 12 job shadows as an informative way to observe and understand staff’s daily tasks. These observations paid particular attention to the time staff spent on tasks serving the public, tasks that were outside of normal work duties, the number of patrons served, and programs that occurred during the work shift. Six of the seven PSD job classes participated in half or full-shift periods of observation at the Main and several branch locations. To ensure broad representation, job shadow participants were randomly approached for interest and then self-selected on a voluntary basis. Figure 12 shows the breakdown of location by job class of the staff that participated in the job shadows.

Figure 12. Staff that Participated in Job Shadows by Location

Job Class	Primary Location of Staff
3602	Main – 6 th Floor
3602	Chinatown
3610	Richmond
3610	West Portal
3616	Main – 4 th Floor
3616	Excelsior
3618	Mission
3618	Main – 5 th Floor
3630	Presidio
3630	Ortega
3632	Parkside
3632	Main – 3 rd Floor

Data and findings from the 12 staff job shadows will be discussed in greater detail later in this section.

C. TIME USE SURVEYS²⁰

Participant Information

The time use survey resulted in 541 valid responses from self-selected PSD staff in the Main and branch locations.²¹ As shown in Figure 13, the Librarian classes (3630, 3632, 3634) had the largest share of participation at 53 percent, followed by Technicians (3616, 3618) at 19 percent, Pages (3602) at 18 percent and Assistants (3610) at 10 percent. Responses came from the branches (47%), the Main (39%) and Technical Services (13%). Employees from 21 of the 27 branches as well as the Main participated.

²⁰ Time use surveys along with methodology and results can be found in Appendix F.

²¹ There were a total of 568 responses to the survey but 27 responses were not included in the final analysis because their total time-use calculations resulted in 9.5 hours or more. Public Services Division staff can work no more than nine hours in a single shift without prior management approval. These responses were excluded from the sample to ensure that results did not skew the overall time-use analysis.

Figure 13. Time Use Survey Participant Totals by Class and General Location

Job Class	Participant Total	Staff Location		
		Branch	Main/MOS*	190/CTS/IT**
3602	97	56	38	3
3610	52	25	16	11
3616	73	30	33	10
3618	32	11	11	10
3630	191	102	71	18
3632	70	31	29	10
3634	26	-	16	10
Totals	541	255	211	72

*MOS = Mobile Outreach Services

**190/CTS/IT=Technical Services

Self-Reported Time Spent on Job Tasks

In an effort to measure how much time staff spends on common daily tasks, the survey asked staff to record their time-use of tasks in one work day using 15-minute increments. Lists of common tasks were prepopulated in the surveys and included the following sections applicable to each class:

- Administrative
- Public Service
- Handling of Books/Materials
- Supervision and Training
- Reference and Collections
- Programs
- Breaks and Lunch

An Other Activities section allowed staff to manually write in any tasks they conducted that were not already included in the survey.

The results of the time use survey, as shown in Figure 14, provide a glimpse into how each PSD job class roughly spends their time in a given work shift. For example, 3602 and 3610 classes reported spending 40 and 38 percent of their time, respectively, handling books and materials. 3616 and 3618 classes reported spending 32 percent of their daily time on administrative duties. The 3630 and 3632 classes reported spending the largest segment of their daily time providing public service (36 and 27%, respectively), while the 3634 class reported spending 40 percent of their time on administrative work. Dash marks indicate the job class was not asked about work conducted in these task areas in the prepopulated section of the survey.

Figure 14. Percentage of Time Spent on Tasks by Job Class

Task Area	3602	3610	3616	3618	3630	3632	3634
Public Service	31%	17%	32%	23%	36%	27%	11%
Handling books/materials	40%	38%	6%	-	-	-	-
Reference and Collections	-	-	-	-	18%	19%	10%
Programs	-	-	-	-	9%	9%	9%
Administrative	8%	7%	32%	39%	21%	21%	40%
Supervision and Training	-	-	6%	23%	-	11%	19%
Breaks and Lunch	9%	14%	14%	11%	12%	13%	10%
Other Activities	12%	24%	13%	4%	7%	5%	4%

Because the time use survey was not randomly sampled, City Performance cautions that the specific time use numbers reported by staff are non-representative and subject to inherent bias. However, there is value in thinking of the groupings relative to each other. For example, no job classification reported spending more than 36 percent of its time on tasks involving direct public service, which represents a rough benchmark of time (e.g., approximately a third of staff time) that management and PSD staff could use to enable further discussions about an appropriate level of public service.²² Among the seven classes, staff reported an average of 26 percent of their time was spent on public service tasks.

"I'd like to see more expectation on our root skills – public service. I wish I can make a change that way. We exist because the public exists."

Furthermore, the most conducted public service tasks by each class included similar duties. For example, all seven classes reported assisting patrons with various technology issues, such as using the computers, self-check-out kiosks, printers and copy machines. The most common public service task reported by each class was as follows:

- **3602** – Provide general assistance to patrons at service desks.
- **3610** – Assist patrons with books or physical materials.
- **3616** – Provide general assistance to patrons in person, followed by phone or email.
- **3618** – Provide general assistance to library patrons in person.

²² A reasonable argument can be made that programming tasks directly relate to public service as well. Even if those are included with the public service figures, no job class reaches a figure greater than 45 percent (3630s).

- **3630** – Perform general assistance to patrons in person; perform readers’ advisory duties; make recommendations for books, movies, and music for patrons.
- **3632** – Provide general assistance to library patrons in person.
- **3634** – Resolve patron concerns or complaints in person, by phone or email.

Additionally, due to various challenges, staff reported that they do not always take their breaks. Taking break time seemed to be more problematic with Librarians than with Page and Assistant staff; however, one Librarian described how other staff has set schedules that allow them to take their breaks. This may be more representative of an issue at branches with persistent staffing issues.

Perception of Job Descriptions Reflecting Actual Work

Staff reflections on the accuracy of their job descriptions relative to their current roles and responsibilities are provided in Figure 15. Eighty percent of survey respondents rated their job descriptions as “Somewhat Accurate” (41%) or “Very Accurate” (39%) in reflecting their current work, with the 3602 – Library Page class reporting accuracy at the highest aggregate rate of 92 percent, and the 3616 - Library Technician I class reporting accuracy at the lowest aggregate rate of 56 percent. Those that answered “Somewhat Inaccurate” or “Very Inaccurate” represented 13 percent of total respondents, with 29 percent of the 3616 class in particular reporting inaccuracy and 12 percent reporting that they “did not know” or were “unsure” if their job descriptions were accurate.

Figure 15. Percentage of Respondents that Rated How Job Descriptions Reflect Actual Work

Accuracy	3602	3610	3616	3618	3630	3632	3634	Average
Somewhat Accurate	44%	50%	33%	24%	54%	48%	31%	41%
Very Accurate	48%	41%	23%	58%	30%	24%	50%	39%
Somewhat Inaccurate	3%	0%	21%	3%	5%	21%	19%	10%
Very Inaccurate	2%	0%	8%	3%	4%	1%	0%	3%
Neither accurate nor inaccurate	1%	8%	3%	13%	3%	1%	0%	4%
I don't know or I'm not sure	1%	2%	12%	0%	4%	5%	0%	3%

Feeling Understaffed

Staff was also asked if they ever feel understaffed at their primary work locations, and if so, when during the week they were most likely to have that feeling. As Figure 16 shows, Saturday and Sunday afternoons/evenings – at 33 percent and 29 percent, respectively – are the times of the week when staff report feeling the most understaffed. Monday afternoon (23%), Saturday morning (21%), and Thursday afternoon (21%) were also commonly reported.

Figure 16. Days and Times Staff Reported to Feel Understaffed

Day	Time	Percentage Feeling Understaffed
Saturday	Afternoon/Evening	33%
Sunday	Afternoon/Evening	29%
Monday	Afternoon	23%
Saturday	Morning	21%
Thursday	Afternoon	21%

Staff reported through various mechanisms that they typically feel most understaffed during weekends at the branches, with the highest need for coverage regularly occurring on Fridays, Saturdays, Sundays and Mondays. A typical scenario was described by an employee at a large branch as occurring when a Technician (3616 or 3618) scheduled on the front desk leaves his post to help a patron locate an item. This often creates a long line of subsequent patrons needing assistance that can take a long time to clear. Weekends in particular were described as troublesome at some branches after parents drop kids off or when neighborhood programs end. Seasonality can also be a factor influencing the busyness of a branch, as in the case of several branches when an increase in visitors takes place associated with programming for kids.

D. FOCUS GROUP DISCUSSIONS

City Performance also convened four focus groups during March and April 2016 to gather any additional staffing input not captured in the other qualitative outreach methods and provide greater context to the existing data. As Figure 17 shows, two focus groups were conducted with the Librarian classes (3630, 3632, 3634²³), while one was reserved for the Pages (3602) and Assistants (3610), and one for the Technicians (3616, 3618). Each focus group ran about 90 minutes in length and participation was based on a first-come, first-served basis. Capacity of the focus groups was set at 10 participants in order to facilitate manageable discussions.

Figure 17. Staff that Participated in Focus Groups by Location

Group	Job Classes	Number of Participants	Primary Locations of Staff
1	3602 & 3610	6	Anza, Main, Park, Parkside, Richmond
2	3616 & 3618	7	Excelsior, Glen Park, Main, Ocean View, Richmond
3	3630 & 3632	6	Bernal Heights, Glen Park, Main, Merced, Potrero
4	3630 & 3632	10	Merced, Main, Ocean View, Potrero, Richmond

Each focus group was asked to describe in detail the tasks they conduct on a daily basis, which was then recorded by City Performance staff. Discussions often centered on five areas of concern:

²³ No 3634 Librarian III staff chose to participate in a focus group.

1. Workload related to management requests and technology
2. Diversified and overlapping job functions
3. Regulation of patron policy and incidents
4. Inadequate staffing coverage systems
5. Ineffective communication between management and staff

Data and findings from the focus groups will be discussed in greater detail later in this section.

E. DATA AGGREGATION AND FINDINGS

Upon completion of the four qualitative components of the analysis, City Performance then aggregated the data into a group of findings related to Public Services Division staff. Note that these findings are derived from information provided by staff that participated in the qualitative components of this study. It is important to note that these findings are anecdotal in nature and do not represent the viewpoints of every Public Services Division job class at every location.

1. **Staff workload has increased as a result of adapting to management requests to provide additional services and implement new technology.** SFPL's recent initiative, for example, to prioritize programming as a core public service has altered staff's responsibilities. The time use surveys show that Librarians spend approximately nine percent of their time on programming, and staff perception is that management's expectation of time devoted to this important service is growing. Programming and community outreach related to their marketing is now included in staff PPAR evaluations, and Page staff reported that they are often asked to assist Librarians with setting up for programs, which can impact their schedules and crowd out other assigned tasks. Some staff also reported that patrons have requested more programming, especially those of popular programs like Children's Story Time.

"We are constantly adapting to new systems. There's not enough training on new things."

SFPL's ongoing effort to roll out improved technology to its patrons has also impacted staff workload. Staff in every PSD job class reported that they spend a lot of time troubleshooting technology, such as teaching patrons to use their e-readers or helping them log on to the computer work stations. One branch Librarian stated that as much as 30 percent of a typical day may be spent helping patrons with printing, copying, and scanning documents. Staff recognized that technological innovations can provide an enriching experience for patrons, but they feel that they need adequate time to be properly trained and to provide support for those devices.

2. **Job functions have diversified without corresponding bright-line clarifications on which staff members are responsible for what tasks.** Though the specific duties of the seven PSD classes differ, management expects all staff to prioritize patron needs. Yet branch Librarians in particular stated that management's other expectation that administrative work be finished on

time creates an environment of competing demands where they have less time to concentrate on patron needs. In the absence of what might be described as a “typical” day – most days are filled with unanticipated tasks, unexpected incidents, and planned/unplanned leave of other staff requiring coverage – staff often feel pressed to ensure high quality services to the public without the flexibility within and across job classes to reach those goals. As a result, many staff reported they have spent extra hours beyond their regularly-scheduled shifts to complete their work.

Other staff members reported that working “out of class” is a recurring theme. For example, Pages, who are not supposed to work outside of the facility’s open hours, reported helping other staff with processing bins and sorting/shelving reserve items before opening time. Another employee reported that reference questions occasionally get passed along to Pages because of a language barrier, which is a task outside of the Page job description. Many staff reported that they believe that they are doing more than what is listed in their job descriptions and that there are elements of their daily jobs that are not being evaluated in their PPARs. One 3616 said he is doing the same work as a 3618 without proper training or compensatory pay.

Other staff believed that the 3602 and 3610 classes could be collapsed into a single 3610 class because there is so much overlap in their actual daily duties. The increase in library digitization of print materials in recent years has resulted in greater overlap of some functions. One staff member stated that as the circulation of books has reduced (meaning less physical shelving work), Pages have more time to assist with other duties that traditionally fall outside their job class.

3. **Staff experience difficulty regulating patron policy and handling incidents.** Incidents involving patrons in violation of the SFPL Patron Code of Conduct²⁴ have been an ongoing challenge as PSD staff are expected to handle unique populations of visitors in addition to meeting their normal work responsibilities. Because of unanticipated incidents involving patrons and facilities, several staff said that there is no such thing as a “typical day” in their work environments.

“The nature of the job is that it isn’t typical. We don’t know what’s coming from the public or above [management]; every day we have a plan, but your job can be taken over for weeks to respond to an incident, [or] we can also spend hours on someone’s holds issue. You can’t know when your bathroom is going to overflow, when a patron has an accident, when the elevator breaks, or when the computer breaks down. You have to balance your priorities as something is bound to happen every day. Someone calling in sick and you having to deal with an incident occurs every day; that’s a typical day.”

²⁴ Retrieved from: [SFPL Patron Code of Conduct](#).

Staff at Main in particular reported doing considerable patron management – e.g., intervening with unruly patrons and/or educating them on the rules – which often interfered with their normal course of duties. One employee at Main explained that there has been times when his entire shift was spent doing nothing but damage control with a wide spectrum of patrons. In another instance, City Performance staff observed a security incident at a branch during a job shadow that took over 30 minutes of the employee’s time. Incidents such as these add to the perceived challenge of weekends as the most understaffed shifts – several branch staff explained that many issues at their branches relate to an expectation of staff overseeing children without other adult supervision.

Another challenge PSD staff reported is that not all misconduct is filed as incident reports, as minor violations such as patrons sleeping or eating in the facility are often not recorded as incidents. As such, many staff members believe that the reported number of incidents across the system is much lower than the actual number of incidents they experience. At the branches, PSD staff often finds themselves de-escalating situations before security or police can arrive at the location. Many employees expressed the need for a more effective way of sharing incident information throughout the system, which will help warn other branches about patrons with a recorded history of misconduct. Staff also expressed an interest in self-defense and de-escalation training, specifically focused on handling patrons who are mentally ill or pose a threat to others.

4. **Staff coverage systems are an ongoing issue that contributes to inefficiency.** Each day different Librarian II staff are responsible for maintaining the daily scheduling system to ensure there is adequate system-wide coverage. Although the SFPL has since the start of this analysis transitioned to a new scheduling system called Celayix²⁵, staff reported great frustration with its predecessor system, Subfinder. Furthermore, daily scheduling (A/B schedules) and vacation requests are tracked using different systems, creating a great deal of inefficiency and confusion in handling daily operations.

Staff expressed that, generally speaking, there needs to be improved coordination of the different scheduling systems in order to make the entire process easier to understand and utilize in a fair and effective way. They further believe that confusion over the systems introduces opportunities for some staff to game the existing framework to their advantage. For example, there is a perception that employees at the Main (with ostensibly easier access to computer work stations throughout the day) have an inherent advantage in getting first priority for open coverage opportunities. Or, that some coverage opportunities are listed at fewer hours than actual to entice staff to take the shift (and stay under the 8-hour daily limit). It can also work against staff, as one staff member reported that employees at their branch often get pulled away to cover other branches because their location is considered fully staffed. This employee described this situation as “punishment for being effective and efficient.”

²⁵ Celayix is an online staff scheduling tool.

Quality control and lack of clarity on process were frequently mentioned. Some staff claimed that the A/B schedule is often incorrect and that there are no written guidelines for allocating staff through the coverage process. One branch manager suggested that it would be helpful to know if another branch consistently needs coverage so as to be able to better prepare and plan for staffing and coverage at his own branch. Staff also reported that some coverage issues can waste several hours in a given day, resulting in less time available to handle other administrative and patron priorities. Many felt that assigning the role of scheduling and staffing to a single administrator using a single system would create much more efficiency and remove many of the existing difficulties built into the process.

5. **There are perceived communication gaps between PSD staff and management.** Based on the qualitative methodology, participating staff reported longstanding communication issues between Public Services Division staff and management, much of it related to understanding matters of personnel, hiring, vacancies, reassignments and roles and responsibilities. A recurring theme reported among participating staff was the perception that management does not wish to acknowledge that public services staff are “overworked” and “understaffed.” They often criticized staffing baselines for not taking certain relevant factors into account, such as regional population change, increased workload, additional open hours, and new branch openings.

*“We wear 1,000 hats 8 hours a day... We are the custodian,
the security guard, the library technician.”*

Management has endeavored in recent years to bridge the communication gap by informing staff of initiatives at all-staff meetings and through other forums and platforms. Yet, among some participating staff, misunderstandings persist. A salient example came up several times surrounding the issue of part-time staff moving from 3-day to 4-day weeks. There was a great deal of confusion about this possible initiative, with some staff citing reasons against the move while not realizing that many branches had already initiated this change several years ago. Some staff also reported their belief that management purposefully keeps positions vacant for years at a time to provide cost savings on salaries and benefits. While this practice may occur over shorter intervals (e.g., within a Fiscal Year), City Performance did not find evidence of several years of vacancies during its review of Human Resources data. Participating staff also reported not understanding the hiring and reassignment processes, where they said it is unclear when jobs get posted and how reassignments are chosen.

Many of these issues seemed to derive from communication that staff described as top-down in nature. For example, some were not familiar with the roles and responsibilities of the 3634 Librarian III and believed that they should be “more involved with their locations” to better understand the issues that branches are dealing with. Staff generally reported that they would

like management to recognize staffing issues across the system and want greater collaboration on how staffing decisions are made.

F. TASK PRIORITIZATION TOOL

City Performance used its qualitative data (i.e., interviews, job shadows, time use surveys and focus groups) to create a Task Prioritization Tool²⁶ for the Public Services Division. This dynamic tool documents tasks provided through staff input and Performance Plan and Appraisal Reports (PPAR). The tool then allows for sorting and filtering options by the following six categories:

- **Task Area** (e.g., Administrative, Handling Books/Materials, etc.)
- **Activity** (e.g., Shelving, Ordering Books, Staff Meetings, etc.)
- **Time Use Ratings – Main** (measured 1-4 on select tasks)
- **Time Use Ratings – Branches** (measured 1-4 on select tasks)
- **Service Excellence Core Value** (e.g., Professionalism, Service, Access, etc.)
- **Strategic Plan Goal**²⁷ (e.g., Operational Excellence, Robust Collections, Services & Programs, etc.)

The goal of the Task Prioritization Tool is to provide a seamless way for management and staff to collaborate to answer the following key questions:

- What are staff in each job class doing as part of their duties in the normal course of business?
- On what tasks do staff in each job class report spending the bulk of their time?
- Are there differences between how members of the same job class at Main and branches spend their time?
- How well do the reported tasks for each job class align with the following?
 - Job Description
 - Performance Plan and Appraisal Report (PPAR)
 - Management Expectations
 - Service Excellence Core Values
 - Strategic Plan Goals
- Are there opportunities to remove, add, collapse or refocus tasks within each job class?
- Can some tasks within each job class be prioritized over others?
- Are some tasks overlapping between job classes?

It is important to note that the tool does not suggest what tasks should or should not be, but rather enable conversation between management and staff to determine the future state of each job class.

See Figure 18 for a screen shot of the tool for the 3602 – Library Page class.

²⁶ The Task Prioritization Tool is an Excel database comprising seven tabs, each focusing on one of the Public Services Division job classifications and a rollup tab provided for cross-analysis. The entire data set can be found in Appendix G.

²⁷ For additional detail on Service Excellence Core Values and Strategic Plan Goals, see SFPL Strategic Plan in Appendix H.

Figure 18. Task Prioritization Tool Screen Shot – 3602 – Library Page Job Classification

Task Area	Activity (survey and focus group responses)	3602	Time Use Ratings - Main	Time Use Ratings - Branches	Service Excellence Core Value	Strategic Plan Goal
1 Administrative	Special projects for staff	x			Professionalism	7. Operational Excellence
2 Administrative	Ordering books	x			Access	3. Robust Collections, Services & Programs
3 Administrative	Processing new collections and pre-processing (SFPL management: minimal at branches)	x			Access	3. Robust Collections, Services & Programs
4 Administrative	Assist with repairs, labeling, processing magazines	x			Access	3. Robust Collections, Services & Programs
5 Administrative	Troubleshoot internal database (includes troubleshooting AB schedule)	x			Professionalism	7. Operational Excellence
6 Administrative	Provide coverage at branches other than the home branch when assigned. Arrives on time, and completes tasks efficiently following direction of supervisory staff. (3620 and 3632 - provide coverage at other branches)				Professionalism	7. Operational Excellence
7 Administrative	Maintain order and organization within the library	x			Service	2. Accessible/Welcoming Facilities
8 Administrative	Accurately and efficiently inputs and updates patron information into the library records database	Y			Community	1. Patron-Focused Service Model
9 Administrative	Distributes the U.S. Mail accurately	x			Professionalism	7. Operational Excellence
10 Administrative	Distributes the branch delivery accurately	Y			Access	3. Robust Collections, Services & Programs
21 Handling books/materials	Pick up, sort, and return books/materials to proper locations	x	1	3	Access	3. Robust Collections, Services & Programs
22 Handling books/materials	Shelving (includes sorting)	x	1	1	Access	3. Robust Collections, Services & Programs
13 Administrative	Assisted Branch Manager in creating and editing a list of daily duties for circulation staff	x			Professionalism	7. Operational Excellence
14 Administrative	Write incident reports, manage patron behavior	x			Community	2. Accessible/Welcoming Facilities
15 Administrative	Emails	x			Professionalism	7. Operational Excellence
16 Administrative	Process applications for library cards, handling or processing money				Service	1. Patron-Focused Service Model
17 Administrative	Assist with software, surveys and statistics (seasonal work for 3616 and 3618)	Y			Community	1. Patron-Focused Service Model
18 Administrative	Filing and/or record keeping	Y			Professionalism	7. Operational Excellence
19 Administrative	Staff meetings				Professionalism	7. Operational Excellence
20 Administrative	Learning/applying new technology	Y			Professionalism	5. State of the Art Technology
35 Public service	Locate and deliver books requested by patrons	x	2	4	Service	1. Patron-Focused Service Model
36 Public service	Assistance to patrons at a service desk - (circulation, GIC, MAGS for 3616/18)	x	2	1	Service	1. Patron-Focused Service Model
23 Handling books/materials	Transport books/materials between different departments within the library	x	3	4	Access	3. Robust Collections, Services & Programs
24 Handling books/materials	Fulling materials for librarians	x			Service	1. Patron-Focused Service Model
25 Handling books/materials	Paging lists; can include some shelf reading	x			Access	3. Robust Collections, Services & Programs
26 Handling books/materials	Process materials: newspapers, reserves, periodicals	x			Access	3. Robust Collections, Services & Programs
27 Handling books/materials	Catalog materials, assign Cutter numbers or enter new serials	x			Access	3. Robust Collections, Services & Programs
28 Handling books/materials	Discharge books, circulation checkout	x			Access	3. Robust Collections, Services & Programs
29 Handling books/materials	Book drop	x			Access	3. Robust Collections, Services & Programs
30 Handling books/materials	Re-sensitizes materials accurately and efficiently	x			Access	3. Robust Collections, Services & Programs
31 Handling books/materials	Sorts materials onto trucks and places it in order efficiently and accurately following branch procedures				Access	3. Robust Collections, Services & Programs
11 Administrative	Deliver inter-departmental communications	x	4	4	Professionalism	7. Operational Excellence
33 Programs	Clean up after story time	x			Community	4. Engagement With Youth
34 Programs	Program work - set up for story time	x			Community	4. Engagement With Youth
12 Administrative	Assist with opening/closing branch or department	x	4	3	Service	1. Patron-Focused Service Model
32 Handling books/materials	Pack books for mailing, redistributing, repairing, discard	x	4	4	Access	3. Robust Collections, Services & Programs
37 Public service	Assistance to patrons by phone or email	x	4	4	Service	1. Patron-Focused Service Model
38 Public service	Assistance to patrons in person (not at service desk)	x	4	4	Service	1. Patron-Focused Service Model
39 Public service	Assist patrons with tech-based questions	x	4	4	Service	1. Patron-Focused Service Model
40 Public service	Assist patrons with books or physical materials	x			Service	1. Patron-Focused Service Model
41 Public service	Assist patrons with e-books and e-resources	x			Service	1. Patron-Focused Service Model
43 Public service	Drive and/or work in a bookmobile	Y			Community	6. Strong Community Partnerships

	Activity (PPAR Responsibilities)	
Public Service	Public Service Tasks	30.9%
Handling books/materials	Handling books & other physical materials	40.1%
Reference and Collections Work	Reference and Collections	-
Programs	Program Work	-
Administrative	Administrative	8.1%
Supervision and Training	Supervision and Training	-
	Breaks and Lunch	9.0%
	Other Activities	11.9%
TOTAL SELF-REPORTED DAILY ACTIVITIES (x)		32
TOTAL PPAR DAILY ACTIVITIES (blue shade)		16
TOTAL ACTIVITIES NOT CONDUCTED AND NOT FOUND IN PPAR (Y)		6
OVERLAP		12
ACCURACY (overlap / self-reported activities)		38%

Mark	Description
x	Reported by staff
Y	Not reported by staff and not found in PPAR
x	Reported by staff and found in PPAR
	Not reported by staff and found in PPAR
	Activity conducted by staff at least twice the amount compared to other location: reported in Time Use Survey

G. TASK ALIGNMENT WITH PERFORMANCE PLAN AND APPRAISAL REPORTS (PPARs)

City Performance determined that the most important utility of the Task Prioritization Tool is that it allows for collaboration between management and staff to greater align work tasks with job descriptions, PPARs, management expectations, and the organization's core values and strategic goals.

A starting point for conversation in pursuing greater alignment is to compare tasks reported by staff with those found in each job classification's Performance Plan and Appraisal Report (PPAR). PPAR evaluations – required annually by the Department of Human Resources²⁸ – include a review of overall performance, the quantity and quality of work performed, and results of various performance objectives. Given that PPARs are instrumental in the feedback loop between management and staff, it is important that staff are being evaluated on the actual work that they are performing.

City Performance found using the Task Prioritization Tool that job classes have significant variance in alignment rates with their PPARs. As Figure 19 exhibits, the 3602-Library Page and 3616-Library Technical Assistant I classes show the least alignment of the PSD group at 38 percent. The 3632-Librarian II class shows the highest alignment at 61 percent. The other classes fall in the middle of that range.

Figure 19. Alignment Rate of PSD Staff Total Tasks to PPARs by Job Class

Job Class	Total Tasks	Alignment Rate With PPARs
3602-Library Page	42	38%
3610-Library Assistant	47	39%
3616-Library Technical Assistant I	70	38%
3618-Library Technical Assistant II	67	54%
3630-Librarian I	60	56%
3632-Librarian II	71	61%
3634-Librarian III	49	45%

In an ideal state, PPARs would align with work tasks at a rate of 100 percent. The mediocre alignment rates of the Public Services Division staff with their PPARs strongly suggest that there is an opportunity for management and staff to use the Task Prioritization Tool in a constructive way to clearly define the roles and responsibilities of each job class to provide alignment across the organization.

²⁸ "It is the goal of the City to provide each of its employees with an annual Performance Plan and Appraisal Report (PPAR)." SF Employee Handbook, p. 15.

8. RELATIVE STAFFING INDEX

One of the Library's objectives with this staffing analysis was to identify the optimal number of PSD staff across the system. To determine optimal staffing, it is necessary to calculate the amount of time required to perform routine tasks and develop normally distributed time ranges. However, data from the time use surveys, interviews, job shadows, and focus groups showed a wide variance in the amount of time staff reported spending on specific tasks.

In some branches, for example, staff reported spending a considerable amount of time dealing with incidents. In other branches, however, staff reported spending very little time dealing with incidents.²⁹ Thus, City Performance was unable to calculate a reasonable and reliable estimate of the amount of time required for staff activities. Additionally, PSD staff identified a very high number of activities. For example, CP documented 70 distinct tasks performed by the 3616 class and 71 tasks performed by the 3632 class. Although not all activities are conducted on a daily basis, the volume of activities performed complicates the process to identify an optimal number of staff. Given these methodological limitations, City Performance developed a composite measure of staff workload to identify an equitable distribution of staff across the system. Appendix I describes the methodology in detail.

Figure 20 shows the number of filled FTE positions across the system as of July 12, 2016. The information alone, however, is not useful for determining how well each branch is staffed relative to the other branches.

Figure 20. Number of Filled FTE Positions by Facility – July 2016

Branch	FTE	Branch	FTE
Anza	6.5	Noe Valley	4.5
Bayview	5.5	North Beach	6.5
Bernal Heights	8.5	Ocean View	3.5
Chinatown	17	Ortega	11.5
Eureka Valley	5.5	Park	5.5
Excelsior	9.5	Parkside	6.5
Glen Park	5.5	Portola	7.5
Golden Gate Valley	4	Potrero	6
Ingleside	7	Presidio	5.5
MAIN	169	Richmond	15
Marina	8	Sunset	13
Merced	8	Visitacion Valley	5
Mission	13	West Portal	12
Mission Bay	5.5	Western Addition	6.5

²⁹ For example, Noe Valley reported only one incident in FY2015-16 while Mission reported 90 incidents.

City Performance then employed a statistical methodology called factor analysis to create the Relative Staffing Index³⁰. Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables (called factors). Eight variables that City Performance hypothesized as possibly related to PSD staff workload were considered in developing the index. These variables reflect available data across SFPL systems. The nine variables were:

1. FY16 number of visitors
2. FY16 number of materials in circulation
3. FY16 number of new library card registrations
4. FY16 number of questions asked (directional and reference)
5. FY16 number of incidents
6. FY16 program hours
7. Total facility square feet
8. Total number of service points
9. FY17 adjusted weekly open hours

The results of the factor analysis, summarized in Figure 21 on the left side (WITH MAIN), shows significant variance in the number of staff relative to workload (as defined by the variables) across the system. The index score, which ranges from 15.64 at the Main to 0.45 at North Beach, indicates the distance of each branch to a mean index score of 5.00 (closest to Ortega). The distance more or less from that mean index score indicates how well each branch is staffed relative to the mean.

Main in particular stands out as having the greatest number of staff relative to its workload and the other branches, while branches like North Beach, Parkside, Mission Bay, Eureka Valley, Western Addition and Park show the lowest number of staff relative to workload and the other branches. Main is over 10 points above the mean index score, however, with only one branch (Ocean View at 12.18) greater than five points above or below the mean.

Because Main is such a significant outlier relative to the rest of the data set, it was removed from Figure 21 on the right side (WITHOUT MAIN), which provides what City Performance believes is a more accurate picture of the relative staffing levels across the branches. In that scenario, Ocean View is the best staffed and Eureka Valley is the worst staffed relative to workload and the other branches. The difference in scores between Ocean View and Eureka Valley is striking – over 12 points, with the mean being 6.00 (closest to Marina). The scores indicate significant variance in how well the branches are staffed relative to their workload and each other, and highly suggestive that there is an inequitable distribution of staff throughout the branches.

³⁰ See Appendix I for additional detail on factor analysis and its use in this analysis.

Figure 21. Relative Staffing Index Levels With and Without Main

WITH MAIN		WITHOUT MAIN	
Branch	Relative Staffing Index Score	Branch	Relative Staffing Index Score
Main	15.64	Ocean View	13.15
Ocean View	12.18	Sunset	11.01
Anza	9.31	West Portal	10.83
West Portal	9.19	Anza	9.21
Sunset	7.61	Potrero	8.42
Chinatown	6.97	Bayview	7.30
Merced	6.92	Glen Park	7.07
Noe Valley	6.25	Mission	7.05
Mission	5.43	North Beach	6.92
Golden Gate Valley	5.37	Excelsior	6.85
Marina	5.11	Richmond	6.53
Ortega	5.08	Merced	6.53
Potrero	4.72	Chinatown	6.26
Bernal Heights	4.56	Marina	6.24
Portola	4.53	Golden Gate Valley	5.63
Bayview	4.05	Park	5.59
Richmond	3.89	Noe Valley	5.20
Visitacion Valley	3.62	Ortega	5.07
Glen Park	3.59	Visitacion Valley	4.53
Presidio	3.13	Presidio	4.45
Ingleside	2.75	Portola	3.91
Excelsior	2.16	Ingleside	3.33
Park	1.79	Western Addition	3.16
Western Addition	1.52	Parkside	3.04
Eureka Valley	1.51	Bernal Heights	2.08
Mission Bay	1.38	Mission Bay	1.77
Parkside	1.29	Eureka Valley	0.87
North Beach	0.45		

Perhaps the most useful aspect of the Relative Staffing Index is not that it reveals a wide variance in staffing levels across the system (which it does), but that it can be used as a management tool to assist SFPL in minimizing the distribution of Public Services Division staff based on key workload factors. Figure 22 provides one scenario of what staffing levels would be if workload variance in staffing among the 27 branches were flattened to a difference of less than one point (i.e., the most equitable distribution given staffing limitations).

In this scenario, Golden Gate Valley (1.32) becomes the branch best staffed relative to workload and other branches, while Marina (0.55) becomes the branch least well-staffed, but the range from highest to lowest (range: 0.77) is very small. Unlike current staffing levels (as exhibited in Figure 21), there are no clear “winners” or “losers” in this scenario. Rather, the differences are small enough that the scenario presents a relatively equal distribution of staff across the system.

Figure 22 also shows the differences between what the Relative Staffing Index model proposes to attain equitable staffing and actual staffing as of July 12, 2016 (column “E”), and proposed staffing (column “F”) for Fiscal Year 2016-2017. Columns E and F show that some branch-by-branch changes to both actual and proposed staffing levels are required to reach a more equitable distribution of staff across the 27 branches. In this scenario, 23 branches would add staff over current levels, three branches would lose staff from current levels, and one branch would remain at its current level. Considering planned FY2016-17 staffing levels, 12 branches would add staff over those levels, 14 branches would lose staff from those levels, and one branch would remain effectively at the same level.

It is important to note that Figure 22 proposes just one scenario of possible staffing allocations, using a constraint of FY2016-17 planned PSD staffing level of 257.65 FTEs at the branches. The index is a dynamic tool that can be used to model an array of scenarios to support SFPL’s short- and long-term strategic planning, and as the SFPL grows and changes to meet demographic shifts and patron demand, the model can be adjusted to accommodate new measures. As an example, staff often mentioned the growing importance of programming in their work. The model currently only captures the number of programs offered. A future version of the model could instead capture the number of program participants or number of program hours completed to provide a more robust metric to consider.

Figure 22. Application of the Relative Staffing Index to Minimize Variance in Relative Staffing Levels

(A) Branch	(B) Proposed FTE by Model	(C) Actual FTE 7/12/16	(D) FY17 Planned FTE	(E) Proposed vs. Actual	(F) Proposed vs. Planned	(G) Relative Staffing Index Score
Golden Gate Valley	5	4	5.5	1	-0.5	1.32
Noe Valley	6.75	4.5	5	2.25	1.75	1.31
Chinatown	18	17	18.5	1	-0.5	1.27
Sunset	13	13	14.5	0	-1.5	1.27
Potrero	6.25	6	7	0.25	-0.75	1.21
Eureka Valley	8.25	5.5	7.5	2.75	0.75	1.21
Bayview	6	5.5	8	0.5	-2	1.16
Excelsior	13.25	9.5	13.5	3.75	-0.25	1.15
Ingleside	9.75	7	8.5	2.75	1.25	1.15
West Portal	11	12	13.5	-1	-2.5	1.12
North Beach	10.75	6.5	8.5	4.25	2.25	1.11
Mission Bay	8	5.5	7	2.5	1	1.09
Mission	13.75	13	14.5	0.75	-0.75	1.04
Presidio	7.15	5.5	6.75	1.65	0.4	1.00
Western Addition	10	6.5	8.5	3.5	1.5	0.97
Ortega	15.5	11.5	12	4	3.5	0.89
Portola	9.5	7.5	8.5	2	1	0.88
Visitacion Valley	6.5	5	9.5	1.5	-3	0.88
Merced	8	8	9	0	-1	0.88
Ocean View	2.75	3.5	4.5	-0.75	-1.75	0.87
Anza	5.75	6.5	7	-0.75	-1.25	0.85
Park	7.5	5.5	6	2	1.5	0.83
Richmond	19	15	17.5	4	1.5	0.82
Glen Park	7.25	5.5	7.2	1.75	0.05	0.76
Bernal Heights	10	8.5	10.5	1.5	-0.5	0.74
Parkside	10.5	6.5	10.2	4	0.3	0.67
Marina	8.25	8	9	0.25	-0.75	0.55
Totals	257.4	212	257.65			

Ratio of Librarians to Circulation Staff

The SFPL was also interested in understanding if it has an ideal ratio of Librarians (3630, 3632, 3634) to Circulation staff (3602, 3610, 3616, 3618) at each branch. There does not appear to be an industry standard for the ideal ratio of Librarians to Circulation staff, but benchmarking research (as discussed further in Section 3) found that the City and County of Philadelphia has a median ratio of 0.6 Librarian FTE to every 1.0 Circulation staff FTE. The median ratio for SFPL is 0.7 Librarians for every 1.0 Circulation staff FTE. As shown in Figure 23, the current branch ratios range from 1.17 at Bayview (+0.47) to 0.30 at Glen Park (-0.40).

Figure 23. Current Librarian to Circulation Staff Ratios Across the 27 Branches

Branch	Total Librarian FTE July 2016	Total Circulation Staff FTE July 2016	Ratio of Librarians to Circulation staff
Bayview	3.5	3	1.17
Bernal Heights	4.5	4	1.13
Noe Valley	2.5	2.5	1.00
Park	3	3	1.00
Ingleside	3.5	4	0.88
Mission	6.5	7.5	0.87
Mission Bay	3	3.5	0.86
Visitacion Valley	3	3.5	0.86
Eureka Valley	2.5	3	0.83
Excelsior	5.5	7	0.79
North Beach	3	4	0.75
West Portal	5.5	7.5	0.73
Sunset	6	8.5	0.71
Marina	3.5	5	0.70
Western Addition	3.5	5	0.70
Merced	3.5	5.5	0.64
Anza	2.5	4	0.63
Potrero	2.5	4	0.63
Richmond	6.5	11	0.59
Chinatown	6	12	0.50
Golden Gate Valley	1.5	3	0.50
Ortega	4	8	0.50
Portola	2.5	5	0.50
Presidio	2	4	0.50
Parkside	2.5	5.5	0.45
Ocean View	1	2.5	0.40
Glen Park	1.5	5	0.30

Figure 24 shows a proposed number of Librarians and Circulation staff at each branch to achieve a ratio very close to the current SFPL median of 0.7 Librarians to every 1.0 Circulation staff FTE. As part of its future reallocation strategies, management may seek to adjust the number of Librarian and Circulation staff to achieve a greater balance between the two groups across the system. However, because each branch has unique needs, the ratio might not be an appropriate guide for all branches. Further analysis is recommended.

Figure 24. Proposed Number of Librarians and Circulation Staff

Branch	Total FTE as of July 12, 2016	Librarians FTE	Circulation Staff FTE	Ratio of Librarians to Circulation Staff
Anza	6.5	2.75	3.75	0.73
Bayview	6.5	2.75	3.75	0.73
Bernal Heights	8.5	3.5	5	0.70
Chinatown	18	7.5	10.5	0.71
Eureka Valley	5.5	2.25	3.25	0.69
Excelsior	12.5	5.25	7.25	0.72
Glen Park	6.5	2.75	3.75	0.73
Golden Gate Valley	4.5	2	2.5	0.80
Ingleside	7.5	3	4.5	0.67
Marina	8.5	3.5	5	0.70
Merced	9	3.75	5.25	0.71
Mission	14	5.75	8.25	0.70
Mission Bay	6.5	2.75	3.75	0.73
Noe Valley	5	2	3	0.67
North Beach	7	2.75	4.25	0.65
Ocean View	3.5	1.5	2	0.75
Ortega	12	5	7	0.71
Park	6	2.5	3.5	0.71
Parkside	8	3.25	4.75	0.68
Portola	7.5	3	4.5	0.67
Potrero	6.5	2.75	3.75	0.73
Presidio	6	2.5	3.5	0.71
Richmond	17.5	7.25	10.25	0.71
Sunset	14.5	6	8.5	0.71
Visitacion Valley	6.5	2.75	3.75	0.73
West Portal	13	5.5	7.5	0.73
Western Addition	8.5	3.5	5	0.70

9. RECOMMENDATIONS³¹

Task Prioritization

1. **Task Prioritization Tool.** In collaboration with PSD staff, City Performance recommends that SFPL management utilize the Task Prioritization Tool to determine core competencies by job class, align competencies with long-term strategic planning goals, and prioritize tasks that most effectively promote fidelity to a model of service excellence.
2. **Standardization of Work.** Commensurate with utilization of the Task Prioritization Tool, City Performance recommends that SFPL management work with staff to implement a standard process of work, where applicable. Recognizing that facilities have different needs and serve unique populations, staff should be able to conduct a standard process of work on essential tasks that includes time management, training and prioritization.

Staffing

1. **Relative Staffing Index Tool.** City Performance recommends that SFPL promote data-driven decision-making by utilizing the Relative Staffing Index to reallocate staff in an effort to promote greater PSD staffing equity across the system. A more equitably staffed system will result in a more satisfied staff and facilitate improved system-wide public service.
2. **Centralized and Standardized System-wide Scheduling.** City Performance recommends that SFPL return to a centralized and standard approach to scheduling coverage, vacation requests and weekly schedules, freeing significant time for 3632-Librarian IIs to provide public service and eliminating many of the confusing, inaccurate and inequitable aspects of the current processes.
3. **As-Needed Pool.** City Performance recommends the creation of an as-needed pool of available staff, capable of providing coverage in PSD positions for short-term durations. This would help to alleviate some of the daily pressure of providing excellent service while consistently understaffed.
4. **Strategic Staffing.** City Performance recommends that SFPL continue careful consideration of unique branch needs when reallocating or otherwise staffing branches throughout the system, based on the specific demands placed upon the branch and the populations it serves.

Effectiveness

1. **Hiring Process.** City Performance recommends that SFPL identify additional opportunities for improvement in its hiring and onboarding process, focused on methods to lower the system-wide vacancy rate. *(Note: this work has already been scheduled to take place in FY2016-17.)*
2. **Cross-Divisional Committee.** City Performance recommends that SFPL empanel an ad hoc cross-divisional committee comprised of PSD staff to engage with management on best practices and other tools to promote organizational communication, service excellence and staff effectiveness.

³¹ A list of additional recommendations made by individual staff through City Performance's qualitative work is located in Appendix K.

- 3. Training.** City Performance recommends that management provide additional opportunities for PSD staff training in key areas related to daily workplace needs, such as the implementation and troubleshooting of new technology, de-escalation of situations with patrons (including a specific focus on handling members of marginalized populations), and workplace prioritization and productivity tools.

From: Reports, Controller (CON)
Sent: Tuesday, November 15, 2016 12:57 PM
To: BOS-Supervisors; BOS-Legislative Aides; Gosiengfiao, Rachel (BOS); Kawa, Steve (MYR); Howard, Kate (MYR); SF Docs (LIB); CON-EVERYONE; MYR-ALL Department Heads; CON-Finance Officers
Subject: Issued: Citywide Nonprofit Monitoring and Capacity Building Program: FY15-16 Annual Report

The Controller's Office coordinates the Citywide Nonprofit Monitoring and Capacity Building Program (Monitoring Program), and today issued its annual report documenting the outcomes from the Fiscal Year 2015-2016 (FY16) fiscal and compliance monitoring of 136 nonprofit contractors. The report and accompanying infographic summarize the detailed and collaborative work conducted by monitors from nine City departments to assess conformance with an array of financial indicators, compliance standards, and governance best practices.

The Controller's Office found that, while the number of contractors monitored has increased over the last three years, the percentage of contractors able to end the monitoring cycle in conformance with all standards has stayed consistent. By the close of the FY16 monitoring cycle, 71% of all nonprofit contractors were in full conformance with monitoring standards.

The most common finding (11% of contractors) related to the timely preparation of audited financial statements. Second, 7% of contractors remained out of conformance with the standard requiring financial reports to show a positive year-to-date net income. Other top findings related to emergency operations plans, cost allocation procedures, invoices and fiscal policies and procedures.

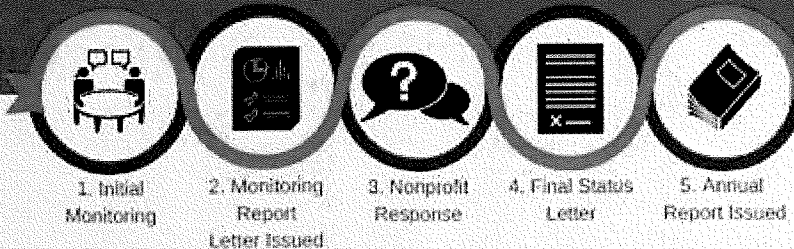
The Controller's Office provides technical assistance to contractors needing extra support to come into conformance with standards. In FY16, 14 nonprofits received individualized coaching from expert consultants, and another 44 nonprofits sent representatives to the Controller's Office's Spring Nonprofit Training Series to learn about financial management and governance.

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Citywide Nonprofit Monitoring and Capacity Building Program

2016 Annual Report Highlights

136 nonprofit contractors monitored **\$460 Million** in funding from 9 City departments **84** fiscal and compliance standards monitored



The City provides extra help to nonprofits

- 14** nonprofits engaged in individualized technical assistance
- 44** nonprofits attended the Spring Nonprofit Training Series

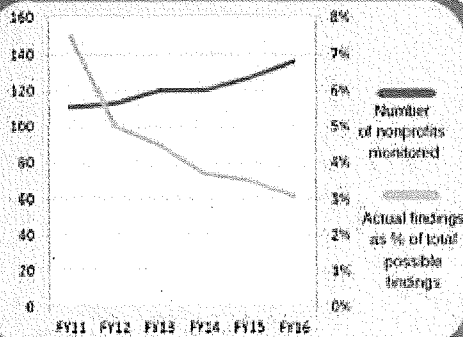
Majority of nonprofits have zero findings

- 52%** Had zero findings at initial monitoring
- 71%** Had zero findings at close of monitoring cycle

Survey says the program is effective

- 85%** of City staff said the program saves departments time
- 96%** of nonprofits said the technical assistance provided was beneficial
- 97%** of nonprofits said City staff are supportive
- 100%** of City staff said their monitoring teams worked well together

More nonprofits monitored over time
Fewer findings over time



*Based on survey of nonprofit contractors and City monitors

City and County of San Francisco Controller's Office

More Information? Nonprofit.Monitoring@sfgov.org

To view the full report, please visit our website at: <http://openbook.sfgov.org/webreports/details3.aspx?id=2383>

View dataset: <http://openbook.sfgov.org/webreports/details3.aspx?id=2382>

View infographic: <http://openbook.sfgov.org/webreports/details3.aspx?id=2384>

This is a send-only e-mail address.

For questions about the report, please contact Jeff Pomrenke at Jeffrey.pomrenke@sfgov.org

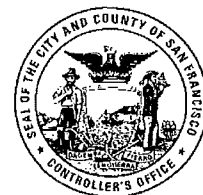
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City and County of San Francisco

Office of the Controller – City Services Auditor

**CITYWIDE NONPROFIT
MONITORING AND
CAPACITY BUILDING
PROGRAM**

Fiscal Year 2015-2016 Annual Report



November 15, 2016

Acknowledgements

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To learn about the Citywide Nonprofit Monitoring and Capacity Building Program, visit the Controller's Office website at <http://sfcontroller.org/nonprofits>.

For general information about the program, please contact a team member at nonprofit.monitoring@sfgov.org.

CONTROLLER'S OFFICE CITY SERVICES AUDITOR

The City Services Auditor was created within the Controller's Office through an amendment to the City Charter that was approved by voters in November 2003. Under Appendix F to the City Charter, the City Services Auditor has broad authority for:

- Reporting on the level and effectiveness of San Francisco's public services and benchmarking the city to other public agencies and jurisdictions.
- Conducting financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operating a whistleblower hotline and website and investigating reports of waste, fraud, and abuse of city resources.
- Ensuring the financial integrity and improving the overall performance and efficiency of city government.

EXECUTIVE SUMMARY

Each year, the City and County of San Francisco (City) contracts with hundreds of nonprofit organizations to provide critical services throughout the City, such as health, housing, job training, family support and more. The Citywide Nonprofit Monitoring and Capacity Building Program (Monitoring Program) consolidates contract monitoring requirements related to fiscal and organizational health for nonprofit contractors that receive funding from multiple City departments. This streamlined approach saves both City taxpayers and nonprofits time and money. The Monitoring Program specifically assesses three broad areas of organizational health: fiscal (e.g., financial reports, audits, fiscal policies and procedures, agency-wide budget and cost allocation procedures); compliance (e.g., personnel policies, emergency operations plans, Americans with Disability Act policies, and Sunshine laws); and governance (e.g., board giving, board oversight, and board policies). The Monitoring Program also identifies nonprofit contractors in need of technical assistance or coaching, and provides consulting services at the City's expense to help those organizations improve their fiscal health and comply with City standards.

In Fiscal Year 2015-2016 (FY16), the Monitoring Program included 136 nonprofit providers with an aggregate of over \$460 million in City funding from nine departments. This Annual Report documents the FY16 monitoring results and provides an overview of major program activities, including technical assistance provided, new initiatives carried out, and application of the Corrective Action Policy.

Monitoring Results Summary

- A total of 136 contractors participated in the monitoring pool in FY16, an increase of nine contractors since last year. This analysis includes monitoring results for 125 contractors (due to good performance waivers or monitoring delays, several contractors were excluded from the results).
- The FY16 initial monitoring (i.e., prior to the contractor's opportunity to respond) resulted in 65 contractors (52%) in conformance with all standards, with the remaining 60 contractors (48%) having one or more findings.
- By the close of the monitoring cycle, 89 contractors (71%) were in full conformance with monitoring standards, leaving 36 (29%) not yet in conformance with one or more standards. Of these, 19 corrected one or more findings, and 17 did not address any of their findings within the monitoring cycle.
- There has been a sustained decrease in monitoring findings over the past five years as monitored contractors have come in line with City standards.
- The categories of standards with the most findings in FY16 were *Audited Financial Statements* (42 findings), *Financial Reports* (37 findings), and *Emergency Operations Plans* (29 findings).
- Sixteen contractors had five or more uncorrected findings at the close of the monitoring cycle, five of them on this list for a second year.
- Ten contractors had one or more unresolved findings repeated from last fiscal year.
- The Monitoring Program assigned five contractors to elevated concern status based on the results of FY16 monitoring, per the Corrective Action Policy.
- Fourteen contractors received or were referred to technical assistance consulting services during FY16 to help bring them in line with City standards, including six contractors with repeated findings and the five contractors designated with elevated concern status.

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Monitoring Results Dataset: <http://openbook.sfgov.org/webreports/details3.aspx?id=2382>

I. CITYWIDE NONPROFIT MONITORING AND CAPACITY BUILDING PROGRAM OVERVIEW

The Controller’s Office coordinates the Monitoring Program for nonprofit organizations receiving multiple City contracts. The nine City departments participating in the Monitoring Program jointly conduct annual fiscal and compliance monitoring so that it is done efficiently and uses consistent standards and methods. In FY16, the Monitoring Program included 136 nonprofit providers with an aggregate of over \$460 million in City funding from participating departments.¹

The standards that must be met by nonprofits contracting with the City and the documentation and steps that the City uses to test compliance with these standards are available on the Controller’s website at <http://sfcontroller.org/nonprofits>. Every year, the Controller’s Office trains both nonprofit contractors and City staff on how to meet the standards and generally improve financial and administrative management.

FY16 City Departments Participating in the Monitoring Program	
ARTS	Arts Commission
First 5	Children and Families Commission – First 5
DCYF	Department of Children, Youth and Their Families
DOSW	Department on the Status of Women
DPH	Department of Public Health
HSA	Human Services Agency
MOHCD	Mayor's Office of Housing and Community Development
OEWD	Office of Economic and Workforce Development
SHF	Sheriff’s Department

The Monitoring Program identifies nonprofits in need of technical assistance or coaching, and provides consulting services at the City’s expense to help those organizations improve their fiscal health and comply with City standards. The Controller’s Office coordinates a “Spring Nonprofit Training Series” annually, focusing on issues related to nonprofit financial management and governance. In addition, the Controller’s Office provides City monitors with trainings, peer learning opportunities, and forums for feedback and program input through a series of topical trainings and “All-Monitor Meetings.” See Section 3 for details.

The Monitoring Program conducts an annual assessment of contractors’ ability to meet specific fiscal and compliance standards that act as indicators of organizational health. City monitors conduct the assessment between October and March through a site visit or a desk review (called a “self-assessment”). When a contractor does not meet a standard, this is considered a “finding.” City monitors document all findings in a Monitoring Report Letter, deliver direction on how to meet the standard, and provide the opportunity to do so within the monitoring cycle.²

At the end of the monitoring cycle, City monitors record the final outcome for each contractor in a Final Status Letter that describes the findings that have been corrected by the contractor and are now “in conformance” with City standards, as well as findings that must still be addressed by the nonprofit contractor, and thus “not yet in conformance.” Per the Monitoring Program’s Corrective Action Policy,³ contractors that do not adequately address findings from year to year may be labeled “unresponsive,” which can lead to placement on elevated concern or red flag status.

¹ See Program Results Dataset, Tab 2 for a full list of the nonprofits monitored under the Monitoring Program and the City departments who fund them: <http://openbook.sfgov.org/webreports/details3.aspx?id=2382>

² The Monitoring Program also tracks governance activities and other elements as indicators of organizational health; however, these are considered “best practices” and are not considered “findings” if they are not met.

³ See Section IV below, and see Appendix G for the full policy.

Changes to the Monitoring Standards in FY16

To prepare for the FY16 monitoring cycle, City departments conducted an annual process to review and improve upon the Standard Monitoring Form.⁴ In the prior year, the City added several pilot and best practice standards, testing new key indicators of organizational health. For FY16, City departments kept most of these new standards in their pilot or best practice stage, but did establish some new official standards and re-organized existing standards.

- **Fiscal Policies and Procedures**: City departments have made adjustments to this category in recent years in an attempt to shift the focus from simply having a policies and procedures document to testing that it is being implemented consistently by the agency. A strong system of internal controls is one of the most important elements of good financial management, but the specific controls may vary based on the structure and needs of an agency. Rather than testing that a contractor uses specific controls, the Monitoring Program has changed the standards to test that the contractor has established reasonable policies and actively and consistently follows them.
- **Board Oversight**: The City departments changed the category title from “Board Minutes” to “Board Oversight” to reflect the rationale and purpose for reviewing board minutes, which is to assess the strength of governance in both fiscal and compliance areas. Within the category, City departments added or clarified several standards to better assess board oversight practices using the board minutes as source documentation.
- **Public Access**: The Monitoring Program consolidated several standards related to compliance with the Sunshine Ordinance (e.g., posting board meeting notices, hosting public board meetings, ensuring client representation on the board) into a single category of “Public Access.” The standards themselves did not change.
- **Frequency of Review**: Beginning in FY15, City departments identified certain standards that only require monitoring at site visits (not through self-assessments). For FY16, the Monitoring Program has expanded the number of standards that will only be monitored during site visits. Additionally, certain standards require that the contractor develop various types of policies and procedures (e.g., an Americans with Disabilities Act policy). Once complete and verified by monitors, these standards will not need to be monitored again unless the City’s monitoring team requests it, or there are major changes to the organizational structure of the nonprofit, which would trigger a review of all its policies and procedures.

A summary of specific changes to the Standard Monitoring Form for FY16 can be found in Appendix C.

⁴ FY16 Standard Monitoring Form: <http://sfcontroller.org/sites/default/files/FileCenter/Documents/6759-CCSF%20Standard%20Monitoring%20Form%20FY15-16.pdf>

II. FY16 MONITORING RESULTS

FY16 Monitoring Pool

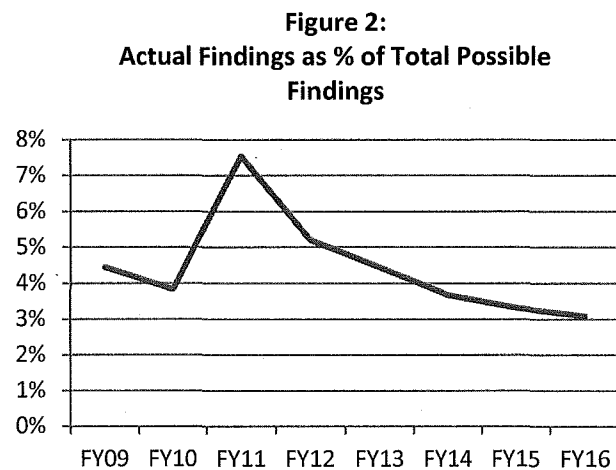
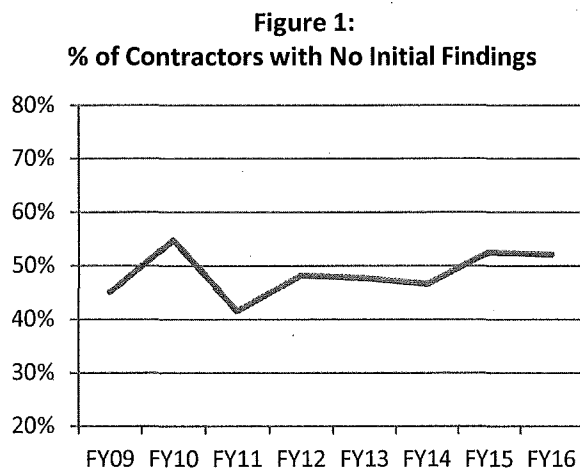
A total of 136 contractors participated in the monitoring pool in FY16, an increase of nine contractors since last year. Departments granted three contractors⁵ a waiver from monitoring this year due to strong performance, in accordance with the Monitoring Program's waiver policy. The analysis below excludes an additional eight contractors due to scheduling delays or incomplete documentation by City monitors.⁶ As a result, this analysis includes monitoring outcomes for 125 contractors.

The FY16 dataset (available online⁷) includes a list of the contractors in the FY16 monitoring pool and their monitoring results, including any initial findings and the final status for each contractor.

Trends in Initial Findings

The FY16 initial monitoring (i.e., prior to the contractor's opportunity to respond) resulted in 65 contractors (52%) in conformance with all standards, with the remaining 60 contractors (48%) having one or more findings.⁸

The percentage of contractors with no initial findings has held steady since last year after an increase from previous monitoring cycles (see Figure 1). Similarly, the trend of actual findings at the initial monitoring as a percentage of total possible findings continues on a downward trajectory from 3.7% in FY14 to 3.1% in FY16, as shown in Figure 2.



The trend may be a result of the Monitoring Program's training and technical assistance for nonprofits, with the goal of increasing clarity and guidance with monitoring requirements and skills-building for fiscal and organizational capacity.

⁵ Mission Economic Development Agency; Positive Resource Center; and Richmond Area Multi-Services, Inc.

⁶ Bayview Hunters Point Foundation for Community Improvement, Filipino American Development Foundation, Independent Living Resource Center of San Francisco, Legal Services for Children, Renaissance Entrepreneurship Center, San Francisco Housing Development Corporation, Veterans Equity Center, and West Bay Pilipino Multi Services Corporation

⁷ <http://openbook.sfgov.org/webreports/details3.aspx?id=2382>

⁸ This analysis excludes best practice and pilot findings.

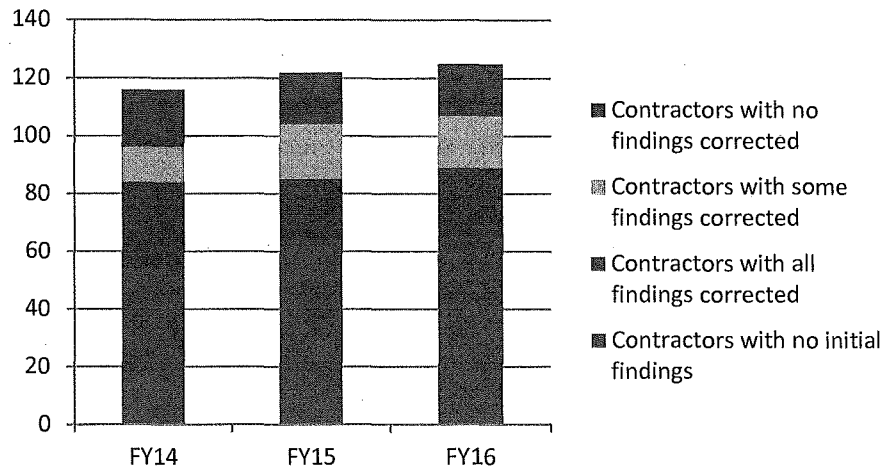
Trends in Final Status of Findings

Beginning in FY14, the Monitoring Program began tracking which standards contractors corrected by the end of the monitoring cycle. In FY16, 24 of the 60 contractors with initial findings (40%) corrected one or more findings to come into full conformance with the monitoring standards. An additional 19 contractors corrected some of but not all of their findings, while the remaining 17 contractors did not correct any findings during the monitoring cycle.

Though the number of contractors in the Monitoring Program has increased over the years, the percentage of contractors able to end the monitoring cycle in conformance with all standards has stayed consistent at 72% FY14 and 71% in FY16, as shown in Figure 3.

See Appendix A for a list of contractors with no findings at the end of the monitoring cycle, including contractors that corrected initial findings completely. Of the 89 contractors on this list, 58 (65%) also had no findings at the close of FY15.

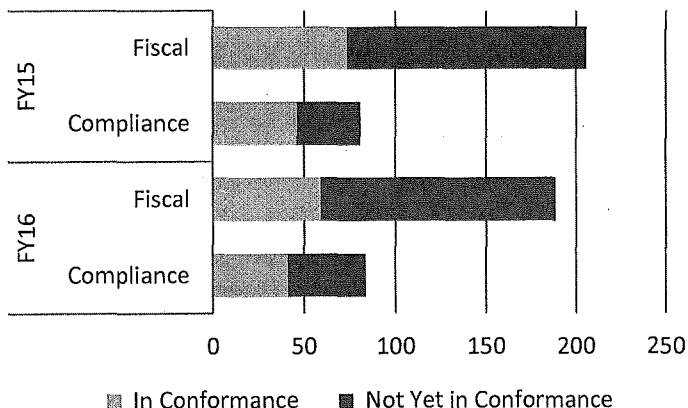
Figure 3:
Contractors with Initial and Corrected Findings, FY14-16



Final Status of Findings by Standard Type: Fiscal or Compliance

Standards fall into two categories: fiscal and compliance. Fiscal standards relate to budgets, cost allocation plans, financial statements, and invoice procedures, etc., and represent 49 (69%) of the 71 monitored standards. Compliance standards relate to public access to records, personnel policies, emergency operations plans, etc., and account for 22 (31%) of the monitored standards. In FY16, findings were proportionally split between the two categories, with fiscal standards accounting for 69% of all findings at initial monitoring and compliance standards accounting for 31% of all findings.

Figure 4:
Finding Outcomes by Category, FY15-16



Contractors were much more likely to correct compliance findings during the monitoring cycle than to correct fiscal findings. While contractors came into conformance with 49% of compliance findings, they were in conformance with just 31% of fiscal findings by the close of the monitoring cycle (see Figure 4).

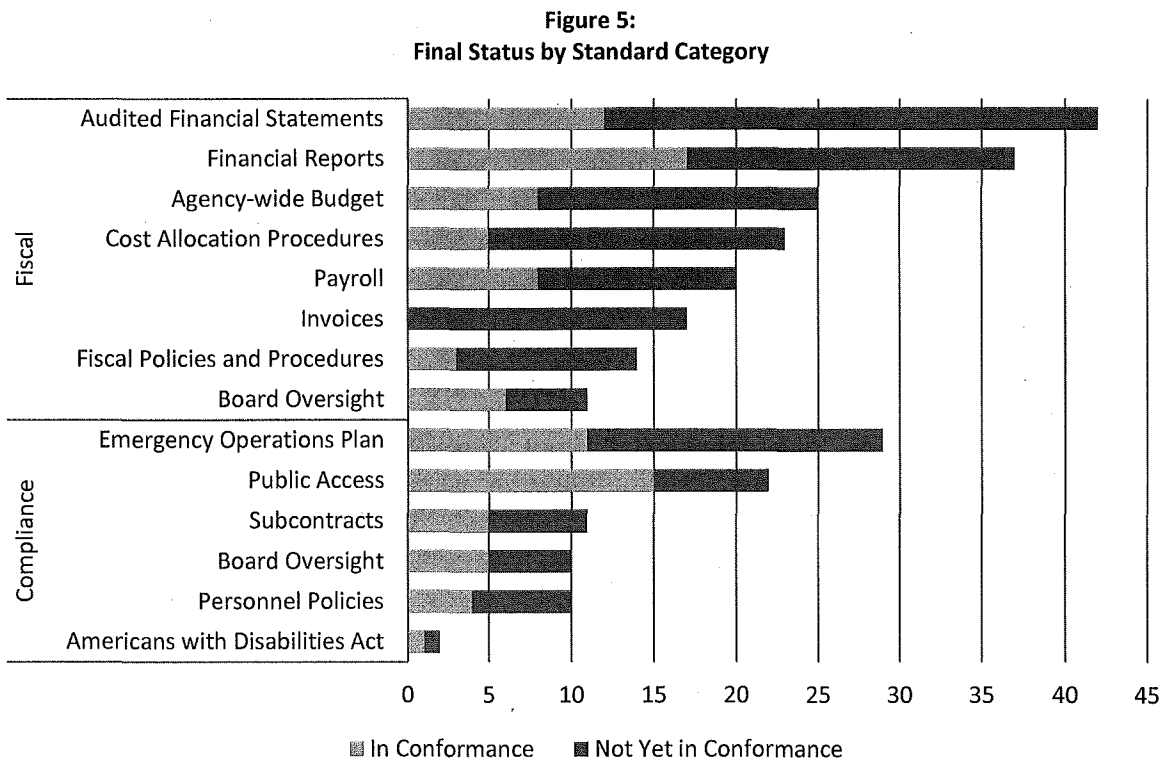
Only three (14%) of the 22 compliance standards are required to be monitored annually, and 12 (55%) are only required during site visits, which about half of contractors in the pool receive each year. Additionally, compliance standards often

require less complex remedies to address noncompliance. These factors may account for there being fewer compliance findings, and a higher percentage of corrected findings in the compliance category.

In FY15, contractors were able to come into conformance with a slightly higher percentage of both fiscal and compliance standards than in FY16. Last year, contractors corrected 57% of compliance findings during the monitoring cycle, while in FY16, contractors corrected just 49%. Similarly, contractors corrected 36% of fiscal findings during FY15 and 31% in FY16. This is counter-balanced with a reduced number of initial findings in FY16, 273 compared to 287 in FY15, with most of this reduction in fiscal findings.

Final Status of Findings by Standard Category

Figure 5 shows the total number of findings within each of the 16 fiscal and compliance categories that make up the monitoring standards.⁹ The chart shows the overall number of findings in each category that were corrected within the monitoring year (“in conformance”) or not corrected (“not yet in conformance”).¹⁰ Overall, contractors had the most findings in the areas of *Audited Financial Statements* (42), *Financial Reports* (37), and *Emergency Operations Plans* (29).



The number of findings in the *Audited Financial Statements* category represents a significant change from FY15. Last year, contractors had 24 findings in this category, while in FY16, contractors had 42 findings. The

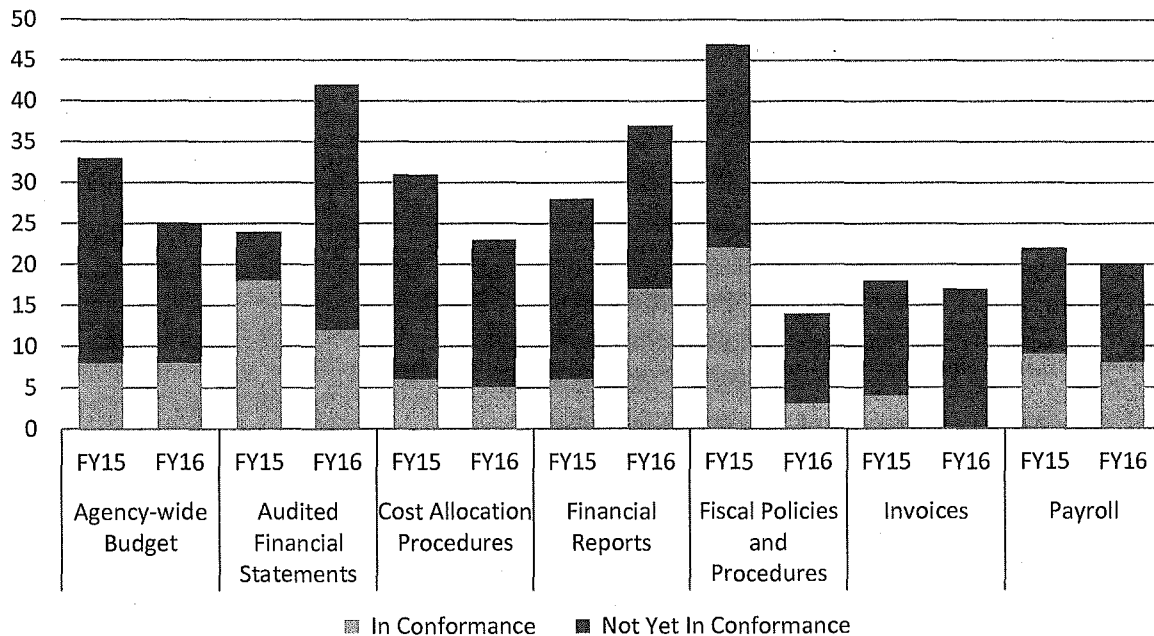
⁹ There were no findings in three categories: Tax Forms, Licenses and Data Universal Numbering System (DUNS). The Board Oversight category includes both fiscal and compliance standards and appears twice in Figure 6.

¹⁰ When contractors respond to findings by submitting a plan to address the issue, e.g., a plan to revise fiscal policies during the coming year, the City monitors may approve the plan and close the monitoring cycle. However, the contractor is “not yet in conformance” until that plan has been fully implemented and City monitors verify the change has been made, usually during the next monitoring cycle.

primary driver of this 75% increase is a new standard requiring the contractor’s audit be completed within six months of the close of the contractor’s fiscal year: 22 contractors had a finding for this item, or 18% of monitored contractors. This standard had been piloted in FY15, and as a pilot measure, contractors were not required to carry out corrective action. In FY15, 35 contractors (29%) did not meet the pilot standard; thus FY16 shows an improvement in timely audits within the Monitoring Program pool.¹¹

There have been other changes in the types of findings contractors receive between FY15 and FY16, as shown in Figure 6. Despite the increase in findings in *Audited Financial Statements*, there was a 56% decrease in findings in the *Fiscal Policies and Procedures* category, likely due to the changes in the standards referred to in Section I, and a 28% decrease in findings in both the *Agency-wide Budget* and *Cost Allocation Procedures* categories.¹²

**Figure 6:
Top Fiscal Finding Categories, FY15-16**



Initial and Final Status of Standards

The following figures report the fiscal and compliance standards with the highest number of findings, organized by the number of findings not yet in conformance at the close of the monitoring cycle. Results for fiscal findings show a large breadth, covering seven fiscal categories. As discussed above, the new standard requiring contractors to complete an audit within six months of the close of their fiscal year had the highest number of initial findings, as well as the highest number of contractors remaining out of compliance with the standard. Nine monitored contractors (7%) had negative net income in their most recent financial statements,

¹¹ Audits are important tools to ensure sound financial management practices, and delaying an audit could result in longer periods during which practices needing corrective action remain in place. However, many nonprofits cite the cost of the audit as a limiting factor. Certified Public Accountants charge more during busy periods, and nonprofits can save money by delaying the review.

¹² The Monitoring Program reorganized several compliance findings in FY16, making comparisons with FY15 categories impractical. Emergency Operations Plans was the Compliance category with the most findings in FY15 as well, with 23 initial findings, compared to 29 initial findings in FY16.

and eight (6%) could not show that they were accurately applying their cost allocation plan within their financial documents.

Figure 7: Top Fiscal Findings

Category	Standard	Contractors Not Yet In Conformance	Contractors Now In Conformance	Total Initial Findings
Audited Financial Statements	Audit completed within six months of the close of the contractor's fiscal year	14	8	22
Financial Reports	Profit and Loss Statement: Year-to-date net income is positive (or reasonable explanation)	9	5	14
Cost Allocation Procedures	Procedures for cost allocation match actual cost allocation practices found in the agency-wide budget and financial documents	8	2	10
Invoices	Expenses tested on invoices have supporting documentation	7	0	7
Fiscal Policies and Procedures	Complete (contains internal controls, financial reporting, accounts payable and receivable, payroll and procurement)	7	1	8
Agency-wide Budget	Shows fundraising separate from program expense	5	3	8
Payroll	Timesheets: If employee time is paid by more than one source, it is recorded by funding source or program on timesheets	5	5	10
Financial Reports	Balance Sheet: Working capital ratio is greater than 1	4	3	7

Initial compliance findings were spread across four categories, but were concentrated within the *Emergency Operations Plan* category. The most common unresolved finding was within the standard requiring contractors to show evidence that at least one fire drill and one earthquake drill was conducted in the last year. The Board Oversight standard requiring contractors' boards of directors to conduct annual performance reviews of the executive director had previously been a best practice and was made a standard for the first time in FY16. Five contractors (4%) did not meet the standard. In FY15, when this was a "best practice," seven contractors did not meet the standard.

Figure 8: Top Compliance Findings

Category	Standard	Contractors Not Yet In Conformance	Contractors Now In Conformance	Total Initial Findings
Emergency Operations Plan	At least one fire drill and one earthquake drill have been conducted in last year	6	3	9
Board Oversight	Board conducts an Executive Director performance review annually	5	5	10
Personnel Policies	Documentation within the personnel file is complete	5	3	8
Emergency Operations Plan	Staff and volunteers were trained within the last year on the emergency plan	4	4	8
Emergency Operations Plan	Plan contains contingency planning, including an alternate site, if needed	4	4	8
Public Access	Contractor has a written Sunshine Ordinance policy regarding record inspection	3	4	7
Public Access	Two meetings are announced to the general public at least 30 days in advance	2	8	10

Governance Best Practices

In addition to the fiscal and compliance monitoring standards, the City assesses governance practices through a “Governance Review Checklist.” Because these standards are considered best practices, they are not part of the findings analysis, nor are included in the determination of elevated concern or red flag status. Contractors are not required to come into conformance with these best practices, but are encouraged to adopt them over time as part of a strong organizational governance structure.

Seventeen contractors (14%) did not follow one or more governance best practices, a reduction from last year’s count of 21 contractors (17%). A total of 41 findings spanned the various best practices outlined in Figure 9 below. This is similar to FY15, which saw 40 total governance findings. In FY14 just six contractors received a total of 17 findings. However, this increase may be a result of increased attention and training in recent years on the Governance Review Checklist, as well as an increased number of best practices under review.

Figure 9 shows trends in governance findings since FY14. There have been some changes in which best practices are monitored, and which are best practices versus standards (i.e., resulting in formal findings if not met). The most common unmet governance best practice in FY16 was new this year, and asks that board members review the IRS Form 990, which encourages board members to better understand the financial position of the organization.

Figure 9: Governance Best Practices Findings, FY14-16

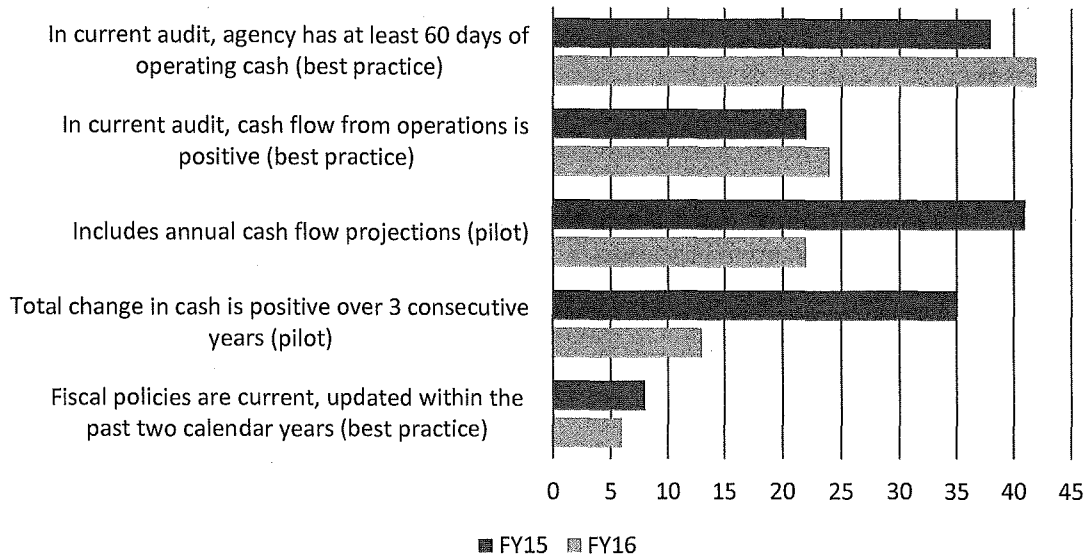
Board of Directors Best Practices	Contractors Not Meeting the Standard		
	FY16	FY15	FY14
Board reviews IRS Form 990 (or is distributed)	12	n/a	n/a
Agency has a Board Manual	5	8	n/a
Participate in annual giving to agency	5	4	0
Board leadership positions filled	4	6	2
Conflict of interest policy exists	4	4	n/a
Assist with the raising of funds	3	3	8
Board is conducting active recruitment to fill vacancies	3	1	4
Achieve quorum at every meeting	3	5	4
Bylaws define term limits, quorum, committee structures, and voting/decision-making process	2	2	1

Fiscal Best Practice and Pilot Standards

The Monitoring Program added several new best practice and pilot standards to fiscal categories in FY15, and continued to test most of these standards in FY16. Because these standards are considered pilots or best practices, they are not part of the findings analysis, nor are they included in the determination of elevated concern or red flag status. Contractors were not required to come into conformance with these standards, but were encouraged to adopt them as part of a strong fiscal and organizational structure over time.

The Monitoring Program uses “pilot” standards to test a new standard before making it official, and to allow contractors time to learn about the standard and come into conformance. Based on the testing, the pilot standard may or may not become officially monitored. The Monitoring Program is unlikely to make fiscal best practices into formal standards, as they may not be feasible or relevant for all contractors. For example, a strong nonprofit may show a negative cash balance in their audit based on the timing of revenues or having made a large capital purchase recently. However, all of these pilot and best practice standards are key indicators of financial health and support the City monitors efforts to assess the capacity and sustainability of funded programs.

**Figure 10:
 Pilot and Best Practice Findings, FY15-16**



Sixty-four contractors did (51%) did not meet one or more of the fiscal best practice and pilot standards in FY16. This is an improvement over FY15, the first year of these new best practice and pilot standards when 70% of contractors did not meet one or more of the standards. There are two fewer pilot standards in FY16, which may account for some of the overall improvement, as well as improved understanding of the standards by both City monitors and contractors.

Contractors had a total of 107 findings within the fiscal best practice and pilot standards, as shown in Figure 10.¹³ At the top of the list, 42 contractors (34%) did not have at least 60 days of operating cash, according to their most recent audit. Twenty-four contractors (19%) showed a negative cash flow in their most recent audit. While the data shows improvement in both of these best practices since last year, the large percentage of contractors unable to meet the standards is a key indicator of the financial challenges faced by the nonprofit sector.

Contractors with the Most Findings in FY16

A high number of findings or repeated findings can signal potential instability in the organizational and financial health of a nonprofit – and ultimately an organization’s ability to provide effective and sustainable services to residents in need. Through the annual monitoring process, City monitors identify contractors struggling to meet the monitoring standards so they can receive support through one-on-one technical assistance, coaching and training to resolve findings.

¹³ In FY15, “Fiscal policies are current” was a formal standard, not a best practice. In FY16, the Monitoring Program added a new formal standard requiring contractors to update fiscal policies within a year of turnover in executive or financial leadership. The FY15 standard in Figure 10 became a best practice. The results in Figure 10 reflect the number of contractors with the finding not yet in conformance in FY15, and the number of contractors that did not meet the best practice in FY16.

Figure 11 lists the 16 contractors with five or more findings that were not brought into conformance by the end of the monitoring year.¹⁴ In FY15, nine contractors were on this list, and five of them appear on it for the second year in a row, as indicated in the table. Seven of these contractors have already been referred for technical assistance (“TA” in Figure 11) and are actively receiving coaching and support for monitoring findings.

The most common findings for these contractors relate to financial documentation. Seven of the 16 contractors had negative year-to-date net income in their most recent financial statements. Seven also could not show that their cost allocation plan matched actual cost allocation practices in financial documents.

Figure 11: Contractors with the Most Findings in FY16

Contractor	Findings Not Yet in Conformance	Findings In Conformance	Total Initial Findings	On FY15 List?	TA?
African American Art and Culture Complex	22	6	28	Yes	Yes
Potrero Hill Neighborhood House	14	0	14	Yes	Yes
Mental Health Association of San Francisco	12	1	13	Yes	Yes
La Raza Centro Legal	10	0	10		
Community Works West, Inc.	9	1	10		Yes
Bernal Heights Neighborhood Center	8	0	8	Yes	Yes
Westside Community Services	7	0	7		
Mission Language and Vocational School	7	1	8	Yes	Yes
Collective Impact	7	10	17		Yes
Central American Resource Center	7	1	8		
Eviction Defense Collaborative, Inc.	7	0	7		
St. Vincent de Paul Society	6	0	6		
Charity Cultural Services Center	5	1	6		
United Playaz	5	6	11		
Glide Community Housing	5	4	9		
Arriba Juntos	5	0	5		

Contractors with Repeated Findings between FY15 and FY16

Figure 12 lists the ten contractors with one or more repeated findings between FY15 and FY16, listed in order of greatest to least number of repeated findings. Of these contractors, six have already been referred for technical assistance (“TA” in Figure 12) and are actively receiving coaching and support for monitoring findings. Consistent with the past, most of the repeated findings were in fiscal categories: *Cost Allocation Procedures*, *Invoices*, and *Financial Reports*.

¹⁴ As noted previously, findings have not been determined for the following contractors, thus they are not included in this analysis: Bayview Hunters Point Foundation for Community Improvement, Filipino American Development Foundation, Independent Living Resource Center of San Francisco, Legal Services for Children, Renaissance Entrepreneurship Center, San Francisco Housing Development Corporation, Veterans Equity Center, and West Bay Pilipino Multi Services Corporation.

Figure 12: Contractors with Repeated Findings between FY15 and FY16

Contractor	# of Repeat Findings	Standards Categories	TA?
Mental Health Association of San Francisco	8	Audited Financial Statements (1); Cost Allocation Procedures (1); Financial Reports (2); Invoices (3); Payroll (1)	Yes
Mission Language and Vocational School	5	Agency-wide Budget (2); Cost Allocation Procedures (3)	Yes
African American Art and Culture Complex	4	Agency-wide Budget (2); Cost Allocation Procedures (2)	Yes
Bernal Heights Neighborhood Center	4	Cost Allocation Procedures (2); Invoices (2)	Yes
Potrero Hill Neighborhood House	3	Audited Financial Statements (1); Financial Reports (2)	Yes
Brava For Women in the Arts	2	Public Access (2)	
Collective Impact	2	Invoices (2)	Yes
Institute on Aging	1	Financial Reports (1)	
Renaissance Parents of Success	1	Financial Reports (1)	
United Playaz	1	Agency-wide Budget (1)	

Though some financial standards are difficult to address within a year, repeated findings (i.e., not meeting a standard or correcting a finding two years in a row) are important indicators of noncompliance with monitoring standards. Per the City's Corrective Action Policy,¹⁵ contractors that do not adequately address findings from year to year may be labeled "unresponsive," which can lead to placement on elevated concern or red flag status. See Appendix B to view the specific findings that were repeated. See Section IV below for a discussion of contractors that have been placed on elevated concern based on repeated findings.

¹⁵ See Appendix G for full policy.

III. TECHNICAL ASSISTANCE, COACHING, AND TRAININGS

Technical Assistance

In an effort to help contractors correct their findings and improve their financial and administrative operations, the Controller's Office provides individualized coaching and technical assistance to City-funded nonprofit contractors. City monitors refer contractors to technical assistance when the fiscal and compliance monitoring process has uncovered areas of potential financial instability or incapacity, or cases in which the contractor's performance on an existing City contract is at risk. Though the nonprofit contractor does not have to be in the joint monitoring pool to qualify for the technical assistance, these contractors may be prioritized for service as a benefit of participation in the program.

In FY16, the Controller's Office contracted with three consultant firms to provide these activities: Fiscal Management Associates (FMA), Northern California Community Loan Fund and Social Policy Research Associates (SPRA). Technical assistance projects are typically small, discrete tasks that can be carried out in fewer than 30 hours of consultant time (though the nonprofit contractor may need to spend additional time implementing or spreading changes developed by the consultant). Larger projects are also possible, such as for an agency at risk of closing due to financial instability or large-scale strategic planning in periods of organizational transition, though these projects require more coordination and support by funding departments.

Technical assistance focuses on fiscal capacity building, though elements of governance and planning may also be addressed through technical assistance. The Controller's Office does not provide programmatic technical assistance to contractors through the Monitoring Program, though many departments provide this type of assistance themselves.

Based on FY15 monitoring, the following contractors received technical assistance during FY16:

1. Community Living Campaign – complete
2. Community Technology Network – complete
3. Mental Health Associates of San Francisco – ongoing
4. Mission Language & Vocational Services – ongoing
5. Mission Neighborhood Center (continued from FY14) – complete
6. Potrero Hill Neighborhood House – ongoing
7. Renaissance Parents of Success – complete
8. Bayview Hunters Point Foundation for Community Improvement – ongoing

Additionally, based on FY16 monitoring results, the following contractors were referred to (and most also began) technical assistance:

1. African American Arts and Culture Complex – initiating
2. Bernal Heights Neighborhood Center – ongoing
3. Centro Latino de SF – initiating
4. Collective Impact – ongoing
5. Community Works West, Inc. – complete
6. Eviction Defense Collaborative – initiating

The technical assistance for these contractors focuses on fiscal issues: improving financial reporting and use of QuickBooks to develop financial reports, implementing cost allocation procedures, developing City-compliant budgets, clarifying fiscal policies and procedures, and strengthening fiscal management and oversight, including board oversight and understanding of finances.

While some of the technical assistance requests were for contractors who had never received consulting services via the Monitoring Program, other requests were to continue assistance that had begun in the previous monitoring cycle. The agencies that received technical assistance for the second year had several things in common, including a recent significant change in leadership that made it more challenging to create and implement new financial systems. Additionally, many of these organizations have complex and overlapping issues that can take significant time for the contractor and consultants to address.

Training for City Monitors and Contractors

Each year, the Controller's Office organizes a Fall Training Series for City monitors participating in the Monitoring Program and a Spring Training Series for nonprofit contractors. In FY16, the Controller's Office surveyed both groups to assess capacity building need, and developed the training offerings in partnership with FMA and SPRA. Training for City monitors focused on how to assess the monitoring standards and issues related to nonprofit finance, such as reviewing budgets and cost allocation plans and understanding audited financial statements. The Controller's Office offered similar trainings regarding nonprofit finance to nonprofit contractors, and also provided training about board governance and developing logic models to support internal evaluation efforts.

Twenty-nine City monitors attended one or more of the fall sessions, and staff members from 42 contractors attended one or more sessions of the Spring Training Series. Overall, attendees were pleased with the workshop content and instructors and they particularly appreciated the real life examples and hands-on group work.

In addition to these standard offerings, in August 2015, the Controller's Office organized a training session for over 200 nonprofit contractors who are subrecipients of federal funding to review new and revised monitoring and oversight requirements required by the federal Office of Management and Budget's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance"). Information about these trainings can be found on the Controller's Office [website](#).¹⁶

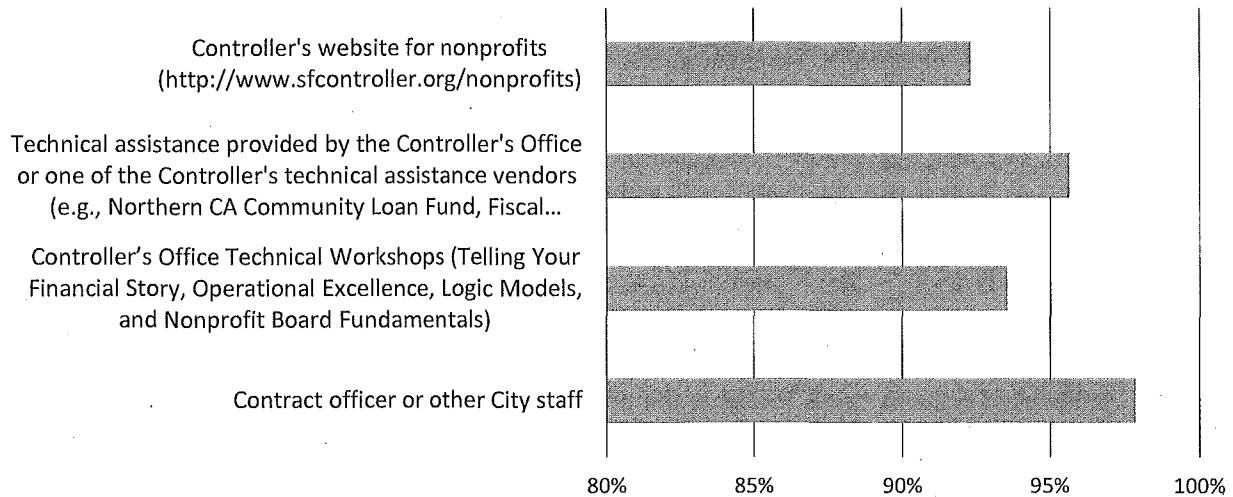
For the second year, the Controller's Office organized a series of "All Monitor Meetings" to provide a forum for peer learning, networking, and creating a common and consistent understanding about the program and its guidelines among City monitors.

Assessment of Capacity Building Efforts

The Controller's Office surveys nonprofit contractors in the Monitoring Program at the close of each fiscal year. Based on the FY16 survey, 100% of contractors who had experience with training and support provided through the Monitoring Program agreed that the City has offered quality training and support regarding the monitoring process. Of the different types of support, agencies mentioned the contract officer or other City staff as the most helpful.

¹⁶ See www.sfcontroller.org/nonprofits.

Figure 13:
Percent of Contractors Rating the Resources Provided as Very or Somewhat Helpful



Survey respondents expressed interest in trainings on subcontractor relationships and the cost of monitoring on the lead agency, understanding audit results and how this could impact funding opportunities, financial management (e.g., cost allocation plans, paperless bill pay, invoice processing), personnel (e.g., payroll allocation, labor policy, and/or time studies), collaboration and partnership building to name a few. Some agencies would like more notice of upcoming trainings. One contractor commented that the Controller's Office should train contractors in new monitoring requirements before rolling them out.

IV. CORRECTIVE ACTION POLICY

As an outgrowth of the Monitoring Program, the City initiated a Corrective Action Policy¹⁷ in 2011. This policy encourages accountability, compliance with government funding requirements, and reliable service delivery for San Francisco residents. It ensures that the City as a funder acts appropriately when a nonprofit contractor fails to meet standards and that the nonprofit has a plan in place and work underway to correct deficiencies. As part of this policy, a funding department or the Controller's Office may place nonprofit contractors on an "elevated concern" or a "red flag" status if the organization meets the specified criteria and does not respond to the City's efforts to bring it into compliance with standards. City departments or the Controller's Office can designate elevated concern or red flag status to a nonprofit organization for fiscal, compliance, and/or programmatic reasons, or when a nonprofit fails to complete any step in the Monitoring Program's joint monitoring process.

Elevated Concern Status

Designation of elevated concern status results in the provision of mandatory technical assistance to support the nonprofit in establishing sound fiscal and management practices. Elevated concern will not result in defunding, though if the nonprofit is unresponsive to technical assistance and remains out of compliance with monitoring requirements, the status may be heightened to red flag, for which de-funding is an option.

Elevated concern status can occur when a nonprofit has not done any or all of the following by City department deadlines:

- Responded to the City's request for monitoring documents
- Responded to the City's request for corrective action
- Provided a corrective action plan that is acceptable to the City
- Complied with the implementation of a corrective action plan

In particular, multiple years of high-priority findings can signal a contractor's noncompliance with a prior year's corrective action plan.

The Corrective Action Policy specifies certain monitoring findings that trigger the Controller's Office to identify a contractor for elevated concern status. Based on FY16 monitoring results and activities, the Controller's Office and City departments placed the following FY16 contractors on elevated concern status:

- African American Arts and Culture Complex
- Collective Impact
- Mental Health Association of San Francisco
- Mission Language and Vocational School
- Potrero Hill Neighborhood House

All of these contractors began receiving technical assistance from the City during FY16, and designation of elevated concern will ensure that this technical assistance will continue until the contractor can sustain financial management practices that meet City standards.

Red Flag Status

Red flag status is for service providers at imminent risk of being unable to perform services per their contract. The designation is determined by City department or division heads, with recommendations made by the Controller's Office, and in these cases, the department heads also prescribe specific corrective action. For

¹⁷ See Appendix G for full policy.

contractors participating in the Monitoring Program, the Corrective Action Policy specifies certain monitoring findings that trigger a recommendation for red flag status by the Controller's Office. Nonprofit organizations designated with red flag status are less competitive (or may be ineligible) in Requests for Proposal (RFP) processes for new grants and contracts.

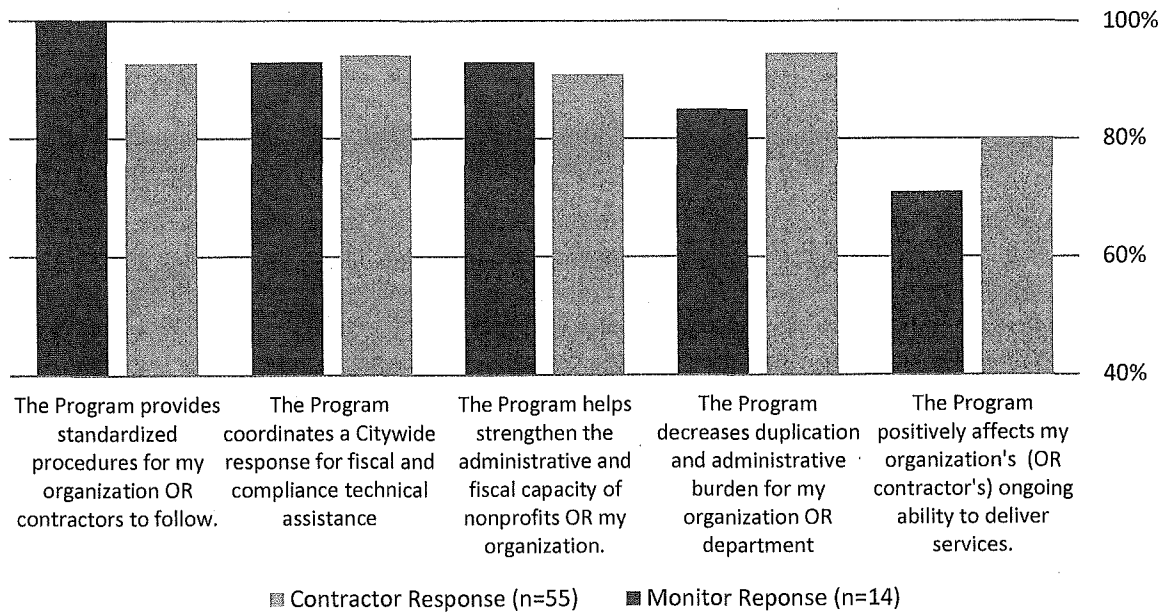
Based on FY16 monitoring results and activities, City departments did not place any contractors on red flag status.

V. MONITORING PROGRAM PERFORMANCE MEASURES

The Controller’s Office evaluates the Monitoring Program using a variety of process and satisfaction measures derived from year-end surveys of City monitors and contractors. The Controller’s Office also evaluates whether monitors adhered to Monitoring Program guidelines. Trends for all performance measures can be found in Appendix E. Full results of the surveys are included in Appendix F.

The Monitoring Program has many goals, but of particular interest to the Controller’s Office is whether the program is efficient (i.e., it saves time) and whether it is effective (i.e., it strengthens nonprofit fiscal practices): Figure 14 shows that City monitors and contractors largely see the value of the Monitoring Program, though contractors are more likely than City monitors to agree that the program positively impacts service delivery and that it decreases the administrative burden of individual monitoring.

**Figure 14:
 Contractors and Monitors that Agree or Strongly Agree with Statements about
 Program Efficiency and Effectiveness**



With 95% of respondents agreeing that the Monitoring Program saves them time compared to individual monitoring by each department, it’s clear that the process is efficient for the contractors; 91% of respondents indicated that the Monitoring Program strengthens their administrative and fiscal capacity.

VI. NEW INITIATIVES

Financial Health Assessment Pilot

Financial Management Associates (FMA) developed a tool called the Financial Health Assessment (FHA) to provide nonprofit leaders with increased insight into their agencies' financial health. The FHA uses audited financial statements and year-to-date unaudited financial statements to evaluate the agency's financial health over three years (though additional years could be added in subsequent years). The Controller's Office modified the tool to assist monitors within the Monitoring Program in their analysis of nonprofit contractors' finances by providing key financial ratios and showing trends through multi-year variances.

Since October 2015, the Controller's Office tested the FHA with a sample of current nonprofit contractors and on-site during two site visits. Additionally, the Controller's Office convened a group of monitors to test and analyze the tool and to provide feedback about its utility. In its review, the Controller's Office assessed the tool for its ability to describe several key areas of nonprofit financial management:

- Revenue reliability
- Consistent surpluses
- Full coverage of cost
- Ability to manage debt
- Ability to steward finances
- Appropriate liquidity

Throughout the testing process, the Controller's Office collected feedback about the utility of the tool and options for integration with the Monitoring Program. In general, the Controller's Office considers the FHA valuable for its ability to show trends in financial health and trigger important conversations with contractors. As such, the Controller's Office recommends using the tool in the Monitoring Program in some way, and developed several recommendations for its use. The Monitoring Program's Steering Committee received these recommendations and will consider the best uses for the tool in the coming year.

For a complete summary of this pilot project, see Appendix D.

SharePoint Workflow Implementation

In FY15, the Controller's Office contracted with a vendor to develop an online workflow and file repository for the Monitoring Program using SharePoint; FY16 marked the first year of implementation for this system. The Controller's Office offered training on its functionality during the fall "All-Monitors" meeting, and developed a user guide, training videos and other tools to support City monitors in their adoption of the tool.

During or after a monitoring site visit, City monitors use the workflow to select any findings a particular contractor may have, and the workflow will automatically generate the monitoring report letter. The letter can be jointly edited by members of the monitoring team, and is saved in a central file repository.

In the year-end survey of monitors, the Controller's Office found that 93% of respondents used SharePoint in the last monitoring cycle. Of those, 77% were moderately or very comfortable with SharePoint while 23% were moderately or very uncomfortable, citing the following challenges:

- Customizing form letters to meet the needs of a particular site visit
- Formatting the contents of the letters onto departmental letterhead
- Experiencing difficulty logging on to the system
- Navigating through multiple links to find content
- Reading or writing within small data fields

Nearly all respondents (91%) said that the Controller's Office was responsive or very responsive in answering concerns and issues with SharePoint. One monitor suggested that s/he supports a long-term goal of using the SharePoint workflow in the field during site visits for ease of documentation.

While the roll-out of any new system can be challenging, the Controller's Office hopes that the automation and central storage of documents will save City monitors time and effort on program administration, and thus they can spend more time supporting contractors.

Citywide Audit Policy

Members of the Monitoring Program and City leadership requested that the Controller's Office explore developing a standard policy on when to require nonprofit contractors to receive an external audit other than a federal A-133 audit.¹⁸ The main reasons for this request were as follows:

- Each department has a different method of determining when to require audits of nonprofit contractors that do not meet requirements for an A-133 audit. As a result, nonprofits that receive funding from more than one department are subject to varying audit requirements, which often results in confusion and process inefficiencies for both the City and the contractor. A standard citywide policy would alleviate such problems.
- Departmental staff members are often expected to use discretion in deciding when to require audits of nonprofit contractors that do not meet requirements for an A-133 audit. The lack of a standard policy to rely on in such cases can lead to inconsistent application of the requirement, which may be perceived as unfair or inequitable, and may also leave the City at financial risk if such discretion was applied in error.
- Several departments do not systematically require audits or financial reviews of nonprofit contractors that do not meet requirements for an A-133 audit. It is important for the City to systematically assess the financial integrity of all nonprofit contractors to ensure effective and appropriate use of City funds.

The Controller's Office is currently in the process of developing the requested citywide nonprofit contractor audit policy, in consultation with the Monitoring Program's Steering Committee. Once approved, the Accounting Operations and Systems Division (AOSD) of the Controller's Office will publish this policy in its Accounting Policies and Procedures.¹⁹ Departments would be expected to apply it to nonprofit contractors that do not meet requirements for an A-133 audit.

¹⁸ Any contractor that expends \$750,000 or more of federal funding from any source during a fiscal year is required to complete an A-133 audit.

¹⁹ For the 2016 version of this document, see:

http://sfcontroller.org/sites/default/files/Documents/AOSD/Accounting_Policies_Procedures_2016-02-17_FINAL_Grant_Update.pdf

APPENDIX A: CONTRACTORS WITH NO FINDINGS AT THE CLOSE OF FY16 MONITORING CYCLE

Stars (*) denote contractors with no findings in both FY16 and FY15. This list includes contractors with no initial findings, with findings only in piloted or best practice standards, and contractors that corrected all findings during the monitoring cycle.

Contractors with No Findings, FY16	
APA Family Support Services	First Place for Youth*
Asian Neighborhood Design*	Gum Moon Residence Hall
Asian Women's Shelter*	Hamilton Family Center, Inc.*
Bay Area Community Resources*	HealthRight 360*
Bay Area Legal Aid	Homebridge*
Bay Area Video Coalition*	Homeless Children's Network
BAYCAT*	Homeless Prenatal Program*
Bayview Hunters Point Multipurpose Senior Services*	Horizons Unlimited of San Francisco, Inc.
Booker T. Washington Community Service Center	Huckleberry Youth Programs*
BRIDGE Housing Corp	Instituto Familiar de La Raza, Inc.*
Catholic Charities CYO*	International Child Resource Institute
Causa Justa - Just Cause	Japanese Community Youth Council*
Center on Juvenile and Criminal Justice*	Jewish Community Center of San Francisco
Central City Hospitality House*	Jewish Family and Children's Services*
Children's Council of San Francisco*	Jewish Vocational Service*
Chinatown Community Development Center*	Justice and Diversity Center-SF Bar Association*
Chinese for Affirmative Action	La Casa de las Madres*
Chinese Progressive Association	Larkin Street Youth Services*
Community Awareness and Treatment Services	Lawyers' Committee for Civil Rights of the San Francisco Bay Area
Community Housing Partnership*	Legal Assistance to the Elderly*
Community Initiatives*	Lutheran Social Services of Northern California*
Community Youth Center of San Francisco*	MAITRI
Compass Family Services*	Mary Elizabeth Inn
Conard House, Inc.*	Mercy Housing California
Curry Senior Center*	Mission Asset Fund
Dolores Street Community Services*	Mission Hiring Hall*
Donaldina Cameron House*	Mission Housing Development Corporation*
Episcopal Community Services of San Francisco, Inc.	Mission Neighborhood Centers, Inc.*
FACES-SF*	Mt St Joseph-St Elizabeth*
Felton Institute	Mujeres Unidas y Activas*

Contractors with No Findings, FY16 - continued

My Path*	San Francisco Sheriff's Department 5 Keys Charter School
Nihonmachi Legal Outreach DBA APILO	Self-Help for the Elderly
Northeast Community Federal Credit Union	Seneca Center*
Northern California Presbyterian Homes and Services*	Southeast Asian Community Center*
Performing Arts Workshop*	Success Center SF*
Portola Family Connections*	Sunset District Community Development - Sunset Youth Services*
Prevent Child Abuse California*	Swords to Plowshares Veterans Rights Organization*
Project Open Hand	Tenderloin Housing Clinic, Inc.*
Providence Foundation of San Francisco*	Tenderloin Neighborhood Development Corporation
Richmond District Neighborhood Center*	The Arc Of San Francisco*
San Francisco AIDS Foundation	Tides Center
San Francisco Child Abuse Prevention Center*	Toolworks, Inc.*
San Francisco Conservation Corps	Wu Yee Children's Services
San Francisco Food Bank	YMCA of San Francisco*
San Francisco Network Ministries Housing Corporation*	

APPENDIX B: CONTRACTORS WITH REPEATED FINDINGS BETWEEN FY15 AND FY16

African American Art and Culture Complex

Agency-wide Budget

- b. Shows income and expense by program
- c. Shows allocation of shared and indirect costs by program

Cost Allocation Procedures

- b. Process for allocating shared program costs is consistent and reasonable
- d. Process for allocating indirect costs is consistent and reasonable

Bernal Heights Neighborhood Center

Cost Allocation Procedures

- b. Process for allocating shared program costs is consistent and reasonable
- d. Process for allocating indirect costs is consistent and reasonable

Invoices

- a. Expenses tested on invoices have supporting documentation and reasonably tie to the cost allocation plan
- c. Tested expenses on invoices appear to be reasonably associated with the program budget

Brava For Women in the Arts

Public Access

- b. At least two meetings with quorum status are open to the public each year
- c. These two meetings are announced to the general public at least 30 days in advance through the SF Public Library and the Clerk of the Board of Supervisors

Collective Impact

Invoices

- a. Expenses tested on invoices have supporting documentation and reasonably tie to the cost allocation plan
- c. Tested expenses on invoices appear to be reasonably associated with the program budget

Institute on Aging

Financial Reports

- b. Balance Sheet: Working capital ratio is greater than 1

Mental Health Association of San Francisco

Audited Financial Statements

- g. [For Contractors with a management letter] For any prior year findings, the Contractor has provided you with a reasonable explanation of how the Contractor has corrected all the findings

Cost Allocation Procedures

- e. Procedures for cost allocation match actual cost allocation practices found in the agency-wide budget and financial documents

Financial Reports

- b. Balance Sheet: Working capital ratio is greater than 1
- f. Profit and Loss Statement: Year-to-date net income is either a positive number or the Contractor provides a sound explanation of how it will be positive by the end of the fiscal year

Invoices

- a. Expenses tested on invoices have supporting documentation and reasonably tie to the cost allocation plan

- b. Contractor follows its policies for writing checks, credit card use, petty cash use, and/or reimbursement for expenses tested on invoices
- c. Tested expenses on invoices appear to be reasonably associated with the program budget

Payroll

- g. Timesheets of employees paid with City funds listed on invoices checked in Section 7 above list hours worked that are consistent with invoices

Mission Language and Vocational School

Agency-wide Budget

- c. Shows allocation of shared and indirect costs by program
- d. Shows fundraising separate from program expense

Cost Allocation Procedures

- b. Process for allocating shared program costs is consistent and reasonable
- d. Process for allocating indirect costs is consistent and reasonable
- e. Procedures for cost allocation match actual cost allocation practices found in the agency-wide budget and financial documents

Potrero Hill Neighborhood House

Audited Financial Statements

- c. No material weaknesses mentioned or going concern stated in the notes to the financial statements

Financial Reports

- b. Balance Sheet: Working capital ratio is greater than 1
- f. Profit and Loss Statement: Year-to-date net income is either a positive number or the Contractor provides a sound explanation of how it will be positive by the end of the fiscal year

Renaissance Parents of Success

Financial Reports

- f. Profit and Loss Statement: Year-to-date net income is either a positive number or the Contractor provides a sound explanation of how it will be positive by the end of the fiscal year

United Playaz

Agency-wide Budget

- c. Shows allocation of shared and indirect costs by program

APPENDIX C: CHANGES TO THE MONITORING STANDARDS IN FY16

FY15-16 Changes to Standards

Category	FY15-16 Standard	What's Different	Explanation
1. Agency-wide Budget	b. Shows income and expense by program	The FY14-15 standard included "and funding source."	While contractors should have a budget related to each funding source (e.g., the contract budget), organizing the agency-wide budget by both program and funding source is cumbersome for many nonprofits. Budgets do not need to be organized by funding source, but income sections should still show all revenue sources.
3. Audited Financial Statements	b. Unmodified opinion	The FY14-15 standard used the term "unqualified opinion."	Standard terminology for audits changed recently, with "unmodified" replacing "unqualified." The core meaning of the standard remains the same.
3. Audited Financial Statements	e. Audit completed within six months of the close of the contractor's fiscal year	The FY14-15 pilot standard required that the Board of Directors "approve" an audit within six months. The wording has changed, and this is no longer a pilot.	While Boards must review an audit, many do not officially "approve" one, so this terminology has been removed. Timely completion of the audit remains an important financial indicator, and failure to meet the standard will be a finding in FY15-16.
5. Fiscal Policies & Procedures	a. Upon turnover of executive director and/or fiscal manager, policies and procedures are reviewed within one year and updated if necessary	The FY14-15 standard was that the policies be "current" within 2 years. This has become a best practice, and the new standard takes its place.	Nonprofits should regularly review policies and procedures, but the priority for review is at times of executive leadership change, as new managers must become familiar with policies and adjust them to altered management structures.
5. Fiscal Policies & Procedures	b. Complete	In FY14-15, each element of the policies formed its own standard, where in FY15-16, just one standard assesses completeness.	The City has made adjustments to this category in recent years in an attempt to shift the focus from simply having a policies and procedures document to testing that it is being implemented consistently by the agency.
5. Fiscal Policies & Procedures	d. Implementation of policies and procedures demonstrates appropriate internal controls, including segregation of duties.	The form no longer includes the internal controls checklist. Instead, Item d tests whether the agency has set and follows its own policies for internal controls. The guidance includes recommended controls for monitors to test during the visit.	A strong system of internal controls is one of the most important elements of good financial management, but the specific controls may vary based on the structure and needs of an agency. Rather than testing that a contractor use specific controls, the City has changed the standards to test that the contractor has established reasonable policies and actively and consistently follows them.

9. Board Oversight ²⁰	c. Minutes show that the Board reviewed the most recent audit within the fiscal year	In FY14-15, the category was called "Board Minutes." The standard is new in FY15-16, though a similar standard was piloted in FY14-15 under category 3. Audited Financial Statements.	The standard was added because Board review of the audit is a critical component of this governance. The standard was piloted in FY14-15, but a Board's failure to review the audit will result in a finding in FY15-16.
9. Board Oversight	e. Minutes show that if the Executive Director is a member of the Board, s/he does not vote on his or her compensation	In FY14-15, the standard stated that if the Executive Director is a member of the Board, s/he is a non-voting member.	Certain agencies have valid reasons for structuring Board membership to include the Executive Director as a voting member. The new standard ensures that the agency abides by conflict of interest policies dictating that the director recuse him or herself in matters of executive compensation.
9. Board Oversight	f. Board conducts a review of the Executive Director annually	In FY14-15, this was a Governance Best Practice.	The City changed this item from a Governance Best Practice because the Board's role in oversight of the agency should be a standard practice for all nonprofits. This item had been a standard prior to the development of the Governance Best Practices list.
13. Subcontracts	c. Documentation that contractor regularly monitors fiscal and programmatic performance of subcontractors providing direct services to clients, including monitoring of invoices (e.g., validating receipts)	In FY14-15, the standard did not explicitly state that invoices of subcontractors be monitored.	In FY14-15, the City tested a pilot standard (formerly 13d.) that specified the type of monitoring an agency was required to do. The new wording incorporates some of that direction into the existing standard that requires nonprofits to monitor their subcontractors.

²⁰ The Monitoring Program changed the category title from "Board Minutes" to "Board Oversight" to reflect the rationale and purpose for reviewing board minutes, which is to assess the strength of governance in both fiscal and compliance areas.

FY15-16 Changes to Pilots and Best Practices

Category	FY15-16 Standard	Type	Explanation
5. Fiscal Policies & Procedures	b. Current (updated with the past two calendar years or to reflect monitoring/audit recommendations)	Best Practice	One of the most effective internal controls is regular review of policies and procedures, as this creates an atmosphere of being alert to potential fraud or mismanagement. Even if no changes are needed, policies should be reviewed biannually and procedures assessed for their continued functionality. However, failure to meet the standard will not be considered a finding beginning FY15-16.
19. Board of Directors Best Practices	d. Board reviews IRS Form 990 (or is distributed to members)	Best Practice	This is a new best practice. The 990 is a good tool for assessing the financial health of an agency, and Boards should be aware of its contents.
19. Board of Directors Best Practices	g. Board is conducting active recruitment to fill vacancies (if applicable)	Best Practice	The best practice had been that the Board conducts recruitment annually, but stable Boards may go through periods where recruitment is unnecessary. The indicator has been changed to indicate that recruitment only be conducted when there are vacancies.

FY15-16 Changes to Monitoring Frequency

Beginning in FY14-15, the City identified certain standards that only require monitoring at site visits (not through self-assessments). In FY15-16, the City has expanded the number of standards that will only be monitored during site visits. Additionally, certain standards require that the contractor develop various types of policies and procedures. Once complete and verified by monitors, these standards will not need to be monitored again unless the City's monitoring team requests it, or there are major changes to the organizational structure of the nonprofit, which would trigger a review of all its policies and procedures.

Category	FY15-16 Standard	Frequency
5. Fiscal Policies and Procedures	All	Site Visits Only
7. Invoices	All	Site Visits Only
8. Payroll	b. Employees paid with City funds listed on invoices checked in Section 7 above are listed on the DE 9 and DE 9C for the quarter(s) that includes the monitoring months under review <i>[All other standards in this category are monitored Annually.]</i>	Site Visits Only
8. Payroll - Timesheets	All	Site Visits Only
10. Public Access	a. Contractor has a written policy that it must maintain and make available for public	At First Monitoring

	inspection within 10 days of the request [certain public documents] <i>[All other standards in this category are monitored at Site Visits only.]</i>	(and as needed)
15. Personnel Policies	a. Written and current personnel/ employee manual <i>[All other standards in this category are monitored at Site Visits only.]</i>	At First Monitoring (and as needed)
16. Emergency Operations Plan	a. Written emergency operations plan b. Plan contains contingency planning, including an alternate site, if needed <i>[All other standards in this category are monitored at Site Visits only.]</i>	At First Monitoring (and as needed)
17. Americans with Disabilities Act (ADA)	a. Written policies and procedures to allow people with disabilities to benefit from services and containing an agency-wide ADA grievance procedure <i>[All other standards in this category are monitored at Site Visits only.]</i>	At First Monitoring (and as needed)
18. Data Universal Numbering System (DUNS)	a. Demonstration of registered DUNS number if contractor receives federal or state funds.	At First Monitoring (and as needed)

APPENDIX D: FINANCIAL HEALTH ASSESSMENT PILOT PROJECT

Introduction

Financial Management Associates (FMA) initially developed the Financial Health Assessment (FHA) to provide nonprofit leaders with increased insight into their agencies' financial health. The Controller's Office modified the tool to assist monitors within the Citywide Nonprofit Monitoring and Capacity Building Program in their analysis of nonprofit contractors' finances by providing key financial ratios and showing trends through multi-year variances.

Since October 2015, the Controller's Office tested the FHA with a sample of current nonprofit contractors and on-site during two site visits. Additionally, the Controller's Office convened a group of monitors to test and analyze the tool and to provide feedback about its utility.

Description of the FHA

The FHA combines a contractor's revenue, expenses, assets, and liabilities through fifteen equations to evaluate the agency's financial health over three years (though additional years could be added in subsequent years). To complete the tool, monitors use audited financial statements and year-to-date unaudited financial statements.

The tool can be used to simplify comprehension of contractors' often difficult-to-read audits, tax forms, and financial statements. For example, the tool automatically illustrates negative variances in bright red to alert the reader of possible financial concerns. The Controller's Office added a variance column to the tool to show a contractor's financial movement between fiscal years. If the trend shows financial growth, the percentage remains in bold, black font, but if there is a negative financial difference, the percentage shown is in bright red.

In its review, the Controller's Office assessed the tool for its ability to describe several key areas of nonprofit financial management:

- Revenue reliability
- Consistent surpluses
- Full coverage of cost
- Ability to manage debt
- Ability to steward finances
- Appropriate liquidity

As originally designed, the FHA did not assess whether the reviewed agency can cover its full costs or its ability to manage debt. The Controller's Office customized the tool to incorporate some new elements and align the tool with the Standard Monitoring Form. Monitors and the Controller's Office found several elements of the original tool confusing or not helpful, and the customized tool removed items (e.g., the Revenues section) based on this feedback.

The Controller's Office included and highlighted two standards and three best practices from the program's Standard Monitoring Form within the modified FHA.

Feedback about the Utility of the Tool

The monitors that tested the FHA shared that the tool can help start a discussion with contractors about the meaning in their financial reports, and that the tool could be used to help communicate with the City's Board of Supervisors, to predict viability based on financial trends, and to be shared with the contractors' own board. They agreed that the tool forces a monitor to spend more time with the audit and financial information, and

that the information provided through the tool could be used to influence decision making in the future.

Through the process of testing the tool and discussing its use with monitors, the Controller's Office found significant variance in how monitors could make use of the tool and their ability to assess nonprofit fiscal condition. Some monitors indicated that even if nonprofits are found to have a weak financial condition, there is little they can do to resolve the problems by way of City action. Having poor financial health does not necessarily trigger an action such as deployment of technical assistance or not renewing the contract.

While this is a valid concern, it is not a new one. The Standard Monitoring Form does not contain the FHA's level of financial detail, but does hold nonprofit contractors to certain standards and uses a Corrective Action Policy to identify appropriate actions when contractors do not meet those standards. Thus, to use the tool within the monitoring process, stakeholders would need to agree on benchmarks and standards, train monitors on these standards, and apply corrective actions as outlined in City policy. Due to increased level of detail provided by the FHA, formal adoption of the tool may require even clearer policies for how departments should respond when the tool reveals a deteriorating financial condition, for example.

A related challenge raised by monitors was the annual process of add-backs, in which the Board of Supervisors uses its discretion during the budget process to award funding to specific services outside of standard departmental prioritization and decision-making. This process limits departments' ability to tie financial condition to awards. Political pressures to fund specific agencies regardless of financial condition run counter to the Controller's Office's mission to ensure effective and efficient government services, but are a recurring challenge for departments charged with managing contracts. Monitors raised concerns about the true utility of the FHA when funding decisions may not be made based on the results of the assessment.

The Controller's Office experienced some difficulty using the FHA with housing organizations since they tend to have the most complicated finances, locked assets within owned property, and major debts within their mortgages. If the tool is adopted for use by monitors, those overseeing contractors in housing organizations may need extra support and training on how to use the tool.

Recommendations

In general, the Controller's Office considers the FHA valuable for its ability to show trends in financial health and trigger important conversations with contractors. As such, the Controller's Office recommends using the tool in the Citywide Nonprofit Monitoring and Capacity Building Program in some way. The Controller's Office developed the recommendations below as options for how the FHA could be used in FY16-17. These recommendations are based on several discussions with the Steering Committee and through testing the tool internally and at site visits.

New Staff Onboarding

The FHA can be used as a training instrument for onboarding new monitors and other related staff. The current version of the Standard Monitoring Form has 84 standards and best practices, but these are largely written as "yes/no" questions with little additional context about fiscal health of a contractor. The FHA tool can help new monitors learn how to assess their contractors' finances.

Add to Current Monitoring Process

The tool can be embedded into the monitoring process. The Controller's Office could create an integrated monitoring form that includes existing fiscal and compliance standards as well as FHA data points, and monitors would use this combined FHA and monitoring form during site visits and self-assessments to identify and discuss the financial condition of contractors. Using the tool within the regular monitoring process enhances current practice, and presents a clear picture to both the monitoring team and the

contractor about the agency's strengths and challenges.

Controller's Office Review

The Controller's Office, given dedicated hours, could use the tool to conduct an annual review from a sample of contractors. This annual review, using the FHA tool as the measure, could provide a "state of the sector" analysis, showing financial trends of the nonprofit contractors receiving City funding. The Controller's Office may also use the analysis to identify agencies at risk of financial instability and target technical assistance or training resources accordingly.

Follow-up Monitoring

At the end of each monitoring cycle, contractors with a certain number or type of findings during the current fiscal year or over several years can be required to have a meeting with the monitors to discuss financial concerns. The FHA tool can be used to show year-to-year trends of their financial health. This option opens up a larger dialog with the contractor, and may result in better communication between the City monitors and their contractors.

Quality Assurance Checks

The FHA tool can be used as a spot check for a sample of contractors each year. The Controller's Office and Steering Committee may choose a select number of contractors who have no findings and/or significant or consistent findings to participate in deeper review using the FHA. The review will help illustrate consistency or variance between the monitoring report letter and the agency's general financial health demonstrated by the FHA. Quality assurance review would also help ensure appropriate action, such as referring the contractor to the Controller's Office for technical assistance or encouraging them to attend training sessions, has been taken in cases when the FHA or Standard Monitoring Form indicates risk factors.

APPENDIX E: MONITORING PROGRAM PERFORMANCE MEASURES

#	Category	Measure	Target	FY14 Actual	FY15 Actual	FY16 Actual	% Point Change
1	Monitoring Team Feedback	% of Monitoring Team respondents who state their monitoring teams worked well together always or most of the time	95%	77%	80%	100%	+20%
2	Lead Department Representative Feedback	% of Lead Department Representatives reporting that they were always or most of the time confident about their findings	95%	89%	89%	91%	+2%
3	Lead Department Representative Feedback	% of Lead Department Representatives who felt they had adequate support, tools, and training to perform their responsibilities always or most of the time	95%	78%	78%	82%	+4%
4	Monitoring Processes	% of monitorings are scheduled in the online calendar by December 15, 2015	95%	94%	97%	77%	-20%
5	Monitoring Processes	% of the year's Monitoring Report Letters sent to the contractor/ posted to centralized repository within the deadline	80%	88%	84%	73%	-11%
6	Monitoring Processes	% of City staff reporting that the monitoring process among multiple departments saves City staff time	85%	79%	73%	85%	+12%
7	Monitoring Processes	% of City staff reporting that consistent standards and a shared monitoring process between City departments increases the City's ability to hold nonprofits accountable	85%	87%	100%	93%	-7%
8	Monitoring Processes	% of City staff reporting that the Non-profit Monitoring Program helps improve your Department's non-profit fiscal and compliance practices	85%	86%	73%	79%	+6%
9	Contractor Feedback	% of Contractors who report a clear understanding of the fiscal and compliance elements to be monitored in their contracts	95%	95%	100%	88%	-12%
10	Controller's Resources	% of City monitors who rate the training series as very helpful or somewhat helpful (of those who attended)	95%	89%	100%	100%	0%
11	Controller's Resources	% of City contractors who rate the training series as very helpful or somewhat helpful (of those who attended)	95%	100%	100%	94%	-6%
12	Capacity Building	% reduction in findings for Nonprofits that received technical assistance in the previous fiscal year	80%	68%	66%	31%	-35%

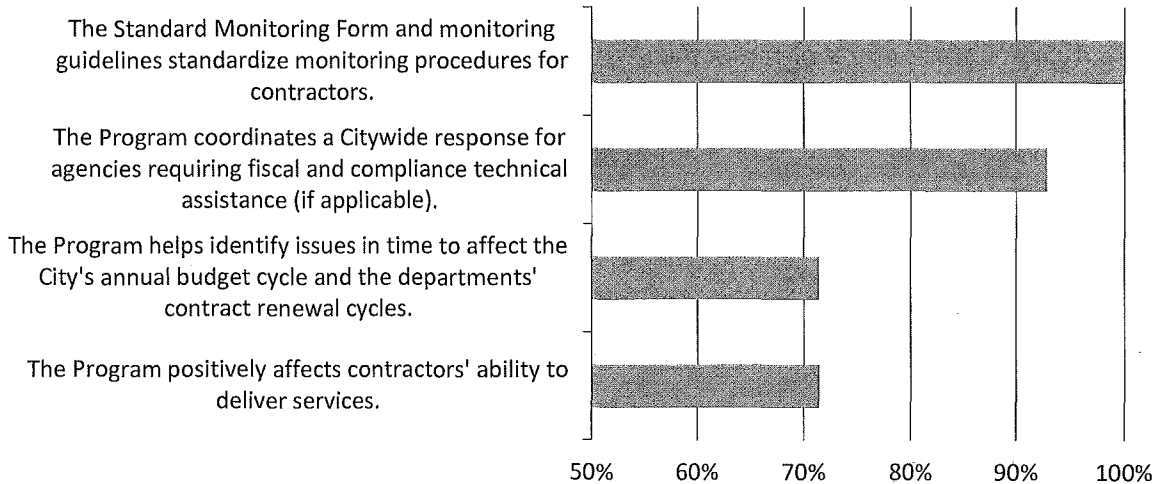
APPENDIX F: SUMMARY OF YEAR-END SURVEY RESULTS

City Monitoring Staff Survey Responses

The Controller’s Office asked City monitors to respond to questions about the Citywide Nonprofit Monitoring and Capacity Building Program at the close of the FY16 monitoring cycle. Sixteen monitors (36%) from seven of the nine departments responded. Of those who responded, 44% have less than two years of experience with fiscal and compliance monitoring, and 56% have six or more years’ experience.

City monitors that responded to the survey generally believe the program is successful at standardizing monitoring processes and providing coordinated technical assistance services, as shown in the responses below. Monitors were less clear about the role of the program to affect contractors’ ability to deliver services, though one monitor noted that the Monitoring Program has begun to do a better job of communicating how standards increase the administrative and fiscal capacity of nonprofits and how that capacity is correlated to program delivery. Respondents also expressed less confidence in the ability of the program to affect the contract renewal cycle due to the timing of the monitoring process in relation to the budget.

**Figure F1:
 Percent of City Monitors who Strongly Agree or Agree with the Following
 Statements about the Program in General (n=14)**

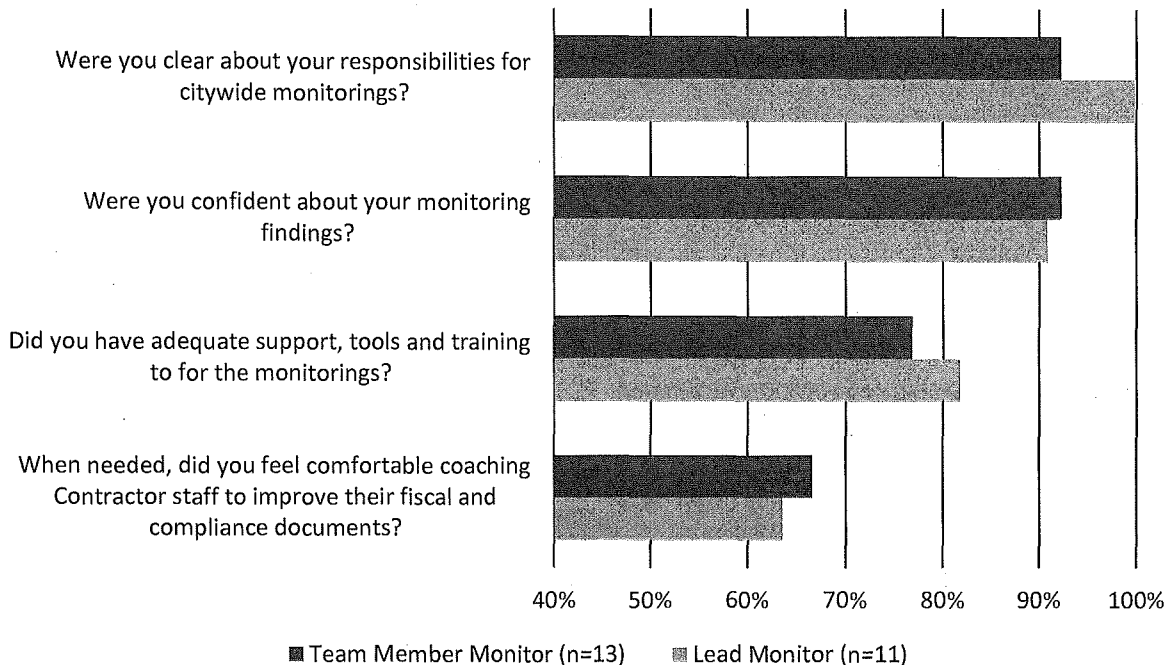


Lead Monitors take on the bulk of the duties related to arranging a site visit or self-assessment. Lead monitors cited that preparing for and conducting site visits generally required anywhere from a half day to full day of the monitors’ time (73%), though more than a quarter of respondents (27%) required more than one full day to prepare for and conduct site visits. Although a slight majority (55%) of City monitors spent 1-4 hours to review self-assessments, 45% of City monitors required 5-12 hours to conduct a thorough review of the self-assessments submitted by contractors.

While both Lead Monitors and team members expressed high levels of confidence in their understanding of the monitoring procedures and in the monitoring findings they documented, survey respondents in both groups indicated low levels of confidence in coaching contractors when they have findings, and would like more support and tools in this area.

The program offers several types of resources to the monitors throughout the year, and the survey asked respondents to rate how helpful these resources proved. Monitors responded that Controller’s Office staff members, written Monitoring Program guidelines, and all-monitor meetings were very helpful.

**Figure F2:
Percent of Monitors Responding Always or Most of the Time
to the Following Statements**



The Controller’s Office requested survey respondents consider the goals of the Monitoring Program, and activities that might help the Monitoring Program meet those goals. Respondents offered the following feedback:

- Provide additional training for monitors in analyzing audits and other financial statements.
- Provide a venue for departments to share best practices for measuring contractor performance.
- Create metrics to identify poor performing agencies, and build capacity building efforts into the budgeting process.
- Coordinate policy changes across the City affecting nonprofit fiscal health (e.g. indirect rates, data collection, livable wages, etc.).

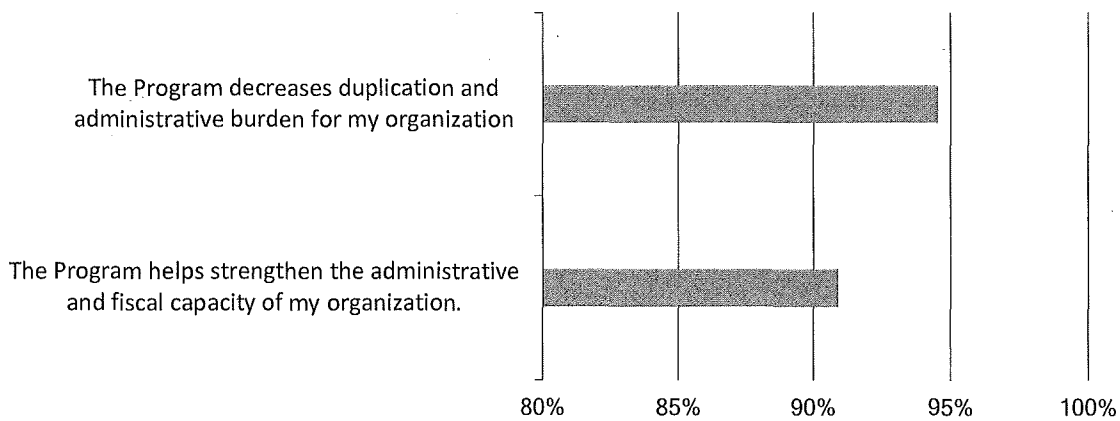
Contractor Survey Responses

Each year, the Controller’s Office solicits feedback from contractors engaged in the Monitoring Program using an online survey. In FY16, 67 contractors responded, representing 49% of the year’s pool. The majority of the respondents (69%) received a site visit, while 29% received a self-assessment and 2% (one respondent) received a waiver.

Respondents were monitored by various lead departments, with the most common lead being DPH or MOHCD. Site visits generally required a half day of the contractors' time (74%), though nearly a quarter of visits (24%) required a full day or more.

Most respondents agree that joint monitoring saves time and helps strengthen the administrative and fiscal capacity of their organizations. Comments shared by nonprofit respondents show a mix of approval for the process, as well as some areas of confusion or dissatisfaction, such as continuing to see duplicative practices.

Figure F3:
Percent of Contractors that Agree or Strongly Agree with the Following General Statements about the Program (n=55)



Respondents offered both positive and critical feedback about the program, both of which can be used to support program improvements. See Figure F4 for a summary. In general, agencies were very positive about the site visit and self-assessment experience, stating with over 95% agreement that City monitors provided a clear explanation of the monitoring process, that they received appropriate advanced notice and clear deadlines, and that City monitors were coordinated and responsive. Respondents also wrote that monitors were very supportive and pleasant to work with. Some respondents commented that noticing about the monitoring could be improved, for example providing a more complete list of documentation to prepare in advance of the site visit.

**Figure F4:
Contractors' Feedback about Site Visits and Self-Assessments**

A few respondents expressed appreciation for the program for the commitment to building capacity and coordinating across departments. One contractor said *"We implemented the findings and they were helpful to us going forward. The Board appreciated the recommendations as well, and have made changes as a result."*

Some of the respondents stated that aspects of the Monitoring Program continue to duplicate other efforts, related both to the financial audit and other departmental monitoring. One said, *"We receive repeated requests over the fiscal year to send documents such as our annual audit. Couldn't you just share this or record that you already have it?"* Other comments also explored how the Monitoring Program could better use the audit in order to not duplicate efforts.

Three agencies disagreed that the Monitoring Program expanded their capacity for other work and individual agencies disagreed with some standards, thought there was inconsistency in applying the standards across years, and did not find benefit in the technical assistance. Finally, there was a desire to bring processes online when possible.

Several respondents encouraged the Monitoring Program to expand its scope, including sharing best practices through nonprofit learning cohorts or one-on-one venues. Others asked the Monitoring Program to create more consistency across departmental contracting processes and requirements (*"I think standardizing the detailed contract requirements across all City departments would be useful."*), with additional attention given to standardizing invoicing processing and indirect cost rates.

Several agencies expressed a desire for the program to expand capacity building efforts through consultant time or more funding explicitly for capacity building. Some agencies said they would prefer more regular communication during the year (e.g., quarterly mini-monitoring visits) so the City monitors would better understand their organization and act preventatively before there are findings.

Several respondents asked for more opportunities to provide feedback during the monitoring process. For example one respondent stated, *"Ask us about each function ... we have ideas to offer better support and processes."* Another person commented that the Monitoring Program could work to reframe the purpose of the monitoring in order to improve the process. They stated, *"There must be a way to make the visits less adversarial even though they are perfectly amicable. The premise should be (a) you have proven that you do good work (b) you have spent down all or most of the funds and (c) here is how we can help you become more accountable on behalf of (a) and (b)."*

Two respondents mentioned that the Monitoring Program should share their findings more broadly.

One person commented, *"Nonprofits should be encouraged to share a good rating/visit in newsletters and social media. I think agency donors and the community at large like to know that we are working together to provide good services and being good stewards of the public's money."*

APPENDIX G: CORRECTIVE ACTION POLICY

City and County of San Francisco Nonprofit Contractor Corrective Action Policy

I. Introduction

The City and County of San Francisco's (CCSF) Nonprofit Contractor Corrective Action Policy is intended to ensure compliance with government funding requirements, accountability, and reliable service delivery for San Francisco residents.

This policy helps to identify, prioritize and support nonprofit contractors in need of technical assistance, workshops and/or other capacity building efforts. It provides the City with steps to act appropriately when a nonprofit contractor does not meet City standards, and does not comply with an established plan to correct deficiencies.

This document includes the following sections:

- Background on CCSF's Correction Action Policy
- Definitions
- Standard Nonprofit Contractor Monitoring and The Controller's Office List
- Elevated Concern Status
- Red Flag Status
- City Response Options & Referrals

A. Background

In response to a 2009 Community-Based Organization Task Force Report, City departments and nonprofits collaboratively drafted and adopted a corrective action policy in November 2010. In 2013, the Citywide Nonprofit Monitoring and Capacity Building Program (Monitoring Program) Steering Committee revised the policy in response to feedback from department contract monitors and the Mayor's Budget Analyst. In late 2014, the Controller's Office and the Monitoring Program Steering Committee revised the policy again to include more specific criteria for corrective action and ensure consistent policy implementation. This revised policy is used by the Controller's Office and City departments, both within and beyond the Monitoring Program, for situations when nonprofit contractors consistently fail to meet City monitoring standards or programmatic performance measures agreed upon by contract.

B. Definitions

- **Corrective Action Plan** – A list of activities a nonprofit must perform within the context of the Citywide Nonprofit Monitoring and Capacity Building Program. All nonprofits with findings will be required to come into compliance through completion of activities detailed in their Corrective Action Plan. A Corrective Action Plan does not indicate overall poor performance or put a nonprofit's contract with the City in jeopardy. It should not be confused with the status of "elevated concern" or "red flag" described below in Sections III and IV.
- **Technical Assistance** – In cases where corrective action is required, City departments may also recommend or require technical assistance offered by the Controller's Office, an external contractor, and/or City departmental staff to assist nonprofits.

II. Standard Nonprofit Contractor Monitoring & the Controller's Office List

A. Performance Standards and Monitoring

All City departments are responsible for performing risk-based monitoring and oversight on fiscal, compliance and programmatic aspects of nonprofits that receive City funding. Performance, programmatic, and monitoring standards, as well as reporting deadlines, must be clear and reasonable in all City grants and contracts. In addition to standard monitoring assessments, City departments must make as-needed site visits or inquiries to follow up on issues or concerns that may arise. Departments can also use the elevated concern and red flag designations detailed in this policy for noncompliance with program outcomes (as measured by units of service, stated contract or grant deliverables, contract compliance, client satisfaction data, and/or other indicators developed by departmental program staff).

B. Nonprofits Funded by More Than One City Department

City departments must follow the policies and procedures in the Controller's Office Citywide Nonprofit Fiscal and Compliance Monitoring Guidelines²¹ for nonprofits that are part of the citywide monitoring pool.²²

C. Annual Report of the Citywide Nonprofit Monitoring and Capacity Building Program

The Controller's Office annually reviews the monitoring and technical assistance outcomes for nonprofits in the citywide monitoring pool. It releases a public report documenting this analysis with tables that display, for example:

- The number, type, and status of findings for all nonprofits in the monitoring pool;
- A list of nonprofits with repeated findings (i.e., the same finding in consecutive years); and
- A list of nonprofits without any findings.

The report also documents, with supporting data, any nonprofit contractors that have been placed on Elevated Concern or Red Flag Status for that fiscal year. Departments are recommended to view these lists to consider how best to assist nonprofits with multiple findings and support nonprofits with no findings to maintain high performance.

III. Elevated Concern Status

A. Definition

The City may designate Elevated Concern Status to a nonprofit City contractor when it fails to complete corrective actions by a designated deadline or is non-responsive during the fiscal and/or programmatic monitoring process. "Non-responsiveness" is defined as a pattern of late or no response to City monitors.

The Controller recommends Elevated Concern Status when:

²¹ See <http://sfcontroller.org/fiscal-and-compliance-monitoring> for current Monitoring Program Guidelines.

²² Nonprofit contractors funded by more than one of the following CCSF departments enter the Citywide Nonprofit Monitoring and Capacity Building Program: Department of Children, Youth and Their Families; Department of Homelessness and Supportive Housing; Department on the Status of Women; First 5 San Francisco; Human Services Agency; Mayor's Office of Housing and Community Development; Office of Economic and Workforce Development; Department of Public Health; San Francisco Arts Commission; and the Sheriff's Department.

- A nonprofit contractor repeatedly ignores or is late in responding to the City's request for monitoring information and/or corrective action compliance by a designated deadline; and/or
- The number of nonprofit findings or repeated findings shows a pattern of noncompliance with City standards; and/or
- A nonprofit contractor does not comply with corrective action within the designated time period for the specific fiscal and compliance standards listed in Table 1.

B. Impact

Elevated Concern Status results in mandatory technical assistance to support the nonprofit in establishing sound fiscal and management practices in compliance with standards assessed in the monitoring program. *Elevated Concern Status does not result in defunding*, although if the nonprofit is unresponsive to technical assistance and remains noncompliant with monitoring requirements, the Controller's Office and funding departments may elect to heighten the designation to Red Flag Status, for which de-funding is an option.

C. Designation Process

Using the criteria listed above, the Controller's Office annually reviews the results of the joint monitoring process and identifies any nonprofits that should be placed on Elevated Concern. If the Controller's Office determines that a nonprofit should be placed on Elevated Concern, the Controller's Office will:

1. Inform and discuss with the Citywide Nonprofit Monitoring and Capacity Building Program Steering Committee;
2. Send a memo with the names of the nonprofits on elevated concern to the department head(s) that fund the nonprofit(s), the rationale for the designation, and a response deadline for department heads to indicate any questions or concerns with the designation;
3. Include the names of the nonprofit(s) placed on elevated concern in the Citywide Nonprofit Monitoring and Capacity Building Program annual report, which is widely distributed.

Any City department holding a contract with a nonprofit may also initiate an Elevated Concern Status designation based on the established criteria. If a City department elects to initiate Elevated Concern designation, the Steering Committee member for that department will contact the Controller's Office to discuss the proposed designation and the rationale. At that point, the Controller's Office follows steps 1 through 3 above.

Note that the process for designating a nonprofit contractor on Elevated Concern Status for *programmatic* non-compliance is the responsibility of the relevant funding departments, not the Controller's Office.

D. Internal City Communication

When considering Elevated Concern Status in instances of multi-department funding, a Controller's Office staff person will be responsible for coordination and information sharing with all of the department funders.

E. Nonprofit Notification & Technical Assistance

Once the City has determined that a nonprofit should be placed on Elevated Concern, the funding departments and Controller's Office will notify the nonprofit's Executive Director and President of the Board of Directors of the designation writing. The designation letter will include the issues leading to Elevated Concern and the process for removal.

The Controller's Office staff will coordinate an in-person meeting with the nonprofit leadership and the funding departments to explain the designation and begin the technical assistance process to help the nonprofit come into compliance with City standards. The lead City staff person will work with the nonprofit to identify capacity building needs and develop a Corrective Action Plan with deadlines for compliance.

F. De-designation

Elevated Concern Status is meant to be temporary. The nonprofit will remain on Elevated Concern Status until the nonprofit provides a satisfactory response to the City's requests for information or action. Upon submission of additional information or proof of activity by the nonprofit, the City will send a written response to the nonprofit within one month of submission. The City's response must detail either a de-designation of Elevated Concern Status or a clear plan outlining the remaining issues to be resolved and detailed steps the nonprofit must take to remove the status.

IV. Red Flag Status

A. Definition

In rare cases, Red Flag Status may be applied when a nonprofit is at imminent risk of losing its funding for mismanagement or being unable to perform services per its grant or contract.

See Table I below for a list of specific standards that would trigger Red Flag Status if a nonprofit does not comply with corrective action within a designated timeframe.

Red Flag Status may occur regardless of a nonprofit's Elevated Concern Status. Nonprofits undergoing corrective action may be considered for Red Flag Status at any stage of the corrective action process if risk factors call for such action.

B. Impact

De-funding is a possible ultimate sanction for nonprofits that are out of compliance with the City's grant and contract conditions. Note that those City departments that provide contracts, not grants, to nonprofits must take disciplinary action per the default provisions in the contract, and defunding may require termination of the contract. Termination for default requires that the nonprofit be given appropriate notice and an opportunity to fix the contract breach.

Red Flag Status may also require a nonprofit to comply with mandatory technical assistance or fiscal sponsorship to strengthen the financial and management practices of the agency. Additional actions City departments may employ are detailed in Section V below.

C. Designation Process

Using the criteria listed in Table I, the Controller's Office annually reviews the results of the joint monitoring process and identifies any nonprofit(s) that it recommends should be placed on Red Flag Status. If the Controller's Office recommends that a nonprofit should be placed on Red Flag Status, the Controller's Office will:

1. Discuss the recommendation with the Citywide Nonprofit Monitoring and Capacity Building Program Steering Committee;
2. Send a memo with the names of the nonprofits recommended for Red Flag Status and the rationale to

- the department head(s) that fund the nonprofit(s);
3. If the funding departments agree that Red Flag Status is warranted, the Controller's Office will include the names of the nonprofit(s) placed on Red Flag Status in the Citywide Nonprofit Monitoring and Capacity Building Program annual report.

City departments holding contracts with the nonprofit make the final determination whether a nonprofit is placed on Red Flag Status. Any individual funding department may also initiate the Red Flag Status designation process. When considering Red Flag Status in instances of multi-department funding, City departments jointly determine if a nonprofit should be on Red Flag Status.

Note that the process for designating a nonprofit contractor to be on Red Flag Status for *programmatic* reasons is the responsibility of the relevant funding departments, not the Controller's Office.

D. Internal City Communication

When considering Red Flag Status in instances of multi-department funding, a Controller's Office staff person will be responsible for coordination and information sharing with all of the department funders.

E. Notification & Contestation

Once a nonprofit is designated as being on Red Flag Status, the City will notify the nonprofit leadership, including the Executive Director and President of the Board of Directors, of this new status in writing. The designation letter will also include the issues leading to Red Flag Status, specific corrective actions required, the deadline for completion of each action item, the ramifications of the status, such as being less competitive for grants, and the process for removal from this status.

City departments that provide contracts, not grants, to nonprofits must take disciplinary action per the default provisions in the contract. This action includes providing the nonprofit with appropriate notice and an opportunity to correct issues as specified in the default and termination sections of the contract.

F. De-designation

The nonprofit will remain on Red Flag Status until the nonprofit has successfully implemented the required corrective action, or partially implemented corrective action to the satisfaction of the relevant City department(s). Upon submission of additional information or proof of activity by the nonprofit after the Red Flag designation, the City will send a written response to the nonprofit within one month of submission.

The City's response must include either a de-designation of Red Flag Status or a clear plan with any remaining steps the nonprofit still needs to take in order to be removed from Red Flag Status. The City may choose to dialogue with the nonprofit leadership, including the Board of Directors, to make progress on the implementation of corrective action and may consider technical assistance, as appropriate.

Table I: Triggers for Elevated Concern or Red Flag Status²³

Standard		Elevated Concern	Red Flag
1. Agency-wide Budget			
a.	Current (fiscal or calendar year)		3+ years of finding
b.	Shows income and expense by program and funding source	2+ years of finding	
c.	Shows allocation of shared and indirect costs by program	2+ years of finding	
e.	Clearly identifies all revenue sources (City, state, federal)	2+ years of finding	
2. Cost Allocation Procedures			
a.	Process for cost allocation procedures and plan for <u>shared</u> costs is documented in a written narrative or in the footnotes of the current approved agency-wide budget	2+ years of finding	
c.	Process for cost allocation procedures and plan for <u>indirect</u> costs is documented in a written narrative or in the footnotes of the current approved agency-wide budget	2+ years of finding	
3. Audited Financial Statements			
a.	Complete	1 without an audit	2+ years of finding
b.	Unqualified opinion	1 year of finding	2+ years of finding
c.	No material weaknesses mentioned or going concern stated in the notes to the financial statements	1 year of finding	2+ years of finding
	<i>For A-133 Audit (when applicable)</i>		
h.	No material weaknesses mentioned or going concern stated in the notes to the financial statements	2+ years of finding	3+ years of finding
i.	No current findings and/or questioned costs	2+ years of finding	3+ years of finding
4. Tax Form			
a.	Federal 990 return filed for most recent tax year or request for extension submitted on time	2+ years of finding	3+ years of finding
7. Invoices			
a.	Expenses tested on invoices have supporting documentation: credit card charges and/or petty cash expenditures are all documented with an original receipt and reasonably tie to the cost allocation plan.	2+ years of finding	3+ years of finding
b.	Contractor follows its policies for writing checks, credit card use, petty cash use, and/or reimbursement for expenses tested on invoices	2+ years of finding	3+ years of finding
c.	Tested expenses on invoices appear to be reasonably associated with the program budget	2+ years of finding	3+ years of finding
8. Payroll			
c.	Documentation that payroll taxes due were actually paid	1 year of finding	2+ years of finding
d.	If employee time is paid by more than one source, it is recorded by funding source or program on timesheets	2+ years of finding	3+ years of finding
13. Subcontracts			
c.	Documentation that contractor regularly monitors fiscal and programmatic performance of subcontractor (e.g. copies of subcontractor's fiscal documents and invoices)	2+ years of finding	3+ years of finding

²³ Triggers are based on the Standard Monitoring Form of the Citywide Nonprofit Monitoring and Capacity Building Program. Elevated Concern Status may also be applied based upon a pattern of nonresponsiveness to the joint monitoring process or based on programmatic criteria specific to an individual department.

V. City Response Options & Referrals

The City in its sole discretion may take all, some or none of the following actions in response to a nonprofit's corrective actions taken, Elevated Concern Status, or a Red Flag designation.

- **Dialogue with Nonprofit Leadership** - The City may choose to hold meetings with the nonprofit's leadership, including the executive committee of the Board of Directors, as needed and appropriate, to make progress on required corrective action. The department may provide the nonprofit's leadership with a reasonable opportunity to respond to the department's determination that serious deficiencies exist and warrant implementation of a required corrective action plan.
- **Technical Assistance** - The City may consider, on a case-by-case basis, whether technical assistance is appropriate and necessary in assisting the provider to become compliant. For guidance, tools and resources on fiscal, governance, and compliance technical assistance, contact the Citywide Nonprofit Monitoring and Capacity Building Program facilitated by the Controller's Office at nonprofit.monitoring@sfgov.org.
- **Identification of Alternative Service Providers** - City departments may choose to identify appropriate alternative service providers immediately upon designation of a nonprofit to Red Flag Status. City departments must follow all applicable procurement policies.
- **De-funding** – City departments may choose to de-fund a nonprofit that is continuously unresponsive and/or does not take appropriate steps to address a corrective action plan.
- **Funding Limitations** - City departments may choose to include in their solicitations that nonprofits on Red Flag Status do not meet minimum qualifications. City departments that do so should review the Red Flag Status list and perform appropriate due diligence in the scoring process and before awarding a grant or contract.
- **Incentives for Good Performance** – If appropriate and in alignment with the department's solicitation procedures, departments are encouraged to provide incentives for good performance by including the opportunity for nonprofits applying for City funding to describe their ability to successfully comply with the City's fiscal and compliance standards, and to award points for their past success, as part of the procurement scoring system. The Controller's Office will publish as part of its annual report a list of all nonprofit contactors in the joint monitoring pool that had no findings that year and nonprofits that corrected their findings during the monitoring cycle.
- **Whistleblower Referral** - In cases of suspected or alleged fraud (as opposed to fiscal mismanagement) City departments should contact the Controller's Office Whistleblower Program at www.sfgov.org/controller/whistleblower.
- **Human Rights Commission (HRC) Referral** - In cases of suspected or alleged discrimination, City departments should contact the Human Rights Commission at hrc.info@sfgov.org or (415) 252-2500.
- **Vendor Debarment** – In cases of egregious misconduct, City department heads should pursue debarment against any City-funded nonprofit that engages in any willful misconduct with respect to any City bid, request for qualifications, request for proposals, purchase order and/or contract. This includes failure to comply with grant or contract terms, unexcused delays, poor performance and providing false information. Debarment requires a hearing at which the vendor can be represented by

an attorney and present facts and evidence refuting the department's allegations of misconduct. The Controller's Office posts debarred nonprofits at http://www.sfgov.org/site/controller_index.asp?id=28412. See Chapter 28 of the San Francisco Administrative Code for more information.

- **Grievances** - Departments should inform their nonprofit service providers about their dispute resolution procedures as well as that of the Nonprofit Review/Appellate Panel: <http://sfgsa.org/index.aspx?page=379>.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: CCSF Monthly Pooled Investment Report for October 2016
Attachments: CCSF Monthly Pooled Investment Report for October 2016.pdf

From: Dion, Ichieh (TTX)
Sent: Tuesday, November 15, 2016 3:17 PM
Subject: CCSF Monthly Pooled Investment Report for October 2016

Hello All -

Please find the CCSF Pooled Investment Report for the month of October attached for your use.

Thank you,

Ichieh Dion
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 140
San Francisco, CA 94102
415-554-5433

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Office of the Treasurer & Tax Collector
City and County of San Francisco



José Cisneros, Treasurer

Pauline Marx, Chief Assistant Treasurer
Michelle Durgy, Chief Investment Officer

Investment Report for the month of October 2016

November 15, 2016

The Honorable Edwin M. Lee
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

Ladies and Gentlemen,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of October 31, 2016. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of October 2016 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Investment Earnings Statistics *

(in \$ million)	Current Month		Prior Month	
	Fiscal YTD	October 2016	Fiscal YTD	September 2016
Average Daily Balance	\$ 7,038	\$ 7,286	\$ 6,957	\$ 6,826
Net Earnings	19.29	4.82	14.48	4.90
Earned Income Yield	0.81%	0.78%	0.83%	0.87%

CCSF Pooled Fund Statistics *

(in \$ million)	% of Portfolio	Book Value	Market Value	Wtd. Avg. Coupon	Wtd. Avg. YTM	WAM
Investment Type						
U.S. Treasuries	25.96%	\$ 1,895.3	\$ 1,898.4	0.17%	0.53%	151
Federal Agencies	53.21%	3,891.4	3,890.7	0.87%	0.81%	601
State & Local Government						
Agency Obligations	3.37%	247.6	246.6	1.53%	1.03%	406
Public Time Deposits	0.02%	1.2	1.2	0.89%	0.89%	171
Negotiable CDs	6.37%	465.0	465.5	1.10%	1.10%	147
Commercial Paper	4.70%	342.1	343.6	0.08%	1.20%	173
Medium Term Notes	1.58%	115.4	115.2	1.35%	1.12%	174
Money Market Funds	4.11%	300.8	300.8	0.30%	0.30%	1
Supranationals	0.68%	50.0	50.0	0.14%	0.86%	578
Totals	100.0%	\$ 7,308.7	\$ 7,311.9	0.67%	0.77%	397

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Very truly yours,

José Cisneros
Treasurer

cc: Treasury Oversight Committee: Aimee Brown, Ron Gerhard, Reeta Madhavan, Charles Perl
Ben Rosenfield, Controller, Office of the Controller
Tonia Lediju, Internal Audit, Office of the Controller
Cynthia Fong, Deputy Director for Finance & Administration, San Francisco County Transportation Authority
Carol Lu, Budget Analyst
San Francisco Public Library

* Please see last page of this report for non-pooled funds holdings and statistics.

Portfolio Summary

Pooled Fund

As of October 31, 2016

<i>(in \$ million)</i>							
Security Type	Par Value	Book Value	Market Value	Market/Book Price	Current % Allocation	Max. Policy Allocation	Compliant?
U.S. Treasuries	\$ 1,900.0	\$ 1,895.3	\$ 1,898.4	100.16	25.96%	100%	Yes
Federal Agencies	3,888.3	3,891.4	3,890.7	99.98	53.21%	100%	Yes
State & Local Government							
Agency Obligations	244.2	247.6	246.6	99.59	3.37%	20%	Yes
Public Time Deposits	1.2	1.2	1.2	100.00	0.02%	100%	Yes
Negotiable CDs	465.0	465.0	465.5	100.10	6.37%	30%	Yes
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes
Commercial Paper	345.0	342.1	343.6	100.43	4.70%	25%	Yes
Medium Term Notes	115.0	115.4	115.2	99.86	1.58%	25%	Yes
Repurchase Agreements	-	-	-	-	0.00%	10%	Yes
Reverse Repurchase/							
Securities Lending Agreements	-	-	-	-	0.00%	\$75mm	Yes
Money Market Funds - Government	300.8	300.8	300.8	100.00	4.11%	10%	Yes
Money Market Funds - Prime	-	-	-	-	0.00%	5%	Yes
LAIF	-	-	-	-	0.00%	\$50mm	Yes
Supranationals	50.0	50.0	50.0	100.08	0.68%	5%	Yes
TOTAL	\$ 7,309.5	\$ 7,308.7	\$ 7,311.9	100.04	100.00%	-	Yes

The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on both a par and market value basis, using the result with the lowest percentage of the overall portfolio value. Cash balances are included in the City's compliance calculations.

Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution.

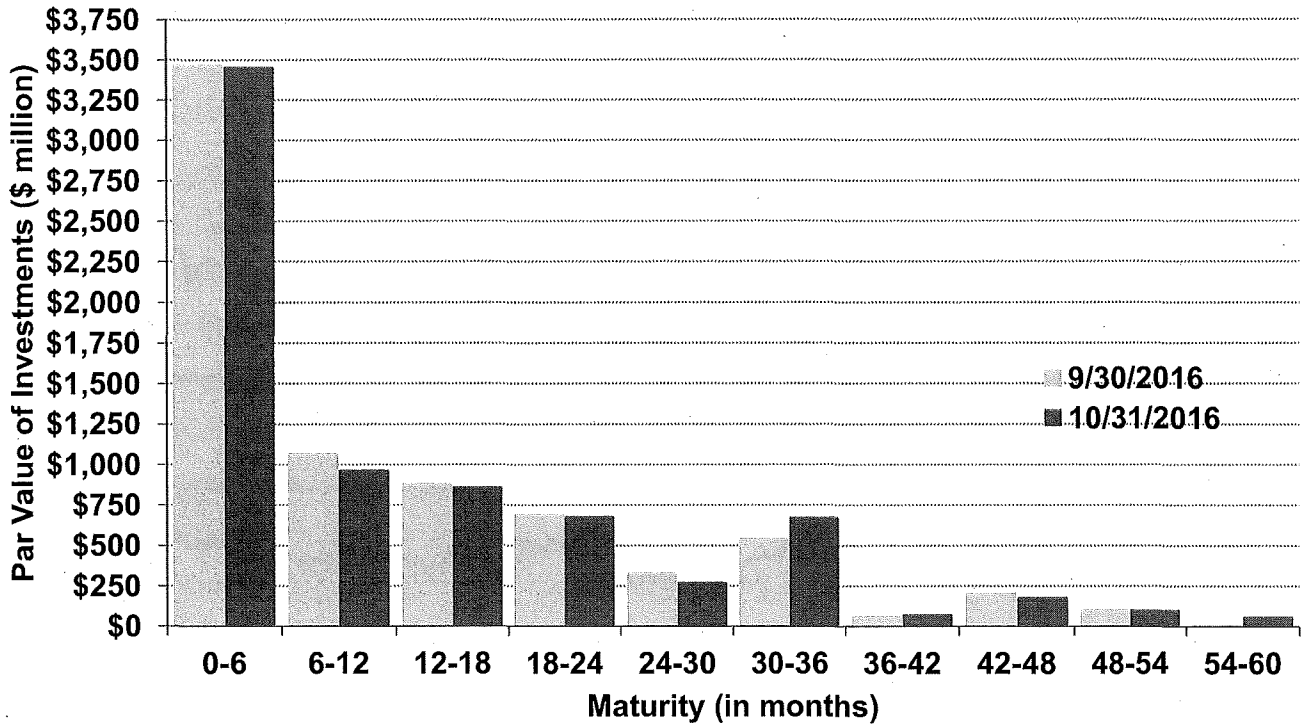
The full Investment Policy can be found at <http://www.sftreasurer.org/>, in the Reports & Plans section of the About menu.

Totals may not add due to rounding.

Portfolio Analysis

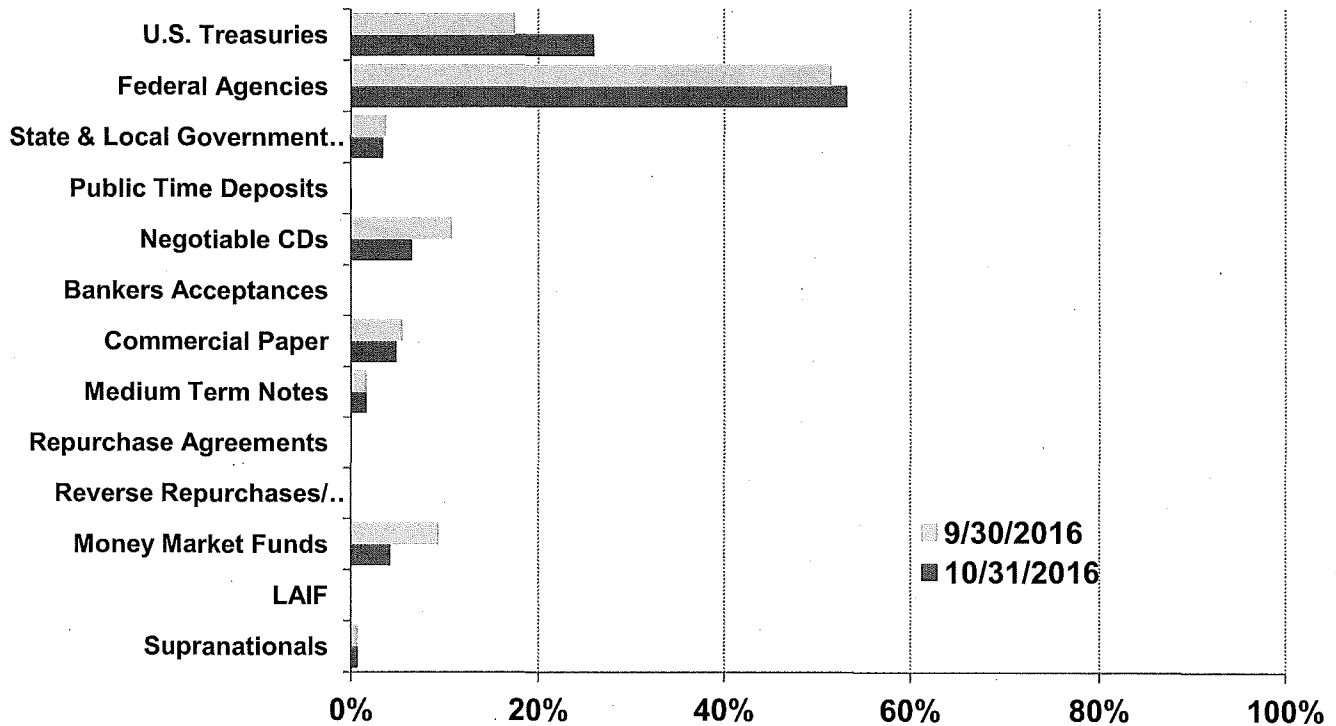
Pooled Fund

Par Value of Investments by Maturity

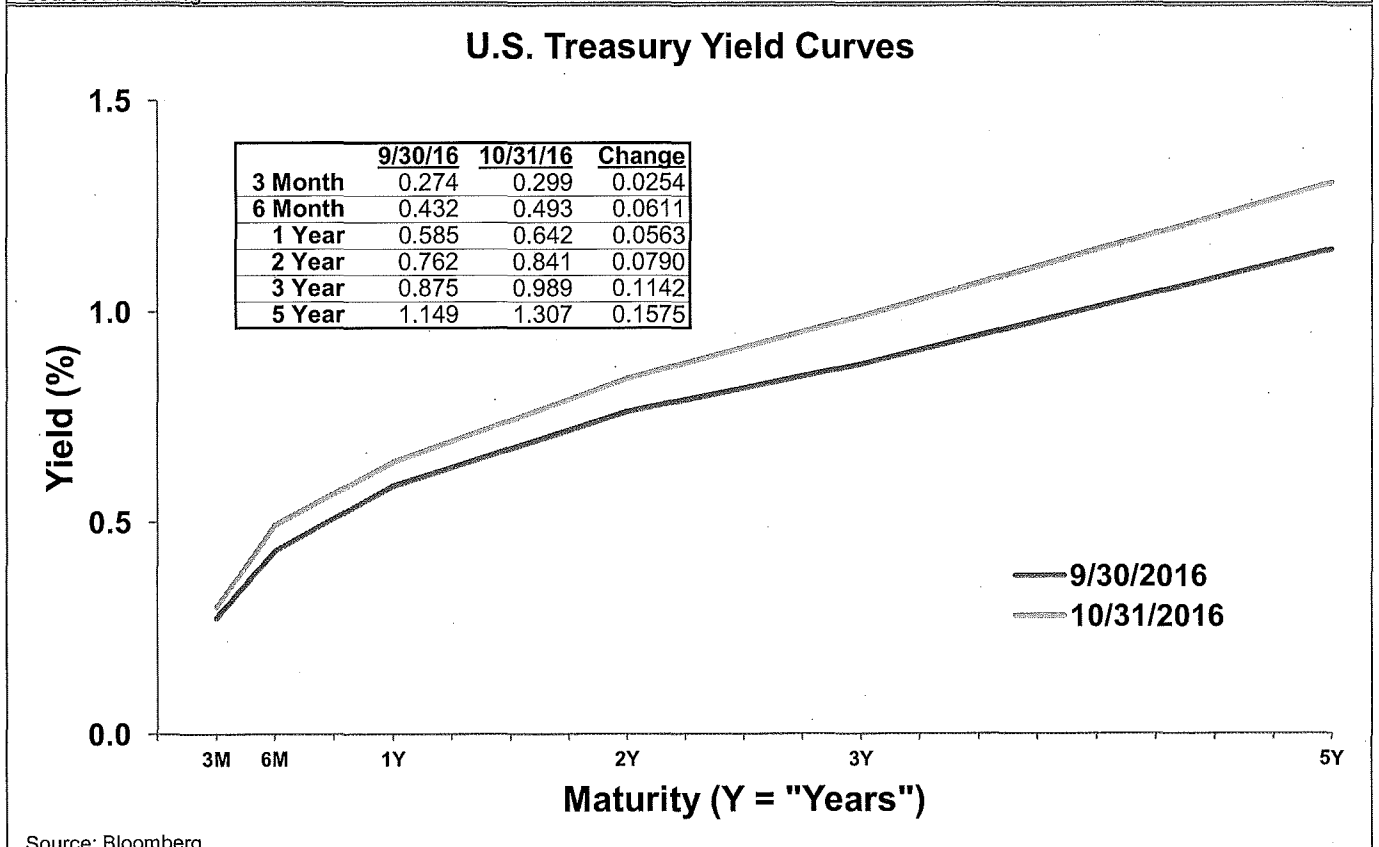
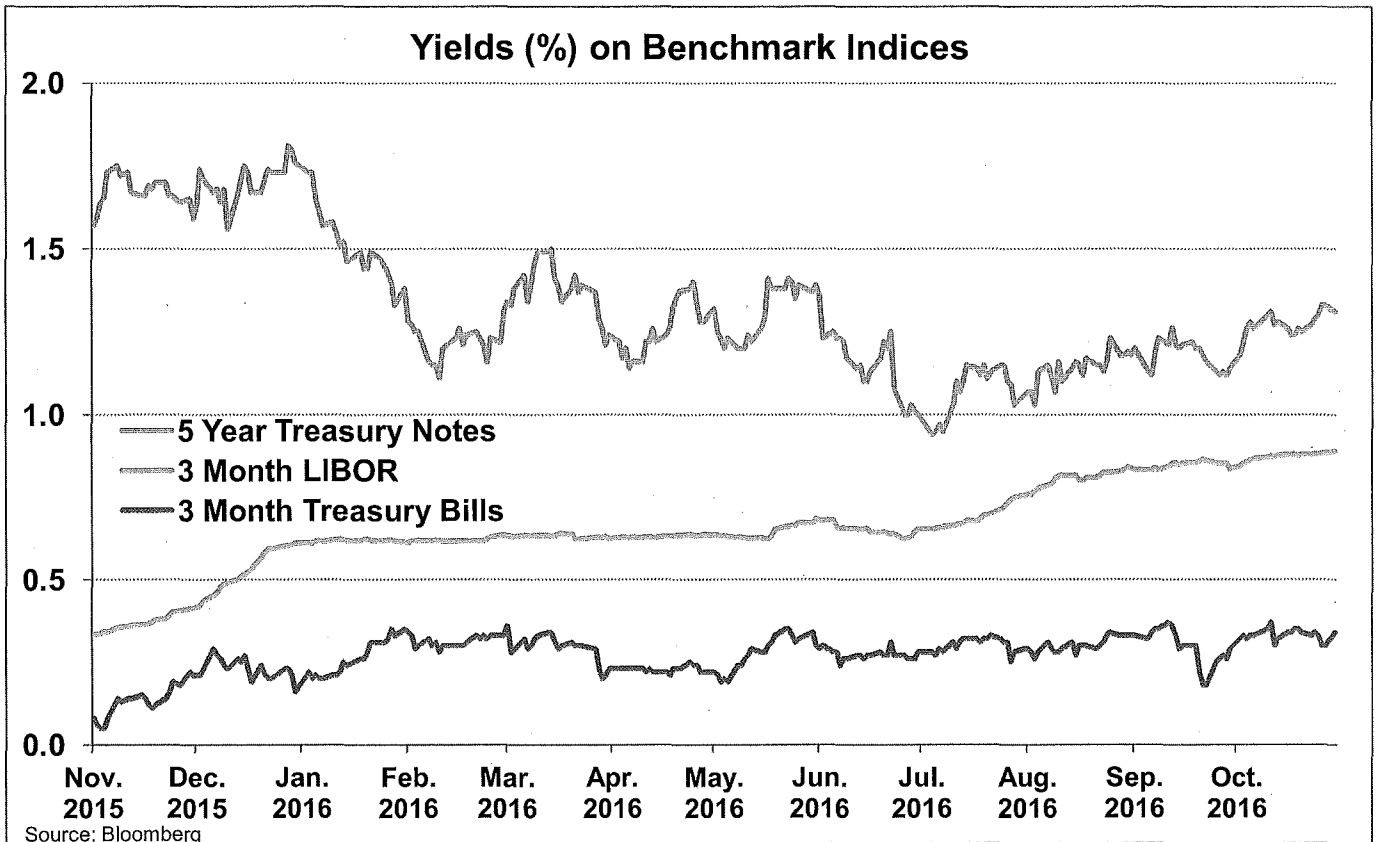


Callable bonds shown at maturity date.

Asset Allocation by Market Value



Yield Curves



Investment Inventory

Pooled Fund

As of October 31, 2016

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
U.S. Treasuries	912796JY6	TREASURY BILL	9/16/2016	12/15/2016	0.12	0.00	\$ 25,000,000	\$ 24,982,438	\$ 24,982,438	\$ 24,994,500
U.S. Treasuries	912796JY6	TREASURY BILL	9/19/2016	12/15/2016	0.12	0.00	25,000,000	24,984,533	24,984,533	24,994,500
U.S. Treasuries	912796JY6	TREASURY BILL	9/20/2016	12/15/2016	0.12	0.00	25,000,000	24,986,002	24,986,002	24,994,500
U.S. Treasuries	912796JZ3	TREASURY BILL	9/22/2016	12/22/2016	0.14	0.00	25,000,000	24,982,938	24,982,938	24,991,500
U.S. Treasuries	912796JZ3	TREASURY BILL	9/23/2016	12/22/2016	0.14	0.00	40,000,000	39,982,750	39,982,750	39,986,400
U.S. Treasuries	912796KA6	TREASURY BILL	9/29/2016	12/29/2016	0.16	0.00	100,000,000	99,940,218	99,940,218	99,959,000
U.S. Treasuries	912828RX0	US TSY NT	2/25/2014	12/31/2016	0.17	0.88	25,000,000	25,145,508	25,008,395	25,025,000
U.S. Treasuries	912796HV4	TREASURY BILL	10/6/2016	1/5/2017	0.18	0.00	25,000,000	24,979,399	24,979,399	24,988,000
U.S. Treasuries	912796HV4	TREASURY BILL	10/6/2016	1/5/2017	0.18	0.00	50,000,000	49,960,819	49,960,819	49,976,000
U.S. Treasuries	912796KC2	TREASURY BILL	10/13/2016	1/12/2017	0.20	0.00	25,000,000	24,977,250	24,977,250	24,986,750
U.S. Treasuries	912796KD0	TREASURY BILL	10/20/2016	1/19/2017	0.22	0.00	10,000,000	9,991,848	9,991,848	9,993,800
U.S. Treasuries	912796KE8	TREASURY BILL	10/27/2016	1/26/2017	0.24	0.00	25,000,000	24,978,514	24,978,514	24,981,750
U.S. Treasuries	912828SJ0	US TSY NT	3/21/2012	2/28/2017	0.33	0.88	25,000,000	24,599,609	24,973,603	25,044,750
U.S. Treasuries	912828SJ0	US TSY NT	3/21/2012	2/28/2017	0.33	0.88	25,000,000	24,599,609	24,973,603	25,044,750
U.S. Treasuries	912828SJ0	US TSY NT	3/14/2012	2/28/2017	0.33	0.88	75,000,000	74,771,484	74,984,993	75,134,250
U.S. Treasuries	912796KN8	TREASURY BILL	9/16/2016	3/16/2017	0.37	0.00	75,000,000	74,819,000	74,819,000	74,894,250
U.S. Treasuries	912796KN8	TREASURY BILL	9/19/2016	3/16/2017	0.37	0.00	75,000,000	74,823,298	74,823,298	74,894,250
U.S. Treasuries	912796KN8	TREASURY BILL	9/20/2016	3/16/2017	0.37	0.00	75,000,000	74,826,319	74,826,319	74,894,250
U.S. Treasuries	912796KP3	TREASURY BILL	9/22/2016	3/23/2017	0.39	0.00	75,000,000	74,821,792	74,821,792	74,890,500
U.S. Treasuries	912796KP3	TREASURY BILL	9/23/2016	3/23/2017	0.39	0.00	110,000,000	109,785,968	109,785,968	109,839,400
U.S. Treasuries	912796JJ9	TREASURY BILL	9/29/2016	3/30/2017	0.41	0.00	100,000,000	99,790,194	99,790,194	99,837,000
U.S. Treasuries	912796JJ9	TREASURY BILL	9/30/2016	3/30/2017	0.41	0.00	100,000,000	99,788,833	99,788,833	99,837,000
U.S. Treasuries	912796JJ9	TREASURY BILL	10/3/2016	3/30/2017	0.41	0.00	100,000,000	99,789,119	99,789,119	99,837,000
U.S. Treasuries	912828SM3	US TSY NT	4/4/2012	3/31/2017	0.41	1.00	50,000,000	49,835,938	49,986,493	50,119,000
U.S. Treasuries	912796KQ1	TREASURY BILL	10/6/2016	4/6/2017	0.43	0.00	75,000,000	74,815,725	74,815,725	74,862,000
U.S. Treasuries	912796KQ1	TREASURY BILL	10/6/2016	4/6/2017	0.43	0.00	150,000,000	149,628,417	149,628,417	149,724,000
U.S. Treasuries	912796KS7	TREASURY BILL	10/13/2016	4/13/2017	0.45	0.00	75,000,000	74,812,313	74,812,313	74,848,500
U.S. Treasuries	912796KT5	TREASURY BILL	10/20/2016	4/20/2017	0.47	0.00	40,000,000	39,907,787	39,907,787	39,912,800
U.S. Treasuries	912796JP5	TREASURY BILL	10/27/2016	4/27/2017	0.49	0.00	75,000,000	74,819,896	74,819,896	74,818,500
U.S. Treasuries	912828TM2	US TSY NT	12/15/2015	8/31/2017	0.83	0.63	100,000,000	99,433,594	99,725,406	99,922,000
U.S. Treasuries	912828M72	US TSY NT	12/17/2015	11/30/2017	1.08	0.88	50,000,000	49,882,813	49,935,334	50,070,500
U.S. Treasuries	912828M72	US TSY NT	12/17/2015	11/30/2017	1.08	0.88	50,000,000	49,878,906	49,933,178	50,070,500
Subtotals					0.41	0.17	\$ 1,900,000,000	\$ 1,895,322,829	\$ 1,896,696,373	\$ 1,898,366,900
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	11/18/2015	11/23/2016	0.06	0.63	\$ 7,015,000	\$ 7,012,545	\$ 7,014,854	\$ 7,016,333
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	11/17/2014	11/23/2016	0.06	0.63	25,000,000	24,990,000	24,999,701	25,004,750
Federal Agencies	313381GA7	FEDERAL HOME LOAN BANK	11/30/2012	11/30/2016	0.08	0.57	23,100,000	23,104,389	23,100,087	23,106,006
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	5/11/2016	12/9/2016	0.11	1.63	6,545,000	6,588,217	6,552,746	6,553,901
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	11/6/2014	12/9/2016	0.11	1.63	25,000,000	25,513,000	25,025,516	25,034,000
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	12/4/2014	12/9/2016	0.11	1.63	25,000,000	25,486,750	25,025,131	25,034,000
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	12/12/2014	12/9/2016	0.11	1.63	25,000,000	25,447,500	25,023,359	25,034,000
Federal Agencies	313384T58	FED HOME LN DISCOUNT NT	6/21/2016	12/16/2016	0.13	0.00	24,625,000	24,566,557	24,566,557	24,618,598
Federal Agencies	3133XHZZK1	FEDERAL HOME LOAN BANK	5/11/2016	12/16/2016	0.13	4.75	33,850,000	34,710,027	34,026,718	34,036,852
Federal Agencies	3130A12F4	FEDERAL HOME LOAN BANK	3/19/2014	12/19/2016	0.13	0.70	20,500,000	20,497,950	20,499,902	20,511,890
Federal Agencies	3134G5VG7	FREDDIE MAC	12/29/2014	12/29/2016	0.16	0.78	50,000,000	50,000,000	50,000,000	50,045,000
Federal Agencies	3134G33C2	FREDDIE MAC	1/3/2013	1/3/2017	0.18	0.60	50,000,000	50,000,000	50,000,000	50,024,000
Federal Agencies	3133ECB37	FEDERAL FARM CREDIT BANK	12/20/2012	1/12/2017	0.20	0.58	14,000,000	14,000,000	14,000,000	14,006,440
Federal Agencies	31315PWW5	FARMER MAC	5/4/2012	1/17/2017	0.21	1.01	49,500,000	49,475,250	49,498,891	49,572,270
Federal Agencies	3130A7T62	FEDERAL HOME LOAN BANK	4/20/2016	1/18/2017	0.22	0.55	9,000,000	8,999,825	8,999,871	9,001,620

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Federal Agencies	3133EDRD6	FEDERAL FARM CREDIT BANK	12/12/2014	1/30/2017	0.16	0.49	50,000,000	49,981,400	49,997,854	49,999,000
Federal Agencies	3133786Q9	FEDERAL HOME LOAN BANK	1/10/2013	2/13/2017	0.29	1.00	67,780,000	68,546,456	67,833,319	67,909,460
Federal Agencies	3133EDFW7	FEDERAL FARM CREDIT BANK	2/27/2014	2/27/2017	0.07	0.59	50,000,000	50,000,000	50,000,000	50,041,500
Federal Agencies	31330A8D83	FEDERAL HOME LOAN BANK	6/2/2016	3/2/2017	0.01	0.55	25,000,000	25,000,000	25,000,000	25,018,500
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	12/29/2015	3/10/2017	0.36	0.88	15,000,000	14,990,850	14,997,299	15,022,350
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	6/2/2016	3/10/2017	0.36	0.88	22,185,000	22,211,903	22,197,351	22,218,056
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	12/15/2014	3/10/2017	0.36	0.88	50,000,000	50,058,500	50,009,248	50,074,500
Federal Agencies	3133EDP30	FEDERAL FARM CREDIT BANK	10/3/2014	3/24/2017	0.07	0.56	26,000,000	26,009,347	26,001,480	26,021,580
Federal Agencies	3133EDZW5	FEDERAL FARM CREDIT BANK	10/29/2014	3/29/2017	0.08	0.55	25,000,000	24,999,750	24,999,958	25,019,500
Federal Agencies	31315PTQ2	FARMER MAC	4/10/2012	4/10/2017	0.44	1.26	12,500,000	12,439,250	12,494,677	12,538,000
Federal Agencies	3133ECLL6	FEDERAL FARM CREDIT BANK	4/17/2013	4/17/2017	0.46	0.60	10,000,000	10,000,000	10,000,000	10,000,000
Federal Agencies	31315PUQ0	FARMER MAC	4/26/2012	4/26/2017	0.49	1.13	10,500,000	10,500,000	10,500,000	10,526,460
Federal Agencies	3135G0JA2	FANNIE MAE	7/1/2016	4/27/2017	0.49	1.13	8,058,000	8,096,823	8,080,906	8,081,610
Federal Agencies	3137EADF3	FREDDIE MAC	5/14/2012	5/12/2017	0.53	1.25	25,000,000	25,133,000	25,014,000	25,088,500
Federal Agencies	3130A1NN4	FEDERAL HOME LOAN BANK	9/26/2016	5/24/2017	0.56	0.88	14,000,000	14,068,746	14,023,147	14,022,680
Federal Agencies	31315PZQ5	FARMER MAC	12/28/2012	6/5/2017	0.59	1.11	9,000,000	9,122,130	9,016,284	9,025,650
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12/19/2014	6/9/2017	0.60	1.00	12,000,000	12,020,760	12,005,058	12,027,000
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12/29/2015	6/9/2017	0.60	1.00	20,600,000	20,594,026	20,597,511	20,646,350
Federal Agencies	3130A3SL9	FEDERAL HOME LOAN BANK	12/30/2014	6/15/2017	0.62	0.95	25,000,000	24,959,750	24,989,870	25,036,500
Federal Agencies	3133EAUW6	FEDERAL FARM CREDIT BANK	6/19/2012	6/19/2017	0.13	0.62	50,000,000	50,000,000	50,000,000	50,039,500
Federal Agencies	3133EEGH7	FEDERAL FARM CREDIT BANK	12/26/2014	6/26/2017	0.65	0.93	8,400,000	8,397,312	8,399,302	8,416,380
Federal Agencies	3137EADH9	FREDDIE MAC	5/25/2016	6/29/2017	0.66	1.00	15,000,000	15,035,850	15,021,510	15,040,050
Federal Agencies	3137EADH9	FREDDIE MAC	3/25/2014	6/29/2017	0.66	1.00	25,000,000	24,920,625	24,984,018	25,066,750
Federal Agencies	3134G5W50	FREDDIE MAC	12/30/2014	6/30/2017	0.66	1.00	50,000,000	50,000,000	50,000,000	50,138,000
Federal Agencies	3130A8L35	FEDERAL HOME LOAN BANK	6/24/2016	7/20/2017	0.72	0.75	25,000,000	25,000,000	25,000,000	25,000,000
Federal Agencies	3133ECV92	FEDERAL FARM CREDIT BANK	7/24/2013	7/24/2017	0.07	0.56	50,000,000	50,000,000	50,000,000	50,069,500
Federal Agencies	3133ECVG6	FEDERAL FARM CREDIT BANK	8/5/2013	7/26/2017	0.24	0.88	23,520,000	23,520,000	23,520,000	23,591,030
Federal Agencies	3135G0F24	FANNIE MAE	9/16/2015	8/16/2017	0.04	0.54	25,000,000	24,995,153	24,998,006	25,019,750
Federal Agencies	3133EEFX3	FEDERAL FARM CREDIT BANK	12/23/2014	8/23/2017	0.06	0.57	50,000,000	50,000,000	50,000,000	50,074,000
Federal Agencies	3137EADL0	FREDDIE MAC	3/25/2014	9/29/2017	0.91	1.00	25,000,000	24,808,175	24,950,400	25,069,500
Federal Agencies	3135G0F57	FANNIE MAE	10/5/2015	10/5/2017	0.01	0.54	25,000,000	24,992,356	24,996,465	25,021,750
Federal Agencies	3133EETS9	FEDERAL FARM CREDIT BANK	9/25/2015	10/19/2017	0.05	0.56	30,000,000	30,000,600	30,000,280	30,036,000
Federal Agencies	3130A6LZ8	FEDERAL HOME LOAN BANK	4/28/2016	10/26/2017	0.99	0.63	25,000,000	24,929,500	24,953,646	24,979,500
Federal Agencies	3133EEBR0	FEDERAL FARM CREDIT BANK	11/18/2014	11/13/2017	0.04	0.56	25,000,000	24,988,794	24,996,128	25,027,750
Federal Agencies	3133EEJ76	FEDERAL FARM CREDIT BANK	8/20/2015	11/13/2017	0.04	0.55	25,000,000	24,991,500	24,996,073	24,991,000
Federal Agencies	3134G44F2	FREDDIE MAC	5/21/2013	11/21/2017	1.05	0.80	50,000,000	50,000,000	50,000,000	49,964,500
Federal Agencies	3130A3HF4	FEDERAL HOME LOAN BANK	12/22/2014	12/8/2017	1.09	1.13	25,000,000	24,955,500	24,983,467	25,103,750
Federal Agencies	3137EADX4	FREDDIE MAC	12/11/2015	12/15/2017	1.12	1.00	25,000,000	24,969,000	24,982,750	25,074,750
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	12/19/2014	12/18/2017	1.12	1.13	50,000,000	49,914,500	49,967,830	50,184,500
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	5/27/2015	2/2/2018	0.01	0.58	4,000,000	3,999,480	3,999,757	4,005,920
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	2/2/2015	2/2/2018	0.01	0.58	35,000,000	34,978,893	34,991,180	35,051,800
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/5/2014	2/5/2018	0.01	0.57	25,000,000	25,000,000	25,000,000	25,033,750
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/5/2014	2/5/2018	0.01	0.57	25,000,000	24,991,750	24,996,799	25,033,750
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/5/2014	2/5/2018	0.01	0.57	50,000,000	49,983,560	49,993,620	50,067,500
Federal Agencies	3133EFNK9	FEDERAL FARM CREDIT BANK	11/9/2015	2/9/2018	0.02	0.61	25,000,000	24,994,315	24,996,788	25,046,000
Federal Agencies	3132X0JL6	FARMER MAC	9/1/2016	3/1/2018	1.33	0.88	50,000,000	50,000,000	50,000,000	49,959,000
Federal Agencies	3133EEN71	FEDERAL FARM CREDIT BANK	5/22/2015	3/22/2018	0.06	0.56	50,000,000	49,992,500	49,996,333	50,056,000
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	5/27/2015	3/26/2018	0.15	0.50	50,000,000	49,978,500	49,989,396	49,930,000
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	5/29/2015	3/26/2018	0.15	0.50	50,000,000	49,978,500	49,989,375	49,930,000
Federal Agencies	3133EFWG8	FEDERAL FARM CREDIT BANK	1/26/2016	3/26/2018	0.07	0.69	25,000,000	24,997,200	24,998,192	25,067,250

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Federal Agencies	3133EEZC7	FEDERAL FARM CREDIT BANK	4/16/2015	4/16/2018	0.04	0.58	50,000,000	49,992,422	49,996,328	50,061,000
Federal Agencies	31331KJB7	FEDERAL FARM CREDIT BANK	2/2/2016	4/25/2018	1.46	3.00	14,230,000	14,876,184	14,659,200	14,677,534
Federal Agencies	3133EEU40	FEDERAL FARM CREDIT BANK	6/3/2015	5/3/2018	0.01	0.57	69,000,000	68,994,894	68,997,373	69,066,240
Federal Agencies	3135G0WJ8	FANNIE MAE	5/23/2013	5/21/2018	1.54	0.88	25,000,000	24,786,500	24,933,749	25,007,000
Federal Agencies	3130A8VL4	FEDERAL HOME LOAN BANK	8/24/2016	5/24/2018	1.55	1.00	10,000,000	10,000,000	10,000,000	9,974,200
Federal Agencies	3130A8VL4	FEDERAL HOME LOAN BANK	8/24/2016	5/24/2018	1.55	1.00	25,000,000	25,000,000	25,000,000	24,935,500
Federal Agencies	3134G9GG6	FREDDIE MAC	5/25/2016	5/25/2018	1.56	0.80	50,000,000	50,000,000	50,000,000	50,003,500
Federal Agencies	3134G9HC4	FREDDIE MAC	5/25/2016	5/25/2018	1.55	1.00	10,000,000	9,995,000	9,996,096	10,004,900
Federal Agencies	3133EFCT2	FEDERAL FARM CREDIT BANK	9/8/2015	6/8/2018	0.02	0.58	25,000,000	25,000,000	25,000,000	25,031,750
Federal Agencies	3133EFCT2	FEDERAL FARM CREDIT BANK	9/8/2015	6/8/2018	0.02	0.58	50,000,000	50,000,000	50,000,000	50,063,500
Federal Agencies	3133EEW48	FEDERAL FARM CREDIT BANK	6/11/2015	6/11/2018	0.03	0.57	50,000,000	49,996,000	49,997,858	50,048,000
Federal Agencies	3133EFSH1	FEDERAL FARM CREDIT BANK	12/18/2015	6/14/2018	1.60	1.17	25,000,000	24,952,250	24,969,007	25,061,500
Federal Agencies	3133EGGC3	FEDERAL FARM CREDIT BANK	6/20/2016	6/20/2018	0.05	0.65	25,000,000	25,000,000	25,000,000	25,056,250
Federal Agencies	3134G9RZ2	FREDDIE MAC	6/22/2016	6/22/2018	1.63	0.80	8,950,000	8,950,000	8,950,000	8,949,284
Federal Agencies	3134G9UY1	FREDDIE MAC	6/29/2016	6/29/2018	1.65	1.00	25,000,000	25,000,000	25,000,000	24,999,500
Federal Agencies	3134G9UY1	FREDDIE MAC	6/29/2016	6/29/2018	1.65	1.00	25,000,000	25,000,000	25,000,000	24,999,500
Federal Agencies	3133EGBQ7	FEDERAL FARM CREDIT BANK	5/19/2016	7/19/2018	0.05	0.66	25,000,000	25,000,000	25,000,000	25,041,000
Federal Agencies	3133EGBQ7	FEDERAL FARM CREDIT BANK	5/19/2016	7/19/2018	0.05	0.66	25,000,000	25,000,000	25,000,000	25,041,000
Federal Agencies	3130A8U50	FEDERAL HOME LOAN BANK	7/29/2016	7/25/2018	1.72	0.83	22,250,000	22,225,263	22,226,716	22,210,840
Federal Agencies	3134G9Q67	FREDDIE MAC	7/27/2016	7/27/2018	1.72	1.05	25,000,000	25,000,000	25,000,000	25,004,500
Federal Agencies	3134G9Q67	FREDDIE MAC	7/27/2016	7/27/2018	1.72	1.05	25,000,000	24,993,750	24,994,580	25,004,500
Federal Agencies	3133EGFQ3	FEDERAL FARM CREDIT BANK	9/21/2016	9/14/2018	1.86	0.88	25,000,000	24,985,253	24,982,077	24,971,500
Federal Agencies	3130A9C90	FEDERAL HOME LOAN BANK	9/28/2016	9/28/2018	1.89	1.05	25,000,000	25,000,000	25,000,000	24,939,000
Federal Agencies	3133EGFK6	FEDERAL FARM CREDIT BANK	6/17/2016	10/17/2018	0.05	0.66	25,000,000	25,000,000	25,000,000	25,014,500
Federal Agencies	3133EGFK6	FEDERAL FARM CREDIT BANK	6/17/2016	10/17/2018	0.05	0.66	25,000,000	25,000,000	25,000,000	25,014,500
Federal Agencies	3134G82B4	FREDDIE MAC	11/23/2015	11/23/2018	2.04	0.75	25,000,000	25,000,000	25,000,000	24,998,750
Federal Agencies	3136G2C39	FANNIE MAE	12/30/2014	12/28/2018	2.12	1.63	15,000,000	15,000,000	15,000,000	15,019,950
Federal Agencies	3133EGDM4	FEDERAL FARM CREDIT BANK	6/2/2016	1/2/2019	0.01	0.69	25,000,000	25,000,000	25,000,000	25,026,000
Federal Agencies	3130A8VZ3	FEDERAL HOME LOAN BANK	7/28/2016	1/25/2019	2.21	1.05	25,000,000	25,000,000	25,000,000	24,942,750
Federal Agencies	3132X0EK3	FARMER MAC	1/25/2016	1/25/2019	0.24	0.98	25,000,000	25,000,000	25,000,000	25,027,750
Federal Agencies	3133EGBU8	FEDERAL FARM CREDIT BANK	5/25/2016	2/25/2019	0.07	0.71	50,000,000	50,000,000	50,000,000	50,054,000
Federal Agencies	3136G2XK8	FANNIE MAE	2/26/2016	2/26/2019	2.30	0.75	25,000,000	25,000,000	25,000,000	25,002,000
Federal Agencies	3136G2Y68	FANNIE MAE	2/26/2016	2/26/2019	2.30	0.75	15,935,000	15,927,033	15,928,843	15,932,610
Federal Agencies	3132X0ED9	FARMER MAC	1/19/2016	3/19/2019	0.13	0.93	40,000,000	40,000,000	40,000,000	39,998,400
Federal Agencies	3136G3FC4	FANNIE MAE	3/29/2016	3/29/2019	2.39	1.00	6,250,000	6,250,000	6,250,000	6,243,188
Federal Agencies	3134G8VT3	FREDDIE MAC	5/23/2016	4/25/2019	2.46	0.80	14,560,000	14,559,272	14,559,383	14,565,533
Federal Agencies	3136G3QP3	FANNIE MAE	5/24/2016	5/24/2019	2.52	1.25	10,000,000	10,000,000	10,000,000	10,003,700
Federal Agencies	3134G9LF2	FREDDIE MAC	6/7/2016	6/7/2019	2.57	0.75	75,000,000	75,000,000	75,000,000	74,969,250
Federal Agencies	3136G3NK7	FANNIE MAE	6/7/2016	6/7/2019	2.57	0.75	25,000,000	24,996,250	24,996,753	24,965,750
Federal Agencies	3136G3NM3	FANNIE MAE	6/7/2016	6/7/2019	2.57	0.75	50,000,000	50,000,000	50,000,000	49,875,500
Federal Agencies	3134G9QN0	FREDDIE MAC	6/14/2016	6/14/2019	2.59	0.88	12,500,000	12,500,000	12,500,000	12,490,000
Federal Agencies	3134G9QW0	FREDDIE MAC	6/14/2016	6/14/2019	2.57	1.28	50,000,000	50,000,000	50,000,000	50,009,000
Federal Agencies	3134G9YR2	FREDDIE MAC	7/12/2016	7/12/2019	2.67	0.85	50,000,000	50,000,000	50,000,000	49,928,000
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	6/9/2016	8/9/2019	0.02	0.71	25,000,000	25,000,000	25,000,000	25,011,000
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	6/9/2016	8/9/2019	0.02	0.71	25,000,000	25,000,000	25,000,000	25,011,000
Federal Agencies	3134G94F1	FREDDIE MAC	8/15/2016	8/15/2019	2.75	1.00	25,000,000	25,000,000	25,000,000	24,939,750
Federal Agencies	3135G0P23	FANNIE MAE	8/30/2016	8/23/2019	2.77	1.25	20,000,000	20,000,000	20,000,000	19,988,000
Federal Agencies	3136G3X59	FANNIE MAE	8/23/2016	8/23/2019	2.77	1.10	25,000,000	25,000,000	25,000,000	24,893,250
Federal Agencies	3134G9GS0	FREDDIE MAC	5/26/2016	8/26/2019	2.77	1.25	25,000,000	25,000,000	25,000,000	25,005,000
Federal Agencies	3134GAHR8	FREDDIE MAC	9/23/2016	9/23/2019	2.86	0.75	25,000,000	25,000,000	25,000,000	24,964,750

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Federal Agencies	3135G0Q30	FANNIE MAE	10/21/2016	9/27/2019	2.86	1.18	50,000,000	50,039,333	50,000,000	50,010,000	
Federal Agencies	3132X0KH3	FARMER MAC	10/6/2016	10/1/2019	0.17	0.87	50,000,000	50,000,000	50,000,000	49,985,500	
Federal Agencies	3134G8TG4	FREDDIE MAC	4/11/2016	10/11/2019	2.89	1.50	15,000,000	15,000,000	15,000,000	15,007,050	
Federal Agencies	3134GAPT5	FREDDIE MAC	10/18/2016	10/18/2019	2.94	0.75	10,000,000	10,000,000	10,000,000	9,977,000	
Federal Agencies	3136G4FJ7	FANNIE MAE	10/25/2016	10/25/2019	2.94	1.20	25,000,000	25,000,000	25,000,000	24,992,750	
Federal Agencies	3136G4EZ2	FANNIE MAE	10/28/2016	10/30/2019	2.96	1.13	50,000,000	49,950,000	49,950,182	49,868,500	
Federal Agencies	3136G3LV5	FANNIE MAE	5/26/2016	11/26/2019	3.00	1.35	8,950,000	8,950,000	8,950,000	8,957,876	
Federal Agencies	3134G9VR5	FREDDIE MAC	7/6/2016	1/6/2020	3.13	1.00	25,000,000	25,000,000	25,000,000	24,943,250	
Federal Agencies	3136G3TK1	FANNIE MAE	7/6/2016	4/6/2020	3.39	0.88	25,000,000	25,000,000	25,000,000	24,956,250	
Federal Agencies	3136G4BL6	FANNIE MAE	10/17/2016	4/17/2020	3.40	1.25	15,000,000	15,000,000	15,000,000	14,973,300	
Federal Agencies	3132X0AT8	FARMER MAC	6/5/2015	6/2/2020	0.01	0.67	41,000,000	41,000,000	41,000,000	40,893,810	
Federal Agencies	3136G3TG0	FANNIE MAE	6/30/2016	6/30/2020	3.59	1.15	15,000,000	15,000,000	15,000,000	14,958,750	
Federal Agencies	3130A9FR7	FEDERAL HOME LOAN BANK	9/29/2016	9/28/2020	0.08	0.69	103,500,000	103,500,000	103,500,000	103,420,305	
Federal Agencies	3133EFTX5	FEDERAL FARM CREDIT BANK	12/24/2015	12/24/2020	0.07	0.85	100,000,000	100,000,000	100,000,000	100,464,000	
Federal Agencies	3135G0Q89	FANNIE MAE	10/21/2016	10/7/2021	4.78	1.38	25,000,000	25,013,368	25,000,000	24,871,750	
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	10/25/2016	10/25/2021	4.83	1.38	14,500,000	14,500,000	14,500,000	14,417,205	
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	10/25/2016	10/25/2021	4.83	1.38	15,000,000	15,000,000	15,000,000	14,914,350	
Subtotals						0.91	0.87	\$ 3,888,303,000	\$ 3,891,371,034	\$ 3,888,630,757	\$ 3,890,657,809
State/Local Agencies	13063CPM6	CALIFORNIA ST	12/9/2014	11/1/2016	0.00	0.75	\$ 44,000,000	\$ 44,046,200	\$ 44,000,000	\$ 44,000,000	
State/Local Agencies	91411SL16	UNIVERSITY OF CALIFORNIA	9/1/2016	11/1/2016	0.00	0.00	37,000,000	36,965,518	36,965,518	37,000,000	
State/Local Agencies	91412GL45	UNIV OF CALIFORNIA CA REVENUE	6/30/2016	5/15/2017	0.54	0.65	5,505,000	5,505,000	5,505,000	5,500,101	
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA CA REVENUE	4/10/2014	5/15/2017	0.54	1.22	3,250,000	3,250,000	3,250,000	3,257,313	
State/Local Agencies	718814XY7	PHOENIX AZ	9/27/2016	7/1/2017	0.66	3.50	20,000,000	20,582,022	20,362,388	20,372,600	
State/Local Agencies	13063CFC9	CALIFORNIA ST	11/5/2013	11/1/2017	0.99	1.75	16,500,000	16,558,905	16,514,757	16,634,970	
State/Local Agencies	13063CPN4	CALIFORNIA ST	12/22/2014	11/1/2017	0.99	1.25	5,000,000	5,004,550	5,001,589	5,009,800	
State/Local Agencies	13063CPN4	CALIFORNIA ST	11/25/2014	11/1/2017	0.99	1.25	50,000,000	50,121,500	50,041,369	50,098,000	
State/Local Agencies	91412GL52	UNIV OF CALIFORNIA CA REVENUE	6/30/2016	5/5/2018	1.50	0.99	2,470,000	2,470,000	2,470,000	2,464,615	
State/Local Agencies	646065QQ8	NEW JERSEY ST EDUCNL FACS A	9/29/2016	7/1/2018	1.60	5.00	5,000,000	5,421,811	5,342,101	5,338,900	
State/Local Agencies	13063CKL3	CALIFORNIA ST	10/27/2016	5/1/2019	2.42	2.25	4,750,000	4,931,308	4,878,353	4,866,043	
State/Local Agencies	91412GL60	UNIV OF CALIFORNIA CA REVENUE	6/30/2016	5/15/2019	2.50	1.23	2,000,000	2,000,000	2,000,000	1,991,040	
State/Local Agencies	91412GSB2	UNIV OF CALIFORNIA CA REVENUE	10/5/2015	7/1/2019	2.60	1.80	4,180,000	4,214,443	4,204,527	4,223,388	
State/Local Agencies	91412GSB2	UNIV OF CALIFORNIA CA REVENUE	10/2/2015	7/1/2019	2.60	1.80	16,325,000	16,461,640	16,422,086	16,494,454	
State/Local Agencies	6055804W6	MISSISSIPPI ST	4/23/2015	10/1/2019	2.72	6.09	8,500,000	10,217,510	9,626,653	9,624,040	
State/Local Agencies	977100CW4	WISCONSIN ST GEN FUND ANNUAL	8/16/2016	5/1/2020	3.92	1.45	18,000,000	18,000,000	18,000,000	17,894,880	
State/Local Agencies	91412GF59	UNIV OF CALIFORNIA CA REVENUE	8/9/2016	5/15/2021	4.31	1.91	1,769,000	1,820,926	1,808,682	1,789,149	
Subtotals						1.12	1.53	\$ 244,249,000	\$ 247,571,333	\$ 246,393,024	\$ 246,559,292
Public Time Deposits	PP5Z1EJS4	MISSION NATIONAL BK SF	2/19/2016	2/21/2017	0.05	0.86	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	
Public Time Deposits	PP600XGA1	TRANS-PAC NATIONAL BK	3/21/2016	3/21/2017	0.14	1.05	240,000	240,000	240,000	240,000	
Public Time Deposits	PPF00EG62	BANK OF SAN FRANCISCO	4/11/2016	4/11/2017	0.20	0.89	240,000	240,000	240,000	240,000	
Public Time Deposits	PPQJ03J86	PREFERRED BANK LA CALIF	5/16/2016	5/16/2017	0.54	0.85	240,000	240,000	240,000	240,000	
Public Time Deposits	PP7C0E3S1	UMPQUA BANK	6/29/2016	6/29/2017	0.66	0.79	240,000	240,000	240,000	240,000	
Subtotals						0.32	0.89	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Negotiable CDs	89113EU20	TORONTO DOMINION BANK NY	12/7/2015	12/7/2016	0.10	1.16	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,039,695	
Negotiable CDs	96121TH27	WESTPAC BANKING CORP NY	12/22/2015	12/28/2016	0.08	1.00	25,000,000	25,000,000	25,000,000	25,024,750	
Negotiable CDs	78009NZD1	ROYAL BANK OF CANADA NY	1/25/2016	1/25/2017	0.07	1.04	25,000,000	25,000,000	25,000,000	25,039,033	
Negotiable CDs	06427EM65	BANK OF MONTREAL CHICAGO	4/29/2016	2/1/2017	0.00	1.00	25,000,000	25,000,000	25,000,000	25,017,178	
Negotiable CDs	89113WFC5	TORONTO DOMINION BANK NY	7/28/2016	2/1/2017	0.00	1.08	25,000,000	25,000,000	25,000,000	25,022,382	

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
Negotiable CDs	06427EX55	BANK OF MONTREAL CHICAGO	6/8/2016	3/6/2017	0.35	1.03	25,000,000	25,000,000	25,000,000	25,025,919
Negotiable CDs	78009NZW9	ROYAL BANK OF CANADA NY	3/10/2016	3/10/2017	0.03	1.04	50,000,000	50,000,000	50,000,000	50,055,696
Negotiable CDs	06427EDJ7	BANK OF MONTREAL CHICAGO	9/17/2015	3/17/2017	0.05	0.93	25,000,000	25,000,000	25,000,000	25,019,426
Negotiable CDs	78009ND94	ROYAL BANK OF CANADA NY	7/1/2016	3/27/2017	0.40	0.96	25,000,000	25,000,000	25,000,000	25,023,168
Negotiable CDs	89113EC79	TORONTO DOMINION BANK NY	10/2/2015	3/28/2017	0.16	1.10	50,000,000	50,000,000	50,000,000	50,076,426
Negotiable CDs	89113E5Z5	TORONTO DOMINION BANK NY	4/8/2016	4/12/2017	0.45	1.10	25,000,000	25,000,000	25,000,000	25,041,226
Negotiable CDs	06427K3A3	BANK OF MONTREAL CHICAGO	8/3/2016	5/3/2017	0.01	1.28	25,000,000	25,000,000	25,000,000	25,015,152
Negotiable CDs	89113WJJ6	TORONTO DOMINION BANK NY	9/9/2016	6/15/2017	0.62	1.32	40,000,000	40,000,000	40,000,000	40,069,665
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA HOUS	9/25/2014	9/25/2017	0.16	1.13	50,000,000	50,000,000	50,000,000	49,998,411
Subtotals					0.18	1.10	\$ 465,000,000	\$ 465,000,000	\$ 465,000,000	\$ 465,468,127
Commercial Paper	89233GQ33	TOYOTA MOTOR CREDIT CORP	6/6/2016	3/3/2017	0.34	0.00	\$ 25,000,000	\$ 24,810,625	\$ 24,810,625	\$ 24,936,458
Commercial Paper	89233GQ66	TOYOTA MOTOR CREDIT CORP	6/9/2016	3/6/2017	0.35	0.00	25,000,000	24,812,500	24,812,500	24,934,896
Commercial Paper	89233GQ74	TOYOTA MOTOR CREDIT CORP	6/10/2016	3/7/2017	0.35	0.00	25,000,000	24,812,500	24,812,500	24,934,375
Commercial Paper	89233GR73	TOYOTA MOTOR CREDIT CORP	7/13/2016	4/7/2017	0.43	0.00	40,000,000	39,687,333	39,687,333	39,869,167
Commercial Paper	06538BRM7	BANK TOKYO-MIT UFJ NY	7/26/2016	4/21/2017	0.47	0.00	50,000,000	49,547,931	49,547,931	49,821,875
Commercial Paper	89233APL7	TOYOTA MOTOR CREDIT CORP	7/28/2016	4/21/2017	0.08	1.08	25,000,000	25,000,000	25,000,000	24,910,938
Commercial Paper	06538BS53	BANK TOKYO-MIT UFJ NY	8/9/2016	5/5/2017	0.51	0.00	25,000,000	24,755,285	24,755,285	24,880,521
Commercial Paper	06538BS53	BANK TOKYO-MIT UFJ NY	8/10/2016	5/5/2017	0.51	0.00	40,000,000	39,603,956	39,603,956	39,808,833
Commercial Paper	06538BSC8	BANK TOKYO-MIT UFJ NY	8/17/2016	5/12/2017	0.53	0.00	25,000,000	24,750,611	24,750,611	24,876,000
Commercial Paper	06538BT29	BANK TOKYO-MIT UFJ NY	9/7/2016	6/2/2017	0.59	0.00	40,000,000	39,592,044	39,592,044	39,779,900
Commercial Paper	89233GT63	TOYOTA MOTOR CREDIT CORP	9/9/2016	6/6/2017	0.60	0.00	25,000,000	24,767,500	24,767,500	24,859,854
Subtotals					0.44	0.08	\$ 345,000,000	\$ 342,140,285	\$ 342,140,285	\$ 343,612,817
Medium Term Notes	073928S46	BEAR STEARNS COS LLC	2/10/2016	11/21/2016	0.06	1.20	\$ 6,450,000	\$ 6,439,745	\$ 6,449,280	\$ 6,451,742
Medium Term Notes	36967FAB7	GENERAL ELECTRIC CO	1/9/2015	1/9/2017	0.19	1.16	20,000,000	20,000,000	20,000,000	20,017,200
Medium Term Notes	064159AM8	BANK OF NOVA SCOTIA	10/20/2015	1/12/2017	0.20	2.55	10,000,000	10,185,500	10,029,680	10,032,400
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	2/11/2016	1/30/2017	0.25	1.10	1,500,000	1,502,063	1,500,524	1,500,615
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	7/1/2016	1/30/2017	0.25	1.10	6,900,000	6,910,488	6,904,432	6,902,829
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	2/12/2016	1/30/2017	0.25	1.10	8,515,000	8,523,174	8,517,084	8,518,491
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	6/24/2016	1/30/2017	0.25	1.10	10,000,000	10,012,200	10,004,991	10,004,100
Medium Term Notes	36962G2F0	GENERAL ELECTRIC CO	4/8/2015	2/15/2017	0.04	0.99	3,791,000	3,789,138	3,790,709	3,792,592
Medium Term Notes	36962G2F0	GENERAL ELECTRIC CO	4/1/2015	2/15/2017	0.04	0.99	4,948,000	4,942,755	4,947,190	4,950,078
Medium Term Notes	91159HHD5	US BANCORP	2/3/2016	5/15/2017	0.54	1.65	3,090,000	3,111,908	3,099,148	3,096,798
Medium Term Notes	459200JD4	IBM CORP	2/19/2016	8/18/2017	0.05	1.25	25,000,000	25,000,000	25,000,000	25,084,750
Medium Term Notes	459200GJ4	IBM CORP	3/22/2016	9/14/2017	0.86	5.70	1,325,000	1,415,378	1,377,957	1,378,133
Medium Term Notes	911312AP1	UNITED PARCEL SERVICE	1/28/2016	10/1/2017	0.91	1.13	2,000,000	2,003,780	2,002,063	2,003,340
Medium Term Notes	459200HK0	IBM CORP	5/6/2016	2/8/2018	1.26	1.25	11,450,000	11,519,616	11,500,236	11,466,374
Subtotals					0.29	1.35	\$ 114,969,000	\$ 115,355,745	\$ 115,123,294	\$ 115,199,441
Money Market Funds	09248U718	BLACKROCK LIQ INST GOV FUND	1/15/2013	11/1/2016	7.66	0.21	\$ 5,010,259	\$ 5,010,259	\$ 5,010,259	\$ 5,010,259
Money Market Funds	31607A703	FIDELITY INST GOV FUND	11/4/2015	11/1/2016	8.17	0.31	245,543,430	245,543,430	245,543,430	245,543,430
Money Market Funds	61747C707	MORGAN STANLEY INST GOVT FUN	12/31/2012	11/1/2016	7.65	0.30	50,251,029	50,251,029	50,251,029	50,251,029
Subtotals					8.07	0.30	\$ 300,804,719	\$ 300,804,719	\$ 300,804,719	\$ 300,804,719
Supranationals	45905UXQ2	INTL BK RECON & DEVELOP	7/27/2016	1/26/2018	0.07	0.65	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
Supranationals	459058ER0	INTL BK RECON & DEVELOP	10/7/2015	10/5/2018	1.91	1.00	25,000,000	24,957,500	24,972,690	24,995,250
Subtotals					0.99	0.83	\$ 50,000,000	\$ 49,957,500	\$ 49,972,690	\$ 49,995,250
Grand Totals					1.00	0.67	\$ 7,309,525,719	\$ 7,308,723,445	\$ 7,305,961,141	\$ 7,311,864,354

Monthly Investment Earnings

Pooled Fund

For month ended October 31, 2016

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
U.S. Treasuries	912828RM4	US TSY NT	\$ -	1.00	0.74	12/26/13	10/31/16	\$ 20,380	\$ (5,296)	\$ -	\$ 15,084
U.S. Treasuries	912796JY6	TREASURY BILL	25,000,000	0.00	0.28	9/16/16	12/15/16	6,049	-	-	6,049
U.S. Treasuries	912796JY6	TREASURY BILL	25,000,000	0.00	0.26	9/19/16	12/15/16	5,511	-	-	5,511
U.S. Treasuries	912796JY6	TREASURY BILL	25,000,000	0.00	0.23	9/20/16	12/15/16	5,046	-	-	5,046
U.S. Treasuries	912796JZ3	TREASURY BILL	25,000,000	0.00	0.27	9/22/16	12/22/16	5,813	-	-	5,813
U.S. Treasuries	912796JZ3	TREASURY BILL	40,000,000	0.00	0.17	9/23/16	12/22/16	5,942	-	-	5,942
U.S. Treasuries	912796KA6	TREASURY BILL	100,000,000	0.00	0.24	9/29/16	12/29/16	20,365	-	-	20,365
U.S. Treasuries	912828RX0	US TSY NT	25,000,000	0.88	0.67	2/25/14	12/31/16	18,427	(4,337)	-	14,090
U.S. Treasuries	912796HV4	TREASURY BILL	25,000,000	0.00	0.33	10/6/16	1/5/17	5,886	-	-	5,886
U.S. Treasuries	912796HV4	TREASURY BILL	50,000,000	0.00	0.31	10/6/16	1/5/17	11,194	-	-	11,194
U.S. Treasuries	912796KC2	TREASURY BILL	25,000,000	0.00	0.36	10/13/16	1/12/17	4,750	-	-	4,750
U.S. Treasuries	912796KD0	TREASURY BILL	10,000,000	0.00	0.32	10/20/16	1/19/17	1,075	-	-	1,075
U.S. Treasuries	912796KE8	TREASURY BILL	25,000,000	0.00	0.34	10/27/16	1/26/17	1,181	-	-	1,181
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	18,733	6,877	-	25,609
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	18,733	6,877	-	25,609
U.S. Treasuries	912828SJ0	US TSY NT	75,000,000	0.88	0.94	3/14/12	2/28/17	56,198	3,909	-	60,108
U.S. Treasuries	912796KN8	TREASURY BILL	75,000,000	0.00	0.48	9/16/16	3/16/17	31,000	-	-	31,000
U.S. Treasuries	912796KN8	TREASURY BILL	75,000,000	0.00	0.48	9/19/16	3/16/17	30,774	-	-	30,774
U.S. Treasuries	912796KN8	TREASURY BILL	75,000,000	0.00	0.47	9/20/16	3/16/17	30,419	-	-	30,419
U.S. Treasuries	912796KP3	TREASURY BILL	75,000,000	0.00	0.47	9/22/16	3/23/17	30,354	-	-	30,354
U.S. Treasuries	912796KP3	TREASURY BILL	110,000,000	0.00	0.39	9/23/16	3/23/17	36,658	-	-	36,658
U.S. Treasuries	912796JJ9	TREASURY BILL	100,000,000	0.00	0.42	9/29/16	3/30/17	35,736	-	-	35,736
U.S. Treasuries	912796JJ9	TREASURY BILL	100,000,000	0.00	0.42	9/30/16	3/30/17	36,167	-	-	36,167
U.S. Treasuries	912796JJ9	TREASURY BILL	100,000,000	0.00	0.43	10/3/16	3/30/17	34,357	-	-	34,357
U.S. Treasuries	912828SM3	US TSY NT	50,000,000	1.00	1.07	4/4/12	3/31/17	42,582	2,791	-	45,374
U.S. Treasuries	912796KQ1	TREASURY BILL	75,000,000	0.00	0.49	10/6/16	4/6/17	26,325	-	-	26,325
U.S. Treasuries	912796KQ1	TREASURY BILL	150,000,000	0.00	0.49	10/6/16	4/6/17	53,083	-	-	53,083
U.S. Treasuries	912796KS7	TREASURY BILL	75,000,000	0.00	0.50	10/13/16	4/13/17	19,594	-	-	19,594
U.S. Treasuries	912796KT5	TREASURY BILL	40,000,000	0.00	0.46	10/20/16	4/20/17	6,080	-	-	6,080
U.S. Treasuries	912796JP5	TREASURY BILL	75,000,000	0.00	0.48	10/27/16	4/27/17	4,948	-	-	4,948
U.S. Treasuries	912828TM2	US TSY NT	100,000,000	0.63	0.96	12/15/15	8/31/17	53,522	28,094	-	81,616
U.S. Treasuries	912828M72	US TSY NT	50,000,000	0.88	1.00	12/17/15	11/30/17	37,056	5,088	-	42,144
U.S. Treasuries	912828M72	US TSY NT	50,000,000	0.88	1.00	12/17/15	11/30/17	37,056	5,258	-	42,314
Subtotals			\$1,900,000,000					\$ 750,994	\$ 49,260	\$ -	\$ 800,254
Federal Agencies	313378UB5	FEDERAL HOME LOAN BANK	\$ -	1.13	0.51	10/23/14	10/11/16	\$ 1,569	\$ (837)	\$ -	\$ 732
Federal Agencies	3130A3CE2	FEDERAL HOME LOAN BANK	-	0.63	0.58	11/3/14	10/14/16	9,028	(585)	-	8,443
Federal Agencies	3130A6PZ4	FEDERAL HOME LOAN BANK	-	0.40	0.76	1/7/16	10/28/16	1,785	1,579	-	3,364
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	7,015,000	0.63	0.66	11/18/15	11/23/16	3,654	205	-	3,859
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	25,000,000	0.63	0.64	11/17/14	11/23/16	13,021	421	-	13,441
Federal Agencies	313381GA7	FEDERAL HOME LOAN BANK	23,100,000	0.57	0.57	11/30/12	11/30/16	10,973	(93)	-	10,879
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	6,545,000	1.63	0.48	5/11/16	12/9/16	8,863	(6,319)	-	2,544
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.64	11/6/14	12/9/16	33,854	(20,815)	-	13,039
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.65	12/4/14	12/9/16	33,854	(20,502)	-	13,352
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.72	12/12/14	12/9/16	33,854	(19,056)	-	14,799
Federal Agencies	313384T58	FED HOME LN DISCOUNT NT	24,625,000	0.00	0.48	6/21/16	12/16/16	10,178	-	-	10,178
Federal Agencies	3133XHZK1	FEDERAL HOME LOAN BANK	33,850,000	4.75	0.48	5/11/16	12/16/16	133,990	(121,739)	-	12,251
Federal Agencies	3130A12F4	FEDERAL HOME LOAN BANK	20,500,000	0.70	0.70	3/19/14	12/19/16	11,958	63	-	12,022
Federal Agencies	3134G5VG7	FREDDIE MAC	50,000,000	0.78	0.78	12/29/14	12/29/16	32,500	-	-	32,500
Federal Agencies	3134G33C2	FREDDIE MAC	50,000,000	0.60	0.60	1/3/13	1/3/17	25,000	-	-	25,000

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle	Maturity	Earned	Amort.	Realized	Earned Income
						Date	Date	Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	3133ECB37	FEDERAL FARM CREDIT BANK	14,000,000	0.58	0.58	12/20/12	1/12/17	6,767	-	-	6,767
Federal Agencies	31315PWW5	FARMER MAC	49,500,000	1.01	1.02	5/4/12	1/17/17	41,663	446	-	42,109
Federal Agencies	3130A7T62	FEDERAL HOME LOAN BANK	9,000,000	0.55	0.56	4/20/16	1/18/17	4,125	51	-	4,176
Federal Agencies	3133EDRD6	FEDERAL FARM CREDIT BANK	50,000,000	0.49	0.63	12/12/14	1/30/17	20,003	739	-	20,742
Federal Agencies	3133786Q9	FEDERAL HOME LOAN BANK	67,780,000	1.00	0.72	1/10/13	2/13/17	56,483	(15,893)	-	40,590
Federal Agencies	3133EDFW7	FEDERAL FARM CREDIT BANK	50,000,000	0.59	0.59	2/27/14	2/27/17	24,947	-	-	24,947
Federal Agencies	3130A8D83	FEDERAL HOME LOAN BANK	25,000,000	0.55	0.55	6/2/16	3/2/17	11,774	-	-	11,774
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	15,000,000	0.88	0.93	12/29/15	3/10/17	10,938	649	-	11,587
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	22,185,000	0.88	0.72	6/2/16	3/10/17	16,177	(2,968)	-	13,209
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	50,000,000	0.88	0.82	12/15/14	3/10/17	36,458	(2,222)	-	34,236
Federal Agencies	3133EDP30	FEDERAL FARM CREDIT BANK	26,000,000	0.56	0.48	10/3/14	3/24/17	12,649	(321)	-	12,328
Federal Agencies	3133EDZW5	FEDERAL FARM CREDIT BANK	25,000,000	0.55	0.56	10/29/14	3/29/17	11,785	9	-	11,793
Federal Agencies	31315PTQ2	FARMER MAC	12,500,000	1.26	1.36	4/10/12	4/10/17	13,125	1,031	-	14,156
Federal Agencies	3133ECLL6	FEDERAL FARM CREDIT BANK	10,000,000	0.60	0.60	4/17/13	4/17/17	5,000	-	-	5,000
Federal Agencies	31315PUQ0	FARMER MAC	10,500,000	1.13	1.13	4/26/12	4/26/17	9,844	-	-	9,844
Federal Agencies	3135G0JA2	FANNIE MAE	8,058,000	1.13	0.54	7/1/16	4/27/17	7,554	(4,012)	-	3,543
Federal Agencies	3137EADF3	FREDDIE MAC	25,000,000	1.25	1.14	5/14/12	5/12/17	26,042	(2,260)	-	23,781
Federal Agencies	3130A1NN4	FEDERAL HOME LOAN BANK	14,000,000	0.88	0.58	9/26/16	5/24/17	10,208	(3,517)	-	6,691
Federal Agencies	31315PZQ5	FARMER MAC	9,000,000	1.11	0.80	12/28/12	6/5/17	8,325	(2,337)	-	5,988
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12,000,000	1.00	0.93	12/19/14	6/9/17	10,000	(713)	-	9,287
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	20,600,000	1.00	1.02	12/29/15	6/9/17	17,167	351	-	17,517
Federal Agencies	3130A3SL9	FEDERAL HOME LOAN BANK	25,000,000	0.95	1.02	12/30/14	6/15/17	19,792	1,389	-	21,181
Federal Agencies	3133EAUW6	FEDERAL FARM CREDIT BANK	50,000,000	0.62	0.62	6/19/12	6/19/17	26,819	-	-	26,819
Federal Agencies	3133EEGH7	FEDERAL FARM CREDIT BANK	8,400,000	0.93	0.94	12/26/14	6/26/17	6,510	91	-	6,601
Federal Agencies	3137EADH9	FREDDIE MAC	15,000,000	1.00	0.78	5/25/16	6/29/17	12,500	(2,778)	-	9,722
Federal Agencies	3137EADH9	FREDDIE MAC	25,000,000	1.00	1.10	3/25/14	6/29/17	20,833	2,064	-	22,898
Federal Agencies	3134G5W50	FREDDIE MAC	50,000,000	1.00	1.00	12/30/14	6/30/17	41,667	-	-	41,667
Federal Agencies	3130A8L35	FEDERAL HOME LOAN BANK	25,000,000	0.75	0.75	6/24/16	7/20/17	15,625	-	-	15,625
Federal Agencies	3133ECV92	FEDERAL FARM CREDIT BANK	50,000,000	0.56	0.56	7/24/13	7/24/17	24,324	-	-	24,324
Federal Agencies	3133ECVG6	FEDERAL FARM CREDIT BANK	23,520,000	0.88	0.88	8/5/13	7/26/17	15,241	-	-	15,241
Federal Agencies	3135G0F24	FANNIE MAE	25,000,000	0.54	0.57	9/16/15	8/16/17	11,671	215	-	11,886
Federal Agencies	3133EEFX3	FEDERAL FARM CREDIT BANK	50,000,000	0.57	0.57	12/23/14	8/23/17	25,396	-	-	25,396
Federal Agencies	3137EADL0	FREDDIE MAC	25,000,000	1.00	1.22	3/25/14	9/29/17	20,833	4,631	-	25,465
Federal Agencies	3135G0F57	FANNIE MAE	25,000,000	0.54	0.57	10/5/15	10/5/17	11,574	324	-	11,898
Federal Agencies	3133EEFS9	FEDERAL FARM CREDIT BANK	30,000,000	0.56	0.56	9/25/15	10/19/17	14,458	(25)	-	14,433
Federal Agencies	3130A6LZ8	FEDERAL HOME LOAN BANK	25,000,000	0.63	0.82	4/28/16	10/26/17	13,021	4,003	-	17,024
Federal Agencies	3133EEBR0	FEDERAL FARM CREDIT BANK	25,000,000	0.56	0.60	11/18/14	11/13/17	12,038	318	-	12,357
Federal Agencies	3133EEJ76	FEDERAL FARM CREDIT BANK	25,000,000	0.55	0.58	8/20/15	11/13/17	11,898	323	-	12,221
Federal Agencies	3134G44F2	FREDDIE MAC	50,000,000	0.80	0.80	5/21/13	11/21/17	33,333	-	-	33,333
Federal Agencies	3130A3HF4	FEDERAL HOME LOAN BANK	25,000,000	1.13	1.19	12/22/14	12/8/17	23,438	1,275	-	24,713
Federal Agencies	3137EADX4	FREDDIE MAC	25,000,000	1.00	1.06	12/11/15	12/15/17	20,833	1,307	-	22,141
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	50,000,000	1.13	1.18	12/19/14	12/18/17	46,875	2,421	-	49,296
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	4,000,000	0.58	0.59	5/27/15	2/2/18	1,988	16	-	2,004
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	35,000,000	0.58	0.62	2/2/15	2/2/18	17,395	597	-	17,992
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	25,000,000	0.57	0.57	11/5/14	2/5/18	12,220	-	-	12,220
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	25,000,000	0.57	0.59	11/5/14	2/5/18	12,220	215	-	12,435
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	50,000,000	0.57	0.59	11/5/14	2/5/18	24,440	429	-	24,869
Federal Agencies	3133EFNK9	FEDERAL FARM CREDIT BANK	25,000,000	0.61	0.63	11/9/15	2/9/18	13,032	214	-	13,246
Federal Agencies	3132X0JL6	FARMER MAC	50,000,000	0.88	0.88	9/1/16	3/1/18	36,458	-	-	36,458
Federal Agencies	3133EEN71	FEDERAL FARM CREDIT BANK	50,000,000	0.56	0.57	5/22/15	3/22/18	24,624	225	-	24,849
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	50,000,000	0.50	0.53	5/27/15	3/26/18	21,653	645	-	22,297

Monthly Investment Earnings

Pooled Fund

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Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	50,000,000	0.50	0.53	5/29/15	3/26/18	21,653	646	-	22,299
Federal Agencies	3133EFWG8	FEDERAL FARM CREDIT BANK	25,000,000	0.69	0.70	1/26/16	3/26/18	14,789	110	-	14,899
Federal Agencies	3133EEZC7	FEDERAL FARM CREDIT BANK	50,000,000	0.58	0.59	4/16/15	4/16/18	25,064	214	-	25,279
Federal Agencies	31331KJB7	FEDERAL FARM CREDIT BANK	14,230,000	3.00	0.94	2/2/16	4/25/18	35,575	(24,639)	-	10,936
Federal Agencies	3134G8XS3	FREDDIE MAC	-	1.05	1.05	7/22/16	4/27/18	17,919	-	-	17,919
Federal Agencies	3133EEU40	FEDERAL FARM CREDIT BANK	69,000,000	0.57	0.57	6/3/15	5/3/18	33,686	149	-	33,835
Federal Agencies	3135G0WJ8	FANNIE MAE	25,000,000	0.88	1.05	5/23/13	5/21/18	18,229	3,629	-	21,858
Federal Agencies	3130A8VL4	FEDERAL HOME LOAN BANK	10,000,000	1.00	1.00	8/24/16	5/24/18	8,333	-	-	8,333
Federal Agencies	3130A8VL4	FEDERAL HOME LOAN BANK	25,000,000	1.00	1.00	8/24/16	5/24/18	20,833	-	-	20,833
Federal Agencies	3134G9GG6	FREDDIE MAC	50,000,000	0.80	0.80	5/25/16	5/25/18	33,333	-	-	33,333
Federal Agencies	3134G9HC4	FREDDIE MAC	10,000,000	1.00	1.03	5/25/16	5/25/18	8,333	212	-	8,546
Federal Agencies	3133EFCT2	FEDERAL FARM CREDIT BANK	25,000,000	0.58	0.58	9/8/15	6/8/18	12,521	-	-	12,521
Federal Agencies	3133EFCT2	FEDERAL FARM CREDIT BANK	50,000,000	0.58	0.58	9/8/15	6/8/18	25,042	-	-	25,042
Federal Agencies	3133EEW48	FEDERAL FARM CREDIT BANK	50,000,000	0.57	0.58	6/11/15	6/11/18	24,564	113	-	24,677
Federal Agencies	3133EFSH1	FEDERAL FARM CREDIT BANK	25,000,000	1.17	1.25	12/18/15	6/14/18	24,375	1,628	-	26,003
Federal Agencies	3133EGGC3	FEDERAL FARM CREDIT BANK	25,000,000	0.65	0.65	6/20/16	6/20/18	13,980	-	-	13,980
Federal Agencies	3134G9RZ2	FREDDIE MAC	8,950,000	0.80	0.80	6/22/16	6/22/18	5,967	-	-	5,967
Federal Agencies	3134G9UY1	FREDDIE MAC	25,000,000	1.00	1.00	6/29/16	6/29/18	20,833	-	-	20,833
Federal Agencies	3134G9UY1	FREDDIE MAC	25,000,000	1.00	1.00	6/29/16	6/29/18	20,833	-	-	20,833
Federal Agencies	3133EGBQ7	FEDERAL FARM CREDIT BANK	25,000,000	0.66	0.66	5/19/16	7/19/18	14,201	-	-	14,201
Federal Agencies	3133EGBQ7	FEDERAL FARM CREDIT BANK	25,000,000	0.66	0.66	5/19/16	7/19/18	14,201	-	-	14,201
Federal Agencies	3130A8U50	FEDERAL HOME LOAN BANK	22,250,000	0.83	0.89	7/29/16	7/25/18	15,390	1,144	-	16,533
Federal Agencies	3134G9Q67	FREDDIE MAC	25,000,000	1.05	1.05	7/27/16	7/27/18	21,875	-	-	21,875
Federal Agencies	3134G9Q67	FREDDIE MAC	25,000,000	1.05	1.06	7/27/16	7/27/18	21,875	265	-	22,140
Federal Agencies	3133EGFQ3	FEDERAL FARM CREDIT BANK	25,000,000	0.88	0.91	9/21/16	9/14/18	18,229	815	-	19,044
Federal Agencies	3130A9C90	FEDERAL HOME LOAN BANK	25,000,000	1.05	1.05	9/28/16	9/28/18	21,875	-	-	21,875
Federal Agencies	3133EGFK6	FEDERAL FARM CREDIT BANK	25,000,000	0.66	0.66	6/17/16	10/17/18	14,266	-	-	14,266
Federal Agencies	3133EGFK6	FEDERAL FARM CREDIT BANK	25,000,000	0.66	0.66	6/17/16	10/17/18	14,266	-	-	14,266
Federal Agencies	3134G82B4	FREDDIE MAC	25,000,000	0.75	0.75	11/23/15	11/23/18	15,625	-	-	15,625
Federal Agencies	3136G2C39	FANNIE MAE	15,000,000	1.63	1.63	12/30/14	12/28/18	20,313	-	-	20,313
Federal Agencies	3133EGDM4	FEDERAL FARM CREDIT BANK	25,000,000	0.69	0.69	6/2/16	1/2/19	14,793	-	-	14,793
Federal Agencies	3130A8VZ3	FEDERAL HOME LOAN BANK	25,000,000	1.05	1.05	7/28/16	1/25/19	21,875	-	-	21,875
Federal Agencies	3132X0EK3	FARMER MAC	25,000,000	0.98	0.98	1/25/16	1/25/19	18,348	-	-	18,348
Federal Agencies	3133EGBU8	FEDERAL FARM CREDIT BANK	50,000,000	0.71	0.71	5/25/16	2/25/19	30,236	-	-	30,236
Federal Agencies	3136G2XK8	FANNIE MAE	25,000,000	0.75	0.75	2/26/16	2/26/19	15,625	-	-	15,625
Federal Agencies	3136G2Y68	FANNIE MAE	15,935,000	0.75	0.77	2/26/16	2/26/19	9,959	225	-	10,185
Federal Agencies	3132X0ED9	FARMER MAC	40,000,000	0.93	0.93	1/19/16	3/19/19	31,915	-	-	31,915
Federal Agencies	3136G3FC4	FANNIE MAE	6,250,000	1.00	1.00	3/29/16	3/29/19	5,208	-	-	5,208
Federal Agencies	3134G8VT3	FREDDIE MAC	14,560,000	0.80	0.80	5/23/16	4/25/19	9,707	21	-	9,728
Federal Agencies	3134G9DB0	FREDDIE MAC	-	0.88	0.88	4/29/16	4/29/19	34,028	-	-	34,028
Federal Agencies	3134G9DB0	FREDDIE MAC	-	0.88	0.88	4/29/16	4/29/19	6,806	-	-	6,806
Federal Agencies	3136G3QP3	FANNIE MAE	10,000,000	1.25	1.25	5/24/16	5/24/19	10,417	-	-	10,417
Federal Agencies	3134G9LF2	FREDDIE MAC	75,000,000	0.75	0.75	6/7/16	6/7/19	46,875	-	-	46,875
Federal Agencies	3136G3NK7	FANNIE MAE	25,000,000	0.75	0.76	6/7/16	6/7/19	15,625	106	-	15,731
Federal Agencies	3136G3NM3	FANNIE MAE	50,000,000	0.75	0.75	6/7/16	6/7/19	31,250	-	-	31,250
Federal Agencies	3134G9QN0	FREDDIE MAC	12,500,000	0.88	0.88	6/14/16	6/14/19	9,115	-	-	9,115
Federal Agencies	3134G9QW0	FREDDIE MAC	50,000,000	1.28	1.28	6/14/16	6/14/19	53,333	-	-	53,333
Federal Agencies	3134G9YR2	FREDDIE MAC	50,000,000	0.85	0.85	7/12/16	7/12/19	35,417	-	-	35,417
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	25,000,000	0.71	0.71	6/9/16	8/9/19	15,292	-	-	15,292
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	25,000,000	0.71	0.71	6/9/16	8/9/19	15,292	-	-	15,292
Federal Agencies	3134G94F1	FREDDIE MAC	25,000,000	1.00	1.00	8/15/16	8/15/19	20,833	-	-	20,833

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Pooled Fund

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Federal Agencies	3135G0P23	FANNIE MAE	20,000,000	1.25	1.25	8/30/16	8/23/19	20,833	-	-	20,833
Federal Agencies	3136G3X59	FANNIE MAE	25,000,000	1.10	1.10	8/23/16	8/23/19	22,917	-	-	22,917
Federal Agencies	3134G9GS0	FREDDIE MAC	25,000,000	1.25	1.25	5/26/16	8/26/19	26,042	-	-	26,042
Federal Agencies	3134GAHR8	FREDDIE MAC	25,000,000	0.75	0.75	9/23/16	9/23/19	15,625	-	-	15,625
Federal Agencies	3135G0Q30	FANNIE MAE	50,000,000	1.18	1.18	10/21/16	9/27/19	16,389	-	-	16,389
Federal Agencies	3132X0KH3	FARMER MAC	50,000,000	0.87	0.87	10/6/16	10/1/19	31,573	-	-	31,573
Federal Agencies	3134G8TG4	FREDDIE MAC	15,000,000	1.50	1.50	4/11/16	10/11/19	18,750	-	-	18,750
Federal Agencies	3134GAPT5	FREDDIE MAC	10,000,000	0.75	0.75	10/18/16	10/18/19	2,708	-	-	2,708
Federal Agencies	3136G4FJ7	FANNIE MAE	25,000,000	1.20	1.20	10/25/16	10/25/19	5,000	-	-	5,000
Federal Agencies	3136G4EZ2	FANNIE MAE	50,000,000	1.13	1.16	10/28/16	10/30/19	4,688	182	-	4,870
Federal Agencies	3136G3LV5	FANNIE MAE	8,950,000	1.35	1.35	5/26/16	11/26/19	10,069	-	-	10,069
Federal Agencies	3134G9VR5	FREDDIE MAC	25,000,000	1.00	1.00	7/6/16	1/6/20	20,833	-	-	20,833
Federal Agencies	3136G3TK1	FANNIE MAE	25,000,000	0.88	0.88	7/6/16	4/6/20	18,229	-	-	18,229
Federal Agencies	3136G4BL6	FANNIE MAE	15,000,000	1.25	1.25	10/17/16	4/17/20	7,292	-	-	7,292
Federal Agencies	3132X0AT8	FARMER MAC	41,000,000	0.67	0.67	6/5/15	6/2/20	23,554	-	-	23,554
Federal Agencies	3136G3TG0	FANNIE MAE	15,000,000	1.15	1.15	6/30/16	6/30/20	14,375	-	-	14,375
Federal Agencies	3130A9FR7	FEDERAL HOME LOAN BANK	103,500,000	0.69	0.69	9/29/16	9/28/20	60,430	-	-	60,430
Federal Agencies	3133EFTX5	FEDERAL FARM CREDIT BANK	100,000,000	0.85	0.85	12/24/15	12/24/20	73,621	-	-	73,621
Federal Agencies	3135G0Q89	FANNIE MAE	25,000,000	1.38	1.38	10/21/16	10/7/21	9,549	-	-	9,549
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	14,500,000	1.38	1.38	10/25/16	10/25/21	3,323	-	-	3,323
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	15,000,000	1.38	1.38	10/25/16	10/25/21	3,438	-	-	3,438
Subtotals			\$3,888,303,000					\$ 2,756,986	\$ (215,924)	\$ -	\$ 2,541,062
State/Local Agencies	91411SKR0	UNIVERSITY OF CALIFORNIA	\$ -	0.00	0.48	9/15/16	10/25/16	\$ 8,000	\$ -	\$ -	\$ 8,000
State/Local Agencies	13063CPM6	CALIFORNIA ST	44,000,000	0.75	0.69	12/9/14	11/1/16	27,500	(2,067)	-	25,433
State/Local Agencies	91411SL16	UNIVERSITY OF CALIFORNIA	37,000,000	0.00	0.55	9/1/16	11/1/16	17,524	-	-	17,524
State/Local Agencies	91412GL45	UNIV OF CALIFORNIA CA REVENUE	5,505,000	0.65	0.65	6/30/16	5/15/17	2,982	-	-	2,982
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA CA REVENUE	3,250,000	1.22	1.22	4/10/14	5/15/17	3,310	-	-	3,310
State/Local Agencies	718814XY7	PHOENIX AZ	20,000,000	3.50	0.76	9/27/16	7/1/17	58,333	(46,422)	-	11,912
State/Local Agencies	13063CFC9	CALIFORNIA ST	16,500,000	1.75	1.66	11/5/13	11/1/17	24,063	(1,253)	-	22,809
State/Local Agencies	13063CPN4	CALIFORNIA ST	5,000,000	1.25	1.22	12/22/14	11/1/17	5,208	(135)	-	5,073
State/Local Agencies	13063CPN4	CALIFORNIA ST	50,000,000	1.25	1.17	11/25/14	11/1/17	52,083	(3,514)	-	48,570
State/Local Agencies	91412GL52	UNIV OF CALIFORNIA CA REVENUE	2,470,000	0.99	0.99	6/30/16	5/5/18	2,044	-	-	2,044
State/Local Agencies	646065QQ8	NEW JERSEY ST EDUCNTL FACS A	5,000,000	5.00	0.85	9/29/16	7/1/18	20,833	(17,471)	-	3,362
State/Local Agencies	13063CKL3	CALIFORNIA ST	4,750,000	2.25	1.15	10/27/16	5/1/19	1,188	(704)	-	483
State/Local Agencies	91412GL60	UNIV OF CALIFORNIA CA REVENUE	2,000,000	1.23	1.23	6/30/16	5/15/19	2,047	-	-	2,047
State/Local Agencies	91412GSB2	UNIV OF CALIFORNIA CA REVENUE	4,180,000	1.80	1.57	10/5/15	7/1/19	6,256	(782)	-	5,474
State/Local Agencies	91412GSB2	UNIV OF CALIFORNIA CA REVENUE	16,325,000	1.80	1.56	10/2/15	7/1/19	24,433	(3,096)	-	21,337
State/Local Agencies	6055804W6	MISSISSIPPI ST	8,500,000	6.09	1.38	4/23/15	10/1/19	43,130	(32,825)	-	10,305
State/Local Agencies	977100CW4	WISCONSIN ST GEN FUND ANNUA	18,000,000	1.45	1.45	8/16/16	5/1/20	21,690	-	-	21,690
State/Local Agencies	91412GF59	UNIV OF CALIFORNIA CA REVENUE	1,769,000	1.91	1.40	8/9/16	5/15/21	2,816	(743)	-	2,073
Subtotals			\$ 244,249,000					\$ 323,439	\$ (109,013)	\$ -	\$ 214,426
Public Time Deposits	PP5Z1EJS4	MISSION NATIONAL BK SF	\$ 240,000	0.86	0.86	2/19/16	2/21/17	\$ 175	\$ -	\$ -	\$ 175
Public Time Deposits	PP600XGA1	TRANS-PAC NATIONAL BK	240,000	1.05	1.05	3/21/16	3/21/17	213	-	-	213
Public Time Deposits	PPF00EG62	BANK OF SAN FRANCISCO	240,000	0.89	0.89	4/11/16	4/11/17	184	-	-	184
Public Time Deposits	PPQJ03J86	PREFERRED BANK LA CALIF	240,000	0.85	0.85	5/16/16	5/16/17	173	-	-	173
Public Time Deposits	PP7C0E3S1	UMPQUA BANK	240,000	0.79	0.79	6/29/16	6/29/17	161	-	-	161
Subtotals			\$ 1,200,000					\$ 906	\$ -	\$ -	\$ 906
Negotiable CDs	89113EE69	TORONTO DOMINION BANK NY	\$ -	0.93	0.93	10/16/15	10/17/16	\$ 10,323	\$ -	\$ -	\$ 10,323

Monthly Investment Earnings Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Negotiable CDs	78009NXP6	ROYAL BANK OF CANADA NY	-	1.17	1.17	12/3/15	12/2/16	16,241	-	35,306	51,547
Negotiable CDs	89113EU20	TORONTO DOMINION BANK NY	50,000,000	1.16	1.16	12/7/15	12/7/16	50,093	-	-	50,093
Negotiable CDs	96121TH27	WESTPAC BANKING CORP NY	25,000,000	1.00	1.00	12/22/15	12/28/16	21,437	-	-	21,437
Negotiable CDs	78009NB54	ROYAL BANK OF CANADA NY	-	0.96	0.96	4/8/16	1/4/17	6,667	-	6,942	13,608
Negotiable CDs	78009NZD1	ROYAL BANK OF CANADA NY	25,000,000	1.04	1.04	1/25/16	1/25/17	22,330	-	-	22,330
Negotiable CDs	06427EM65	BANK OF MONTREAL CHICAGO	25,000,000	1.00	1.00	4/29/16	2/1/17	21,452	-	-	21,452
Negotiable CDs	89113E2G0	TORONTO DOMINION BANK NY	-	1.03	1.03	1/11/16	2/1/17	22,816	-	25,933	48,748
Negotiable CDs	89113WFC5	TORONTO DOMINION BANK NY	25,000,000	1.08	1.08	7/28/16	2/1/17	23,185	-	-	23,185
Negotiable CDs	96121TK64	WESTPAC BANKING CORP NY	-	1.02	1.02	2/4/16	2/3/17	14,167	-	22,911	37,077
Negotiable CDs	89113WAL0	TORONTO DOMINION BANK NY	-	1.00	1.00	5/11/16	2/15/17	13,333	-	2,184	15,518
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	-	1.10	1.10	2/23/15	2/23/17	9,143	-	9,584	18,727
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	-	1.10	1.10	2/23/15	2/23/17	9,143	-	9,584	18,727
Negotiable CDs	06427EX55	BANK OF MONTREAL CHICAGO	25,000,000	1.03	1.03	6/8/16	3/6/17	22,174	-	-	22,174
Negotiable CDs	78009NZW9	ROYAL BANK OF CANADA NY	50,000,000	1.04	1.04	3/10/16	3/10/17	44,585	-	-	44,585
Negotiable CDs	06427EDJ7	BANK OF MONTREAL CHICAGO	25,000,000	0.93	0.93	9/17/15	3/17/17	20,079	-	-	20,079
Negotiable CDs	78009ND94	ROYAL BANK OF CANADA NY	25,000,000	0.96	0.96	7/1/16	3/27/17	20,667	-	-	20,667
Negotiable CDs	89113EC79	TORONTO DOMINION BANK NY	50,000,000	1.10	1.10	10/2/15	3/28/17	47,488	-	-	47,488
Negotiable CDs	89113E5Z5	TORONTO DOMINION BANK NY	25,000,000	1.10	1.10	4/8/16	4/12/17	23,681	-	-	23,681
Negotiable CDs	06427K3A3	BANK OF MONTREAL CHICAGO	25,000,000	1.16	1.16	8/3/16	5/3/17	24,953	-	-	24,953
Negotiable CDs	89113WJJ6	TORONTO DOMINION BANK NY	40,000,000	1.32	1.32	9/9/16	6/15/17	45,467	-	-	45,467
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA HOUS	50,000,000	1.13	1.13	9/25/14	9/25/17	48,512	-	-	48,512
Subtotals			\$ 465,000,000					\$ 537,931	\$ -	\$ 112,443	\$ 650,374
Commercial Paper	06538BXX0	BANK TOKYO-MIT UFJ NY	\$ -	0.00	0.90	5/3/16	10/31/16	\$ 3,125	\$ -	\$ 6,424	\$ 9,549
Commercial Paper	06538BXX0	BANK TOKYO-MIT UFJ NY	-	0.00	0.90	5/4/16	10/31/16	3,125	-	6,424	9,549
Commercial Paper	89233GQ33	TOYOTA MOTOR CREDIT CORP	25,000,000	0.00	1.02	6/6/16	3/3/17	21,743	-	-	21,743
Commercial Paper	89233GQ66	TOYOTA MOTOR CREDIT CORP	25,000,000	0.00	1.01	6/9/16	3/6/17	21,528	-	-	21,528
Commercial Paper	89233GQ74	TOYOTA MOTOR CREDIT CORP	25,000,000	0.00	1.01	6/10/16	3/7/17	21,528	-	-	21,528
Commercial Paper	89233GR73	TOYOTA MOTOR CREDIT CORP	40,000,000	0.00	1.06	7/13/16	4/7/17	36,167	-	-	36,167
Commercial Paper	06538BRM7	BANK TOKYO-MIT UFJ NY	50,000,000	0.00	1.22	7/26/16	4/21/17	52,097	-	-	52,097
Commercial Paper	89233APL7	TOYOTA MOTOR CREDIT CORP	25,000,000	1.08	1.08	7/28/16	4/21/17	23,159	-	-	23,159
Commercial Paper	06538BS53	BANK TOKYO-MIT UFJ NY	25,000,000	0.00	1.32	8/9/16	5/5/17	28,201	-	-	28,201
Commercial Paper	06538BS53	BANK TOKYO-MIT UFJ NY	40,000,000	0.00	1.34	8/10/16	5/5/17	45,811	-	-	45,811
Commercial Paper	06538BSC8	BANK TOKYO-MIT UFJ NY	25,000,000	0.00	1.35	8/17/16	5/12/17	28,847	-	-	28,847
Commercial Paper	06538BT29	BANK TOKYO-MIT UFJ NY	40,000,000	0.00	1.38	9/7/16	6/2/17	47,189	-	-	47,189
Commercial Paper	89233GT63	TOYOTA MOTOR CREDIT CORP	25,000,000	0.00	1.25	9/9/16	6/6/17	26,694	-	-	26,694
Subtotals			\$ 345,000,000					\$ 359,215	\$ -	\$ 12,847	\$ 372,062
Medium Term Notes	073928S46	BEAR STEARNS COS LLC	\$ 6,450,000	1.20	1.83	2/10/16	11/21/16	\$ 6,671	\$ 1,116	\$ -	\$ 7,786
Medium Term Notes	36967FAB7	GENERAL ELECTRIC CO	20,000,000	1.16	1.16	1/9/15	1/9/17	18,735	-	-	18,735
Medium Term Notes	064159AM8	BANK OF NOVA SCOTIA	10,000,000	2.55	1.03	10/20/15	1/12/17	21,250	(12,779)	-	8,471
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	1,500,000	1.10	0.96	2/11/16	1/30/17	1,375	(181)	-	1,194
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	6,900,000	1.10	0.84	7/1/16	1/30/17	6,325	(1,526)	-	4,799
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	8,515,000	1.10	1.00	2/12/16	1/30/17	7,805	(718)	-	7,088
Medium Term Notes	90331HMC4	US BANK NA CINCINNATI	10,000,000	1.10	0.90	6/24/16	1/30/17	9,167	(1,719)	-	7,448
Medium Term Notes	36962G2F0	GENERAL ELECTRIC CO	3,791,000	0.99	1.08	4/8/15	2/15/17	3,222	85	-	3,307
Medium Term Notes	36962G2F0	GENERAL ELECTRIC CO	4,948,000	0.99	1.20	4/1/15	2/15/17	4,205	237	-	4,442
Medium Term Notes	91159HHD5	US BANCORP	3,090,000	1.65	1.09	2/3/16	5/15/17	4,249	(1,454)	-	2,794
Medium Term Notes	459200JD4	IBM CORP	25,000,000	1.25	1.25	2/19/16	8/18/17	26,937	-	-	26,937
Medium Term Notes	459200GJ4	IBM CORP	1,325,000	5.70	1.04	3/22/16	9/14/17	6,294	(5,179)	-	1,115
Medium Term Notes	911312AP1	UNITED PARCEL SERVICE	2,000,000	1.13	1.01	1/28/16	10/1/17	1,875	(191)	-	1,684

Monthly Investment Earnings Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Medium Term Notes	459200HK0	IBM CORP	11,450,000	1.25	0.90	5/6/16	2/8/18	11,927	(3,356)	-	8,571
Subtotals			\$ 114,969,000					\$ 130,037	\$ (25,666)	\$ -	\$ 104,371
Money Market Funds	09248U718	BLACKROCK LIQ INST GOV FUND	\$ 5,010,259	0.21	0.21	10/31/16	11/1/16	\$ 2,184	\$ -	\$ -	2,184
Money Market Funds	31607A703	FIDELITY INST GOV FUND	245,543,430	0.31	0.31	10/31/16	11/1/16	76,536	-	-	76,536
Money Market Funds	61747C707	MORGAN STANLEY INST GOVT FUI	50,251,029	0.30	0.30	10/31/16	11/1/16	19,052	-	-	19,052
Subtotals			\$ 300,804,719					\$ 97,772	\$ -	\$ -	\$ 97,772
Supranationals	45905UXQ2	INTL BK RECON & DEVELOP	\$ 25,000,000	0.65	0.65	7/27/16	1/26/18	\$ 13,984	\$ -	\$ -	13,984
Supranationals	459058ER0	INTL BK RECON & DEVELOP	25,000,000	1.00	1.07	10/7/15	10/5/18	20,833	1,204	-	22,038
Subtotals			\$ 50,000,000					\$ 34,818	\$ 1,204	\$ -	\$ 36,022
Grand Totals			\$7,309,525,719					\$ 4,992,099	\$ (300,139)	\$ 125,290	\$ 4,817,250

¹Yield to maturity is calculated at purchase

Investment Transactions

Pooled Fund

For month ended October 31, 2016

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Purchase	10/3/2016	11/1/2016	Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	\$ 1,763	0.21	0.21	\$ 100.00	\$ -	\$ 1,763
Purchase	10/3/2016	3/30/2017	U.S. Treasuries	TREASURY BILL	912796J9	100,000,000	0.00	0.43	99.79	-	99,789,119
Purchase	10/6/2016	10/1/2019	Federal Agencies	FARMER MAC	3132X0KH3	50,000,000	0.87	0.87	100.00	-	50,000,000
Purchase	10/6/2016	1/5/2017	U.S. Treasuries	TREASURY BILL	912796HV4	25,000,000	0.00	0.33	99.92	-	24,979,399
Purchase	10/6/2016	1/5/2017	U.S. Treasuries	TREASURY BILL	912796HV4	50,000,000	0.00	0.31	99.92	-	49,960,819
Purchase	10/6/2016	4/6/2017	U.S. Treasuries	TREASURY BILL	912796KQ1	75,000,000	0.00	0.49	99.75	-	74,815,725
Purchase	10/6/2016	4/6/2017	U.S. Treasuries	TREASURY BILL	912796KQ1	150,000,000	0.00	0.49	99.75	-	149,628,417
Purchase	10/11/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	100,000,000	0.31	0.31	100.00	-	100,000,000
Purchase	10/13/2016	1/12/2017	U.S. Treasuries	TREASURY BILL	912796KC2	25,000,000	0.00	0.36	99.91	-	24,977,250
Purchase	10/13/2016	4/13/2017	U.S. Treasuries	TREASURY BILL	912796KS7	75,000,000	0.00	0.50	99.75	-	74,812,313
Purchase	10/14/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	50,000,000	0.31	0.31	100.00	-	50,000,000
Purchase	10/17/2016	4/17/2020	Federal Agencies	FANNIE MAE	3136G4BL6	15,000,000	1.25	1.25	100.00	-	15,000,000
Purchase	10/18/2016	10/18/2019	Federal Agencies	FREDDIE MAC	3134GAPT5	10,000,000	0.75	0.75	100.00	-	10,000,000
Purchase	10/20/2016	1/19/2017	U.S. Treasuries	TREASURY BILL	912796KD0	10,000,000	0.00	0.32	99.92	-	9,991,848
Purchase	10/20/2016	4/20/2017	U.S. Treasuries	TREASURY BILL	912796KT5	40,000,000	0.00	0.46	99.77	-	39,907,787
Purchase	10/21/2016	9/27/2019	Federal Agencies	FANNIE MAE	3135G0Q30	50,000,000	1.18	1.18	100.00	39,333	50,039,333
Purchase	10/21/2016	10/7/2021	Federal Agencies	FANNIE MAE	3135G0Q89	25,000,000	1.38	1.38	100.00	13,368	25,013,368
Purchase	10/25/2016	10/25/2021	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGZJ7	14,500,000	1.38	1.38	100.00	-	14,500,000
Purchase	10/25/2016	10/25/2021	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGZJ7	15,000,000	1.38	1.38	100.00	-	15,000,000
Purchase	10/25/2016	10/25/2019	Federal Agencies	FANNIE MAE	3136G4FJ7	25,000,000	1.20	1.20	100.00	-	25,000,000
Purchase	10/27/2016	5/1/2019	State/Local Agencies	CALIFORNIA ST	13063CKL3	4,750,000	2.25	1.15	102.72	52,250	4,931,308
Purchase	10/27/2016	4/27/2017	U.S. Treasuries	TREASURY BILL	912796JP5	75,000,000	0.00	0.48	99.76	-	74,819,896
Purchase	10/27/2016	1/26/2017	U.S. Treasuries	TREASURY BILL	912796KE8	25,000,000	0.00	0.34	99.91	-	24,978,514
Purchase	10/28/2016	10/30/2019	Federal Agencies	FANNIE MAE	3136G4EZ2	50,000,000	1.13	1.16	99.90	-	49,950,000
Purchase	10/31/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	76,536	0.31	0.31	100.00	-	76,536
Purchase	10/31/2016	11/1/2016	Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	19,052	0.30	0.30	100.00	-	19,052
Subtotals						\$1,059,347,351	0.33	0.60	\$ 99.88	\$ 104,951	\$1,058,192,446
Sale	10/3/2016	11/1/2016	Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	\$ 50,000,000	0.21	0.21	\$ 100.00	\$ -	\$ 50,000,000
Sale	10/3/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	50,000,000	0.31	0.31	100.00	-	50,000,000
Sale	10/3/2016	11/1/2016	Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	50,000,000	0.30	0.30	100.00	-	50,000,000
Sale	10/5/2016	11/1/2016	Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	50,000,000	0.30	0.30	100.00	-	50,000,000
Sale	10/6/2016	10/31/2016	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538BKX0	25,000,000	0.00	0.90	99.96	-	24,990,799
Sale	10/6/2016	10/31/2016	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538BKX0	25,000,000	0.00	0.90	99.96	-	24,990,799
Sale	10/6/2016	11/1/2016	Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	25,000,000	0.21	0.21	100.00	-	25,000,000
Sale	10/6/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	100,000,000	0.31	0.31	100.00	-	100,000,000
Sale	10/6/2016	11/1/2016	Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	100,000,000	0.30	0.30	100.00	-	100,000,000
Sale	10/6/2016	1/4/2017	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NB54	50,000,000	0.96	0.96	100.01	241,333	50,248,275
Sale	10/11/2016	12/2/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NXP6	50,000,000	1.17	1.17	100.07	63,339	50,098,645
Sale	10/11/2016	2/3/2017	Negotiable CDs	WESTPAC BANKING CORP NY	96121TK64	50,000,000	1.02	1.02	100.05	354,167	50,377,077
Sale	10/13/2016	2/23/2017	Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417HE36	25,000,000	1.10	1.10	100.04	38,856	25,048,440
Sale	10/13/2016	2/23/2017	Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417HE36	25,000,000	1.10	1.10	100.04	38,856	25,048,440
Sale	10/13/2016	2/15/2017	Negotiable CDs	TORONTO DOMINION BANK NY	89113WAL0	40,000,000	1.00	1.00	100.01	172,222	40,174,407
Sale	10/17/2016	2/1/2017	Negotiable CDs	TORONTO DOMINION BANK NY	89113E2G0	50,000,000	1.03	1.03	100.05	19,974	50,045,906
Sale	10/26/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	50,000,000	0.31	0.31	100.00	-	50,000,000
Sale	10/27/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	50,000,000	0.31	0.31	100.00	-	50,000,000
Subtotals						\$ 865,000,000	0.53	0.58	\$ 100.01	\$ 928,747	\$ 866,022,787
Call	10/27/2016	4/27/2018	Federal Agencies	FREDDIE MAC	3134G8XS3	\$ 23,630,000	1.05	1.05	\$ 100.00	\$ -	\$ 23,630,000
Call	10/29/2016	4/29/2019	Federal Agencies	FREDDIE MAC	3134G9DB0	10,000,000	0.88	0.88	100.00	-	10,000,000
Call	10/29/2016	4/29/2019	Federal Agencies	FREDDIE MAC	3134G9DB0	50,000,000	0.88	0.88	100.00	-	50,000,000
Subtotals						\$ 83,630,000	0.92	0.92	\$ 100.00	\$ -	\$ 83,630,000

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Maturity	10/11/2016	10/11/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313378UB5	\$ 5,000,000	1.13	0.51	\$ 100.00	\$ 28,250	\$ 5,028,250
Maturity	10/14/2016	10/14/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A3CE2	40,000,000	0.63	0.58	100.00	125,000	40,125,000
Maturity	10/17/2016	10/17/2016	Negotiable CDs	TORONTO DOMINION BANK NY	89113EE69	25,000,000	0.93	0.93	100.00	58,714	25,058,714
Maturity	10/25/2016	10/25/2016	State/Local Agencies	UNIVERSITY OF CALIFORNIA	91411SKR0	25,000,000	0.00	0.48	100.00	-	25,000,000
Maturity	10/28/2016	10/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A6PZ4	5,950,000	0.40	0.76	100.00	11,900	5,961,900
Maturity	10/31/2016	10/31/2016	U.S. Treasuries	US TSY NT	912828RM4	25,000,000	1.00	0.74	100.00	125,000	25,125,000
Subtotals						\$ 125,950,000	0.65	0.67	\$ 100.00	\$ 348,864	\$ 126,298,864
Interest	10/1/2016	10/1/2019	State/Local Agencies	MISSISSIPPI ST	6055804W6	\$ 8,500,000	6.09	1.38	\$ -	\$ -	\$ 258,783
Interest	10/1/2016	10/1/2017	Medium Term Notes	UNITED PARCEL SERVICE	911312AP1	2,000,000	1.13	1.01	-	-	11,250
Interest	10/2/2016	3/2/2017	Federal Agencies	FEDERAL HOME LOAN BANK	3130A8D83	25,000,000	0.55	0.55	-	-	11,354
Interest	10/2/2016	6/2/2020	Federal Agencies	FARMER MAC	3132X0AT8	41,000,000	0.67	0.66	-	-	22,717
Interest	10/2/2016	2/2/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEMH0	4,000,000	0.58	0.58	-	-	1,916
Interest	10/2/2016	2/2/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEMH0	35,000,000	0.58	0.62	-	-	16,768
Interest	10/2/2016	1/2/2019	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGDM4	25,000,000	0.69	0.68	-	-	14,269
Interest	10/3/2016	5/3/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEU40	69,000,000	0.56	0.57	-	-	32,369
Interest	10/3/2016	2/1/2017	Negotiable CDs	TORONTO DOMINION BANK NY	89113E2G0	50,000,000	1.02	1.02	-	-	45,476
Interest	10/3/2016	2/1/2017	Negotiable CDs	TORONTO DOMINION BANK NY	89113WFC5	25,000,000	1.07	1.07	-	-	23,849
Interest	10/5/2016	2/5/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	25,000,000	0.56	0.56	-	-	11,728
Interest	10/5/2016	2/5/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	25,000,000	0.56	0.59	-	-	11,728
Interest	10/5/2016	2/5/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	50,000,000	0.56	0.59	-	-	23,456
Interest	10/5/2016	10/5/2017	Federal Agencies	FANNIE MAE	3135G0F57	25,000,000	0.53	0.56	-	-	11,103
Interest	10/5/2016	10/5/2018	Supranationals	INTL BK RECON & DEVELOP	459058ER0	25,000,000	1.00	1.07	-	-	125,000
Interest	10/8/2016	6/8/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFCT2	25,000,000	0.57	0.57	-	-	11,908
Interest	10/8/2016	6/8/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFCT2	50,000,000	0.57	0.57	-	-	23,815
Interest	10/9/2016	2/9/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFNK9	25,000,000	0.59	0.61	-	-	12,359
Interest	10/9/2016	8/9/2019	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGED3	25,000,000	0.70	0.70	-	-	14,546
Interest	10/9/2016	8/9/2019	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGED3	25,000,000	0.70	0.70	-	-	14,546
Interest	10/10/2016	4/10/2017	Federal Agencies	FARMER MAC	31315PTQ2	12,500,000	1.26	1.36	-	-	78,750
Interest	10/11/2016	6/11/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEW48	50,000,000	0.56	0.57	-	-	23,468
Interest	10/11/2016	10/11/2019	Federal Agencies	FREDDIE MAC	3134G8TG4	15,000,000	1.50	1.50	-	-	112,500
Interest	10/11/2016	1/9/2017	Medium Term Notes	GENERAL ELECTRIC CO	36967FAB7	20,000,000	0.95	0.94	-	-	48,280
Interest	10/11/2016	3/10/2017	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NZW9	50,000,000	1.03	1.03	-	-	41,414
Interest	10/11/2016	4/11/2017	Public Time Deposits	BANK OF SAN FRANCISCO	PPF00EG62	240,000	0.89	0.89	-	-	546
Interest	10/13/2016	11/13/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEBR0	25,000,000	0.56	0.60	-	-	11,602
Interest	10/16/2016	4/16/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEZC7	50,000,000	0.58	0.59	-	-	24,148
Interest	10/16/2016	8/16/2017	Federal Agencies	FANNIE MAE	3135G0F24	25,000,000	0.54	0.56	-	-	11,241
Interest	10/17/2016	3/17/2017	Negotiable CDs	BANK OF MONTREAL CHICAGO	06427EDJ7	25,000,000	0.93	0.93	-	-	18,102
Interest	10/17/2016	4/17/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECLL6	10,000,000	0.60	0.60	-	-	30,000
Interest	10/17/2016	10/17/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGFK6	25,000,000	0.66	0.66	-	-	13,770
Interest	10/17/2016	10/17/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGFK6	25,000,000	0.66	0.66	-	-	13,770
Interest	10/19/2016	10/19/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EETS9	30,000,000	0.56	0.56	-	-	14,024
Interest	10/19/2016	7/19/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGBQ7	25,000,000	0.66	0.66	-	-	13,770
Interest	10/19/2016	7/19/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGBQ7	25,000,000	0.66	0.66	-	-	13,770
Interest	10/20/2016	6/20/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGGC3	25,000,000	0.65	0.65	-	-	13,579
Interest	10/22/2016	3/22/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEN71	50,000,000	0.58	0.59	-	-	24,086
Interest	10/23/2016	8/23/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEFX3	50,000,000	0.60	0.60	-	-	24,847
Interest	10/24/2016	7/24/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECV92	50,000,000	0.57	0.57	-	-	23,553
Interest	10/24/2016	3/24/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDP30	26,000,000	0.57	0.49	-	-	12,248
Interest	10/24/2016	12/24/2020	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFTX5	100,000,000	0.86	0.86	-	-	71,273
Interest	10/25/2016	1/25/2019	Federal Agencies	FARMER MAC	3132X0EK3	25,000,000	0.82	0.81	-	-	52,038
Interest	10/25/2016	4/25/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	31331KJB7	14,230,000	3.00	0.94	-	-	213,450

Investment Transactions Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	10/25/2016	2/25/2019	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGBU8	50,000,000	0.70	0.70	-	-	29,178
Interest	10/25/2016	4/25/2019	Federal Agencies	FREDDIE MAC	3134G8VT3	14,560,000	0.80	0.80	-	-	58,240
Interest	10/25/2016	1/25/2017	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NZD1	25,000,000	1.04	1.04	-	-	20,849
Interest	10/26/2016	10/26/2017	Federal Agencies	FEDERAL HOME LOAN BANK	3130A6LZ8	25,000,000	0.63	0.82	-	-	78,125
Interest	10/26/2016	4/26/2017	Federal Agencies	FARMER MAC	31315PUQ0	10,500,000	1.13	1.13	-	-	59,063
Interest	10/26/2016	7/26/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECVG6	23,520,000	0.72	0.72	-	-	43,337
Interest	10/26/2016	3/26/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFWG8	25,000,000	0.69	0.69	-	-	14,277
Interest	10/26/2016	1/26/2018	Supranationals	INTL BK RECON & DEVELOP	45905UXQ2	25,000,000	0.65	0.65	-	-	13,500
Interest	10/27/2016	2/27/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDFW7	50,000,000	0.58	0.58	-	-	24,051
Interest	10/27/2016	4/27/2018	Federal Agencies	FREDDIE MAC	3134G8XS3	23,630,000	1.05	1.05	-	-	124,058
Interest	10/27/2016	4/27/2017	Federal Agencies	FANNIE MAE	3135G0JA2	8,058,000	1.13	0.54	-	-	45,326
Interest	10/28/2016	9/28/2020	Federal Agencies	FEDERAL HOME LOAN BANK	3130A9FR7	103,500,000	0.68	0.68	-	-	56,445
Interest	10/28/2016	4/21/2017	Commercial Paper	TOYOTA MOTOR CREDIT CORP	89233APL7	25,000,000	1.07	1.07	-	-	22,384
Interest	10/28/2016	12/28/2016	Negotiable CDs	WESTPAC BANKING CORP NY	96121TH27	25,000,000	0.99	0.99	-	-	20,718
Interest	10/29/2016	3/29/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDZW5	25,000,000	0.55	0.55	-	-	11,389
Interest	10/29/2016	4/29/2019	Federal Agencies	FREDDIE MAC	3134G9DB0	-	0.88	0.88	-	-	109,375
Interest	10/29/2016	4/29/2019	Federal Agencies	FREDDIE MAC	3134G9DB0	-	0.88	0.88	-	-	21,875
Interest	10/30/2016	1/30/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDRD6	50,000,000	0.47	0.58	-	-	58,186
Interest	10/31/2016	11/1/2016	Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	5,012,444	0.21	0.21	-	-	2,184
Interest	10/31/2016	11/1/2016	Money Market Funds	FIDELITY INST GOV FUND	31607A703	245,543,430	0.31	0.31	-	-	76,536
Interest	10/31/2016	11/1/2016	Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	50,251,029	0.30	0.30	-	-	19,052
Subtotals						\$2,147,044,903	0.69	0.66	\$	\$	\$ 2,511,312

Grand Totals	26	Purchases									
	(18)	Sales									
	(9)	Maturities / Calls									
	(1)	Change in number of positions									

Non-Pooled Investments

As of October 31, 2016

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
State/Local Agencies	797712AD8	SFRDA SOUTH BEACH HARBOR	1/20/12	12/1/16	0.09	3.50	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
Subtotals					0.09	3.50	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
Grand Totals					0.09	3.50	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000

NON-POOLED FUNDS PORTFOLIO STATISTICS

	Current Month		Prior Month	
	Fiscal YTD	October 2016	Fiscal YTD	September 2016
Average Daily Balance	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
Net Earnings	\$ 7,875	\$ 1,969	\$ 5,906	\$ 1,969
Earned Income Yield	3.49%	3.43%	3.47%	3.55%

Note: All non-pooled securities were inherited by the City and County of San Francisco as successor agency to the San Francisco Redevelopment Agency. Book value and amortized book value are derived from limited information received from the SFRDA and are subject to verification.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Elections Commission Annual Report
Attachments: letter to Mayor and Board of Supervisors re annual report.DOC; Elections_Comm_2015_Annual_Report.pdf

From: Jill Rowe [mailto:JRowe@cwclaw.com]
Sent: Tuesday, November 08, 2016 4:29 PM
To: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Commission, Elections (REG) <elections.commission@sfgov.org>; Jerdonek, Chris (REG) <chris.jerdonek@sfgov.org>; Winnie Yu <winnie.yu@gmail.com>; roger.donaldson@gmail.com; Paris, Dominic (REG) <dominic.paris@sfgov.org>; Jung, Charles (REG) <charles.jung@sfgov.org>; Rosabella Safont (rsafont@medasf.org) <rsafont@medasf.org>; Rowe, Jill (REG) <jill.rowe@sfgov.org>
Subject: Elections Commission Annual Report

To: Office of the Mayor and Clerk of the Board of Supervisors

On behalf of the San Francisco Elections Commission, please see the attached letter and annual report.

Sincerely,
Jill Rowe, President
San Francisco Elections Commission

Website: <http://sfgov.org/electionscommission>
Twitter: @SFElectionsComm

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SAN FRANCISCO ELECTIONS COMMISSION



Jill Rowe, President
Christopher Jerdonek, Vice President
Charles Jung
Dominic Paris
Rosabella Safont
Winnie Yu
Roger Donaldson

City Hall
1 Dr. Carlton B. Goodlett Place,
Room 48
San Francisco, CA 94102

November 8, 2016

To: The Honorable Edwin M. Lee, Mayor of San Francisco
San Francisco Board of Supervisors

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mayor Lee and Members of the Board of Supervisors:

Pursuant to Article IV, Paragraph M and Article XI of the Bylaws of the San Francisco Elections Commission, I hereby file with you our Commission Annual Report for the 2015 calendar year, attached) Article IV, Paragraph M of our Bylaws reads:

M. The [Elections] Commission shall prepare an annual report describing its activities and shall file such report with the Mayor and the Clerk of the Board of Supervisors consistent with the Commission's duties under Section 4.103 of the San Francisco Charter and Sections 1.56 and 8.16 of the Administrative Code. This annual report shall cover the calendar year from January 1 through December 31.

Sincerely,
/s/

Jill Rowe, President
San Francisco Elections Commission

Encl.
cc (w/ encl.): San Francisco Elections Commissioners

San Francisco Elections Commission
2015 Annual Report

January 1, 2015 – December 31, 2015

Approved by the Commission on:

October 19, 2016

Commissioners as of December 31, 2015:

Christopher Jerdonek, President
Jill Rowe, Vice President
Roger Donaldson
Charles Jung
Dominic Paris
Rosabella Safont
Winnie Yu

Written by:

Christopher Jerdonek

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2. Overview
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5. Administration
6. Open Source Voting and Next Voting System
7. Open Data
8. November 3, 2015 Municipal Election
9. Annual Evaluation of Director
10. Appendices
11. Attachments

1. Introduction

This is the 2015 Annual Report of the San Francisco Elections Commission, prepared in accordance with the Bylaws of the Elections Commission:

ARTICLE IV. COMMISSION'S POWERS AND DUTIES.

M. The Commission shall prepare an annual report describing its activities and shall file such report with the Mayor and the Clerk of the Board of Supervisors consistent with the Commission's duties under Section 4.103 of the San Francisco Charter and Sections 1.56 and 8.16 of the Administrative Code. This annual report shall cover the calendar year from January 1 through December 31.

See Appendix A for a copy of all sections of the Bylaws relating to the annual report.

Major themes for the Commission in 2015 were open source voting systems and open data. In addition, major Commission activities included the November 3, 2015 Municipal Election and the annual review of the Director of Elections.

The report is organized around these major topic areas, in addition to covering more routine topics like Commission membership and administrative information.

2. Overview

Below is a selection of notable events that occurred during the 2015 calendar year. Events related to Commission membership are included in Section 4.

Date	Description
February 18	The Commission adopts its first “Guidelines for Evaluation of Director of Elections.”
April 21	First day for new Commission Secretary Nadya Hewitt.
April 23	The Commission interviews three Department of Elections employees for the annual review of the Director of Elections.
May 20	Joy Bonaguro, Chief Data Officer from the Office of the Mayor, presents on open data to the Commission.
June 17	Jason Fried, Executive Officer of the Local Agency Formation Commission (LAFCo), presents his draft report on open source voting systems to the Commission.
August 6	The Department of Elections issues a Request for Information (RFI) for a new voting system.
August 28	RFI responses due.
October 21	The Commission holds a hearing on open source voting systems with five invited presenters.
October 23	The San Francisco Local Agency Formation Commission (LAFCo) releases its final report, “Study on Open Source Voting Systems.”
November 3	November 3, 2015 Consolidated Municipal Election
November 18	The Commission unanimously passes its “Open Source Voting Systems Resolution.”

Table 1: Selected timeline of notable events

3. Meetings

This section includes information related to Commission meetings and membership during the 2015 calendar year.

Regular Commission meetings were on the third Wednesday of each month in Room 408 of San Francisco City Hall. Commission meetings averaged about two public commenters per meeting and ranged in length from about 40 minutes for the shortest meeting to 3 hours and 45 minutes

for the longest. The average length of all regular Commission meetings (excluding closed session portions) was about one hour and 40 minutes.

The Commission continued to have one committee, the three-member Budget and Oversight of Public Elections Committee (BOPEC). Regular BOPEC meetings were on the first Wednesday of each month in Room 421 of City Hall.

BOPEC met four times during the year. In February, it reviewed the Department's proposed budget. In June, it discussed both open source voting systems and the alternate election security plan for the November 2015 election. In August, it discussed the Election Plan for the November election. In December, it reviewed the November election.

4. People

4.1. Commissioners

The following two tables (Tables 2 and 3) list the Commission and BOPEC membership at the beginning of the 2015 calendar year. The table following these two tables (Table 4) lists membership changes that occurred during the course of the year. In addition, Attachment 1 includes a chart of meeting attendance for both the full Commission and BOPEC.

Name	Position	Term Ends	Appointed By
Richard Matthews	President	1/2015	City Attorney
Christopher Jerdonek	Vice President	1/2019	Board of Supervisors
Charles Jung		1/2018	Mayor
Jill Rowe		1/2016	Public Defender
Rosabella Safont		1/2019	Treasurer
Winnie Yu		1/2017	District Attorney
<i>Vacant</i>		1/2018	Board of Education

Table 2: Commission Membership as of January 1, 2015

Name	Position
Christopher Jerdonek	Chairperson
Jill Rowe	
<i>Vacant</i>	

Table 3: BOPEC Membership as of January 1, 2015

Date	Description
January 21	The Commission elected Commissioner Jerdonek President (succeeding President Matthews).
January 21	The Commission elected Commissioner Rowe Vice President (succeeding Vice President Jerdonek).
February 18	President Jerdonek named Commissioner Rowe BOPEC Chairperson (succeeding himself).
March 2	Commissioner Matthews vacated the City Attorney seat after serving as a holdover for the maximum of 60 days after the end of his term.
March 6	Dominic Paris assumed the Board of Education seat.
May 20	President Jerdonek appointed Commissioner Paris to BOPEC (filling a vacancy).
October 21	Roger Donaldson assumed the City Attorney seat.
December 16	President Jerdonek appointed Commissioner Donaldson to BOPEC (replacing himself).

Table 4: Timeline of Commission membership events

4.2 Other Individuals

John Arntz continued to lead the Department of Elections as the Director of Elections. Nadya Hewitt was hired as the new Commission Secretary in April and continued to serve through the end of the year. Joshua White served as Deputy City Attorney for the Commission, with Deputy City Attorney Andrew Shen occasionally filling in.

5. Administration

5.1. E-mail

This year the Commission President worked with the Director of Elections to give each Commissioner the option of receiving a San Francisco government (aka SFGov) e-mail address. These are e-mail addresses normally having the form First.Last@sfgov.org.

The government e-mail address is useful for sending and receiving Commission-related e-mails. In addition, it can be displayed on the Commission website and included on Commissioner business cards.

By the end of the year, six of the seven Commissioners had an SFGov e-mail address, and five of the seven chose to list their e-mail address next to their name on the “About” page of the Commission’s website.

5.2. Website

In the summer and fall of 2014, the Commission made it more convenient for Commissioners and members of the public to find and access information about past and upcoming meetings.

Upcoming meetings are posted on the home page of the Commission website. Recent past meetings are listed in a single table on the “Meetings” page. Full Commission meetings and BOPEC meetings appear chronologically in the same list of meetings for convenience and greater visibility.

Links to the meeting agenda, agenda packet, minutes, and YouTube audio are all visible from the top-level list. Below is a screenshot of what this looks like on the Meetings page of the Commission website:









Wed, January 20, 2016	Commission	 Agenda Packet	 Minutes	1:41:22 (YT)
Wed, January 6, 2016	BOPEC	No meeting		
Wed, December 16, 2015	Commission	 Agenda Packet	 Minutes	1:09:41 (YT)
Wed, December 2, 2015	BOPEC	 Agenda Packet	 Minutes	38:56 (YT)
Wed, November 18, 2015	Commission	 Agenda Packet	 Minutes	1:35:41 (YT)

Figure 1: Partial screen shot of "Past Meetings" table on Commission website

In November, the San Francisco Department of Technology (DT) migrated the Elections Commission's website from the Vision content management system (CMS) to Drupal. Drupal is an open source CMS licensed under the GNU General Public License. The migration affected all City departments, including the Department of Elections. The Commission was part of the second “wave” of departments and commissions to be migrated.

Since the migration changed parts of the website to a less convenient format (like it was prior to the summer of 2014), the Commission had to do work to ensure that past and future meetings again appear in the more convenient format.

5.3. Twitter

In September 2014, the Commission created a Twitter account with username [@SFElectionsComm](https://twitter.com/SFElectionsComm) (<https://twitter.com/SFElectionsComm>). The Twitter account is used only for posting administrative information and provides another convenient way for members of the

public to find out about things like upcoming meetings, when new documents are posted on the Commission website, when a new YouTube audio is posted, etc.

The Commission continued using the Twitter account for this purpose in 2015. As of December 31, 2015, the account had 59 total followers and a total of 114 tweets since the account was first created. For comparison, the Department's Twitter account @SFElections had approximately 750 followers at that time.

5.4. YouTube

The Commission created a YouTube account in September 2014 with its own YouTube channel. The Commission continued to post the audio for all Commission and BOPEC meetings to this channel throughout 2015.¹

As of December 31, 2015, the account had four “subscribers.” The account had audio for a total of 24 meetings, with 16 of those from 2015 (which is every Commission and BOPEC meeting in 2015). For meetings in 2015, the number of “views” ranged from 11 views for the December 2 BOPEC meeting to 124 views for the October 21 Commission meeting. The October 21 meeting is the meeting that had the five presenters on open source voting.

5.5. Commission Secretary

The Commission had been without a Commission Secretary for five months when 2015 began. The last day of the previous secretary, Ms. Debra Hayes, was on July 24, 2014. Ms. Hayes was the Commission's first choice after interviewing finalists in a special meeting on April 21, 2014.

At its August 2014 meeting, the Commission voted to authorize the President to contact the Commission's second and third choices from that previous April hiring process, and to offer the position if one of the two was interested.

In February 2015, after beginning the selection process for a new secretary, President Jerdonek learned that the previous two candidates had never been contacted. At its March meeting, the President sought guidance from the Commission, and the Commission reauthorized the President to contact the two runners-up as was previously voted. In March, President Jerdonek contacted the two individuals. The Commission's previous second choice was not interested, but the Commission's third choice, Ms. Nadya Hewitt, was.

Ms. Hewitt accepted the offer to be Commission Secretary in April. Her first day was April 21.

¹ The Commission's YouTube channel is <https://www.youtube.com/channel/UCAXKDcd6YO4FxHFUp8Hb5Jg>.

6. Open Source Voting and Next Voting System

San Francisco's next voting system and more generally open source voting were the biggest policy-related topics of the year.

6.1. Current Voting System

The Department's current voting system contract with Dominion Voting Systems is set to expire at the end of 2016. The contract was originally signed in 2007. It was a four-year contract with options to extend for two additional years. The 2016 expiration is the result of extending the original contract even further.

See Attachment 1 for a breakdown of the up-front and annual costs of acquiring and using the current system. The first four years had an up-front price of \$13.8 million. The cumulative price rises to \$19.7 million when including the years up to 2016.

Note that not all of the up-front cost was paid by San Francisco alone. Like all counties in California, San Francisco received federal funds through the Help America Vote Act (HAVA), as well as state funds from the Voting Modernization Bond Act of 2002. The latter was approved by California voters during the March 5, 2002 election as Proposition 41. It allocated \$200 million to upgrade voting systems and established a state Voting Modernization Board to carry out this task.

6.2. Open Source Voting Overview

In anticipation of issuing an RFP in early 2016, the Department of Elections issued a Request for Information (RFI) for a new voting system on August 6, 2015.² The RFI expressed a preference for an open source voting system. For example, the RFI stated on page 2—

The City formally supports the development and eventual implementation of open source voting systems; thus, any organization or firm that has developed or is developing a voting system based on open source code, or intends to do so, and is moving, or, is preparing to move, its open source system through the certification processes is encouraged to reply to this RFI.

An open source voting system is a voting system consisting of open source software running on commercial off-the-shelf (COTS) hardware, also known as “commodity” hardware.

Open source software is software whose source code is free for anyone to inspect, use, modify, and redistribute.³ The software is public and non-proprietary. More formally, open source software is software that has been released under a license approved by the nonprofit Open

2 The Department's Request for Information (RFI): <http://sfgov.org/elections/request-information-rfi-new-voting-system>

3 The Open Source Initiative's “open source definition”: <https://opensource.org/osd> .

Source Initiative (OSI). Such a license is known as an OSI-approved license.

The most common open source licenses are the Apache License 2.0, the BSD License 2.0, versions 2.0 and 3.0 of the GNU General Public License (GPL), and the MIT License. All of these are OSI-approved licenses. The GPL is a “copyleft” license, which means that if the software is changed and redistributed, then those changes must also be made available under the same open source license. The other licenses are “permissive,” which means they are not copyleft.

The Linux and related Android operating systems and the Firefox browser are three well-known examples of open source software. The Chrome browser is also largely open source. Its sibling, the Chromium browser, is 100% open source. Open source software is widely used by technology companies large and small for commercial applications, but it is less common in government.

6.3. History of Open Source Voting in San Francisco

The idea to pursue an open source voting system in San Francisco goes back to around 2005 when activists first brought the idea to the attention of the Commission. Since then, the idea gradually gained more support in San Francisco. What follows is a brief summary of this history.

In May 2007, the Commission passed a resolution establishing a policy that the Department give priority to voting systems that “provide the maximum level of security and transparency possible consistent with the principles of public disclosure.” However, in December 2007, the City entered into contract for a new voting system that had no open source or even disclosed source components. This is partly because no such systems were certified, or even fully developed—as is still the case today.

In November 2008, the Board of Supervisors established a 7-member task force called the Voting Systems Task Force (VSTF). The task force was charged with making “recommendations to the Board of Supervisors about voting system standards, design and development, including models for development of a voting system including proprietary, disclosed and open source software and hardware.” Commissioner Donaldson, the newest member of the Elections Commission, in fact served as a member of the VSTF.

In June 2011, the VSTF completed its final report. It was 57 pages long. Its conclusions included a recommendation that San Francisco pursue an open source system. For example, the report said that “the Department of Elections should give strong preference to a voting system licensing structure that gives San Francisco all of the rights provided by a license approved by the Open Source Initiative (OSI),” and also that “San Francisco should be an active participant in the movement toward more open and transparent voting systems.”

In December 2014, the Board of Supervisors built on this report by unanimously passing a

resolution in support of creating an open source voting system (see Attachment 2). The resolution was authored by Supervisor Wiener and cosponsored by Supervisors Cohen, Kim, and Mar. The resolution committed San Francisco “to work with other jurisdictions and organizations to create new voting systems using open source software.” It also requested that the Local Agency Formation Commission (LAFCo) conduct a study of the feasibility of San Francisco developing an open source voting system.

At the Commission's June meeting, LAFCo's Executive Officer Jason Fried gave a presentation to the Commission with a question-and-answer session on a draft version of this report.

6.4. Request for Information (RFI)

It was in the above context that the Department issued its Request for Information (RFI) for a new voting system on August 6, as stated at the beginning of the previous section.

The RFI was notable for its level of transparency and visibility. The Department created a web page for the RFI (<http://sfgov.org/elections/request-information-rfi-new-voting-system>) and posted on this page all public correspondence, responses, and comments as they came in. A link to this page was posted prominently on the Department's home page and remained for months after the response period ended. This was helpful because open source was being discussed during this time, even though the RFI had concluded.

The RFI process let the Department (and the City as a whole) confirm whether any open source voting systems were available or under development.

Responses to the RFI were due on August 28. Thirteen organizations responded, and no open source systems were certified or otherwise available at that time. However, six respondents expressed an interest in or described working towards the development of an open source system. These were the California Association of Voting Officials (CAVO), Mr. Alan Dechert, Digital Foundry (joint with IDEO), Galois (which later created Free & Fair), Dr. Juan Gilbert of the University of Florida, and the Open Source Election Technology Foundation (OSET).

6.5. Commission Resolution

At its October meeting, the Commission held a hearing on open source voting systems and invited each of these six individuals or groups to give a 15-minute presentation. The purpose of the hearing was to hear directly from the open source RFI respondents and to learn more about what it would take for an open source system to be developed and certified. See Attachment 3 for the text of the invitation letter, which includes a number of questions that the presenters were asked to answer.

Five of the six invitees presented. These were Mr. Brent Turner, California Association of Voting Officials (CAVO); Mr. Alan Dechert; Dr. Joe Kiniry, Galois; Dr. Juan Gilbert, University of Florida; and Mr. Gregory Miller, Open Source Election Technology Foundation (OSET). The

meeting was the longest Commission meeting of the year and lasted approximately 3 hours and 45 minutes.

At the following meeting in November, the Commission unanimously passed a detailed resolution on open source voting (see Attachment 4). The resolution asked the San Francisco Mayor and Board of Supervisors to initiate and fund a project to develop and certify an open source voting system running on commercial off-the-shelf hardware for use in San Francisco. The resolution spelled out a number of key characteristics for the project, including the goal of being ready in time for the June 2020 election.

The resolution also established a new policy that the Department of Elections “support and work towards the adoption of a fully open voting system, including supporting the development, testing, and certification of such a system.”

The *San Francisco Examiner* featured the resolution as the main front-page story of its Thanksgiving edition. See Appendix C for a copy of that front page.

Following the Commission resolution, the Director decided to postpone issuing an RFP in early 2016 and instead to seek another extension of the current voting system contract. This decision was made to support the effort to pursue an open source voting system and to let the discussion and planning proceed with full focus.

California Secretary of State Alex Padilla is also aware of the activity around open source voting. At a Future of California Elections (<http://futureofcaelections.org>) forum in Sacramento on November 10, 2015, in response to a question from a member of the public, Secretary of State Padilla replied that he thought it was "quite possible" and "very likely" that an open source voting system would be certified by his office during his current term.⁴

7. Open Data

Open data was another topic of interest during 2015. At its May meeting, the Commission invited Joy Bonaguro, San Francisco's Chief Data Officer, to present to the Commission on open data.

Open data is a more flexible way of making information available to the public. Characteristics of open data are that it be digital, public, free, online, machine-readable, available in bulk, openly licensed, structured, documented, and up-to-date. Open data allows organizations and members of the public to process and analyze information in an automated fashion (e.g. using “apps” or other software).

An example of something that is not open data is a spreadsheet posted online as a PDF. A PDF is not open data because the information is not machine-readable and structured, even though it is

⁴ <https://www.youtube.com/watch?v=GfzWt1TJ3qQ&t=35m00s>

digital and online. An open data alternative would be to provide the same information as a comma-separated value (CSV) text file, for example.

One example of the Department adopting open data is with the preliminary Statements of Vote. In elections prior to the November 2014 election, the Department posted preliminary precinct totals online only as PDF's (and that were hundreds of pages long). In the November 2014 election, the Department posted those totals also online as tab-separated value (TSV) text files. Such files can be opened using a conventional spreadsheet program like Excel, or processed easily using a scripting language like Python.

Ms. Bonaguro heads up a program in the Mayor's Office called DataSF (<https://datasf.org>) and the City's public open data portal, SF OpenData (<https://data.sfgov.org>). Her team assists City Departments in publishing more information as open data and also runs the City's Data Academy. The Academy offers classes for city employees on things like data management, data visualization, and information management.

The Department of Elections created a data inventory for DataSF, which enumerates and prioritizes the possible data sets that the Department can publish as open data in the future.

8. November 3, 2015 Municipal Election

The November 3, 2015 Municipal Election was a mayoral election with a number of other citywide offices on the ballot including City Attorney, District Attorney, Sheriff, and Treasurer. Thus, the election included ranked-choice voting (RCV) contests. The election also had one supervisor race (District 3) and several local measures.

The Department implemented a number of improvements during this election. These included—

1. **Earlier election-night RCV tallies.** The Department resumed including round-by-round RCV tallies in the first set of preliminary reports on election night. Previously, the Department did this in 2012, but stopped doing so in 2013 and 2014. The Department had already been including RCV tallies in the final election night report throughout these years.
2. **RCV tallies for all RCV contests.** The Department produced RCV tallies for all contests with at least two candidates listed, even if the winner could be determined by looking only at “raw” first choices (also known as “first choices as marked”). Previously, the Department did not run the RCV tally if a candidate had a majority of raw first choices. Raw first choice totals can differ from the first-round count of an RCV tally when ballots include skipped rankings.
3. **Election certification: RCV tallies.** The Department included the round-by-round RCV reports with the certification letter sent to the Board of Supervisors after the election. Before this, the certification materials included only the raw first-choice totals.
4. **Election certification: RCV tally summaries.** The Department included RCV tally

summaries within the body of the election certification letter. These summaries included the final round-by-round vote total for each candidate as opposed to only the first-round total. This provides a more informative summary.

5. **RCV tallying to two candidates.** The Department ran RCV tallies until just two candidates remained. This provides more information to the voters than stopping the tally at the earliest round in a which a majority is achieved.
6. **Cryptographic hashes.** The Department provided “SHA-512” hashes of each results file. This practice lets members of the public confirm that their file contents are correct after downloading.

9. Annual Evaluation of Director

In 2015, the Commission made a number of improvements to its annual process of evaluating the Director.

9.1. New Guidelines

At its February meeting, the Commission voted to adopt and post on its website a new process for evaluating the Director. This document is called, “Guidelines for Evaluation of Director of Elections” (see Attachment 5).

9.2. Biannual Reports

At its March meeting, the Commission voted to request biannual reports from the Department of Human Resources (DHR) regarding any complaints or grievances filed by Department of Elections employees.

At this meeting, the Commission learned from Deputy City Attorney White that DHR could provide the Commission with reports that would be compilations of summaries of DHR grievances and Equal Employment Opportunity (EEO) complaints filed within the Department of Elections by Department employees.

The reports would provide to the maximum extent possible the non-confidential information regarding any complaints and grievances. Thus, the documents could be made public. However, if a report is presented in the context of a closed session for the purposes of evaluating the Director, then the report would be exclusive to that closed session.

9.3. Employee Interviews and Director Evaluation

At a special Commission meeting held during business hours on April 23, the Commission interviewed the following three Department employees in closed session: Deborah Brown, Manager of the Voter Services Division; Yelena Kravtsova, Manager of the Poll Worker unit of the Election Day Support Division; and Cuong Quach, Manager of the Ballot Distribution

Division.

The Commission completed its annual performance review of the Director using this new process after the Commission's June meeting.

10. Appendices

- A. Commission Bylaws relating to the Annual Report
- B. Commission Meeting Attendance
- C. San Francisco Examiner front page, Nov. 26, 2015

11. Attachments

- 1. Spreadsheet of Cumulative Cost of San Francisco's Current Voting System
- 2. Board of Supervisors Open Source Voting Systems Resolution
- 3. Invitation e-mail for hearing on open source voting systems
- 4. Elections Commission Open Source Voting Systems Resolution
- 5. Guidelines for Evaluation of Director of Elections

Appendix A

Commission Bylaws relating to the Annual Report

This appendix includes for convenience those sections of the Elections Commission Bylaws that mention the Commission Annual Report:

SAN FRANCISCO ELECTIONS COMMISSION BYLAWS

ARTICLE IV, COMMISSION'S POWERS AND DUTIES

M. The Commission shall prepare an annual report describing its activities and shall file such report with the Mayor and the Clerk of the Board of Supervisors consistent with the Commission's duties under Section 4.103 of the San Francisco Charter and Sections 1.56 and 8.16 of the Administrative Code. This annual report shall cover the calendar year from January 1 through December 31.

ARTICLE V, OFFICERS

Section 2. The President

E. As soon as reasonably practicable following completion of each calendar year, the President who served at the conclusion of that calendar year shall present a draft annual report to the full Commission. An annual report shall be approved by the full Commission as soon as reasonably practicable following submission of the draft annual report.

ARTICLE XI, COMMISSION ANNUAL REPORT

Section 1. Each year, the Commission President shall cause to be bound the "Commission Annual Report."

Section 2. The Commission Annual Report shall contain the President's report of the activities of the Commission during the previous year, as well as any other information the President deems significant and of likely assistance to subsequent Commissions.

Section 3. It is the intent to preserve and pass on to successive Commissions relevant information so as to make more effective subsequent Commission tenures by providing institutional memory to assist in resolution of recurring Commission problems.

The Commission Bylaws were last amended on June 19, 2013.

Appendix B

Commission Meeting Attendance

The table on the following page lists attendance for both Commission and BOPEC meetings.

Each column represents a seat on the Commission. A square shaded gray means the seat was vacant during that meeting. The column headers indicate the appointing authority for the seat.

The first of the following two tables shows what each abbreviated column header stands for. The second shows what the abbreviations in the cell contents mean. Parentheses around an abbreviation mean that the absence or lateness was excused.

Abbr.	Appointing Authority
BE	Board of Education
BS	Board of Supervisors
CA	City Attorney
DA	District Attorney
Ma	Mayor
PD	Public Defender
Tr	Treasurer

Table 5: Key for column headers

Abbr.	Attendance Status
A	Absent
L	Late
P	Present
V	Vacant

Table 6: Key for cell contents

2015 Commission Attendance

Date	Meeting Type	BE	BS	CA	DA	Ma	PD	Tr
January 7	BOPEC (Canceled)	-	-	-	-	-	-	-
January 21	Commission	V	P	P	P	P	P	P
February 4	BOPEC*		P				P	
February 18	Commission	V	P	(A)	L	P	P	P
March 4	BOPEC (Canceled)	-	-	-	-	-	-	-
March 18	Commission	P	P	V	P	P	P	L
April 1	BOPEC (Canceled)	-	-	-	-	-	-	-
April 15	Commission	P	P	V	P	P	P	(L)
April 23	Commission (Special)	(L)	P	V	(A)	P	P	P
May 6	BOPEC (Canceled)	-	-	-	-	-	-	-
May 20	Commission	P	P	V	L	P	P	P
June 3	BOPEC	(L)	P				P	
June 17	Commission	L	P	V	P	P	P	P
July 1	BOPEC (Canceled)	-	-	-	-	-	-	-
July 15	Commission (Canceled)	-	-	-	-	-	-	-
August 5	BOPEC	P	P				P	
August 19	Commission	P	P	V	P	P	P	P
September 2	BOPEC (Canceled)	-	-	-	-	-	-	-
September 16	Commission	P	P	V	(A)	(A)	P	P
October 7	BOPEC (Canceled)	-	-	-	-	-	-	-
October 21	Commission	P	P	P	P	P	P	P
November 4	BOPEC (Canceled)	-	-	-	-	-	-	-
November 18	Commission	P	P	P	P	P	P	A
December 2	BOPEC	L	P				P	
December 16	Commission	P	P	L	A	P	P	P

Appendix C

This is a copy of the front page of the San Francisco Examiner on November 26, 2015.

The article on page 4 was about the open source voting systems resolution that the Commission passed on November 18. The article was written by Joshua Sabatini and was called, "San Francisco sets sights on open source voting by November 2019."⁵

San Francisco Examiner
SAN FRANCISCO SINCE 1865
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SEE PAGE 9

HAPPY THANKSGIVING

Updating voting
San Francisco sets sights on open-source elections by November 2019 **PAGE 4**

Safety measure
Stop signs installed where kids were hit
PAGE 8

Bad company
Shrimp Boy trial has notorious cast
PAGE 10

Heisman hype
Sleepy East Coasters missing McCaffrey
PAGE 16

Holiday events
Plenty of things to do in S.F. and beyond
PAGES 22-25

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*Annual Percentage Yield (APY) is effective as of 11/16/2015 and is subject to change without notice. \$500 minimum opening deposit required in money market account. Rates are compounded monthly and paid on the entire balance in the account. Fees may reduce earnings if the average minimum monthly balance of \$500 is not maintained. Membership in the Sterling Premier Club is required. Contact us for Club member requirements. FDIC

⁵ <http://www.sfexaminer.com/san-francisco-sets-sights-on-open-source-voting-by-november-2019>

Current Voting System Costs

Year	Hardware*	Software**	Other	Election Services	Yearly Total	Total (cumulative)	Years	Yearly Total (cumulative)	Notes
Initial	\$6,528,933.25	\$1,400,000.00	\$1,708,000.00		\$9,636,933.25				
2008***	\$0.00	\$0.00		\$994,800.00	\$994,800.00	\$10,631,733.25	1	\$10,631,733.25	
2009	\$203,800.00	\$182,500.00		\$497,400.00	\$883,700.00	\$11,515,433.25	2	\$5,757,716.63	
2010	\$203,800.00	\$182,500.00		\$994,800.00	\$1,381,100.00	\$12,896,533.25	3	\$4,298,844.42	
2011	\$203,800.00	\$182,500.00		\$497,400.00	\$883,700.00	\$13,780,233.25	4	\$3,445,058.31	End of initial four-year contract.
2012	\$203,800.00	\$182,500.00		\$994,800.00	\$1,381,100.00	\$15,161,333.25	5	\$3,032,266.65	
2013	\$203,800.00	\$182,500.00		\$497,400.00	\$883,700.00	\$16,045,033.25	6	\$2,674,172.21	End of initial contract after exercising two-year extension.
2014	\$203,800.00	\$182,500.00		\$994,800.00	\$1,381,100.00	\$17,426,133.25	7	\$2,489,447.61	
2015	\$203,800.00	\$182,500.00		\$497,400.00	\$883,700.00	\$18,309,833.25	8	\$2,288,729.16	
2016	\$203,800.00	\$182,500.00		\$994,800.00	\$1,381,100.00	\$19,690,933.25	9	\$2,187,881.47	
Total	\$8,159,333.25	\$2,860,000.00	\$1,708,000.00	\$6,963,600.00	\$19,690,933.25				
Notes:									
<p>The initial contract was four years with options to renew two additional years. *The per-year hardware costs (i.e. after the "initial") are for hardware maintenance (i.e. parts and repairs). **The per-year software costs (i.e. after the "initial") are the software license fees. ***The hardware maintenance and software license fees for 2008 were included in the initial cost. The numbers above are not adjusted for inflation to be in "today's dollars."</p>									
Source:									
<p>The numbers in this spreadsheet for 2008 to 2011 come from the following document provided to me by Director Arntz: City and County of San Francisco, Office of Contract Administration, Purchasing Division, First Amendment ("San Francisco Purchase Agreement First Amendment 01/18/08"). The numbers for 2012 to 2016 come from SF LAFCo's draft "Study on Open Source Voting Systems," dated May 13, 2015.</p>									

1 [Supporting the Creation of Open Source Voting Systems - Studying New Models of Voting
2 System Development]

3 **Resolution committing the City and County of San Francisco to work with other**
4 **jurisdictions and organizations to create new voting systems using open source**
5 **software; and to study the feasibility of the City and County of San Francisco**
6 **developing and using a new voting system, either whole or in part, through a**
7 **collaborative model like the Los Angeles County Voting Systems Assessment Project.**

8
9 WHEREAS, The City and County of San Francisco holds it in the interest of its citizens
10 to conduct efficient and accurate elections in a manner which promotes public trust in the
11 integrity of every aspect of the elections process; and

12 WHEREAS, Transparency in the recording, collection, transmission, aggregation and
13 tally of votes promotes public confidence in the integrity of elections; and

14 WHEREAS, A growing number of government leaders, good government groups,
15 citizens, and media reports have questioned the value and integrity of the existing, limited
16 choices of voting systems certified for use in conducting elections; and

17 WHEREAS, A limited number of vendors dominate the voting systems marketplace,
18 reducing incentives to innovate, and their refusal to make public their voting system software
19 and hardware designs conflicts with the goal of election transparency; and

20 WHEREAS, In order to address these issues, the San Francisco Board of Supervisors
21 on November 18, 2008, adopted Ordinance No. 268-08, File No. 081227, amending the
22 Administrative Code by adding Sections 5.400-410 to establish a Voting Systems Task Force
23 comprised of individuals with backgrounds in good government, computer science or the
24 computer industry, election administration, and accommodations of persons with disabilities,
25 to make recommendations to the Board of Supervisors about voting system standards, design

1 and development; and

2 WHEREAS, Pursuant to Ordinance No. 268-08, the San Francisco Voting Systems
3 Task Force was created to provide the City with recommendations on: standards and
4 guidelines for development and acquisition of voting systems; methods for acquiring voting
5 systems in conformity with federal, state and municipal laws; models for the development of a
6 voting system; business models, including the City and County of San Francisco acting as its
7 own vendor, which promote transparency; and any other issues related to voting systems
8 which will engender public trust in the elections processes of the City and County of San
9 Francisco; and

10 WHEREAS, In June 2011, "Recommendations on Voting Systems for the City and
11 County of San Francisco – A Report by the San Francisco Voting Systems Task Force
12 (VSTF)" was completed, in which the VSTF recommended that San Francisco advocate with
13 the California Secretary of State and the State legislature for a new, comprehensive state
14 certification process to replace the existing requirement for federal certification; and

15 WHEREAS, California Governor Jerry Brown on October 5, 2013, approved California
16 Senate Bill No. 360 amending the California Elections Code to create a comprehensive state
17 certification process and adding a new Section 19006 to the Elections Code stating the intent
18 of the Legislature that:

19 (a) All voting systems be certified or conditionally approved by the Secretary of State,
20 independent of voluntary federal qualification or certification, before they are used in
21 future elections to ensure that the voting systems have the ability to meet accuracy,
22 accessibility, and security standards.

23 (b) The Secretary of State adopt and publish testing standards that meet or exceed
24 federal voluntary standards set by the United States Election Assistance Commission
25 or its successor agency.

1 (c) The Secretary of State study and encourage the development of voting systems
2 that use nonproprietary source code and that are easy to audit.

3 (d) A local jurisdiction may use available public funds to purchase and maintain any
4 certified or conditionally approved voting system or part of a voting system.

5 (e) California receives the benefits of the publicly funded development of a
6 nonproprietary voting system in the state.

7 (f) A local jurisdiction may use available public funds to research and develop a
8 nonproprietary voting system that uses disclosed source codes, including the
9 manufacture of a limited number of voting system units, for use in a pilot program or for
10 submission to the Secretary of State for certification; and

11 WHEREAS, The VSTF in its June 2011 report also recommended that:

12 (a) the San Francisco Department of Elections give strong preference to a voting
13 system licensing structure that gives San Francisco all of the rights provided by a
14 license approved by the Open Source Initiative, a global non-profit that supports and
15 promotes the open source movement ("OSI-approved license"), even if the system is
16 maintained by an external party.

17 (b) San Francisco work with other jurisdictions and organizations, if an open source
18 model is used, to develop and manage the code-base in order to leverage additional
19 resources and expertise, and participate during the requirements gathering stage of
20 development so that its unique requirements can be incorporated into the system
21 design and implementation.

22 (c) San Francisco be an active participant in the movement toward more open and
23 transparent voting systems, acknowledging the complexity of moving from the existing
24 marketplace toward more innovative voting systems; urging San Francisco to move
25 steadily toward the goal of transparency—even if it must do so in incremental steps;

1 encouraging the City to be a strong advocate in the private sector marketplace for more
2 transparent systems and to be open as well to new collaborative development models;
3 and

4 WHEREAS, The Los Angeles County Voting Systems Assessment Project (VSAP) is a
5 collaborative project to design and implement a new voting system that was launched by the
6 Los Angeles County Registrar-Recorder/County Clerk and is a project that San Francisco
7 officials can learn from; and

8 WHEREAS, The City and County of San Francisco recognizes that development and
9 certification of these systems will entail substantial investment, but by pooling resources from
10 other jurisdictions and organizations, the cost to each participant can be reduced; now,
11 therefore be it

12 RESOLVED, That the City and County of San Francisco supports the movement
13 toward more open and transparent voting systems and the creation of new voting systems
14 using open source software and inexpensive commodity components; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors requests that the Local Agency
16 Formation Commission conduct a study of the feasibility and cost-effectiveness of the City
17 and County of San Francisco leading an effort to develop and use a new voting system, either
18 whole or in part, through a collaborative model, and which includes researching and
19 presenting options for structuring such a development project, as well as reviewing the work
20 of the Los Angeles Voting Systems Assessment Project (VSAP) and its process of voting
21 system design and acting as its own vendor, as a model for San Francisco in its pursuit of
22 transparent, secure and fair elections.



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 141105

Date Passed: December 09, 2014

Resolution committing the City and County of San Francisco to work with other jurisdictions and organizations to create new voting systems using open source software; and to study the feasibility of the City and County of San Francisco developing and using a new voting system, either whole or in part, through a collaborative model like the Los Angeles County Voting Systems Assessment Project.

December 03, 2014 Rules Committee - RECOMMENDED

December 09, 2014 Board of Supervisors - AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

December 09, 2014 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 141105

I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on 12/9/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Unsigned

Mayor

12/19/14

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board

OPEN SOURCE VOTING SYSTEMS HEARING: INVITATION E-MAIL

To provide context, below are the contents of the e-mail invitation that was sent on October 7, 2015 to each of the invited presenters.

Dear _____:

I would like to invite one or more representatives of your organization, _____, to speak before the San Francisco Elections Commission at its next regularly scheduled meeting. The meeting will be held at 6PM on Wednesday, October 21, 2015 in Room 408 of San Francisco City Hall.

As President of the San Francisco Elections Commission, I will be scheduling a hearing on the topic of open source voting systems at this meeting. I'm planning to let each invited organization present for about 15 minutes and then follow this with time for questions from the Commissioners. The format and amount of time may change between now and the meeting.

Here are some questions that I personally would like to see answered during the hearing:

How long do you think it will be before an open source voting system is certified for use in California and available for use by a jurisdiction like San Francisco? What steps do you think need to take place for that to happen? What are some possible ways forward? Why hasn't a system like this been developed and certified yet by your organization or anyone else? What open source license or type of open source license do you think should be used and why (e.g. OSI-approved or non-OSI-approved, permissive or copyleft, etc)? If San Francisco were to adopt an open source system, how could San Francisco be assured that the system would continue to be developed and maintained over time?

If your organization would like to speak during this hearing, please reply to this e-mail. More information about the Commission can be found on our website below. You are also welcome to contact me with questions. Thank you very much.

Sincerely,

Chris Jerdonek, President
San Francisco Elections Commission

Website: <http://sfgov.org/electionscommission>

Twitter: @SFElectionsComm

1 **Open Source Voting Systems Resolution**

2 Adopted by the San Francisco Elections Commission (6-0) on November 18, 2015.

3
4 [Supporting Open Source Voting Systems — Encouraging the Mayor and Board
5 of Supervisors to Initiate a Project to Develop and Certify an Open Source Voting System]
6 **Resolution to support the development and certification of an open source voting**
7 **system running on commercial off-the-shelf hardware; and to request that the Mayor**
8 **and Board of Supervisors initiate and fund a project to develop and certify such a**
9 **system for use in San Francisco.**

10 WHEREAS, Free and fair elections, as a cornerstone of the democratic process,
11 demand the highest levels of public openness, accessibility, accuracy, security, and
12 trustworthiness;

13 WHEREAS, The public benefits from elections that, in their conduct and operation, also
14 have increased efficiency, innovation, and affordability;

15 WHEREAS, The San Francisco Elections Commission (“Elections Commission”) on
16 May 16, 2007 adopted a resolution that—

17 (a) Cited concerns raised by members of the Board of Supervisors about ratifying a
18 contract for voting machines which did not allow for open source software; and that

19 (b) Established a policy that the San Francisco Department of Elections (“Department
20 of Elections”) shall endeavor in contracting to prioritize and select if possible, voting
21 systems and vendors which provide the maximum level of security and transparency
22 possible consistent with the principles of public disclosure;

23 WHEREAS, The City and County of San Francisco (“San Francisco”) on December 11,
24 2007, and as amended on January 18, 2008, entered into a four-year voting system

1 agreement with Sequoia Voting Systems, Inc. at a cost of \$13.78 million — an agreement that
2 the Board of Supervisors extended and that will expire on January 1, 2017;

3 WHEREAS, The Board of Supervisors on November 18, 2008 created a Voting
4 Systems Task Force to make recommendations to the Board of Supervisors about voting
5 system standards, design and development, including models for development of a voting
6 system including proprietary, disclosed and open source software and hardware approaches
7 and which address aforementioned voting systems requirements and assure a cost effective,
8 highly reliable, maintainable system;

9 WHEREAS, The Voting Systems Task Force in June 2011 completed its report, which
10 recommended in part that—

11 (a) The Department of Elections should give strong preference to a voting system
12 licensing structure that gives San Francisco all of the rights provided by a license
13 approved by the Open Source Initiative (OSI), even if the system is maintained by an
14 external party; and that

15 (b) If an open source model is used, that San Francisco work with other jurisdictions
16 and organizations to develop and manage the code-base in order to leverage
17 additional resources and expertise; and

18 (c) San Francisco should be an active participant in the movement toward more open
19 and transparent voting systems;

20 WHEREAS, After the November 2016 election, San Francisco will have spent \$19.69
21 million over nine years on its current voting system agreement, including \$2.86 million on
22 software licensing fees, \$6.53 million on hardware, and \$1.63 million on hardware
23 maintenance;

24 WHEREAS, The California legislature, in enacting SB 360 in 2013, expressed its

1 intention that—

2 (a) The Secretary of State study and encourage the development of voting systems
3 that use nonproprietary source code and that are easy to audit;

4 (b) California receive the benefits of the publicly funded development of a
5 nonproprietary voting system in the state; and

6 (c) Provides for the experimental use of a voting system in a pilot program if the voting
7 system uses only software and firmware with disclosed source code, except for
8 unmodified commercial off-the-shelf software and firmware;

9 WHEREAS, The Board of Supervisors on December 9, 2014 unanimously passed
10 Resolution No. 460-14, which committed San Francisco to work with other jurisdictions and
11 organizations to create new voting systems using open source software, and which stated
12 further that—

13 (a) San Francisco supports the movement toward more open and transparent voting
14 systems and the creation of new voting systems using open source software and
15 inexpensive commodity components; and

16 (b) The Board of Supervisors requests that the Local Agency Formation Commission
17 conduct a study of the feasibility and cost-effectiveness of San Francisco leading an
18 effort to develop and use a new voting system, either whole or in part, through a
19 collaborative model;

20 WHEREAS, The Department of Elections on August 6, 2015 issued a Request for
21 Information (RFI) for a new voting system, expressing a preference for voting systems
22 designed using open source software;

23 WHEREAS, The Department received thirteen responses to the RFI by the August 28,
24 2015 deadline, all of which left significant gaps in meeting the RFI requirements with existing

1 voting systems; and

2 WHEREAS, Six RFI respondents proposed predominantly open source systems,
3 though in the absence of funding, none have yet been fully developed or certified; and

4 WHEREAS, The Local Agency Formation Commission on October 23, 2015 issued its
5 final report, "Study on Open Source Voting Systems," which analyzed the possibility of San
6 Francisco leading an effort to develop and use an open source voting system, and concluded
7 in part that several ongoing voting system projects can be adopted and provide an opportunity
8 for San Francisco to expedite the development of an open source voting system, if San
9 Francisco chooses to develop its own voting system;

10 WHEREAS, The Elections Commission on October 21, 2015 held a public hearing on
11 open source voting systems during which five of the six open source RFI respondents gave
12 presentations on the benefits of open source voting systems and on possible ways forward for
13 San Francisco to develop and adopt a certified open source voting system;

14 WHEREAS, Any open source software license approved by the Open Source Initiative
15 (OSI) ensures that the software can be freely viewed, used, changed, and redistributed — in
16 modified or unmodified form — by anyone, including people, organizations, and governmental
17 entities;

18 WHEREAS, The transparency of open source software promotes greater trust and
19 public confidence in its use, and in particular permits greater security and correctness through
20 increased public scrutiny and feedback from experts;

21 WHEREAS, For the purposes of this resolution, "open voting system" means a voting
22 system whose software is open source under OSI-approved software licenses; whose
23 electronic hardware is commercial off-the-shelf (COTS); and whose auxiliary development
24 products, materials, and documents related to areas such as requirements, design, build,

1 installation, testing, and user documentation, and any additional materials submitted to gain
2 regulatory approval, are freely and openly licensed;

3 WHEREAS, The current voting system marketplace provides little or no incentive for
4 established vendors to offer an open voting system, and the initial development and
5 certification costs make it prohibitive for new industry entrants to do so;

6 WHEREAS, Since elections are a public process undergirding democracy across the
7 United States, access to improved voting systems should not be limited only to those
8 jurisdictions with greater financial means, and all jurisdictions should be free to make
9 improvements to those systems on their own as needed;

10 WHEREAS, The development and certification of an open voting system could not only
11 provide San Francisco with an affordable, accurate, flexible, and secure voting system, but
12 could benefit all election jurisdictions across the country by providing them such an option;

13 WHEREAS, Additionally, copyleft provisions in open source software licenses would
14 help ensure that everyone, including San Francisco, has free access to future changes and
15 improvements to that software, providing a way for San Francisco to derive additional benefit
16 from the creation of an open voting system; and

17 WHEREAS, As a leader in innovative public policy initiatives and as a hub for
18 innovation in software and open source — with the San Francisco Bay Area home to many
19 well-known organizations like Apple, Facebook, GitHub, Google, the Mozilla Foundation,
20 Twitter, Yahoo, and countless others contributing significantly to open source software — San
21 Francisco is a natural jurisdiction to take the lead in developing and certifying an open voting
22 system; now, therefore be it

23 RESOLVED, That it be the position of the Elections Commission that open voting
24 systems using paper ballots have the potential to provide the greatest degree of accessibility,

1 accuracy, transparency, security, auditability, affordability, and flexibility in elections, and so
2 would best serve the voters of San Francisco; and, be it

3 FURTHER RESOLVED, That the Elections Commission expresses its appreciation to
4 the Board of Supervisors for its past resolution in support of open source voting systems
5 running on inexpensive commodity components, and encourages the Mayor and Board of
6 Supervisors to initiate and fund a project, starting in the fiscal year beginning July 1, 2016,
7 with the goal of ensuring that an open voting system be available for use by the Department
8 of Elections for the June 2020 Presidential Primary Election, and for partial or pilot use by the
9 November 2019 Municipal Election or earlier; and, be it

10 FURTHER RESOLVED, That the Elections Commission encourages the Mayor and
11 Board of Supervisors to consider incorporating the following characteristics into such a
12 project:

13 (a) First, hire a project director with technical expertise to be responsible for planning
14 and leading the project, including working with stakeholders, collaborators, and
15 regulators; drafting system requirements; and selecting and managing technical
16 contractors, as necessary;

17 (b) Incorporate openness and transparency into the project, for example by forming a
18 public committee of experts and citizens to advise the project director, and by releasing
19 all development products, including software source code and documentation, as they
20 are developed;

21 (c) Design and implement the voting system in a modular fashion, by developing
22 components like the ballot layout software, scanner device drivers, a central scanner, a
23 precinct scanner, an accessible voting device, tabulation software, and the election
24 results reporter independently and in parallel, using open data formats to communicate

- 1 with one another;
- 2 (d) Express a preference for open source licenses with copyleft characteristics so that
3 San Francisco and other jurisdictions can benefit from future improvements that others
4 make to the voting system components;
- 5 (e) Build on prior open source work where possible to reduce project time and costs;
- 6 (f) Permit the selection of different organizations to develop different components of the
7 voting system to reduce project risk, for example by issuing separate, smaller
8 Requests for Proposal (RFPs) for each voting system component;
- 9 (g) Spread project costs over multiple years to reduce risk, spending funds in
10 subsequent years only after the results of prior expenditures are known;
- 11 (h) Produce production-ready deliverables early on and incrementally as in an agile
12 approach to further reduce risks and costs, rather than waiting until the conclusion of
13 the project to deliver finished versions of all components;
- 14 (i) Certify and use components of the voting system in real elections prior to the
15 completion of the full system, for example by facilitating pilot projects of the form
16 permitted by SB 360 and/or the use of a blended system during a transition period that
17 incorporates components from both a proprietary system and the open system being
18 developed;
- 19 (j) Work with the California Secretary of State's Office before the completion of each
20 component to maximize the likelihood of state certification;
- 21 (k) Recruit other organizations, including other jurisdictions, universities, open source
22 software organizations, and commercial entities with an interest in open source, to
23 cosponsor, fund, and help manage the development, certification, and maintenance of
24 the voting system;

1 (l) Explore the possibility of innovative partnerships with public and private entities that
2 could let San Francisco further reduce, and even recover, project costs;

3 (m) Seek grants from foundations, other government agencies, and nonprofit
4 organizations with a similar interest in election openness to help fund and support the
5 project; and, be it

6 FINALLY RESOLVED, That it be the policy of the Department of Elections to support
7 and work towards the adoption of a fully open voting system, including supporting the
8 development, testing, and certification of such a system.

Guidelines for Evaluation of Director of Elections

(Adopted by the Elections Commission at its Feb. 18, 2015 meeting.)

This document sets forth some guidelines for the Commission's evaluation of the Director of Elections ("Director"). This procedure may vary from year to year, and for each evaluation, the Commission will vote on the specific procedures to be followed. The evaluation will consist of the following components – interviews of Elections Department employees, Commissioner written evaluations, Director of Elections self-evaluation, and Commission discussion. Each of these components are discussed below.

1. Interviews of Department of Elections Employees

The Commission will interview Department of Elections employees using the following process:

a. The President of the Commission will select approximately two Department employees to be invited to a Commission meeting to discuss the performance of the Director. The President may seek the input of all Commission members as to the number and identity of the persons to be invited. However, the decision with respect to the number and identity will rest in the sole discretion of the President.

b. The Commission will invite the employees identified by the President to appear at a Commission meeting to discuss the Director's performance. The meeting will be scheduled as a special meeting to occur during the Department's normal working hours. The invited employees will be advised that their participation is voluntary, and that the Commission anticipates their statements will occur in closed session and remain confidential to the maximum extent permitted under the open meeting and other applicable laws. The Director will not be present for these employee interviews.

c. The Commission will advise the Director that the Commission expects him or her not to question employees regarding the employee interviews.

2. Director Self-Evaluation

The Director of Elections will be asked to provide a written self-evaluation to each of the Commissioners. The self-evaluation will be on the form attached as Exhibit A.

3. Commissioners' Individual Written Evaluations

Following the employee interviews and receipt of the Director's self-evaluation, the Commissioners will each submit a written evaluation of the Director. The written evaluations will be on the form attached as Exhibit A. Each Commissioner's written evaluation will be provided to the President or the President's designee. Following the completion of the evaluation process, the President or the President's designee will provide the Commissioner evaluations and the Director's self-evaluation to the Deputy City Attorney office for retention so long as such retention is required by law.

4. Commission's Collective Written Evaluation

Following the employee interviews, the Director's self-evaluation, and the Commissioners' individual written evaluations, the Commission will discuss the Director's performance during a Commission meeting. Following this discussion, the President or the President's designee will reduce the Commission's collective evaluation to writing, which will be provided confidentially to the Director, each Commissioner, and the Deputy City Attorney.

Exhibit A

CONFIDENTIAL

Submitted by: _____

Date: _____

**San Francisco Elections Commission
Director of the Department of Elections
Performance Evaluation**

The following is the calendar year _____ performance evaluation of
_____, Director of the San Francisco Department of Elections.

Rating Scale:

- 1 = Unsatisfactory
- 2 = Needs Improvement
- 3 = Average
- 4 = Above Average
- 5 = Superior

I. ELECTIONS

- 1. Ensures free, fair and functional elections with no or only non-material errors, and deals effectively with anomalies.**

Rating (1-5):

Comments:

- 2. Demonstrates an understanding of and effectively implements election laws, codes and deadlines.**

Rating (1-5):

Comments:

3. Shows innovation and effectiveness in the elections process.

Rating: (1-5)

Comments:

4. Implements programs to effectively communicate with voters and educate them on election requirements, deadlines and procedures.

Rating (1-5):

Comments:

II. COMMUNICATION

1. Effectively communicates the Department of Elections' mission, strategy, goals and other essential information to the Commission including, but not limited to duties specified in City Charter Section 13.105;

Rating (1-5):

Comments:

2. Effectively interacts with the Commission through timely and thorough providing of information;

Rating (1-5)

Comments:

3. Implements the Commission's policies

Rating (1-5)

Comments:

III. ADMINISTRATION

1. Builds and maintains an environment that fosters and contributes to the effective operation of the DOE including teamwork among DOE staff;

Rating (1-5):

Comments:

2. Effectively uses and manages DOE personnel;

Rating (1-5):

Comments:

3. Demonstrates the ability to manage changing work conditions and problem situations quickly and effectively.

Rating (1-5):

Comments:

IV. RESOURCES

- 1. Effectively uses and manages DOE budget and resources.**

Rating (1-5):

Comments:

V. OVERALL

- 1. Overall Evaluation (based on the above factors)**

Rating (1-5):

Comments:

From: Sesay, Nadia (CON)
Sent: Monday, November 14, 2016 5:37 PM
To: BOS-Supervisors; Lee, Mayor (MYR)
Cc: Calvillo, Angela (BOS); Rose, Harvey (BUD); Rosenfield, Ben (CON); Kelly, Naomi (ADM); Elliott, Nicole (MYR); Tugbenyoh, Mawuli (BOS); Whitehouse, Melissa (MYR); Lee, Olson (MYR); Hartley, Kate (MYR); BOS-Legislative Aides
Subject: Treasure Island/Yerba Buena Island
Attachments: Treasure Island Housing Memo 11-14-2016.pdf

Attached is a memorandum responding to questions that were raised at the October 25th meeting of the Board of Supervisors during consideration of Resolutions of Intention to form an Infrastructure and Revitalization Financing District ("IRFD") and Community Facilities District ("CFD") to provide the required Public Financing for the Treasure Island Development Program. Specifically, it was requested that the Treasure Island Development Authority ("TIDA") and the Office of Public Finance ("OPF") provide additional information on the strategies that the City will pursue to secure additional resources to help fund the development of affordable housing on Treasure Island, and the items were continued to the November 15th meeting of the Board.

Please do not hesitate to contact Bob Beck at 415-274-0646 or me if you have any questions.

Thank you for your attention to this matter.

Nadia.

Nadia Sesay
Director, Office of Public Finance
Controller's Office
City & County of San Francisco
Phone: 415.554.5956
Email: nadia.sesay@sfgov.org
www.sfgov.org/opf



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

MEMORANDUM

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

FROM: Nadia Sesay, Public Finance Director *NS*
Robert Beck, Treasure Island Director *RB*

SUBJECT: Treasure Island/Yerba Buena Island: Affordable Housing Funding Plan

DATE: Monday, November 14, 2016

This memorandum identifies strategies to address the affordable housing funding gap in the Treasure Island Program as they relate to legislative actions pending at the Board of Supervisors.

Executive Summary

- In 2011, the Board of Supervisors adopted a series of resolutions to approve numerous entitlement and transaction documents relating to Treasure Island/Yerba Buena Island Development Project.
- The Project includes the development of 8,000 new homes (including 2,173 or 27.2% affordable units), 300 acres of parks and open space, roughly 550,000 square feet of commercial and retail space, and up to 500 hotel rooms.
- Treasure Island Community Development ("TICD") is required to deliver a wide range of public improvements, including geotechnically stabilizing the project site; constructing new roadways, utilities, and other public infrastructure to support the Project; and constructing new ferry facilities, a new police/fire public safety building, and other community facilities.
- The City, in partnership with Treasure Island Homeless Development Initiative ("TIHDI"), is required to develop the affordable housing units.
- The City is obligated under the Disposition and Development Agreement dated June 7, 2011 ("DDA") to establish the required public financing mechanisms as development commences.
- The first five of seventeen resolutions and ordinance required to form the Infrastructure Financing and Revitalization District ("IRFD") and Community Facilities District ("CFD") are pending at the Board of Supervisors. If adopted the resolutions are adopted, the formation of the districts would be considered by the Board of Supervisors in January following Public Hearings on the districts.
- The IRFD will allow Treasure Island Development Authority ("TIDA") to capture property tax increment for affordable housing and to reimburse Treasure Island Community Development ("TICD") for eligible public infrastructure expenses.

- The CFD will place a supplemental assessment on development parcels which will reimburse eligible TICD public infrastructure expenses and will fund future sea level rise adaptation strategies and park & open space maintenance, but which cannot finance affordable housing.
- The 2011 agreements allowed for 1,684 affordable units with the option to develop up to 1,866 affordable units without compensation to the developer, TICD, although it was not determined at the time how the City might finance these additional units.
- Since the adoption of the DDA in 2011 revised projections have identified a gap of \$382 million across a total cost of \$968 million to construct the 1,864 units.
- The gap includes funding an additional 184 affordable housing units, increased construction cost, and lost contributions from State and Federal funding programs which no longer exist. Most notable is the loss due to dissolution of redevelopment of the Educational Revenue Augmentation Fund (“ERAF”) which represent 25.3% of the 1% ad valorem property tax.
- Potential solutions to close the affordable housing funding gap will be available in near-, mid-, and long-term, over the life of the development and will entail future Board actions and change in State law.
- The City is projected to deliver 720 TIDA/TIHDI affordable units over 7 parcels between 2018 – when the first parcel will be available – and 2026 with funding in the near-term from MOHCD.
- The committed and project-generated sources funds 1,429 units (including the 720 units above) or 65% of the affordable housing obligation, including inclusionary units, over the life of the development.
- To the extent that we are able to further realize the potential funding sources identified in this memo, 1,967 units or 90% of the affordable housing obligation including inclusionary units can be delivered over the life of the development.
- Although the City has rights to develop over 20 parcels, the City projects it can construct the 1,864 units on only 17 parcels. Therefore, the City has 3 parcels available for future affordable housing development beyond the 8,000 units and outside of the scope of the development.

Affordable Housing Program

Table 1 below, summarizes some of the key characteristics of the affordable housing program and costs in 2011 compared to 2016.

Table 1: Affordable Housing Program – 2011 and 2016

	2011	2016
Total Affordable Housing Units	2,000	2,173
TIDA/TIHDI Units	1,684	1,864
Inclusionary Units	316	309
Total Cost of TIDA/TIHDI Units	\$600 million	\$968 million
Estimated Funding Gap	\$144+ million*	\$382 million

* – Includes expired Federal and State sources, TIHDI financing obligation, and construction of Tax Credit ineligible market rate units.

With the elimination of redevelopment, the Project was limited to the share of ad valorem property taxes allocated to San Francisco as a City and County which are 64.7% of the total revenues. State law authorizing the formation of Infrastructure Financing Districts (“IFDs”) allowed the City to leverage these revenues in a manner similar to redevelopment law. In the Finance Plan and Housing Plan as revised following the dissolution of redevelopment, the City dedicated 56.7% of the ad valorem tax revenues to the financing of the public improvements, with 82.5% of that amount committed to the reimbursement of TICD for the provision of infrastructure improvements and 17.5% of that amount set aside to finance affordable housing to be constructed by TIDA and TIHDI. The resultant financing structure is reflected in Table 2.

Table 2: Available Tax Increment Under Redevelopment Law vs Treasure Island Post-Redevelopment Finance Plan

	RDA*	IFD**	Notes
General Fund Subtotal	13%	8%	8% of local Tax Increment to GF; 56.7 to project implementation
SF School District	6.5%	7.7%	Not available under IFD
ERAF	-	25.3%	Not available under IFD
Other Districts	0.5%	2.3%	Not available under IFD
Affordable Housing	20%	9.92%	=17.5% of 56.7%
Available for Infrastructure	60%	46.78%	=82.5% of 56.7%
Total	100%	100%	

* – Under Redevelopment Law, the State committed the ERAF share of property tax increment derived from the project area to the Redevelopment Agency (“RDA”) for the financing of public improvements and affordable housing within the project area.

** – Per the Treasure Island Finance Plan, local Tax Increment is to be leveraged through an Infrastructure and Revitalization Financing District (“IFD”)

Addressing the Funding Gap

As illustrated in Table 3, the \$382 million funding gap considers only funding contributions from affordable housing tax credits, TICD’s affordable housing subsidy payment, and tax increment to be leveraged through the IRFD. The committed and project-generated sources funds 1,429 units or 65% of affordable housing obligation, which includes inclusionary units. It does not factor in potential contributions from potential state and local revenues. There are several other avenues that we can pursue to close the funding gap, but the pursuit of these revenues will, by necessity, unfold over time. It is difficult to currently predict with certainty the timing of sources and amounts available to contribute to the final funding program. If these potential funding sources are realized, 1,967 units or 90% of the affordable housing obligation including inclusionary units will be delivered over the life of the development.

The City is exploring a number of alternative funding sources to close the funding gap. The funding source with the potential greatest impact is the restoration of the State ERAF share that was lost when the State dissolved redevelopment in 2011. The restoration of the ERAF Share is one of several of the funding strategies which would require State legislation. The Infrastructure Financing Plan before the Board provides that any additional revenues arising from changes in IRFD law including the reinstatement of ERAF and/or the pledge of MVLF would be used exclusively to finance affordable housing.

Table 3: Net Funding Need (\$ in Millions)

	<u>Amount</u>
Estimated Cost of Construction	(968)
Committed Non-Project Sources (Tax Credits)	449
Project Generated Sources (Net Increment, Other)	138
Affordable Housing Need	(382)
Short-Term MOHCD Funding	30
State Legislative Changes:	
ERAF Share: 25.3% (Bond Proceeds)	206
IRFD Extension	38
Net Funding Need Gap	(108)
Future Local Shares	
GF Share: 8%	65
Leverage Island Revenue	TBD
Future MOHCD Funding	TBD

It is also useful to understand when potential sources may be available to support the housing program. Table 4, below, illustrates which sources may be available in the near-, mid-, and long-term.

Table 4: Affordable Housing Funding Sources

	Near-Term	Mid-Term	Long-Term
Local Project Generated Sources			
GF Share: 8%		X	X
Leverage Island Revenue	X	X	X
Grants			
AHSC	X	X	
No Place Like Home		X	
Legislative Changes			
State ERAF Share		X	X
IRFD Extension			X
MOHCD Funding	X	X	X

Conclusion

TIDA and TIHDI have been working with the MOHCD to develop a funding strategy with an emphasis on projects deliverable over the next 10 years. It is very difficult to predict with any certainty what local revenues will be available beyond 10 years and what other projects will be competing for those resources. Based on our efforts, we project that we will be able to deliver 720 TIDA/TIHDI affordable units between 2018 – when the first parcel will be available – and 2026 with approximately \$30 million in support from MOHCD. These projections do not assume external grants or the legislative changes described above which could make more funds available. To the extent that we are able to realize the potential funding sources identified above, 1,967 units or 90% of the affordable housing obligation including inclusionary units will be delivered over the life of the development.

To date, TICD has demolished structures on Yerba Buena Island and, in August, began demolition on Treasure Island. TICD has taken bids for the initial infrastructure contracts on Yerba Buena Island – for new water storage reservoirs and for new roadways and utility infrastructure – and those contractors are poised to mobilize and begin construction in the coming weeks.

For this work to continue moving forward, it is essential that the City and TIDA commence formation of the initial IRFD and CFD to demonstrate the capacity to reimburse TICD – and, by extension, their lenders – for eligible work as it is completed. A delay in the formation of the IRFD and CDF would slow the release of funds and progress to implement the Program would stall.

The administration of the IRFD and CFD will require TIDA and the Office of Public Finance to appear regularly before the Board of Supervisors to authorize future bond sales and take other actions. We would update the Board of the progress in funding individual affordable housing projects and narrowing the overall funding gap as a regular part of every report.

Your consideration of this matter is greatly appreciated. Please contact Nadia Sesay at 415-554-554-5956 or Bob Beck at 415-274-0646 if you have any questions.

CC: Angela Calvillo, Clerk of the Board of Supervisors
Ben Rosenfield, Controller
Naomi Kelly, City Administrator
Nicole Elliott, Director of Legislative & Government Affairs
Mawuli Tugbenyoh, Mayor's Liaison to the Board of Supervisors
Melissa Whitehouse, Mayor's Budget Director
Olson Lee, Mayor's Office of Housing and Community Development
Kate Hartley, Mayor's Office of Housing and Community Development
Harvey Rose, Budget Analyst

ORIG: Rules
0:00B, Leg Dup.
Dep. City Atty: CPag
EDWIN M. LEE
MAYOR
ac
File



OFFICE OF THE MAYOR
SAN FRANCISCO

November 7, 2016

RECEIVED
BOARD OF SUPERVISORS
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2016 NOV -7 PM 1:45
BY: [Signature]

Angela Calvillo
Clerk of the Board, Board of Supervisors
San Francisco City Hall
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Ms. Calvillo,

Pursuant to the Section 3.100 (18) of the Charter of the City and County of San Francisco, I hereby make the following reappointment:

Barbara Sklar to the Arts Commission for a term ending July 1, 2019.

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

Should you have any questions related to this appointment, please contact my Deputy Chief of Staff for Appointments, Francis Tsang, at 415-554-6467.

Sincerely,

[Signature]
Edwin M. Lee
Mayor

(21)

Barbara Sklar

Barbara Sklar has painted for the past 40 years and full-time for almost three-decades. She has studied at the Cleveland Institute of Art 1961-64 and later at U.C. Berkeley and the Art Students League in New York. She was the only American to attend the Royal Watercolor Society's annual workshops for professionals in the years 1991-95. Ms. Sklar has studied sculpture and ceramics privately in Florence, Italy. Her works are in public, corporate and private collections throughout the United States and Europe. She has exhibited in galleries in California, Hawaii, Ohio, New York, Washington, D.C., Rome and Florence and Sarajevo. Ms. Sklar has served on the San Francisco Arts Commission, the New York Foundation of the Arts Board and the Arts in Embassies Millennium Committee. She served on the Board of the San Francisco Arts Institute from 2001-2008.

Commissioners
Eric Sklar, President
Saint Helena
Jacque Hostler-Carmesin, Vice President
McKinleyville
Anthony C. Williams, Member
Huntington Beach
Russell E. Burns, Member
Napa
Peter S. Silva, Member
Chula Vista

STATE OF CALIFORNIA
Edmund G. Brown Jr., Governor

Valerie Termini, Executive Director
1416 Ninth Street, Room 1320
Sacramento, CA 95814
(916) 653-4899
www.fgc.ca.gov

Fish and Game Commission



Wildlife Heritage and Conservation
Since 1870

November 1, 2016


TO ALL AFFECTED AND INTERESTED PARTIES:

This is to provide you with a Notice of Findings regarding Livermore tarplant (*Deinandra bacigalupii*) which will be published in the California Regulatory Notice Register on November 4, 2016.

Sincerely,


Sheri Tiemann
Associate Governmental Program Analyst

Attachment

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BY 

NOTICE OF FINDINGS

Livermore tarplant

(Deinandra bacigalupii)

NOTICE IS HEREBY GIVEN that the California Fish and Game Commission (Commission), at its meeting in Folsom, California on August 25, 2016, made a finding pursuant to Fish and Game Code Section 2075.5, that the petitioned action to add the Livermore tarplant (*Deinandra bacigalupii*) to the list of endangered species under the California Endangered Species Act (CESA) (Fish & G. Code, § 2050 et seq.) is warranted. (See also Cal. Code Regs., tit. 14, § 670.1, subd. (i).)

NOTICE IS ALSO GIVEN that, at its October 20, 2016, meeting in Eureka, California, the Commission adopted the following findings outlining the reasons for its listing decision.

I. Background and Procedural History

Petition History

On August 26, 2014, the Commission received the "A Petition to the State of California Fish and Game Commission" to list the species identified as the Livermore tarplant (*Deinandra bacigalupii*) as an endangered species (Petition). The Petition was submitted by Heath Bartosh (Petitioner).

Commission staff transmitted the Petition to the Department of Fish and Wildlife (Department) pursuant to Fish and Game Code Section 2073 on August 28, 2014, and the Commission published formal notice of receipt of the Petition on September 12, 2014 (Cal. Reg. Notice Register 2014, No. 37-Z, p. 1627). On October 8, 2014, Commission staff provided a copy of the Petition to the Commission pursuant to Title 14, California Code of Regulations, Section 670.1. On November 24, 2014, the Department requested a 30-day extension pursuant to Fish and Game Code Section 2073.5 to allow the Department to complete its analysis. After evaluating the Petition and other relevant information the Department possessed or received, the Department determined that based on the information in the Petition, there was sufficient scientific information to indicate that the petitioned action may be warranted, and recommended the Commission accept the Petition. On April 9, 2015, the Commission voted to accept the Petition and initiate a review of the species' status in California. Upon publication of the Commission's notice of determination, the Livermore tarplant was designated a candidate species on April 24, 2015 (Cal. Reg. Notice Register 2015, No. 17-Z, p. 656).

Following the Commission's designation of the Livermore tarplant as a candidate species, the Department notified affected and interested parties and solicited data and comments on the petitioned action pursuant to Fish and Game Code Section 2074.4. (see also Cal. Code Regs., tit. 14, § 670.1(f)(2).) Subsequently, the Department reviewed the species' status. On April 11, 2016, the Department Director delivered a report on the status review to the Commission

pursuant to Fish and Game Code Section 2074.6, including a recommendation that, based upon the best scientific information available to the Department, the petitioned action is warranted.

On August 25, 2016, at its meeting in Folsom, California, the Commission took up consideration of the Petition and received public testimony on the matter. The Commission voted to add the Livermore tarplant to the list of threatened species. The Commission directed its staff, in coordination with the Department, to prepare findings of fact consistent with the Commission's determination and to present those findings for consideration and ratification at the Commission's October 20, 2016, meeting in Eureka, California.

Species Description

Livermore tarplant is an herbaceous plant of the sunflower family (*Asteraceae*) that grows to a height of 3.9 to 15.7 inches (10 to 40 centimeters). The Livermore tarplant was described as a new species in 1999. The leaves and parts of the stems, flowers, and flower heads of Livermore tarplant have minutely-stalked yellowish or clear glands that are sticky and give the plant a strong odor.

There are four known occurrences of Livermore tarplant, all restricted to the eastern portion of the Livermore Valley, within the City of Livermore and unincorporated Alameda County, California. Livermore tarplant grows in poorly-drained, seasonally-dry, alkaline meadows in the vicinity of barren alkali scalds, alkali vernal pools and playa-like pools.

Federal Status

The Livermore tarplant is not protected pursuant to the federal Endangered Species Act (16 U.S.C. §§ 1531 et seq.).

II. STATUTORY AND LEGAL FRAMEWORK

The Commission, as established by the California Constitution, has exclusive statutory authority under California law to designate endangered, threatened, and candidate species under CESA. (Cal. Const., art. IV, § 20, subd. (b); Fish & G. Code, § 2070.) The Commission has prepared these findings as part of its final action under CESA regarding the Petition to designate Livermore tarplant as an endangered species under CESA. As set forth above, the Commission's determination that listing Livermore tarplant is warranted marks the end of formal administrative proceedings under CESA. (See generally Fish & G. Code, § 2070 et seq.; Cal. Code Regs., tit. 14, § 670.1.)

The CESA listing process for Livermore tarplant began in the present case with the Petitioner's submittal of the Petition to the Commission on August 26, 2014 (Cal. Reg. Notice Register 2014, No. 37-Z, p. 1627). Pursuant to Fish and Game Code Section 2073, on August 28, 2014, the Commission transmitted the petition to the Department for review pursuant to Fish and Game Code Section 2073.5. The regulatory process that ensued is described in some detail in the preceding section above, along with related references to the Fish and Game Code and

controlling regulation. The CESA listing process generally is also described in some detail in published appellate case law in California, including:

- *Mountain Lion Foundation v. California Fish and Game Commission* (1997) 16 Cal.4th 105, 114-116;
- *California Forestry Association v. California Fish and Game Commission* (2007) 156 Cal.App.4th 1535, 1541-1542;
- *Center for Biological Diversity v. California Fish and Game Commission* (2008) 166 Cal.App.4th 597, 600; and
- *Natural Resources Defense Council v. California Fish and Game Commission* (1994) 28 Cal.App.4th 1104, 1111-1116.

The “is warranted” determination at issue here for Livermore tarplant stems from Commission obligations established by Fish and Game Code Section 2075.5(e). Under this provision, the Commission is required to make one of two findings for a candidate species at the end of the CESA listing process; namely, whether the petitioned action is warranted or is not warranted. Here, with respect to Livermore tarplant, the Commission made the finding under Section 2075.5(e)(2) that the petitioned action is warranted.

The Commission was guided in making these determinations by statutory provisions and other controlling law. The Fish and Game Code, for example, defines an endangered species under CESA as “a native species or subspecies of a bird, mammal, fish, amphibian, reptile or plant which is in serious danger of becoming extinct throughout all, or a significant portion, of its range due to one or more causes, including loss of habitat, change in habitat, over exploitation, predation, competition, or disease.” (Fish & G. Code, § 2062.) Similarly, the Fish and Game Code defines a threatened species under CESA as “a native species or subspecies of a bird, mammal, fish, amphibian, reptile or plant that, although not presently threatened with extinction, is likely to become an endangered species in the foreseeable future in the absence of the special protection and management efforts required by this chapter.” (*Id.*, § 2067.)

The Commission also considered Title 14, Section 670.1, subdivision (i)(1)(A), of the California Code of Regulations in making its determination regarding Livermore tarplant. This provision provides, in pertinent part, that a species shall be listed as endangered or threatened under CESA if the Commission determines that the species’ continued existence is in serious danger or is threatened by any one or any combination of the following factors:

1. Present or threatened modification or destruction of its habitat;
2. Overexploitation;
3. Predation;
4. Competition;
5. Disease; or
6. Other natural occurrences or human-related activities.

Fish and Game Code Section 2070 provides similar guidance. This section provides that the Commission shall add or remove species from the list of endangered and threatened species under CESA only upon receipt of sufficient scientific information that the action is warranted. Similarly, CESA provides policy direction not specific to the Commission per se, indicating that all state agencies, boards, and commissions shall seek to conserve endangered and threatened species and shall utilize their authority in furtherance of the purposes of CESA. (Fish & G. Code, § 2055.) This policy direction does not compel a particular determination by the Commission in the CESA listing context. Nevertheless, “[l]aws providing for the conservation of natural resources’ such as the CESA ‘are of great remedial and public importance and thus should be construed liberally.’” (*California Forestry Association v. California Fish and Game Commission*, supra, 156 Cal. App.4th at pp. 1545-1546, citing *San Bernardino Valley Audubon Society v. City of Moreno Valley* (1996) 44 Cal.App.4th 593, 601; Fish & G. Code, §§ 2051, 2052.)

Finally in considering these factors, CESA and controlling regulations require the Commission to actively seek and consider related input from the public and any interested party. (See, e.g., Id., §§ 2071, 2074.4, 2078; Cal. Code Regs., tit. 14, § 670.1, subd. (h).) The related notice obligations and public hearing opportunities before the Commission are also considerable. (Fish & G. Code, §§ 2073.3, 2074, 2074.2, 2075, 2075.5, 2078; Cal. Code Regs., tit. 14, § 670.1, subds. (c), (e), (g), (i); see also Gov. Code, § 11120 et seq.) All of these obligations are in addition to the requirements prescribed for the Department in the CESA listing process, including an initial evaluation of the petition and a related recommendation regarding candidacy, and a 12-month status review of the candidate species culminating with a report and recommendation to the Commission as to whether listing is warranted based on the best available science. (Fish & G. Code, §§ 2073.4, 2073.5, 2074.4, 2074.6; Cal. Code Regs., tit. 14, § 670.1, subds. (d), (f), (h).)

III. Factual and Scientific Bases for the Commission’s Final Determination

The factual and scientific bases for the Commission’s determination that designating the Livermore tarplant as an endangered species under CESA is warranted are set forth in detail in the Commission’s record of proceedings. The evidence in the administrative record in support of the Commission’s determination includes, but is not limited to, the Petition, the Department’s Petition Evaluation Report, the Department’s status review, and other evidence included in the Commission’s administrative record as it exists up to and including the Commission meeting in Folsom, California on August 25, 2016. The administrative record also includes these findings.

The Commission determines that the continued existence of Livermore tarplant in the State of California is in serious danger or threatened by one or a combination of the following factors as required by the California Code of Regulations, Title 14, Section 670.1, subdivision (i)(1)(A):

1. Present or threatened modification or destruction of its habitat;
2. Competition; or
3. Other natural occurrences or human-related activities.

The Commission also determines that the information in the Commission's record constitutes the best scientific information available and establishes that designating the Livermore tarplant as an endangered species under CESA is warranted.

The items highlighted here and detailed in the following section represent only a portion of the complex issues aired and considered by the Commission during the CESA listing process for Livermore tarplant. Similarly, the issues addressed in these findings represent some, but not all of the evidence, issues, and considerations affecting the Commission's final determination. Other issues aired before and considered by the Commission are addressed in detail in the record before the Commission, which record is incorporated herein by reference.

All populations of Livermore tarplant occur within the immediate vicinity of urban development. Livermore tarplant is threatened, both directly and indirectly, by recent and ongoing development and changes in land use, impacts from invasive species, recreation activities, and herbicide use. Ground-disturbing impacts from grazing and impacts from thatch accumulation in areas that are not grazed are also potential threats to Livermore tarplant. It is unclear how climate change will affect Livermore tarplant. Livermore tarplant is also vulnerable to extinction due to the small number of Livermore tarplant populations and the relatively small sizes of those populations. Because of the rarity of Livermore tarplant, the loss of all or a significant portion of any Livermore tarplant population would represent the loss of a significant portion of Livermore tarplant's total range.

Threats

Present or Threatened Modification or Destruction of Habitat

The habitats in the Livermore Valley have been impacted by a history of modification and destruction from development, grazing, and other land use. Evaluation of soil maps and aerial imagery show that these activities have almost certainly resulted in the loss of Livermore tarplant habitat. Current land use practices, zoning, and designations have led to recent and severe habitat modification and destruction that is likely to lead to the extirpation of a significant portion of Livermore tarplant's range, and the modification and destruction of habitat is likely to continue into the future. In addition, recreation activities within and in the vicinity of Livermore tarplant populations have resulted in habitat degradation that is evident on the ground and visible from aerial imagery. The modification and destruction of habitat is a significant threat to the continued existence of Livermore tarplant.

Competition

Invasive plant species have been documented to pose serious threats to biodiversity around the world, and are a particularly pervasive problem in Mediterranean-type habitats like those in California. Invasive thatch-forming grasses, and other invasive plants such as perennial pepperweed, occur within and in close proximity to all Livermore tarplant populations. Invasive plant species are a significant threat to the continued existence of Livermore tarplant.

Other Natural Occurrences or Human-related Activities

The climate of California is certain to change due to warming of the global climate system; however, it is unclear how such changes will affect Livermore tarplant. Livermore tarplant has a narrow distribution and few populations, with three of the four known populations occupying relatively small areas. Livermore tarplant's rarity and extremely limited distribution, and its occurrence only in and near developed areas, make the species very vulnerable to stochastic (chance) events such as droughts, wildfires, and accidents, and to all other threats. Therefore, the loss of all or a significant portion of any Livermore tarplant population would represent the loss of a significant portion of Livermore tarplant's total range. Livermore tarplant is also threatened by herbicide application and other right-of-way maintenance activities.

IV. FINAL DETERMINATION BY THE COMMISSION

The Commission has weighed and evaluated the information for and against designating Livermore tarplant as an endangered species under CESA. This information includes scientific and other general evidence in the Petition, the Department's Petition Evaluation Report, the Department's 2016 peer-reviewed Status Review, the Department's related recommendations, and other evidence included in the Commission's record of proceedings.

Based upon the evidence in the record the Commission has determined that the best scientific information available indicates that the continued existence of Livermore tarplant is in serious danger or threatened by present or threatened modifications or destruction of the species' habitat, predation, competition, disease, or other natural occurrences or human-related activities, where such factors are considered individually or in combination. (See generally Cal. Code Regs., tit. 14, § 670.1, subd. (i)(1)(A); Fish & G. Code, §§ 2062, 2067.) The Commission determines that there is sufficient scientific information to indicate that designating Livermore tarplant as an endangered species under CESA is warranted at this time and that with adoption and publication of these findings Livermore tarplant for purposes of its legal status under CESA and further proceedings under the California Administrative Procedure Act, shall be listed as endangered.

Bosili, Cpag

Commissioners
Eric Sklar, President
Saint Helena
Jacque Hostler-Carmesin, Vice President
McKinleyville
Anthony C. Williams, Member
Huntington Beach
Russell E. Burns, Member
Napa
Peter S. Silva, Member
Chula Vista

STATE OF CALIFORNIA
Edmund G. Brown Jr., Governor

Valerie Termini, Executive Director
1416 Ninth Street, Room 1320
Sacramento, CA 95814
(916) 653-4899
www.fgc.ca.gov

Fish and Game Commission



Wildlife Heritage and Conservation
Since 1870

November 1, 2016

TO ALL AFFECTED AND INTERESTED PARTIES:

This is to provide you with a Notice of Findings regarding the Townsend's big-eared bat (*Corynorhinus townsendii*) which will be published in the California Regulatory Notice Register on November 4, 2016.

Sincerely,


Sheri Tiemann
Associate Governmental Program Analyst

Attachment

23

NOTICE OF FINDINGS
Townsend's Big-Eared Bat
(*Corynorhinus townsendii*)

NOTICE IS HEREBY GIVEN that the Fish and Game Commission (Commission), at its August 25, 2016 meeting in Folsom, California, made a finding pursuant to Fish and Game Code Section 2075.5, that the petitioned action to add the Townsend's big-eared bat (*Corynorhinus townsendii*) to the list of threatened or endangered species under the California Endangered Species Act (CESA) (Fish & G. Code, § 2050 et seq.) is not warranted. (See also Cal. Code Regs., tit. 14, § 670.1, subd. (i)(1).)

NOTICE IS ALSO GIVEN that, at its October 20, 2016 meeting in Eureka, California, the Commission adopted the following findings outlining the reasons for its rejection of the petition.

I. BACKGROUND AND PROCEDURAL HISTORY

Petition History

The Center for Biological Diversity (Petitioner) submitted a petition (Petition) to the Commission on November 1, 2012 to list the Townsend's big-eared bat (*Corynorhinus townsendii*) as threatened or endangered pursuant to the California Endangered Species Act (CESA). The Commission referred the Petition for evaluation to the California Department of Fish and Wildlife (Department) on November 9, 2012 pursuant to Fish and Game Code Section 2073, and published formal notice of receipt of the Petition on November 30, 2012 (Cal. Reg. Notice Register 2012, No. 48-Z, p. 1747).

The Department evaluated the Petition, using the information in that document and other relevant information available at that time, and found that the scientific information presented in the Petition was sufficient to indicate that the petitioned action may be warranted. On April 25, 2013 the Department submitted to the Commission its "Evaluation of the Petition from Center for Biological Diversity to List Townsend's Big-Eared Bat (*Corynorhinus townsendii*) as Threatened or Endangered Under the California Endangered Species Act" (Petition Evaluation). The Department recommended that the Commission accept the Petition pursuant to Fish and Game Code Section 2073.

On June 26, 2013, at its meeting in Sacramento, California, the Commission considered the Petition, the Department's Petition Evaluation, and public comments, and determined that there was sufficient information in the Petition Evaluation to indicate

NOTICE OF FINDINGS – Townsend’s Big-eared Bat

that the petitioned action maybe warranted, accepted for consideration the Petition, and designated the Townsend’s big-eared bat as a candidate species under CESA. (Cal. Reg. Notice Register 2013, No. 52-Z, p. 2092.)

The Department notified affecting parties by issuing a press release, posting notice on the Department’s website, and sending targeted letters to stakeholder groups. (Fish & G. Code, § 2074.4.) Consistent with Fish and Game Code Section 2074.6 and its implementing regulations, the Department commenced twelve-month status review of the Townsend’s big-eared bat following published notice of its designation as a candidate species under CESA. As an integral part of that effort, the Department solicited data, comments, and other information from interested members of the public and the scientific and academic communities. The Department mailed notice of the Townsend’s big-eared bat’s candidacy and a request for information and comments to approximately 150 persons or offices of state and federal agencies, tribes, counties, industry, and non-governmental organizations. The Department received letters or emails from 39 individuals and organizations. Most of these communications provided information on Townsend’s big-eared bat occurrences in or near public and private lands. A few, including a letter from the Petitioner, argued in support of listing the species as threatened or endangered.

At its meeting on December 3, 2014 in Van Nuys, California, the Commission granted CDFW a six-month extension to facilitate external peer review. On January 7, 2016, the Department submitted a preliminary draft of its status review for independent scientific peer review by a number of individuals acknowledged to be experts on Townsend’s big-eared bat, possessing the knowledge and expertise to critique the scientific validity of the report. (Fish & G. Code, § 2074.8; Cal. Code Regs., tit. 14, § 670.1, subd. (f)(2).) On June 15, 2016, the Department submitted its final “Status Review of Townsend’s Big-eared Bat (*Corynorhinus townsendii*) in California” to the Commission (Status Review). Based on its Status Review and the best available science, the Department recommended to the Commission that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted. (Fish & G. Code, § 2074.6; Cal. Code Regs., tit. 14, § 670.1, subd. (f).) Following receipt, the Commission made the Department’s Status Review available to the public, inviting further review and input. (Cal. Code Regs., tit. 14, § 670.1, subd. (g).)

On August 25, 2016, at its meeting in Folsom, California, the Commission received public comment, accepted additional information from the Petitioner and the public, and considered final action regarding the Petition to designate Townsend’s big-eared bat as a threatened or endangered species under CESA. (Fish & G. Code, § 2075.5; Cal. Code Regs., tit. 14, § 670.1, subd. (i).) After receiving public comment, the Commission

NOTICE OF FINDINGS – Townsend's Big-eared Bat

closed the administrative record of proceedings for the Petition. (Fish & G. Code, § 2075.5, subd. (a).) The Commission considered the Petition, further information submitted by the Petitioner, public comment, the Department's 2013 Petition Evaluation, the Department's 2016 Status Review, and other information included in the Commission's administrative record of proceedings. Following public comment and deliberation, the Commission determined, based on the best available science, that designating Townsend's big-eared bat as a threatened or endangered species under CESA is not warranted. (Fish & G. Code, § 2075.5, subd. (e)(1); Cal. Code Regs., tit. 14, § 670.1, subd. (i)(2).) The Commission directed its staff, in coordination with the Department, to prepare findings of fact consistent with the Commission's determination and to present those findings for consideration and ratification at the Commission's October 20, 2016 meeting in Eureka, California.

Species Description

Townsend's big-eared bat is a medium sized bat (Barbour and Davis 1969, Kunz and Martin 1982). Among western North American bats, Townsend's big-eared bat is unique with its combination of a two-pronged, horseshoe-shaped lump on the muzzle and large, long ears. Townsend's big-eared bat ranges throughout much of the western United States and Canada. In California, its geographic range is generally considered to encompass the entire state, except for the highest elevations of the Sierra Nevada (Dalquest 1947, Pierson and Rainey 1998, Pierson and Fellers 1998, Szewczak et al. 1998). Townsend's big-eared bat is a colonial species. Maternity colonies form between March and June, with the timing varying based on local climate, elevation, and latitude. Colonies typically range from a few dozen to several hundred individuals, although colonies of over 1,000 have been documented. A single pup is born between May and July (Easterla 1973, Pearson et al. 1952, Twente 1955). While adult males are typically solitary during the maternity season, adult females and their pups cluster together in colonial roosts (Pearson et al. 1952). Nursery colonies typically begin to disperse in August about the time the young are weaned and break up altogether in September and October (Pearson et al. 1952, Tipton 1983). Maximum fecundity per adult female is one pup per year.

Once a roost site has been successfully colonized by Townsend's big-eared bat (whether for the warm or hibernation season), it is likely to be used in subsequent years, so long as it remains suitable (Humphrey and Kunz 1976). However, it is not unusual for individuals to move among multiple maternity colonies and even for entire maternity colonies to switch roosts during the course of the season (Fellers and Pierson 2002, Sherwin et al. 2000, 2003). Some roosts are only used for short periods of time or during occasional years. Townsend's big-eared bat's perceived susceptibility to human

NOTICE OF FINDINGS – Townsend's Big-eared Bat

disturbance at roost sites is usually cited as a key behavioral characteristic putting the species at conservation risk (Twente 1955, Barbour and Davis 1969, Humphrey and Kunz 1976). Roost abandonment (sometimes resulting in death of pups) has been documented following human entry into roosts.

Diet of Townsend's big-eared bat has not been examined in detail in California; however, it is likely that as elsewhere they are lepidopteran specialists, feeding primarily on medium-sized moths, supplemented with occasional captures of other insects, including flies, beetles, and aquatic insects. Townsend's big-eared bat, like most mammals, maintains a high body temperature primarily through heat produced by its metabolism. Like many bat species inhabiting temperate regions, Townsend's big-eared bat uses torpor as a physiological and behavioral strategy in winter to deal with diminished food resources and cool or cold ambient temperatures, which make it energetically costly to maintain normal high body temperature. Townsend's big-eared bat hibernation sites are generally caves or mines (Pearson et al. 1952, Barbour and Davis 1969), although animals are occasionally found in buildings (Dalquest 1947). In areas with prolonged periods of non-freezing temperatures, Townsend's big-eared bat tends to form relatively small hibernating aggregations of single to several dozen individuals, and may be active during the winter to take advantage of warm weather and prey availability. Larger aggregations (75-460 individuals) are confined to areas that experience prolonged periods of freezing temperatures (Pierson and Rainey 1998).

Habitat associations for Townsend's big-eared bat in California include the inland deserts (Colorado, Mojave, Great Basin); cool, moist coastal redwood forests; oak woodlands of the Sierra Nevada foothills and coastal mountains; and lower to mid-elevation mixed coniferous-deciduous forests. Townsend's big-eared bat has also been observed hibernating in the bristlecone-limber pine habitat of the White Mountains (Inyo County).

Townsend's big-eared bat prefers open surfaces of caves or cave-like structures, such as mine adits and shafts (Barbour and Davis 1969, Graham 1966, Humphrey and Kunz 1976). It has also been reported in such structures as buildings, bridges, and water diversion tunnels that offer a cave-like environment (Barbour and Davis 1969, Dalquest 1947, Howell 1920, Pierson and Rainey 1998). It has been found in rock crevices and, like a number of bat species, in large hollow trees (Gellman and Zielinski 1996, Fellers and Pierson 2002, Mazurek 2004). Foraging associations include edge habitats along streams and areas adjacent to and within a variety of wooded habitats (Brown et al. 1994, Fellers and Pierson 2002, Pierson et al. 2002). The Department considers any structure, or set of structures, used by Townsend's big-eared bat as a maternity or hibernation roost to be habitat essential for the continued existence of the species. The

NOTICE OF FINDINGS – Townsend's Big-eared Bat

essential characteristics of these suitable roost sites extend to the nearby foraging, commuting, and night-roosting habitat and therefore these adjacent habitats are also considered essential.

Regulatory Status

The two western subspecies of Townsend's big-eared bat are not currently listed as endangered or threatened nor are they candidates for listing under the federal Endangered Species Act (ESA). Two eastern subspecies are listed as Threatened under the ESA.

NatureServ, a non-profit conservation organization whose mission is to provide the scientific basis for effective conservation action through its network of natural heritage programs, ranks Townsend's big-eared bat as a whole and each of the two non-listed subspecies (*C. t. pallescens* and *C. t. townsendii*) as "G3G4/T3T4" throughout their respective geographic ranges. This designation indicates uncertainty regarding conservation status, which may be characterized as either Apparently Secure (G4/T4) or Vulnerable (G3/T3). NatureServe defines "Vulnerable" as "at moderate risk of extinction or elimination due to a restricted range, relatively few populations, recent and widespread declines, or other factors" and "Apparently Secure" as "Uncommon but not rare; some cause for long-term concern due to declines or other factors." (<http://explorer.natureserve.org/granks.htm>).

The current version of the International Union for the Conservation of Nature Red List designates Townsend's big-eared bat as a 'Least Concern' species based on the latest assessment of the species range-wide. The IUCN had previously designated the species in 1996 as 'Vulnerable.' The Least Concern designation is based on "its wide distribution, presumed large population, occurrence in a number of protected areas and because it is unlikely to be declining at nearly the rate required to qualify for listing in a threatened category."

II. STATUTORY AND LEGAL FRAMEWORK

The Commission has prepared these findings as part of its final action under CESA regarding the Petition to designate Townsend's big-eared bat as a threatened or endangered species under CESA. As set forth above, the Commission's determination that listing Townsend's big-eared bat is not warranted marks the end of formal administrative proceedings under CESA. (See generally Fish & G. Code, § 2070 et seq.; Cal. Code Regs., tit. 14, § 670.1.) The Commission, as established by the California Constitution, has exclusive statutory authority under California law to

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designate endangered, threatened, and candidate species under CESA. (Cal. Const., art. IV, § 20, subd. (b); Fish & G. Code, § 2070.)

The CESA listing process for Townsend’s big-eared bat began in the present case with Petitioner’s submittal of its Petition to the Commission in November 2012 (Cal. Reg. Notice Register 2012, No. 48-Z, p. 1747). The regulatory process that ensued is described above in some detail, along with related references to the Fish and Game Code and controlling regulation. The CESA listing process generally is also described in some detail in published appellate case law in California, including:

- *Mountain Lion Foundation v. California Fish and Game Commission* (1997) 16 Cal.4th 105, 114-116;
- *California Forestry Association v. California Fish and Game Commission* (2007) 156 Cal.App.4th 1535, 1541-1542;
- *Center for Biological Diversity v. California Fish and Game Commission* (2008) 166 Cal.App.4th 597, 600; and
- *Natural Resources Defense Council v. California Fish and Game Commission* (1994) 28 Cal.App.4th 1104, 1111-1116.

The “is not warranted” determination at issue here for Townsend’s big-eared bat stems from Commission obligations established by Fish and Game Code Section 2075.5(e). Under this provision, the Commission is required to make one of two findings for a candidate species at the end of the CESA listing process: whether the petitioned action is warranted or is not warranted. Here with respect to Townsend’s big-eared bat, the Commission made the finding under Section 2075.5(e)(1) that the petitioned action is not warranted.

The Commission was guided in making this determination by various statutory provisions and other controlling law. The Fish and Game Code, for example, defines an endangered species under CESA as a native species or subspecies of a bird, mammal, fish, amphibian, reptile or plant which is in serious danger of becoming extinct throughout all, or a significant portion, of its range due to one or more causes, including loss of habitat, change in habitat, over exploitation, predation, competition, or disease. (Fish & G. Code, § 2062.) Similarly, the Fish and Game Code defines a threatened species under CESA as a native species or subspecies of a bird, mammal, fish, amphibian, reptile or plant that, although not presently threatened with extinction, is likely to become an endangered species in the foreseeable future in the absence of the special protection and management efforts required by this chapter. (*Id.*, § 2067.)

As established by published appellate case law in California, the term “range” for purposes of CESA means the range of the species within California. (*California Forestry Association v. California Fish and Game Commission*, *supra*, 156 Cal. App.4th at p. 1540, 1549-1551.)

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The Commission was also guided in making its determination regarding Townsend’s big-eared bat by Title 14, Section 670.1, subdivision (i)(1)(A), of the California Code of Regulations. This provision provides, in pertinent part, that a species shall be listed as endangered or threatened under CESA if the Commission determines that the continued existence of the species is in serious danger or is threatened by any one or any combination of the following factors:

1. Present or threatened modification or destruction of its habitat;
2. Overexploitation;
3. Predation;
4. Competition;
5. Disease; or
6. Other natural occurrences or human-related activities.

Fish and Game Code Section 2070 provides similar guidance. This Section provides that the Commission shall add or remove species from the list of endangered and threatened species under CESA only upon receipt of sufficient scientific information that the action is warranted. Similarly, CESA provides that all state agencies, boards, and commissions shall seek to conserve endangered and threatened species and shall utilize their authority in furtherance of the purposes of CESA. (Fish & G. Code, § 2055.) This policy direction does not compel a particular determination by the Commission in the CESA listing context. Yet, the Commission made its determination regarding Townsend’s big-eared bat mindful of this policy direction, acknowledging that “[l]aws providing for the conservation of natural resources’ such as the CESA ‘are of great remedial and public importance and thus should be construed liberally” (*California Forestry Association v. California Fish and Game Commission, supra*, 156 Cal. App.4th at pp. 1545-1546, citing *San Bernardino Valley Audubon Society v. City of Moreno Valley* (1996) 44 Cal.App.4th 593, 601; Fish & G. Code, §§ 2051, 2052.).

Finally in considering these factors, CESA and controlling regulations require the Commission to actively seek and consider related input from the public and any interested party. (See, e.g., *Id.*, §§ 2071, 2074.4, 2078; Cal. Code Regs., tit. 14, § 670.1, subd. (h).) The related notice obligations and public hearing opportunities before the Commission are also considerable. (Fish & G. Code, §§ 2073.3, 2074, 2074.2, 2075, 2075.5, 2078; Cal. Code Regs., tit. 14, § 670.1, subds. (c), (e), (g), (i); see also Gov. Code, § 11120 et seq.) All of these obligations are in addition to the requirements prescribed for the Department in the CESA listing process, including an initial evaluation of the petition and a related recommendation regarding candidacy, and a 12-month status review of the candidate species culminating with a report and recommendation to the Commission as to whether listing is warranted based on the best available science. (Fish & G. Code, §§ 2073.4, 2073.5, 2074.4, 2074.6; Cal. Code Regs., tit. 14, § 670.1, subds. (d), (f), (h).)

III. FACTUAL AND SCIENTIFIC BASIS FOR THE COMMISSION’S FINDINGS

The factual and scientific bases for the Commission’s finding that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted are set forth in detail in the Commission’s administrative record of proceedings. The evidence in the administrative record in support of the Commission’s determination includes, but is not limited to, the Department’s 2013 Petition Evaluation and 2016 Status Review, and other information specifically presented to the Commission and otherwise included in the Commission’s administrative record as it exists up to and including the Commission meeting in Folsom, California on August 25, 2016. The administrative record also includes these findings.

The Commission finds the substantial evidence highlighted in the preceding paragraph, along with other evidence in the administrative record, supports the Commission’s determination that the continued existence of Townsend’s big-eared bat in the State of California is not in serious danger of becoming extinct or threatened by on or a combination of the following factors:

1. Present or threatened modification or destruction of its habitat;
2. Overexploitation;
3. Predation;
4. Competition;
5. Disease; or
6. Other natural occurrences or human-related activities.

The Commission also finds that the same evidence constitutes sufficient scientific information to establish that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted. The Commission finds in this respect that Townsend’s big-eared bat is not in serious danger of becoming extinct throughout all, or a significant portion, of its range in California. Similarly, the Commission finds that Townsend’s big-eared bat is not presently threatened and it is unlikely to become an endangered species in the foreseeable future in the absence of special protection and management efforts required by CESA.

The following Commission findings highlight in more detail some of the scientific and factual information and other evidence in the administrative record of proceedings that support the Commission’s determination that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted:

1. The Petition relied heavily a 1998 report prepared for the Department summarizing surveys of Townsend’s big-eared bat maternity colonies and hibernacula throughout much of the species’ range in California during the period from 1987 to 1991, and compared those results to the original site reports from the period of 1918 to 1974 (Pierson and Rainey 1998). Based on these surveys,

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the report inferred that the Townsend's big-eared bat population had declined over the several decades before the study. No statewide study assessing the status of the species has been conducted since, although the Department is currently funding a new statewide survey targeting known and highly-suitable locations for maternity and hibernation roosts, and anticipates that an updated snapshot of the species' distribution will be available in 2017. However, from existing information on a number of maternity and hibernation roosts around California, five of six studies concluded that site specific populations are stable or increasing. Although not a statistically valid estimate of population size or trend statewide, the studies do illustrate how colony sizes and threats vary around the state, as well as how management of roosts can directly affect local assemblages of Townsend's big-eared bat.

2. Loss of suitable roosting site habitat is often considered a limiting factor for western bat populations. (Hayes, 2003). Old-growth conifers, a known roosting site of Townsend's big-eared bat (Pierson and Fellers, 1998; Mazurek, 2004; Humphrey and Kunz, 1976), could be impacted by forestry practices, timber operations, loss of oak woodlands, and conversion of forests into agricultural uses. Mining operations and recreational activities in caves and abandoned mines also pose a risk to roosting sites. However, human activities in the late 1800s such as mining and building construction also create available roost habitat, and it is possible that Townsend's big-eared bat distribution merely shift and redistributed as new roost sites became available (Sherwin et al. 2009).
3. Disturbance to roost sites is a hypothesized threat to Townsend's big-eared bat populations. However, the impact of disturbance is disputed, and it is possible that disturbed roosting colonies may only temporarily abandon those sites (R. Stafford 2014, pers. comm.; Fellers and Halstead 2015). One colony has shown tolerance to disturbance (Freeman 2012). Some studies additionally indicate that colonies may move between multiple roost sites during a maternity season, and more study is needed before concluding that human disturbance is the driving force behind the dynamics of roost use (Sherman et al. 2000, 2003, 2009; Sherwin 2016 pers. comm.). The Department did not find any indication that disturbance of roost sites is a significant threat state-wide.
4. Climate change models evaluating a range of possible future distribution of Townsend's big-eared bat project that the species will fare reasonably well in terms of availability of climatically suitable habitat in California.

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5. The Department does not consider overexploitation, predation, or competition to be a significant threat to the Townsend’s big-eared bat population in California.

IV. ADDITIONAL CONSIDERATIONS INFORMING THE COMMISSION’S FINAL DETERMINATION

The Commission’s determination that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted is informed by various additional considerations. In general, the Fish and Game Code contemplates a roughly twelve-month long CESA listing process before the Commission, including multiple opportunities for public and Department review and input and peer review (See generally Fish & G. Code, § 2070 et seq.; Cal. Code Regs., tit. 14, § 670.1.). From the initial receipt of the Petition in November 2012 through the Commission’s decision on August 25, 2016 that listing is not warranted, the Department and the Commission received numerous comments and other significant public input regarding the status of Townsend’s big-eared bat from a biological and scientific standpoint and with respect to the petitioned action under CESA. The Commission, as highlighted below, was informed by and considered all of these issues, among others, in making its final determination that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted (Fish & G. Code, § 2075.5, subd. (e)(1); Cal. Code Regs., tit. 14, § 670.1, subd. (i)(2).).

V. SCIENTIFIC DETERMINATIONS REGARDING THE STATUS OF THE TOWNSEND’S BIG-EARED BAT

CESA defines an endangered species as one “which is in serious danger of becoming extinct throughout all, or a significant portion, of its range due to one or more causes, including loss of habitat, change in habitat, over exploitation, predation, competition, or disease.” (Fish & G. Code, § 2062.) CESA defines a threatened species as one “that, although not presently threatened with extinction, is likely to become an endangered species in the foreseeable future in the absence of special protection and management efforts required by [CESA].” (Id., § 2067.)

Pursuant to CESA’s implementing regulations, a “species shall be listed as endangered or threatened ... if the Commission determines that its continued existence is in serious danger or is threatened by anyone or any combination of the following factors: (1) present or threatened modification or destruction of its habitat; (2) overexploitation; (3) predation; (4) competition; (5) disease; or (6) other natural occurrences or human-related activities.” (Cal. Code Regs., tit. 14, § 670.1, subd. (i)(1)(A).)

Present or Threatened Modification or Destruction of Habitat

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- Disturbance, degradation, and loss of suitable roost sites are recognized threats to Townsend's big-eared bat populations. Natural roost sites include large, old trees and caves, in addition to human-made roosts such as old buildings and mines. Forestry practices, timber operations, conversion of forest to agricultural land, mining activities, and recreational exploration of mines and caves are all activities that could potentially cause loss or disturbance of roost sites. However, the impact of disturbance is hypothesized and still needs further study. Overall there is no current indication that loss or disturbance of roost sites is a significant state-wide threat to the species at this time.
- Impacts to foraging habitat could also affect the species. Land management practices that lead to agricultural development, extensive clear-cutting, or residential and urban development reduce available foraging habitat for the species. It is possible that climate change may affect foraging habitat suitability as well. However, there is no indication that current impacts to foraging habitat pose a significant threat at this time.
- Based on the best scientific information available, the Commission finds that the continued existence of the Townsend's big-eared bat is not in serious danger or threatened by present or threatened modification or destruction of habitat.

Overexploitation

- Townsend's big-eared bat is a nongame mammal, and the only collection that does occur in California is on a limited basis for bona fide scientific and educational purposes. The Department regulates collection according to Fish and Game Code Sections 1002 *et seq.* For long-lived/low fecundity species such as Townsend's big-eared bat, it is possible that repeated scientific collection may have a population impact. There is also a concern that placing of wing bands for scientific research may have a negative impact on individual bats. To address these concerns, the Department carefully controls the activities of scientific researchers working on Townsend's big-eared bat in California. Given the level of control exerted by the Department, overexploitation for scientific purposes is not considered to be a threat to the continued existence of Townsend's big-eared bat in California.
- Based on the best scientific information available, the Commission finds that the continued existence of the Townsend's big-eared bat population is not in serious danger or threatened by overexploitation.

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Predation

- Individual Townsend's big-eared bat populations may be preyed upon by a variety of native and non-native predators, for example raccoons, bobcats, house cats, skunks, and snakes, and rats. However, Pearson et al. (1952) discounted predation as a limiting factor on Townsend's big-eared bat populations, and the Department does not consider predation a significant threat at this time.
- Based on the best scientific information available, the Commission finds that the continued existence of the Townsends's big-eared bat population is not in serious danger or threatened by predation.

Competition

- There is no evidence indicating that competition for resources (such as prey, water, and cover habitat) with other native or introduced species is a threat to the continued existence of Townsend's big-eared bat in California.
- Based on the best scientific information available, the Commission finds that the continued existence of Townsend's big-eared bat is not in serious danger or threatened by competition.

Disease

- White Nose Syndrome is an important threat to bat species nationwide, and a potential threat to Townsend's big-eared bat in California. Although it White Nose Syndrome was recently detected in Washington state, surveys have yet to detect it in California. Monitoring and research to determine the species' susceptibility to the disease is needed to assess the level of the threat. However, this disease is not currently impacting Townsend's big-eared bat in California. Additionally, there is nothing to suggest that Townsend's big-eared bat populations in California have been subject to recent disease outbreaks.
- Based on the best scientific information available, the Commission finds that the continued existence of the Townsend's big-eared bat is not in serious danger or threatened by disease.

Other Natural Events or Human-Related Activities

- Mines provide important shelter for Townsend's big-eared bats and may be used year round for their roosting needs. Structurally diverse mines may provide both warm roosts for maternity colonies and cool roosts for hibernation (Pierson and Fellers 1998, Pierson and Rainey 1998, Pierson et al. 1991, 1999). Closure of

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mines, environmental contamination, and human disturbances may pose a threat to the species. Permanent mine closure methods have resulted in some cases in the destruction of roosting habitat, and mortality of bats by trapping them within the closed mine. California’s Abandoned Mine Lands program is actively engaged in reducing hazards associated with open mines, and works with state, federal, and private land owners to ensure that wildlife-compatible closure methods are implemented. These programs should minimize the negative impacts of mine closures on sensitive species, and the Department considers it unlikely that population-level impacts would occur.

- The extent that pesticide use in California impacts Townsend’s big-eared bat populations is unknown, although it is likely at least some individuals are impacted where toxins are concentrated through either absorption through the skin or ingestion of contaminated prey or water. It is unknown to what level current and future pesticide use could pose a threat to Townsend’s big-eared bat populations.
- Mineral extraction can result in pools of water contaminated with toxic chemicals that pose a threat to wildlife, including bats. Although toxic leach fields and ponds are a potential threat to Townsend’s big-eared bat, the Department believes that regulatory oversight of the mining industry minimize the risks associated with mine toxins to an acceptably low level.
- Climate change modeling using climatic variables to model the current and possible future distribution of Townsend’s big-eared bat under four different future climate change projections showed that the species is projected to fare reasonably well in terms of availability of climatically suitable habitat in California. Most of the currently suitable modeled habitat is projected to remain stable, and areas in the north of the state and at higher elevations are project to increase in suitability. The Department does not believe that climate change is a significant threat to the species.
- Based on the best scientific information available, the Commission finds that the continued existence of the Townsend’s big-eared bat is not in serious danger or threatened by other natural events or human-related activities.

Summary of Key Findings

Based on the criteria described above, the best scientific information available to the Commission indicates that Townsend’s big-eared bat is not currently in serious danger

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of becoming extinct in California within the next few decades, nor in the foreseeable future in the absence of special protection and management under CESA.

The current size of the Townsend's big-eared bat population in California is uncertain. While historic data evaluated in the 1998 report indicated a potential decline in the population, more recent studies show that at specific areas throughout the state, local populations of Townsend's big-eared bat have remained stable or even increased in size.

Disturbance, degradation, and loss of suitable roost sites is a recognized threat to Townsend's big-eared bat populations. However, there is no current indication that loss or disturbance of roost sites is a significant state-wide threat to the species at this time. Additionally, although impacts to foraging habitat could also affect the species, there is no indication that current impacts to foraging habitat pose a significant threat at this time.

The Department evaluated other factors, such as overexploitation, predation, competition, disease, and climate change. Based on the Department's analysis, none of these factors is considered to be a serious threat to the continued existence of the Townsend's big-eared bat population in California.

Based on the best scientific information available, the Department concludes the continued existence of the Townsend's big-eared bat is not in serious danger or threatened. Further, the Department generated the following recommendations to prioritize conservation, research, regulation, and monitoring activities.

Research and Monitoring Needs

- Complete comprehensive statewide assessment of Townsend's big-eared bat by 2017.
- Implement consistent long-term monitoring at representative Townsend's big-eared bat roost sites in California, including at both maternity and hibernation roosts.
- Design and test human-made structures suitable for use by Townsend's big-eared bat during the maternity and hibernation seasons.
- Create standardized procedures for monitoring Townsend's big-eared bat populations. Ensure all such studies will not adversely impact the subject populations. This should include formal study of the frequency of roost-switching and other movements, both to determine the degree such human study affects movements and to better understand detection probabilities for roost surveys and to develop guidance on the timing and numbers of survey visits needed to determine occupancy or probable absence.

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- Conduct additional analyses of the possible effects of climate change and drought on Townsend’s big-eared bat and determine best approaches to address possible adverse effects.
- Conduct research on the role environmental contaminants play in the health of Townsend’s big-eared bat populations
- Develop methods to create basal hollows in suitable large old trees.
- Conduct genetic studies to determine the population genetic structure of Townsend’s big-eared bat in California, with special attention to the degree of divergence and isolation of populations on Santa Cruz Island relative to the mainland and between coastal and interior populations.

Department Administrative Actions

- If results of current or future statewide Townsend’s big-eared bat surveys indicate a decline in the population status is occurring that may lead to endangerment, prepare a staff recommendation to list the species as Threatened or Endangered for consideration by the Commission.
- Working with partners at state and federal agencies, as well as private landowners, ensure that management of Townsend’s big-eared bat roost sites is consistent with continued site occupancy at or above existing population levels.
- Attempt to secure new funding and position resources as a priority to establish a full-time permanent bat specialist position within the Nongame Wildlife Program of the Department to address data assimilation and conservation of bats in California, including Townsend’s big-eared bat.
- Support research on the design and effectiveness of human-made structures suitable for use by Townsend’s big-eared bat during the maternity and hibernation seasons.
- Create interagency and other stakeholder cooperation in, and public support for, conservation efforts for Townsend’s big-eared bat. Partner with non-governmental organizations such as Bat Conservation International, The Nature Conservancy, and local NGOs in such efforts.
- Develop greater awareness of Townsend’s big-eared bat and other bat conservation and management issues within the Department.
- Direct fiscal and position resources to complete the draft California Bat Conservation Plan.

Management of Known Roost Sites

- Prior to changing management of caves, mines, or buildings that could be used by Townsend’s big-eared bat or other bat species, such sites should be

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evaluated and/or surveyed during appropriate seasons for their use by Townsend’s big-eared bat.

- Existing roosts should be left undisturbed and occupied roosts should only be entered for management or research purposes.
- Bat-friendly gates should be installed at Townsend’s big-eared bat roosts where other methods of controlling human entrance are not effective. Special consideration should be given to gate design to minimize risk of injury or unsuitability for Townsend’s big-eared bat. Corrugated culvert gates should not be used.
- Abandoned mines suitable for use by Townsend’s big-eared bat should not be closed in a manner that prevents bat use, or if they cannot be maintained then adequate mitigation and exclusion should be conducted prior to their closure. If renewed mining will close a mine, mitigation for replacement habitat should be implemented. Mitigation monitoring should be done by the appropriate agency to determine effectiveness.
- Effectiveness monitoring (use of data loggers to passively record bat use and human disturbance) should be implemented at gated roost sites and other roost sites actively managed for bat resources (as through signage, information for visitors, etc.).
- Ensure native vegetation and access to open water and/or riparian habitat within the vicinity of maternity roosts remains suitable for use by Townsend’s big-eared bat. Analysis of habitat suitability should be made on a site-specific basis, but start with using the area within a 24-km radius of the roost site.
- Where a Townsend’s big-eared bat or other bat roost site has a history of recreational use by humans, implement a management plan to ensure new impacts from human use do not occur. The Kentucky Mine Stamp Mill management plan (Tierney and Freeman 2007) is a good example of such a plan that appears to be successful.

Landscape Management Practices

- Developed springs and other water sources should be kept available for in-flight drinking.
- If protracted drought poses a threat to Townsend’s big-eared bat, develop additional water sources for drinking and foraging in areas where open water and associated insect prey production might limit population size.
- Restore or enhance riparian habitat.
- Implement basal hollow creation projects to increase opportunities for Townsend’s big-eared bat to use tree roosts in coastal redwood forests (and

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possibly in interior forests where large tree species, such as giant sequoia, have the potential to serve as roost sites)

CEQA Review of Proposed Projects

- Ensure direct and cumulative impacts from projects proposed under CEQA and CEQA-equivalent regulatory programs are not likely to result in a substantial reduction in population or range of Townsend’s big-eared bat and other bat species.

Public Education and Outreach

- Conduct and cooperate with other agencies on public outreach events about Townsend’s big-eared bat and other bat species.
- Disseminate the California Bat Conservation Plan to the public, when complete.
- Encourage citizen participation, as appropriate, in bat monitoring projects.
- Promote bat-friendly exclusions, including seasonally-appropriate timing of exclusions, where it is necessary to remove bats from buildings and other structures.

Health and Disease

- Continue and expand surveillance for WNS by state and federal agencies and researchers.
- Support research on the etiology and epidemiology of WNS on *Corynorhinus* species, including Townsend’s big-eared bat.
- Continue and expand, if necessary, decontamination requirements for persons entering hibernacula for Townsend’s big-eared bat and other hibernating bat species to minimize the risk of introducing the fungus that causes WNS.
- Work with other state and federal regulatory agencies to prevent the introduction of environmental contaminants that may affect the health of Townsend’s big-eared bat and other bats. These may include aerial pesticide application and chemicals used in processing mined minerals.

VI. FINAL DETERMINATION BY THE COMMISSION

The Commission has weighed and evaluated all information and inferences for and against designating Townsend’s big-eared bat as a threatened or endangered species under CESA. This information includes scientific and other general evidence in the Petition, the Department’s 2013 Petition Evaluation, the Department’s 2016 peer-reviewed Status Review, and the Department’s related recommendations based on the

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best available science, written and oral comments received from the public and the scientific community, and other evidence included in the Commission’s administrative record of proceedings.

Based on the evidence in the administrative record, the Commission has determined that the best scientific information available indicates that the continued existence of Townsend’s big-eared bat in California is not in serious danger or threatened in the foreseeable future by present or threatened modifications or destruction of Townsend’s big-eared bat habitat, overexploitation, predation, competition, disease, or other natural occurrences or human-related activities. (See generally Fish & G. Code, §§ 2062, 2067; Cal. Code Regs., tit. 14, § 670.1, subd. (i)(1)(A).) The Commission finds, for the same reason, that there is not sufficient scientific information at this time to indicate that the petitioned action is warranted (Fish & G. Code, §§ 2070, 2075.5.). The Commission finds that designating Townsend’s big-eared bat as a threatened or endangered species under CESA is not warranted and that, with adoption of these findings, for purposes of its legal status under CESA shall revert to its status prior to the filing of the Petition. (Fish & G. Code, § 2075.5, subd. (e)(1); Cal. Code Regs., tit. 14, § 670.1, subd., (i)(2).)

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November 10, 2016

TO ALL AFFECTED AND INTERESTED PARTIES:

This is to provide you with a notice of availability of a document added to the rulemaking file to amend Section 670, Title 14, CCR, Re: Falconry regulations. The following document is being added to the rulemaking file:

- Amended Initial Statement of Reasons for Regulatory Action dated November 9, 2016.

In addition to this mailing, this document is available for public inspection between the hours of 8:00 am and 5:00 pm, Monday through Friday, at 1416 Ninth Street, Room 1320, Sacramento, CA or on our website (link provided below).

Written comments must be received in the Commission office by 12:00 pm on Friday, December 2, 2016. Interested persons may attend the December 8, 2016 hearing in the Hilton Garden Inn San Diego Mission Valley/Stadium, 3805 Murphy Canyon Road, San Diego, California, on Thursday December 8, 2016 at 8:00 a.m.; or as soon thereafter as the matter may be heard, and may present statements orally or in writing relevant to this amended ISOR, or the rulemaking in general.

Additional information and all associated documents may be found on the Fish and Game Commission website at <http://www.fgc.ca.gov/regulations/2016/index.aspx#670>.

Carie Battistone, Senior Environmental Scientist, Department of Fish and Wildlife, phone (916) 445-3615, has been designated to respond to questions on the substance of the proposed regulations.

Sincerely,

Jon D. Snellstrom
Associate Governmental Program Analyst

Attachment

24

STATE OF CALIFORNIA
FISH AND GAME COMMISSION
AMENDED INITIAL STATEMENT OF REASONS FOR REGULATORY ACTION
(Pre-publication of Notice Statement)

Amend Section 670
Title 14, California Code of Regulations
Re: Falconry

I. Date of Initial Statement of Reasons: July 26, 2016

Date of the Amended Initial Statement of Reasons: November 9, 2016

II. Dates and Locations of Scheduled Hearings:

- | | | |
|-------------------------|-----------|------------------|
| (a) Notice Hearing: | Date: | August 25, 2016 |
| | Location: | Folsom, CA |
| (b) Discussion Hearing: | Date: | October 20, 2016 |
| | Location: | Eureka, CA |
| (c) Adoption Hearing: | Date: | December 8, 2016 |
| | Location: | San Diego, CA |

III. Description of Regulatory Action:

(a) Statement of Specific Purpose of Regulation Change and Factual Basis for Determining that Regulation Change is Reasonably Necessary:

The falconry regulations were last amended in 2013 to conform to federal guidelines which required states to adopt their own rules governing the sport. At that time it was understood by the Fish and Game Commission (Commission), falconers, and the public that the new California regulations would **require future amendments** need updating. The proposed amendments include numerous changes to bring the regulations more in line with the current practice of falconry in California and federal guidelines. In addition, editorial changes were needed for clarity and consistency.

PROPOSED REGULATIONS

The changes currently proposed for inclusion are enumerated in the following table. The first column is the current subsection to be amended. The second column indicates the new subsection (renumbered) of the amendment, and the third column contains the general subject to be changed, edited, or made more specific (refer to the regulatory text for proposed language and context).

The amended ISOR adds statements of necessity to Section III (a) Statement of Specific Purpose of Regulation Change and Factual Basis for Determining that Regulation Change is Reasonably Necessary; other clarifying statements; and, minor editorial changes. These statements are entirely related to, and do not alter, the proposed regulatory text in Section 670.

In response to comments from the California Hawking Club, Department of Fish and Wildlife (Department), and other falconers, the Commission revised the proposed regulatory text in two areas. Subsection 670(a) was revised to reduce the number of documents required to be carried by falconers when hunting. Falconers will be required only to have in their immediate possession a valid original falconry license, a valid original hunting license, and any required stamps, the same as required for any other hunter. Subsection 670(a)(4), which initially specified additional documents related to falconry, has been deleted.

Subsection 670(j)(3)(A) has also been revised to clarify that falconry facilities may be inspected only when the licensee is present. Falconers had expressed concern that Department staff entering their facilities without the owner present would place unnecessary stress on the birds. The Commission also added language to make it clear that attempts to avoid inspection by repeatedly being unavailable may result in license suspension. Licenses suspended under these circumstances may be reinstated upon completion of an inspection finding no violations of these regulations or any license conditions.

The additions to the ISOR are indicated in bold, double underlined text in this Amended Initial Statement of Reasons; deletions are indicated by ~~strikeout text~~. (Some minor edits, adds or deletes, for improved clarity, spelling, punctuation, etc., that do not affect content, are not shown.)

Errors in the ISOR have also been corrected: in subsection 670(e)(2)(C), the word “expired” should not have been added and is therefore deleted; and in subsection 670(e)(6)(C)1, the words “and eagles” should not have been added and are therefore deleted.

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
670	670	<p>The following minor editorial changes are proposed for clarity and consistency in Title 14 throughout Section 670 where appropriate:</p> <ul style="list-style-type: none"> • Change all subsection titles from ALL CAPITALS to Upper/lower case. • Delete internal subsection references found within the same subsection; replace with “as described (or specified) herein” where appropriate. • Change all Department website references to the current web address: wildlife.ca.gov. • Number or renumber subsections to separate different provisions for clarity. • Change all references to “regulatory year” to “license year”. • Change all references to “lapsed” licenses to “expired”. • Change all references to “level” to “class”. • Change all references to “consecutive” days to “calendar days” (e.g., 30 calendar days). This change does not conflict with federal falconry regulations, which read “consecutive calendar days”. • Replace most references to “he/she” with “licensee”, and “his/her” with “the licensee’s” (or similar as needed). • Change all references to federal regulations found in Title 50, CFR, Part 21, to “50 CFR 21” for consistency. • The USFWS amended their falconry regulations to allow California falconers to report directly to the Department. Accordingly, remove all references to the federal form 3-186A and electronic reporting, and replace with the Department’s reporting system.
(a)	(a)(1)-(6)	<ul style="list-style-type: none"> • <u>The current text of “General Provisions” is contained in a single paragraph and has been divided into 6 subsections for greater clarity.</u>
	(a)(2)	<ul style="list-style-type: none"> • Add clause to recognize exceptions required under Fish and Game Code Section 12300, Application of code to California Indians; Limitations and condition. • Add the words “it shall be unlawful” to clarify that possession of a valid <u>falconry and hunting licenses and any required stamps is are</u> required while engaged in falconry activities, and <u>lack of a license violation of this requirement</u> is a citable offense.
	(a)(4)	<ul style="list-style-type: none"> • <u>Delete from this regulation the requirement to carry other documents that are only required in specific circumstances as described in the Fish and Game Code or other regulations. At the Commission’s request, add language that specifies the types of documentation falconers are</u> <ul style="list-style-type: none"> ○ an original valid hunting license when hunting with a raptor; ○ permission to hunt on private property; ○ permission to fly or hunt with another falconer’s bird(s); ○ permission to fly a raptor for rehabilitation purposes; or ○ Department-approved exemption from banding when transporting or flying an un-banded raptor.

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(a)(5)	<ul style="list-style-type: none"> • Change the date of the Code of Federal Regulations to the most recent 07/02/2015. • Delete “The department shall make these and the federal regulations available at www.dfg.ca.gov/licensing/”. <u>This provision is duplicative since the Department is required by law to maintain adopted regulations and make them easily available to the public.</u>
	(a)(6)	<ul style="list-style-type: none"> • Add a statement <u>clarifying that the public may</u> obtain and submit forms at the License and Revenue Branch, or on the Department’s online reporting system.
(b)	(b)(7)	<ul style="list-style-type: none"> • Amend the definition of “Falconry” by deleting the reference to “free flight.” The word “training” includes free flight and other activities when not in flight, <u>so including the term “free flight” is redundant.</u>
	(b)(8)	<ul style="list-style-type: none"> • Amend the definition of “Hacking” which is a method of having the raptor “gain experience and conditioning”
	(b)(10)	<ul style="list-style-type: none"> • Amend the definition of “Imp” to “Imping” using “another” feather to repair a damaged feather on a bird.
	(b)(12)	<ul style="list-style-type: none"> • Add definition of “license year” for consistency with other regulations. This replaces the definition of “Regulatory year” in (b)(15).
(b)(15)		<ul style="list-style-type: none"> • Delete definition of “Regulatory year” and replace with License year (b)(12) for consistency with other regulations.
(c)	(c)	<ul style="list-style-type: none"> • When referring to California hunting laws and regulations, change “related to” to “authorizing” for clarity.
(c)	(c)(1) (A) – (B)	<ul style="list-style-type: none"> • Add clarity and improve instructions regarding procedures to follow in the event of inadvertent <u>(for example, out of season)</u> take of wildlife (other than threatened or endangered species); • <u>Add language requiring animals injured as a result of unauthorized take to be taken to a rehabilitation facility for consistency with federal regulations, 50 CFR 21.29(e)(6).</u> • Add “let it lay” language, meaning that if inadvertent take of wildlife (other than threatened or endangered species) occurs to let the raptor feed on it, <u>but the falconer shall not take possession.</u>
	(c)(2)	<ul style="list-style-type: none"> • Add the reporting of band or tag numbers (if any) of wildlife taken unintentionally. Important wildlife information is gained through band returns.

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
(d)	(d)	<ul style="list-style-type: none"> • Delete provisions requiring licensee to ensure that falconry activities do not result in the take or possession of a threatened or endangered wildlife species taken incidentally by a falconry raptor. Threatened and endangered species may not be taken or possessed at any time. • Clarify that the take of threatened and endangered species, candidate species or fully protected species is not authorized by a falconry license. • <u>Change the reporting of take of listed species to the License and Revenue Branch rather than to the Department's regional offices to provide a single point of contact.</u>
(e)	(e)(1)(A)	<ul style="list-style-type: none"> • Add 'nonresident, or non-US citizen' <u>to clarify who may apply for a new license.</u>
	(e)(1)(B)	<ul style="list-style-type: none"> • Delete "resident or nonresident" and replace with "licensee" for clarity <u>as to who may renew. Add "...that has not been expired for more than 5 years," clarifying that a formerly licensed person who has left falconry, may become licensed again within 5 years without taking the examination, for consistency with Department practice.</u>
	(e)(1)(C)	<ul style="list-style-type: none"> • Delete "resident" and replace with "licensee" clarifying that any licensee, and not only residents, may renew a license year-to-year prior to its expiration.
	(e)(1)(D)	<ul style="list-style-type: none"> • Delete "...and intends to establish permanent residency in California prior to becoming a resident," since residency is not a requirement for licensing in California (for example a non-US citizen unlicensed falconer may apply in order to practice falconry); there is no need for this provision.
(e)(2)	(e)(2)(A)-(E)	<ul style="list-style-type: none"> • <u>Re-numbered to separate the different provisions for clarity.</u>
	(e)(2)(A)	<ul style="list-style-type: none"> • <u>Delete "lapsed license" since a license expired more than 5 years cannot be renewed and therefore a new license will be required.</u> • <u>Add reference to the "nonrefundable application fee" to clarify that the fee is due with the application.</u>
	(e)(2)(B)	<ul style="list-style-type: none"> • Add language to clarify that a license is renewable when not expired more than 5 years. • Add reference to the "nonrefundable <u>application fee</u>" to clarify <u>that the fee is due with the application.</u>
	(e)(2)(D)	<ul style="list-style-type: none"> • <u>Delete the listing of possible violations for disqualification and add a more concise phrase to</u> clarify that the certification relates to any "pending or previous administrative proceedings" that could disqualify the applicant.
	(e)(2)(E)	<ul style="list-style-type: none"> • Clarify that the Department is "reviewing" the documents submitted by the applicant rather than "evaluating".

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
(e)(2)(C)		<ul style="list-style-type: none"> • <u>Delete because residency is not a requirement for obtaining a falconry license.</u> • Move the applicable nonresident provisions to subsection (e)(5) Nonresidents of California and Non-US Citizens, keeping these related regulations together for clarity.
(e)(3)	(e)(3)	<ul style="list-style-type: none"> • <u>Re-number subsection to more clearly identify the different parts of the provision.</u> • Add, “Any applicant not possessing a valid falconry license, or required to apply for a new...” for clarity on who needs to take the examination. • Clarify that the fee is charged for each examination in order to recover the Department’s reasonable costs.
	(e)(3)(A) 2. and 3.	<ul style="list-style-type: none"> • <u>Add a new subsection specifying when an applicant is not required to take the examination.</u> • Add language to clarify that nonresident and non-US citizens who have a valid license are exempt from the examination. • Add language for an exception when the applicant is a member of a federally recognized tribe and has a valid falconry license issued from that member’s tribe, in accordance with FGC Section 12300.
	(e)(3)(B)	<ul style="list-style-type: none"> • Add language to clarify the necessity of an inspection of raptor facilities prior to a license being issued to a new falconer applicant.
(e)(4)		<ul style="list-style-type: none"> • <u>Delete and re-write to clarify the provisions concerning the expiration and renewal of a falconry license.</u> • Clarify that a falconry license is not valid unless renewed annually with the required application form and payment of fees.
	(e)(4)(A)-(C)	<ul style="list-style-type: none"> • Clarify that the practice of falconry is not allowed <u>without a valid license in possession</u>, under an expired license, and what steps need to be taken if the licensee wishes to continue to practice falconry. Clarify that an expired license is not valid unless renewed. • Provide for renewal of licenses not expired more than 5 years. • Clarify that a license expired more than 5 years may not be renewed but that an application for a new license is required. • <u>5 years provides a clear timeframe during which renewal can occur and is consistent with existing Department practices.</u>
	(e)(5)(A)	<ul style="list-style-type: none"> • Add, “The applicant is a member of a federally recognized tribe and has a valid falconry license issued from that member’s tribe” in accordance with FGC Section 12300.
(e)(5)(A)	(e)(5)(B) 1.-3.	<ul style="list-style-type: none"> • Delete “<u>fly raptors held for falconry</u>” and add “<u>practice falconry with raptors</u>” to clarify that practicing falconry covers more than just flying a raptor. • Clarify that the <u>original</u> authorization to fly another California licensee’s raptor must be signed and dated and in possession. • Clarify that the facilities of nonresident or non-U.S. citizen falconers may be temporary but must still meet the housing standards in California regulations, or nonresident or non-U.S. citizen falconers may house raptors held under their license with another California licensee.

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(e)(5)(C)	<ul style="list-style-type: none"> • Add provisions to clarify that a non-resident, or non-US citizen, or tribally licensed falconer, seeking a California license, must submit proof of a valid license and have the <u>licensee's raptor facilities inspected prior to obtaining a California license to ensure raptors will be adequately housed.</u>
	(e)(5)(D)	<ul style="list-style-type: none"> • Add provisions to clarify that a non-resident or non-US citizen, or tribal member falconer without a valid license must apply as a new applicant, pass the examination, and have their raptor facilities inspected to obtain a California license.
(e)(6)	(e)(6)	<ul style="list-style-type: none"> • Clarify that the Department has 'sole discretion' to establish the class for a falconer.
	(e)(6)(A)3.	<ul style="list-style-type: none"> • Clarify the necessity of maintaining a continuous sponsorship of an apprentice, and what period of time will be counted toward a total of 2 years sponsorship <u>should an apprentice lose his sponsor.</u>
	(e)(6)(A)4.	<ul style="list-style-type: none"> • Add, "The Apprentice may take raptors less than 1 year old, except nestlings." This language is the same as provided in 50 CFR 21.29(c)(2)(i)(E) limiting what can be permitted in California <u>and thus provides consistency with Federal regulations.</u> • Add <u>clarification</u> that an apprentice must maintain proof of legal acquisition.
	(e)(6)(A)6.	<ul style="list-style-type: none"> • Clarify that it is the responsibility of the sponsor to certify that the minimum requirements have been met by the apprentice.
	(e)(6)(B)2.	<ul style="list-style-type: none"> • Delete the portion of the provision regarding "threatened and endangered species" <u>because this is repetitive of the provisions set forth in subsection 670(d) which clearly provide that a falconry license does not authorize the take of species listed as threatened or endangered, or wildlife designated as fully protected within the state of California.</u> • <u>Delete "and eagles" because</u> the provisions set forth in subsection (e)(6)(C)2. clearly provide that only a Master Falconer may possess eagles. • Specify that the General class falconer must maintain proper documentation of legal acquisition of birds, whether from California or elsewhere <u>another state or country.</u>
	(e)(6)(C)1.	<ul style="list-style-type: none"> • Delete the portion of the provision regarding "threatened and endangered species" <u>because this is repetitive of the provisions set forth in subsection 670(d) which clearly provide that a falconry license does not authorize the take of species listed as threatened or endangered, or wildlife designated as fully protected within the state of California,</u> and is repetitive of the provisions set forth in subsection (e)(6)(C)2. which clearly provide that a Master Falconer may possess eagles. • Specify that the Master class falconer must maintain proper documentation of legal acquisition of birds, whether from California or elsewhere <u>another state or country.</u>

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(e)(6)(C)2. i - iv	<ul style="list-style-type: none"> • Add language specifying that proof of legal acquisition of eagles is required. • Clarify that eagles shall not be captured from the wild and may only be obtained from a permitted source. Eagles in the wild are fully protected in California and therefore can only be obtained from a permitted source. • Add language to allow temporary transfer of eagles from a rehabilitation facility to a Master Falconer to assist in rehabilitation. • Add clarification for <u>original documentation verifying the Master Falconer's prior experience with eagles in order to obtain Department authorization to possess eagles.</u>
(e)(7)	(e)(7)(B)	<ul style="list-style-type: none"> • Clarify that the examination fee must be paid each time the applicant takes the examination.
	(e)(7)(C)2.	<ul style="list-style-type: none"> • Add language to clarify that a new inspection is not required if the facilities shared by multiple falconers have passed a previous inspection.
	(e)(7)(E)	<ul style="list-style-type: none"> • Clarify that the administrative processing fee is charged only when the falconer requests that the Department enter the Resident Falconer Raptor Capture, Recapture and Release Report form into the Department's online reporting system.
(e)(7)(F)-(G)		<ul style="list-style-type: none"> • Delete subsections concerning the Raptor Capture Drawing, and consolidate in a new subsection (g)(8) <u>together with the drawing requirements</u> for clarity.
	(e)(8)(D)	<ul style="list-style-type: none"> • Clarify that notification <u>of denial by</u> the Department is required to be in writing.
	(e)(9)	<ul style="list-style-type: none"> • Add "the Fish and Game Code" to allow for suspension or revocation based on violations of Fish and Game Code sections pertaining to raptors. • At the request of the Commission, <u>add standards to guide the Department in determining what types of violations would result in immediate revocation. These standards include: a finding by the Department that the violation(s) pertains to conduct that threatens native wildlife, agricultural interests of this state, the welfare of the birds, or the safety of the public, or that the licensee has had a prior conviction or suspension.</u> • Change "pursuant to" to "as described herein" for consistency.
	(e)(10)	<ul style="list-style-type: none"> • <u>Change "pursuant to" to "as described herein" for consistency.</u>
	(e)(11)	<ul style="list-style-type: none"> • Add "30 calendar days" to clarify the last day for an appeal request.
	(e)(12)	<ul style="list-style-type: none"> • Delete "after the expiration of the license." The purpose of record retention was to have a 5-year retention maximum, not until after the license has expired <u>which could be interpreted to mean many more years.</u>

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(e)(13)	<ul style="list-style-type: none"> • Change five “calendar” days to “business” days consistent with state offices being open.
(f)(1)-(3)		<ul style="list-style-type: none"> • <u>Subsection is deleted, re-numbered and re-written for clarity.</u>
	(f)(1)-(3)	<ul style="list-style-type: none"> • Change the reference from federal reporting forms to the Department’s online reporting system. The requirements for each submittal are the same and the Administrative Processing Fee will be charged in the same way. • Add language to require that the inadvertent take of non-target wildlife be reported on the Hunting Take Report. Clarify that the inadvertent take of non-target wildlife is required to be reported as set forth in subsections (c) and (d).
(g)	(g)(1)	<ul style="list-style-type: none"> • Revise to lower case “resident”.
	(g)(2)	<ul style="list-style-type: none"> • Revise to lower case “nonresident”. • Delete text related to the requirements for a license since this has already been described.
	(g)(3)	<ul style="list-style-type: none"> • Add a provision which specifies that non-U.S. citizens are not eligible to capture any California wild <u>raptor for consistency with federal regulations.</u> • <u>Re-number the subsequent subsections</u>
(g)(7)(A)	(g)(8)(A)	<ul style="list-style-type: none"> • Clarify that there is no limit on capturing Northern Goshawk outside of the Tahoe Basin.
(g)(7)(K)	(g)(9) 1 - 2	<ul style="list-style-type: none"> • Renumber subsection (g)(7)(K)1.-10. to (g)(9)(A)-(J) to separate the Special Raptor Capture Random Drawing requirements to its own subsection. • Clarify that the random drawing is to distribute permits for those species with quotas as provided in (g)(8). • Revise to lower case “resident” and “nonresident”.
	(g)(9)(C)	<ul style="list-style-type: none"> • Clarify where licensee is to apply for drawing; <u>ALDS, or other locations,</u> and that a fee is required for each application.
	(g)(9)(D)	<ul style="list-style-type: none"> • Change the “midnight” deadline to “11:59 pm” for clarity • Change the application deadline to May 15, closer to the actual drawing date as a convenience to the participants. • <u>Delete ALDS since it duplicates the previous subsection.</u> • Delete “Incomplete, late ... shall not be included in the drawing” because the drawing will be held based on the electronic filing of the applications, which cannot be completed until the information is correctly submitted.
	(g)(9)(E)	<ul style="list-style-type: none"> • Add a description of the random drawing and award method by computer <u>for clarity.</u>

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(g)(9)(F)	<ul style="list-style-type: none"> • Change notification process to exclude mailed notification because both the entry and notice are only available online. • Delete notification to unsuccessful applicants because the entry and notification are only available online. • Change deadline for permit payment to June 30, the last day of the license year. • Delete date associated with permits awarded to alternates, if any are available, they will be awarded in the order drawn in the random drawing.
	(g)(9)(H)	<ul style="list-style-type: none"> • <u>Clarify that the capture can be reported online.</u>
	(g)(9)(I)	<ul style="list-style-type: none"> • Clarify that when the permit holder is unsuccessful, the permit is to be returned to the License and Revenue Branch with 10 days of the expiration of the permit.
(g)(8)	(g)(10)(A)	<ul style="list-style-type: none"> • Clarify that any owner (not only a researcher) of a transmitter should be contacted.
(g)(9)	(g)(11)	<ul style="list-style-type: none"> • <u>Clarify that the injury shall be reported online.</u>
(g)(11)	(g)(13)	<ul style="list-style-type: none"> • Clarify that the written permission of the private property owner is to be the original with signature.
(h)(2)(A)	(h)(2)(A)	<ul style="list-style-type: none"> • Clarify that a licensed falconer may temporarily possess and fly a raptor if they possess the appropriate class to do so.
(h)(3)		<ul style="list-style-type: none"> • Delete subsection (h)(3). The permanent disposition of wildlife, including birds, from a rehabilitation facility is set forth in Section 679, Possession of Wildlife and Wildlife Rehabilitation.
(h)(4)	(h)(3)	<ul style="list-style-type: none"> • Clarify that falconers are permitted to have temporary possession, while caring for an injured raptor.
	(h)(3)(A)	<ul style="list-style-type: none"> • Clarify that the terms of the transfer are at the discretion of the rehabilitator to ensure the necessary care of the raptor • Clarify that licensee must have legible documentation while assisting a rehabilitator (not only while flying the raptor).
	(h)(3)(B)	<ul style="list-style-type: none"> • Delete provision that a rehabilitator can permanently transfer a raptor to a licensee <u>as this is not permitted under subsection 671(f)(4) of these regulations.</u> • Add that the Department can make a determination for extended care of the raptor by a licensee.
(h)(5)	(h)(4)	<ul style="list-style-type: none"> • Clarify that the importation of raptors by nonresidents or non-U.S. citizens may require additional federal permits.
(h)(6)	(h)(5)(B)	<ul style="list-style-type: none"> • Add "metal" to designate band type.
	(h)(5)(C)	<ul style="list-style-type: none"> • Delete authorization to allow any release of non-native raptors.

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(h)(5)(D)	<ul style="list-style-type: none"> • Add language prohibiting the release of barred owl in California (reason is due to conflicts with native spotted owls). • Add License and Revenue Branch as point of contact, with Wildlife Branch as responsible for disposition of barred owls.
(h)(7)	(h)(6)	<ul style="list-style-type: none"> • Add “or fully protected” according to California designation.
(h)(9)	(h)(8)	<ul style="list-style-type: none"> • Add “of any other raptor species” to clarify that following provisions regarding carcasses are for raptors other than eagles.
	(h)(8)(A)	<ul style="list-style-type: none"> • Add License and Revenue Branch as point of contact, with Wildlife Branch as responsible for disposition of any bird carcass to be delivered to the Department. • Revise for clarification the delivery of frozen raptor carcasses to the Department.
	(h)(8)(E)	<ul style="list-style-type: none"> • Delete (D) and re-write as (E). • Revise provisions regarding taxidermy, that only the licensee may possess the mounted bird. • Upon expiration of the license or the death of the licensee, the mounted bird must be returned to the Department. • Add License and Revenue Branch as point of contact, with Wildlife Branch as responsible for disposition of the mount.
(h)(10)(A)2.	(h)(9)(A)2.	<ul style="list-style-type: none"> • Add License and Revenue Branch as a point of contact, and clarify that the disposition of a recaptured and unwanted bird will be determined by Wildlife Branch.
(h)(12)	(h)(11)	<ul style="list-style-type: none"> • Clarify the type of band as seamless “metal” bands. • Delete “licensed falconers” and add “persons or entities” to clarify that there are other types of permittees who can legally possess raptors.
(h)(14)	(h)(13)(B)	<ul style="list-style-type: none"> • Transfer of raptors to a federal Propagation Permit shall be reported on the falconer’s report to the Department.
(i)(1)	(i)(1)	<ul style="list-style-type: none"> • Clarify that a goshawk captured in the wild in California be banded with a permanent, nonreusable, numbered USFWS leg band. • Add language to clarify that peregrine, gyrfalcon or Harris’s hawk (not allowed for wild capture in California) that are legally acquired and imported into California also get a permanent, nonreusable, numbered USFWS leg band if they do not already have one.
(i)(1)(A)	(i)(1)(A)	<ul style="list-style-type: none"> • Revise to designate that License and Revenue Branch distribute “new or replacement permanent, nonreusable, numbered USFWS leg” bands, and shall report banding data to the USFWS.
(i)(2)		<ul style="list-style-type: none"> • Delete subsection regarding lost or removed bands here, and incorporate into other subsections.
	(i)(2)	<ul style="list-style-type: none"> • Add provision that captive bred raptors listed under MBTA need a seamless metal band. Added to comply with federal regulations.
(i)(3)		<ul style="list-style-type: none"> • Delete subsection regarding rebanding here, and incorporate into other subsections.

Current Subsection	New subsection	Reason for the Proposed Amendment Revision, Addition, or Deletion
	(i)(3)-(4)	<ul style="list-style-type: none"> • Add language to include lost or removed bands and rebanding provisions. Revision was made to mirror the federal regulation that allows the falconer to remove and reband birds under certain circumstances.
(j)(1)(C)	(j)(1)(C)	<ul style="list-style-type: none"> • Revise to allow supervision of raptors by non-licensed falconers (e.g. spouse, family member, etc.) while the raptor is outside. • Specify a minimum age of 12 which is the same minimum age for an apprentice class.
(j)(1)(E)	(j)(1)(E)	<ul style="list-style-type: none"> • Clarify the requirement for an inspection of raptor facilities and associated fees for facilities moved to a new location.
(j)(3)	(j)(3)	<ul style="list-style-type: none"> • Clarify that new applicants, <u>including prior licensees whose</u> license has been expired more than 5 years, are required to have their facilities inspected.
	(j)(3)(A)	<ul style="list-style-type: none"> • At the Commission's request, delete the word "premises" and add "facilities" clarifying that inspections are applicable to the raptor "facilities" as described in this subsection. • At the Commission's <u>falconers'</u> request, add language that the Department <u>may enter the facilities only when the licensee is present. Add additional language making it clear that licensees refusing to allow inspection or attempting to avoid inspection by repeatedly being unavailable risk suspension of their license. Add language allowing the Department to reinstate a suspended license upon successful completion of an inspection with no violations of these regulations or other license conditions. These provisions are necessary to accommodate falconer requests that they be present, while facilitating timely inspections of falconry facilities.</u> Department will make a reasonable attempt to contact licensee prior to conducting the inspection. (Note: it is the responsibility of the licensee to assure that the department's contact information is current.)
(j)(3)(B)	(j)(3)(B)	<ul style="list-style-type: none"> • Clarify that an original signature of the property owner on the permission letter is required if the raptor facilities are located on property not owned by the licensee.

(b) Authority and Reference Sections from Fish and Game Code for Regulation:

Authority: Sections: 200, 202, 203, 355, 356, 395, 396, 398, 710.5, 710.7, 713, 1050, 1054, 1530, 1583, 1802, 3007, 3031, 3039, 3503, 3503.5, 3511, 3513, 3800, 3801.6, 3950, 4150, and 10500, Fish and Game Code.

Reference: Sections: 395, 396, 713, 1050, 3007, 3031, 3503, 3503.5, 3511, 3513, and 3801.6 Fish and Game Code. Title 50, Code of Federal Regulations, Parts 21.29 and 21.30, and California Penal Code Section 597.

(c) Specific Technology or Equipment Required by Regulatory Change: None.

(d) Identification of Reports or Documents Supporting Regulation Change: None.

(e) Public Discussions of Proposed Regulations Prior to Notice publication: None.

IV. Description of Reasonable Alternatives to Regulatory Action:

(a) Alternatives to Regulation Change:

During and since the previous update of the falconry regulations in 2013, the public and licensed falconers provided recommendations for amendments to the regulations. Those recommendations that were accepted are enumerated in the ISOR. Some alternatives were rejected for the following reasons (subsection citations are to the revised numbering of the amended text):

- ~~§670(a)(2): A valid original hunting license and falconry license are the only documents required to practice falconry. If other documents are required, they should be specified by the Department.~~
Rejected: Other documentation that may be required is noted throughout the regulation, for example, permission to fly on private land, documentation that falconer is assisting in rehabilitation, permission to fly another falconer's bird, etc.
- §670(b)(12) Establish a three year license to replace the current single year license.
Rejected: Hunting regulations are set by the license year, which is the 12 month period starting July 1 and ending the following June 30, and is the same as the falconry license term, or federal regulatory year. All licenses, tags, reporting requirements, and permits issued by the Department are established for a period of one year.
- §670(b)(13): Definition for "non-native raptor" should include hybrid raptors.
Rejected: The Department does not consider hybrids as non-native in all cases.
- §670(d): Falconers cannot "ensure" that their raptors will not "take state or federally listed threatened, endangered, or candidate wildlife, or wildlife designated as fully protected within the State of California." The Department should provide some relief from this no-take provision.
Rejected: The new California falconry regulations closely follow the requirements of the Federal Regulations with respect to the "no-take" rule. The falconer is instructed in the Federal regulations to identify the location of protected species and avoid flying the raptor in that location. In the event that

unintended take occurs, both regulations provide that the falconer immediately report the take to appropriate federal and state authorities.

- **Rejected: The Federal Regulations include language about ensuring take of threatened or endangered species does not occur. However, to be clear, language was added to the proposed regulations that clarifies that take of threatened, endangered, candidate wildlife, or wildlife designated as fully protected is not authorized by a falconry license.**
- §670(e)(1)(D): Include ability for a non-US citizen to use “equivalent experience” in place of a current license when seeking a California license.
Rejected: All that is required to obtain a California falconry license is passing the falconry examination which demonstrates basic knowledge, **and passing a facility inspection.** Other documentation may be used to demonstrate the class level of the licensee with discretionary approval of the Department.
- §670(e)(4): Include some exemption for practicing falconry with an expired license in case the Department is late processing.
Rejected: The Department has not been tardy issuing licenses since administering the program.
- §670(e)(4): Add provision for Department to collect back fees if the individual continues to practice falconry without a license.
Rejected: The penalties for illegally practicing falconry without a license (as with hunting, fishing, etc.) are sufficient.
- §670(e)(5): Change to read, “A nonresident licensed falconer or non-U.S. citizen licensed falconer may ‘transport their legally held raptors to’ temporarily practice falconry in California for up to 120 calendar days without being required to obtain a California falconry license.”
Rejected: The insertion of “transport their legally held raptors to” will not change or clarify the current provision.
- §670(e)(6): Strike “at its sole discretion”. If a falconer meets the requirements and qualifications for the class described in these regulations the licensee should be granted a license for that class.
Rejected: The Department now has oversight of the falconry program in California, and has the sole authority to determine if a falconer meets the specified requirements for any falconry class.
- §670(e)(6)(A)2: Consider additional oversight of apprentice program.
Rejected: The current oversight of the apprentice program mirrors that of the federal regulations. No evidence that additional oversight is needed.
- §670(e)(6)(A)4: Change to read, “An Apprentice falconer may only capture from the wild or possess a passage red-tailed hawk or an American kestrel of any age.”
Rejected: 50 CFR 21.29(c)(2)(i)(E) states that the apprentice “may take raptors less than 1 year old, except nestlings.” This same language is proposed as an addition to this subsection.
- §670(e)(6)(A)4.,(B)2. and (C)1.: In each subsection for Apprentice, General and Master class, it says, “Apprentice/General/Master falconer must maintain written proof of legal acquisition.” This is redundant. It is elsewhere stated that all falconers must report disposition of falconry raptors to the Department in a timely manner.

- Rejected. The Department is requiring written documentation of legal acquisition to be on-hand so the origin of all birds may be determined. When asked by law enforcement they must produce a paper record.
- §670(e)(6)(B): The possession limits of raptors should be reduced, an experienced falconer can handle two birds, three at most.
Rejected. Language in state regulations is consistent with federal regulations. There is no evidence that more raptors in possession equates to reduced care. The Department will retain existing language.
 - §670(e)(6)(C)2.i.: Falconers wanted to add “. . . captured from the wild in California pursuant to Fish and Game Code 3511, but . . .”
Rejected. Section 3511(a)(1) FGC also states “No provision of this code or any other law shall be construed to authorize the issuance of a permit or license to take a fully protected bird.” The insertion of the reference to FGC 3511 in the regulation would be repetitive and is presently cited in Authority and Reference.
 - §670(e)(6)(C)2.ii.: Delete the portion of the provision regarding “eagles ... transferred from a rehabilitation facility” thus allowing Master falconer possession of a rehabilitated eagle.
Rejected: Possession of eagles with specified origins (not caught from the wild in California), from a permitted source, and with proof of legal acquisition, is clearly stated in subsections (e)(6)(C)2. i.-iii. A Master falconer may possess any eagle (except bald eagles) within those qualifications. Section 679 further provides for the permanent disposition from rehabilitation facilities of wildlife including birds.
 - §670(e)(8)(B): Delete failure to comply with city and local ordinances as a reason for denial of a new or renewal license.
Rejected: Allowing denials, revocations or suspensions based on a violation of a city or county ordinance that constitutes a violation of the Fish and Game Code, regulations related to raptors in Title 14, or Penal Code Section 597, protects birds and the public by preventing persons who have not followed such ordinances from holding a Department-issued license.
 - §670(e)(9): The falconers disagree with the penalties for violation and propose that they should be more in line with the hunting regulations section that deals with license suspension and revocation.
Rejected. The Department does not support a change to these provisions, which are uniquely tied to the falconry license and the possession of living raptors.
However, new language was added to the regulations that clarify what types of violations may result in a suspension or revocation.
 - §670(g): Proposed that trapping raptors at any time of the year needs to be re-examined; that some species may breed when less than one year old, while still in their juvenile plumage; it is possible that someone might legally trap a juvenile hawk that in fact has a nest with eggs or young, unbeknownst to the trapper. In contrast, another commenter supported year-round take of raptors.
Rejected. The environmental review did not indicate there was an issue with take of wild raptors for use in falconry. Current regulations restrict age and number of young taken from a nest. Other restrictions are also instituted, such as limitations on the number of goshawks in the Tahoe Basin, limitations on the number of prairie falcons statewide, and seasonal restrictions for merlin. Therefore, the current language will be retained.

- §670(g)(7): Suggested that the Department add ferruginous hawk to the list of allowed species.
Rejected. Due to species decline as described in the Final Environmental Document (FED) using best available population/trend data, the ferruginous hawk was taken off the list of allowed raptors. There is no new data to indicate a change from the conclusions of the FED.
- §670(g)(7)(A): Suggested removing the limit on Northern Goshawk in the Tahoe Basin.
Rejected. Analysis in FED was based on best available population/trend data. There is no change in knowledge from when the FED was completed.
- §670(g)(7)(H): Suggested removing statewide limit on prairie falcon.
Rejected. Analysis in FED was based on best available population/trend data. There is no change in knowledge from when the FED was completed.
- §670(g)(7)(K): Falconers suggested that the dates and terms of the Special Capture Drawing and Permit appear to exclude spring captures and should be changed.
Rejected. A permit to obtain a raptor with quota is issued in July and will be valid for one year, including the following spring. However, new drawing dates move the drawing closer to the issuance of the special permit in June.
- §670(h)(3): Falconers want to be able to obtain healthy rehabilitated raptors from rehabilitation facilities.
Rejected. This entire subsection is removed because it is inconsistent with other regulations in Title 14. Subsection 679(f)(4), Title 14, states: “ If any [*rehabilitated*] animal cannot be released, it shall be transferred to a zoological garden, museum, college, university, or other education/research institution or wildlife exhibitor.” The current provision does not include falconers.
- §670(h)(4): Notification of importation of a raptor into California is excessive.
Rejected: These California provisions mirror those found in the federal regulations 50 CFR 21.29, 14 (ii)(A) through (E).
- §670(h)(9)(D): Falconers want to modify the limitations on possession of birds to say, “Possession of the mounted raptor will not count against the possession limit of the falconer.”
Rejected. The clarification is unnecessary, the Department has not and will not count dead birds as a part of the possession limit described in regulation “for falconry purposes.” The possession of a carcass, parts, or a mounted bird is permitted by a falconer provided that the license is not expired. After expiration, or upon the death of the falconer, the mounted bird must be returned to the Department for disposition. No other person may possess the mount.
- §670(h)(13)(C): Apprentice falconers should be able to work as sub-permittee for abatement activities.
Rejected: Although a change to federal abatement regulations is proposed with the USFWS, nothing has been approved.
- §670(i): Consider specialized banding of all falconry raptors.
Rejected: Though the Department considers this a worthy consideration, this is outside of scope of this regulatory rulemaking.
- Address option of requiring a signed-off validation by agency staff (CDFW, U.S. Fish and Wildlife Service) as part of reporting take in the future, similar to the process for completing deer tags.

- Rejected: Outside of scope of this regulatory rulemaking.
- Address the option for allowing depredating raptors (those captured under federal Migratory Bird Treaty Act depredation permits) to be placed with falconers.
- Rejected: Outside of scope of this regulatory rulemaking.

(b) No Change Alternative:

The falconry regulations were last amended in 2013 to conform to federal guidelines which required states to adopt their own rules governing the sport. At that time it was understood by the Commission, falconers, and the public that the new California regulations would need updating and amending. The “No Change” alternative would not update the regulations and would not meet this expectation.

(c) Consideration of Alternatives:

In view of information currently possessed, no reasonable alternative considered would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

V. Mitigation Measures Required by Regulatory Action:

The proposed regulatory action will have no negative impact on the environment. Therefore, no mitigation measures are needed.

VI. Impact of Regulatory Action:

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action have been assessed, and the following initial determinations relative to the required statutory categories have been made:

(a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

The Commission does not anticipate significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposed regulations amend the existing rules for the sport of falconry, primarily for recreational purposes.

(b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California; Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State’s Environment:

~~The Commission does not anticipate any significant impacts on the creation or elimination of jobs, the creation of new businesses or the elimination of existing~~

businesses, or the expansion of businesses; and no benefits to the health and welfare of California residents, or to worker safety or to the state's environment. The proposed regulations affect a limited number of falconers in California and therefore are unlikely to create or eliminate jobs, or result in the expansion or elimination of existing businesses.

The Commission does not anticipate any significant impacts on the creation or elimination of jobs, the creation of new businesses or the elimination of existing businesses, or the expansion of businesses. The proposed regulations are not anticipated to directly affect the health and welfare of California residents. The proposed regulations are in accord with the broad aims of resource management but the cumulative effects are anticipated to be neutral to the environment. The proposed regulations affect a limited number of falconers in California (there are approximately 615 licensed falconers in California) and therefore are unlikely to impact the creation or elimination of jobs, or the expansion or elimination of existing businesses, the health and welfare of California residents, or the State's environment.

(c) Cost Impacts on a Representative Private Person or Business:

The proposed amendments do not impose any additional fees or costs to private persons involved in the sport of falconry.

(d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None

(e) Nondiscretionary Costs/Savings to Local Agencies: None

(f) Programs Mandated on Local Agencies or School Districts: None

(g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code: None

(h) Effect on Housing Costs: None

VII. Economic Impact Assessment

Approximately 615 people have falconry licenses in California. Because the proposed regulations affect a limited number of people, the proposed regulations are unlikely to impact the creation or elimination of jobs, or the expansion or elimination of existing businesses, the health and welfare of California residents, or the State's environment.

(a) Effects of the Regulation on the Creation or Elimination of Jobs Within the State:

Approximately 615 people have falconry licenses in California. Because the proposed regulations affect a limited number of people in California,
The cumulative effects of the changes statewide are expected to be neutral with regard to the creation or elimination of jobs within the State.

- (b) Effects of the Regulation on the Creation of New Businesses or the Elimination of Existing Businesses Within the State:

The proposed regulations affect approximately 615 licensed falconers in California; therefore the cumulative effects of the changes statewide are expected to be neutral with regard to the creation of new businesses or the elimination of existing businesses within the State.

- (c) Effects of the Regulation on the Expansion of Businesses Currently Doing Business Within the State:

The proposed regulations affect approximately 615 licensed falconers in California; therefore the cumulative effects of the changes statewide are expected to be neutral with regard to expansion of businesses currently doing business within the State.

- (d) Benefits of the Regulation to the Health and Welfare of California Residents:

The proposed regulations affect approximately 615 licensed falconers in California; therefore the cumulative effects of the changes statewide are expected to be neutral with regard to the health and welfare of California residents.

- (e) Benefits of the Regulation to Worker Safety:

The proposed regulations do not address and will not affect worker safety.

- (f) Benefits of the Regulation to the State's Environment:

The cumulative effects of the changes statewide are expected to be neutral with regard to the state's environment.

- (g) Other Benefits of the Regulation:

The Commission anticipates benefits to licensed falconers in the current practice of the sport in California through clarified regulations.

Informative Digest/Policy Statement Overview

Amend Sections 670, Falconry, Title 14, California Code of Regulations (CCR).

The falconry regulations were last amended in 2013 to conform to federal guidelines which required states to adopt their own rules governing the sport. At that time it was understood by the Commission, falconers, and the public that the new California regulations would require updating and amendment to bring the regulations more in line with the current practice of falconry in California.

Numerous minor edits, renumbering, and clarifying changes are proposed; the more substantive changes include:

- Revising language to be more consistent with regulatory language standards (e.g., using lower-case for all headers, renumbering subsections, appropriate references for websites, replacing “regulatory year” with “license year,” reference to expired licenses, references to federal regulations).
- Allowing falconers to complete reports using the Department’s online reporting system found on the Department website at wildlife.ca.gov. Accordingly, no reporting to the USFWS is required and all references to the federal form 3-186A are removed.
- Clarifying what documentation is required to be carried when engaged in falconry activities.
- Amending the definitions (e.g., falconry, hacking, imping) to more accurately represent the activity.
- Improving instructions to falconers for procedures to avoid take of unauthorized wildlife and instructions to follow in the event that inadvertent take does occur, including fully protected species, and adopting “let it lay” language for non-protected species (meaning that if take occurs to let the raptor feed on the prey) and reporting requirements.
- Clarifying that a falconry license does not authorize the take of threatened or endangered species, candidate species or fully protected species.
- Clarifying licensee application procedures for resident, nonresident, tribal, and non-US citizen falconers.
- Adding language specifying that a tribal member with a valid falconry license issued from that member’s tribe will be treated in the same manner as a nonresident licensed falconer.
- Clarifying that a tribal member that does not have a license must apply for a California license to practice falconry outside the jurisdiction of the tribe.
- Clarifying that the exam fee is charged for each multiple examination to recover the Department’s reasonable costs.
- Adding an exam exemption for new resident falconers with a valid out-of-state falconry license.
- Clarifying when inspections are needed.
- Clarifying what is allowed and not allowed under an expired license, and what steps must be taken if a licensee wishes to continue to practice falconry.

- ~~Adding terms for renewal, at the Department's discretion, of a license where the licensee has been unlawfully in active practice without annual renewal and the payment of fees.~~
- Revising suspension and revocation clause to be more specific to the types of violations that would result in immediate action.
- Regarding written authorization required for certain activities, adding specifications that the authorization must be signed and dated with original signature.
- Identifying License and Revenue Branch as the point of contact for certain determinations, with the actual determination being made by Wildlife Branch in some instances.
- Clarifying the necessity of maintaining a continuous sponsorship of an apprentice; what period of time will be counted toward a total of 2 years sponsorship; and sponsor responsibility to assure that minimum qualifications have been met.
- Clarifying that falconers must maintain proper documentation of legal acquisition of birds and records retention is for 5 years only.
- Clarifying that take of northern goshawk outside of the Tahoe Basin does not have a limit.
- Adding language that identifies no need for a new inspection if the facilities shared by multiple falconers have passed a previous inspection.
- Clarifying when the administrative fee applies.
- Revising specifications for applying for the raptor capture drawing and obtaining a permit, including revision of deadline dates and times.
- Allowing falconers to remove bands or reband raptors under certain circumstances, if needed.
- Adding specific language allowing family members to watch raptors outside, but only if a specific age.
- Deleting the existing provision in 670 that raptors may be permanently transferred to a falconer from rehabilitation facilities. Section 679 provides for the permanent disposition from rehabilitation facilities of wildlife including birds.
- Clarifying that falconers may temporarily possess raptors from rehabilitation facilities for the purpose of conditioning for release back in to the wild.
- Adding text to clarify that non-native raptors or barred owls may not be released into the wild.
- Revising text regarding process and limitations for mounting raptor carcasses.
- Clarifying that unannounced inspections are applicable to falconry facilities.
- Revising language so that the Department will make a reasonable attempt to contact the licensee prior to conducting inspections.

BENEFITS OF THE PROPOSED ACTION:

The Commission anticipates benefits to licensed falconers in the current practice of the sport in California through clarified regulations.

EVALUATION OF INCOMPATIBILITY WITH EXISTING REGULATIONS:

Section 20, Article IV, of the State Constitution specifies that the Legislature may delegate to the Fish and Game Commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. The Legislature has delegated to the Commission the power to regulate the practice of falconry. No other State agency has the authority to promulgate such regulations. The Commission has searched the CCR for any regulations regarding falconry and has found no such regulation; therefore the Commission has concluded that the proposed regulations are neither inconsistent nor incompatible with existing State regulations.

BENEFITS OF THE PROPOSED ACTION:

It is the policy of this state to encourage the conservation, maintenance, and utilization of the living resources under the jurisdiction and influence of the state for the benefit of all the citizens of the State. In addition, it is the policy of this state to promote the development of resource related recreational activities that serve in harmony with federal law respecting conservation of the living resources under the jurisdiction and influence of the State. The objectives of this policy include, but are not limited to, the management and maintenance of captive raptor populations to ensure their continued existence of a sufficient resource to support a reasonable sport use. Adoption of scientifically-based regulations provides for the health and maintenance of sufficient populations raptors. The Commission additionally anticipates benefits to the captive breeding program as well as the management of the rehabilitation of raptors as needed. The proposed regulation changes are intended to provide increased health and maintenance to the State's falconry program from its recent transition for federal to states oversight. The Commission anticipates benefits to the environment by the sustainable management of California's resources.

The amended ISOR adds statements of necessity to Section III (a) Statement of Specific Purpose of Regulation Change and Factual Basis for Determining that Regulation Change is Reasonably Necessary; other clarifying statements; and, minor editorial changes. These statements are entirely related to, and do not alter, the proposed regulatory text in Section 670.

In response to comments from the California Hawking Club, the Department, and other falconers, the Commission made revisions to the proposed regulatory text in two areas. Subsection 670(a) was revised to reduce the number of documents required to be carried by falconers when hunting. Falconers will be required only to have in their immediate possession a valid original falconry license, a valid original hunting license, and any required stamps, the same as required for any other hunter. Subsection 670(a)(4), which initially specified additional documents related to falconry, has been deleted.

Subsection 670(j)(3)(A) has also been revised to clarify that falconry facilities may be inspected only when the licensee is present. Falconers had expressed concern that Department staff entering their facilities without the owner present

would place unnecessary stress on the birds. The Commission also added language to make it clear that attempts to avoid inspection by repeatedly being unavailable may result in license suspension. Licenses suspended under these circumstances may be reinstated upon completion of an inspection finding no violations of these regulations or any license conditions.

Errors in the ISOR have also been corrected: in subsection 670(e)(2)(C), the word "expired" should not have been added and is therefore deleted; and in subsection 670(e)(6)(C)1, the words "and eagles" should not have been added and are therefore deleted.

Regulatory Text

Section 670 is hereby amended to read:

§ 670. Practice of Falconry.

(a) ~~GENERAL PROVISIONS~~ General Provisions.

~~(1) Any person who wants to engage in falconry activities shall first apply for and be issued an annual falconry license from the department. While engaged in falconry, a resident, nonresident or non-U.S. citizen shall carry an original permit, and all additional documentation or legible copies thereof, that authorize him or her to practice falconry in California.~~

~~(2) Except as provided in Section 12300, Fish and Game Code, it shall be unlawful for any person to engage in falconry in California unless they have in their **immediate possession a valid original falconry license, a valid original hunting license, and any required stamps.**~~

~~(3) Falconry activities shall be as provided by the Fish and Game Code and regulations provided herein.~~

~~(4) **While engaged in a falconry activity the licensee shall have in his/her possession and accessible the document(s) required for that activity as set forth herein: an original valid hunting license and required stamps, such as an upland game or state duck stamp along with a Federal migratory bird hunting and conservation stamp, when hunting with a raptor; permission to hunt on private property; permission to fly or hunt with another falconer's bird(s); permission to fly a raptor for rehabilitation purposes; a nuisance bird abatement permit; or, department approved exemption from banding when transporting or flying an un-banded raptor.**~~

~~(5) Applicable regulations adopted by the U.S. Secretary of the Interior pursuant to the Migratory Bird Treaty Act (MBTA) and published in Title 50, Code of Federal Regulations, (CFR), Part 21 (Revised 11/05/2012) (Revised 07/02/2015), hereinafter referred to as 50 CFR 21, are hereby incorporated and made a part of these regulations. The department shall make these and the federal regulations available at www.dfg.ca.gov/licensing/.~~

~~(6) (5) Falconry applications and records as required by this section shall be kept on forms provided by the department and submitted to the department's License and Revenue Branch, 1740 N. Market Blvd., Sacramento, CA 95834; or, submitted to the department's online reporting system website at wildlife.ca.gov.~~

(b) ~~FALCONRY DEFINITIONS~~ Definitions. For purposes of this section, the following definitions apply:

(1) "Abatement" is the use of trained raptors to reduce human/wildlife conflicts.

(2) "Captive-bred raptor" means the progeny of a mating of raptors in captivity, or progeny produced through artificial insemination.

(3) "Capture" means to trap or capture or attempt to trap or capture a raptor from the wild.

(4) "Eagles" includes golden eagle (*Aquila chrysaetos*), bald eagle (*Haliaeetus leucocephalus*), white-tailed eagle (*Haliaeetus albicilla*), and Steller's sea-eagle (*Haliaeetus pelagicus*).

(5) "Exotic raptor" is a raptor that has no subspecies occurring naturally in the wild in the United States and is not covered under the MBTA.

(6) "Eyas raptor" or "nestling" is a young raptor not yet capable of flight.

(7) "Falconry" means the possession, housing, trapping, transport, and use of raptors for the purpose of hunting or ~~free flight~~-training.

(8) "Hacking" is the temporary or permanent release of a raptor held for falconry to the wild so that it may ~~survive on its own~~ gain experience and conditioning.

(9) "Hybrid raptor" means offspring of raptors of two or more distinct species listed in Title 50, CFR, Section 10.13.

(10) ~~"Imp"~~ "Imping" is to cut a broken or damaged feather and replace or repair it with ~~an undamaged another~~ feather.

(11) "Imprint" means a raptor that is hand-raised in isolation from the sight of other raptors from two weeks of age until it has fledged. An imprinted raptor is considered to be so for its entire lifetime.

(12) "License year" is the 12-month period starting July 1 and ending the following June 30, and is the same as the term "regulatory year" for determining possession and take of raptors for falconry as defined in 50 CFR 21.

~~(12)-(13)~~ "Non-native raptor" is any raptor that does not naturally occur in the state of California.

~~(13)-(14)~~ "Passage raptor" is a juvenile raptor less than one year old that is capable of flight.

~~(14)-(15)~~ "Raptor" means any bird of the Order Falconiformes, Accipitriformes or Strigiformes, or a hybrid thereof.

~~(15)~~ "Regulatory year" is the 12-month period starting July 1 and ending the following June 30, and is the same as the falconry license term.

(16) "Wild raptor" means a raptor removed from the wild for falconry. It is considered a wild captured raptor, no matter its time in captivity or whether it is transferred to other licensees or permit types.

~~(c) TAKE OF GAME SPECIES OR NONGAME BIRDS OR MAMMALS~~ Take of Game Species or Nongame Birds or Mammals. Every person using falconry raptors to hunt or take resident small game including upland game species, migratory game birds, or nongame birds or mammals in California shall abide by the laws and regulations ~~related to authorizing~~ hunting of such species, including but not limited to licenses, seasons, bag limits, and hunting hours.

(1) A licensee shall ensure, to the extent possible, that falconry activities do not result in unauthorized take of wildlife.

(A) If an animal is injured as a result of unauthorized take, the licensee shall remove the animal from the raptor and transport the injured animal to the nearest wildlife rehabilitation center.

(B) If an animal is killed as a result of an unauthorized take, the licensee may allow a falconry bird to feed on the kill but the licensee shall not possess the animal and shall leave the kill at the site where taken.

(2) The take shall be reported to the department, with the band or tag number of the species taken (if any), as set forth in subsection (f).

~~(d) TAKE OF STATE OR FEDERAL THREATENED OR ENDANGERED SPECIES.~~ Take of State or Federal Threatened or Endangered Species. A licensee shall ensure

~~that falconry activities do not cause the take of state or federally threatened or endangered wildlife, for example, by avoiding flying a raptor in the vicinity of the listed species. Any threatened or endangered bird, mammal, reptile or amphibian taken by a raptor without intent shall be removed from the raptor as soon as practical, and left at the site where taken if dead, or taken to the nearest wildlife rehabilitation center if injured.~~ This license does not authorize take of state or federally listed threatened, endangered, or candidate wildlife, or wildlife designated as fully protected within the State of California. Any take shall be reported by the licensee to the nearest U.S. Fish and Wildlife Service (USFWS) Ecological Services Field Office and the nearest department regional office (www.dfg.ca.gov/regions/) department's License and Revenue Branch within 10 calendar days of the kill. The licensee shall report his or her name, falconry permit license number, date, species and sex (if known) of the animal taken, and exact location of the kill pursuant to subsections (19), (19)(i) and (19)(ii), Title 50, Section 21.29, subdivision (f), Code of Federal Regulations as provided in 50 CFR 21.

~~(e)~~ LICENSING Licensing.

~~(1)~~ FALCONRY LICENSES Falconry Licenses: A falconry license is issued in one of three falconry classes listed in subsection (e)(6) and may be issued to a:

~~(A)~~ California resident, nonresident, or non-US citizen, who is applying for his/her first a new license;

~~(B)~~ California resident or nonresident licensee who is applying to renew a lapsed license that has not been expired for more than 5 years;

~~(C)~~ California resident licensee who is applying to renew a license that has not lapsed expired; and,

~~(D)~~ Nonresident or non-U.S. citizen falconer who has a valid falconry license issued from another state or country and intends to establish permanent residency in California prior to becoming a resident.

~~(2)~~ APPLICATION FOR LICENSE Application for License.

~~(A)~~ The applicant for a new license, or lapsed license shall submit a completed New Falconry License Application with the nonrefundable fee, as specified in Section 703, to the address listed on the application.

~~(B)~~ The applicant for a license renewal of a license that has not been expired for more than 5 years, shall submit a completed Falconry License Renewal Application with the nonrefundable fee, as specified in Section 703, to the address listed on the application.

~~(C)~~ The department may issue new licenses and renew existing or lapsed expired licenses with the conditions it determines are necessary to protect native wildlife, agriculture interests, animal welfare, and/or human health and safety.

~~(A)~~ SIGNED CERTIFICATION (D) Signed Certification. Each application shall contain a certification worded as follows: "I certify that I have read and am familiar with both the California and U.S. Fish and Wildlife Service falconry regulation, CFR 50, Sections 21.29 through 21.30, and that the information I am submitting is complete and accurate to the best of my knowledge and belief. I understand that any false statement herein may subject me to cancellation of the application, suspension or revocation of a license, and/or administrative, civil, or criminal penalties. I understand that my facilities, equipment, or raptors are subject to unannounced inspection pursuant to Section subsection 670(j), Title 14, of the CCR California Code of Regulations. I certify that I

have read, understand, and agree to abide by, all conditions of this license, the applicable provisions of ~~FGC~~ the Fish and Game Code, and the regulations promulgated thereto. I certify that ~~I am not currently under any Fish and Wildlife license or permit revocation or suspension, and that there are no other legal or administrative proceedings pending that would~~ there are no pending or previous legal or administrative proceedings that could disqualify me from obtaining this license.” The application shall be submitted with the applicant’s original signature.

~~(B) EXPERIENCE~~ (E) Experience. The department shall consider an applicant's falconry experience acquired in California, as well as another state or country when ~~evaluating~~ reviewing an application for any class of license. The department shall determine which ~~level~~ class of falconry license is appropriate, consistent with the class requirements herein and the documentation submitted with the application demonstrating prior falconry experience.

~~(C) NONRESIDENT FALCONER ESTABLISHING PERMANENT RESIDENCY~~. A nonresident falconer ~~establishing permanent residency in California shall submit documentation of prior experience and any falconry license held from his/her previous state or country of origin along with the completed application. The department shall continue to recognize a new resident’s falconry license issued from another state or country, until the license expires, or the department approves or denies the application, whichever comes first. If a new resident’s license expires shortly before or shortly after he/she moves to California, he/she is allowed to practice falconry for up to 120 days without a California license according to (5)(C) below.~~

~~(3) EXAMINATION REQUIREMENT~~ Examination Requirement. Any person ~~applying for his/her first~~ Any applicant not possessing a valid falconry license, or required to apply for a new falconry license in California shall pass the falconry examination to demonstrate proficiency in falconry and raptor-related subject areas before being issued a license. An applicant shall correctly answer at least 80 percent of the questions to pass the examination. Any applicant who fails to pass the examination may take another examination no earlier than the next business day following the day of the failed examination. The applicant shall submit a nonrefundable Falconry Examination fee each time the applicant takes an examination.

(A) An applicant who meets one of the following criteria shall be exempt from taking the California falconry examination:

1. An applicant who provides documentation of successfully passing a federally approved examination in a state that has had its falconry regulations certified as specified in ~~Title 50, CFR, Section 21.29~~ 50 CFR 21, will not be required to take the examination in California if the applicant took the examination less than five years prior to submitting an application for a California falconry ~~permit~~ license.

2. The applicant is a nonresident or non-U.S. citizen falconer who has a valid falconry license issued from another state or country.

3. The applicant is a member of a federally recognized tribe and has a valid falconry license issued from that member’s tribe.

(B) After successfully passing the falconry examination, the raptor housing facility, if any, of a new applicant shall pass an inspection and be certified by the department, pursuant to subsection (j), before a license may be issued.

~~(4) LAPSED LICENSES. If a license has lapsed for fewer than five years, the license may be renewed at the level held previously if the applicant provides proof of licensure at that level. If a license has lapsed for five years or more, the applicant shall successfully complete the California examination. Upon passing the examination, a license may be renewed at the level previously held if the applicant provides proof of licensure at that level.~~

(4) Expired License. A license for the practice of falconry expires and is not valid unless renewed annually with the required application form and payment of fees as specified in Section 703.

(A) It shall be unlawful for any person to practice falconry, including possession of falconry raptors, without a valid license in their possession.

(B) If a license has not been renewed for a period less than 5 years from the expiration date on the license, the license may be renewed at the class held previously if the applicant provides proof of licensure at that class.

(C) If a license has not been renewed for a period of more than 5 years from the expiration date on the license, it shall not be renewed. The applicant shall apply for a new falconry license and successfully complete the examination as set forth in subsection (e)(3). Upon passing the examination and the payment of the annual license fee a license may be issued at the class previously held if the applicant provides proof of prior licensure at that class.

(5) NONRESIDENTS OF CALIFORNIA AND NON-US CITIZENS Nonresidents of California and Non-US Citizens.

(A) A person who is a member of a federally recognized tribe and has a valid falconry license from that member's tribe shall be considered a nonresident licensed falconer for purposes of this subsection (e)(5).

~~(A)-(B)~~ A nonresident licensed falconer or non-U.S. citizen licensed falconer may temporarily practice falconry in California for up to 120 consecutive calendar days without being required to obtain a California falconry license.

~~(B)-1.~~ A nonresident licensed falconer or non-U.S. citizen licensed falconer may fly raptors held for falconry by practice falconry with raptors from a licensed California falconer, provided that signed and dated written permission authorization is given to the nonresident or non-U.S. citizen by the licensee. This The original written authorization must be carried with him/her while flying or transporting the licensee while in possession of the raptor.

~~(C)-2.~~ A nonresident licensed falconer or non-U.S. citizen currently licensed falconer shall provide and thereafter maintain facilities and equipment for raptors in his/her the licensee's possession while temporarily practicing falconry in California. Temporary facilities shall meet the standards in these regulations, including but not limited to provisions described in subsection (j), and pursuant to Title 50, CFR, Section 21.29 50 CFR 21.

3. A nonresident licensed falconer or non-U.S. citizen licensed falconer may house raptors in his/her the licensee's possession at another licensed falconer's facilities while temporarily practicing falconry in California.

(C) A nonresident licensed falconer or non-U.S. citizen licensed falconer applying for a falconry license in California shall submit proof of a valid falconry license held from the

licensee's tribe, state or country along with the completed New Falconry Application and Fee and pass a facility inspection pursuant to subsection (j).

(D) A nonresident or non-US citizen applicant applying for a falconry license in California but not possessing a valid original falconry license from the applicant's tribe, state, or country of origin shall submit the completed New Falconry License Application and Fee, and pass the examination and pass a facility inspection pursuant to (e)(3) herein.

(6)-FALCONRY CLASSES Falconry Classes. There are three classes of licensed falconers in California: Apprentice falconer, General falconer, and Master falconer. The department at its sole discretion may issue a falconry license in one of these classes to an applicant who meets the requirements and qualifications for the class as described in these regulations.

(A)-APPRENTICE FALCONER Apprentice Falconer.

1. AGE Age. An applicant for an Apprentice falconer license shall be at least 12 years of age at the date of application. If an applicant is less than 18 years of age, a parent or legal guardian shall co-sign the application and shall be legally responsible for activities of the Apprentice falconer.

2. SPONSORSHIP Sponsorship. A sponsor is required for at least the first two years in which an Apprentice falconry license is held, regardless of the age of the Apprentice falconer. A sponsor shall be a Master falconer or a General falconer who has at least two years of experience at the General Falconer-level class. A sponsor shall certify in writing to the department that the sponsor will assist the Apprentice falconer, as necessary, in learning the husbandry and training of raptors held for falconry; learning the relevant wildlife laws and regulations; and determining what species of raptor is appropriate for the Apprentice falconer to possess; and will notify the department's License and Revenue Branch immediately if sponsorship terminates.

3. TERMINATION OF SPONSORSHIP Termination of Sponsorship. If sponsorship is terminated, an Apprentice falconer and ~~his/her~~ the Apprentice's sponsor shall immediately notify the department's License and Revenue Branch in writing. ~~For a license to remain valid,~~ The license shall be valid only if the Apprentice falconer shall ~~acquire~~ acquires a new sponsor within 30 calendar days from the date sponsorship is terminated, and ~~provide~~ provides written notification, along with the new sponsor's certification ~~described in subsection (e)(6)(A)2,~~ to the department once a new sponsor is secured. Failure to comply with sponsorship requirements ~~will~~ shall result in loss of qualifying time from the date sponsorship was terminated to the date of securing a new sponsor, and no subsequent license ~~will~~ shall be issued until the required two years requirements of sponsorship have been fulfilled.

4. POSSESSION OF RAPTORS Possession of Raptors. An Apprentice falconer may possess for falconry purposes no more than one wild or captive-bred red-tailed hawk (*Buteo jamaicensis*) or American kestrel (*Falco sparverius*) at any one time, regardless of the number of state, tribal, or territorial falconry licenses in possession and only as long as the raptor in possession is trained in the pursuit of game and used in hunting. An Apprentice falconer may only capture from the wild or possess a passage red-tailed hawk or an American kestrel. The Apprentice may take raptors less than 1 year old, except nestlings. Apprentice falconers are not required to capture a wild raptor themselves; the raptor can be transferred to ~~him/her~~ the Apprentice by another licensee.

An Apprentice falconer may not capture from the wild or possess an eyas raptor or a raptor that is imprinted on humans. An Apprentice falconer must maintain written proof of legal acquisition.

~~5. INSPECTION OF FACILITIES~~ Inspection of Facilities. After successfully passing the falconry examination, the facility of an Apprentice applicant shall pass an inspection and be certified by the department, pursuant to subsection (j), before a license may be issued.

~~6. ADVANCEMENT FROM APPRENTICE CLASS~~ Advancement From Apprentice Class. An Apprentice falconer shall submit a completed Apprentice Falconer's Annual Progress Report, as specified in Section 703, to the address listed on the report. The report shall demonstrate that the Apprentice falconer has practiced falconry with a raptor at the Apprentice level-class for at least two years, including maintaining, training, flying, and hunting with the raptor for at least four months in each regulatory license year, and a summary of the species the Apprentice possessed, how long each was possessed, how often each was flown, and methods of capture and release. Within the report, the sponsor shall certify in writing to the department that the Apprentice falconer has met the requirements of these regulations. No falconry school program or education shall be substituted for the minimum period of two years of experience as an Apprentice falconer.

~~(B) GENERAL FALCONER~~ General Falconer.

1. ~~AGE~~ Age. General falconers shall be at least 16 years of age. If an applicant is less than 18 years of age, a parent or legal guardian shall co-sign the application and shall be legally responsible for activities of the General falconer.

2. ~~POSSESSION OF RAPTORS~~ Possession of Raptors. A General falconer may possess for falconry purposes any wild raptor species listed in subsection ~~(g)(5)~~ (g)(6), and any captive-bred or hybrid of any species of Order Falconiformes, Accipitriformes, or Strigiformes, or any legally acquired raptor from another state or country. ~~federally or state listed threatened or endangered species, and eagles.~~ A General falconer must maintain written proof of legal acquisition. A General falconer shall possess no more than three raptors for use in falconry at any one time, regardless of the number of state, tribal, or territorial falconry licenses in possession; and only two of these raptors may be wild-caught. Only eyas or passage raptors may be wild-caught; except American kestrel (*Falco sparverius*) or great horned owl (*Bubo virginianus*) may be captured at any age.

3. ~~ADVANCEMENT FROM GENERAL CLASS~~ Advancement From General Class. A General falconer shall have practiced falconry with a raptor, including maintaining, training, flying, and hunting with the raptor, at the General level-class for at least five years before advancing to Master falconer. No falconry school program or education shall be substituted for the minimum period of five years of experience as a General falconer.

~~(C) MASTER FALCONER~~ Master Falconer.

1. ~~POSSESSION OF RAPTORS~~ Possession of Raptors. A Master falconer may possess for falconry purposes any wild raptor species listed in subsection ~~(g)(5)~~ (g)(6), and any captive-bred or hybrid of any species of Order Falconiformes, ~~the Order~~ Accipitriformes, or ~~the Order~~ Strigiformes, or any legally acquired raptor from another state or country. ~~federally or state listed threatened or endangered species, and eagles.~~ A Master falconer must maintain written proof of legal acquisition. A Master falconer

may possess any number of raptors except ~~he/she~~ the licensee shall possess no more than five wild-caught raptors for use in falconry at any one time, regardless of the number of state, tribal, or territorial falconry licenses in possession. Only eyas or passage raptors may be wild-caught; except American kestrel (*Falco sparverius*) or great horned owl (*Bubo virginianus*) may be captured at any age.

~~2. POSSESSION OF EAGLES~~ Possession of Eagles. A Master falconer may possess up to three eagles with proof of legal acquisition at any one time, except no bald eagle ~~may~~ shall be possessed.

i. Eagles may ~~shall~~ not be captured from the wild in California, ~~but may~~

ii. Eagles may only be obtained from ~~captive breeders, imported from another state, or transferred from a rehabilitation facility~~ if the eagle is not releasable a permitted source.

iii. Eagles originating in California from a licensed California rehabilitation facility may be temporarily transferred to a Master Falconer for the purpose of rehabilitation in accordance with 50 CFR 21, and with subsection (h)(3) herein.

iv. The department shall authorize in writing which species of eagles a Master falconer may possess pursuant to ~~Title 50 CFR Section 21.29(c)(iv)~~ 50 CFR 21. The Master falconer shall submit a written request for this authorization and include a resume of ~~his/her~~ the licensee's experience in handling large raptors such as eagles, and two letters of recommendation to the department's License and Revenue Branch. The resume documenting experience shall include information about the type of large raptor species handled, such as eagles or large hawks, the type and duration of the activity in which experience was gained, and contact information for references who can verify the experience. The two letters of recommendation shall be from persons with experience handling and/or flying large raptors. Each letter shall be ~~a signed, original that describes~~ dated, signed in ink with an original signature and shall describe the author's experience with large raptors, ~~and may include but is not limited to~~ including but not limited to, handling of raptors held by zoos, rehabilitating large raptors, or scientific studies involving large raptors. Each letter shall also assess the licensee's ability to care for eagles and fly them in falconry. The department may deny a request for a Master falconer to possess an eagle if the applicant has less than the equivalent of two years of experience handling large raptors or, at the department's discretion, the department determines that based on a letter of recommendation the applicant is not capable of caring for the eagle or flying it in falconry.

~~(7)-FEES~~ Fees. The base fee for a falconry license is specified in Fish and Game Code Section 396. Falconry related fees are specified in Section 703 of these regulations for the following:

(A)-APPLICATION Application. An applicant shall submit a nonrefundable Falconry Application Fee when applying for a new license or renewing a license.

(B)-EXAMINATION Examination. An applicant shall submit a nonrefundable Falconry Examination Fee each time ~~he or she applies to take~~ the applicant takes an examination.

(C)-INSPECTION Inspection. An applicant or licensee shall submit a nonrefundable Inspection Fee prior to the department inspecting ~~his/her~~ the licensee's facilities, raptors, if present, and equipment. The Inspection Fee provides for inspections of up to five enclosures.

1. If a facility has more than five enclosures, an additional inspection fee is required for every additional enclosure over five.

2. If the applicant or licensee is sharing an existing raptor facility with another licensed falconer, and possesses proof of a passed inspection, there is no requirement for an additional inspection.

~~(D) RE-INSPECTION~~ Re-inspection. An applicant shall submit an additional nonrefundable Inspection Fee when his or her facility has failed to pass a previous inspection.

~~(E) ADMINISTRATIVE PROCESSING~~ Administrative Processing. An applicant shall submit a nonrefundable Administrative Processing Fee for each ~~Federal Form 3-186A Resident Falconer Raptor Capture, Recapture and Release Report form~~ submitted to the department's License and Revenue Branch when not using the USFWS's ~~electronic department's online reporting system on-line at~~ <https://migbirdapps.fws.gov/Falconry/srv/index.htm>.

~~(F) SPECIAL RAPTOR CAPTURE DRAWING APPLICATION.~~ An applicant shall submit a nonrefundable Special Raptor Capture Drawing Application Fee when applying to capture a species with a capture quota.

~~(G) SPECIAL RAPTOR CAPTURE PERMIT.~~ A successful applicant shall submit the appropriate nonrefundable Special Raptor Capture Permit fee to receive the permit.

~~(8) DENIAL~~ Denial. The department may deny the issuance of a new license or a renewal of an existing or ~~lapsed~~ expired license if:

(A) The applicant or licensee has failed to comply with regulations adopted pursuant to the Fish and Game Code related to raptors, Fish and Game Code Section 1054, or Penal Code Section 597; or

(B) The applicant or licensee has failed to comply with any provision of any statute, regulation, rule or ordinance existing in any other state or in any city, county, or other local governing entity in any other state, that is related to the care and licensing of raptors, so long as the failure to comply would constitute a violation of the Fish and Game Code, regulations related to raptors in Title 14, or Penal Code Section 597;

(C) The applicant or licensee has failed to comply with any provision of any federal statute, regulation, or rule that is related to the care and licensing of raptors, including but not limited to ~~Title 50, CFR Sections 21.29 and 21.30~~ 50 CFR 21.

(D) The department shall deny the issuance of a license or renewal of an existing license if the applicant or licensee fails to submit all required items or perform any task necessary to obtain a license. Before denying an application for this reason, the department shall notify the applicant in writing that the application is deficient. The applicant may supplement an application by providing the missing required information or materials. If sent by U.S. mail or other carrier, these materials shall be postmarked no later than 30 calendar days after the date of the proof of service accompanying the department's notification. If the 30 calendar day deadline falls on a weekend or holiday the submission of additional information or materials will be accepted until the close of business on the first state business day following the deadline to submit additional information or materials. The department may extend this deadline for good cause. If denied, the applicant or licensee may submit a new application at any time.

~~(9) SUSPENSION AND REVOCATION~~ Suspension and Revocation. Any license issued pursuant to these regulations may be suspended or revoked at any time by the

department for failure to comply with the Fish and Game Code or regulations adopted pursuant to the Fish and Game Code related to raptors, Fish and Game Code Section 1054, or Penal Code Section 597. If the licensee has been convicted in a court of competent jurisdiction of violating one of these provisions, the suspension or revocation shall take effect immediately if the violation pertains to conduct that threatens native wildlife, agricultural interests of this state, the welfare of the birds, or the safety of the public, or if the licensee has been previously convicted of violating the provisions described above or has had his or her license previously suspended or revoked. If the licensee has not been convicted, the suspension or revocation shall take effect when the time to request an appeal ~~pursuant to subsection (e)(11) as described herein~~ has expired. A timely request for an appeal will stay the department's suspension or revocation if the licensee was not convicted as described above.

~~(10) PROOF OF SERVICE~~ Proof of Service. All notices sent from the department to ~~an a falconry applicant or licensee pursuant to subsections (e)(8) or (e)(9) as described herein~~ shall include a proof of service that consists of a declaration of mailing, under penalty of perjury, indicating the date of mailing the department's notification, denial, or other correspondence.

~~(11) APPEAL~~ Appeal. Any applicant or licensee who is denied a license, an amendment to an existing license or has a license suspended or revoked by the department pursuant to these regulations may appeal that denial, amendment, suspension, or revocation by filing a written request for an appeal with the commission. If sent by U.S. mail or other carrier, a request for an appeal shall be postmarked no later than 30 calendar days after the date of the proof of service accompanying the department's notice of denial, suspension, or revocation. If submitted electronically or by facsimile, it shall be received no later than 30 calendar days after the date of the proof of service. The commission shall not accept a request for an appeal that is submitted after the 30 calendar day deadline to request an appeal. If the 30 calendar day deadline falls on a weekend or holiday the request for appeal will be accepted until the close of business on the first state business day following the 30 calendar day deadline to submit a request for appeal.

~~(12) RECORD KEEPING~~ Record Keeping. A licensee shall retain copies of all falconry-related records (hard copy or electronic) including but not limited to the applicant's falconry license, raptor transfer records, capture and release and disposition records, import or export documentation, sponsorship information, annual reports submitted to the department, and all health records of raptors possessed pursuant to the falconry license (Falconry Records) for at least five years ~~after the expiration of the license~~.

~~(13) NAME OR ADDRESS CHANGE~~ Name or Address Change. The licensee shall notify the department's License and Revenue Branch, in writing, of any change of name or mailing address within 30 calendar days of the change. Facility address changes must be reported within five calendar business days of the change.

~~(f) REPORTING REQUIREMENTS~~ Reporting Requirements.

~~(1) Licensees shall comply with USFWS's electronic reporting requirements on Federal Form 3-186A for all raptors possessed. Federal Form 3-186A can be accessed at the USFWS's electronic reporting system on-line at <https://migbirdapps.fws.gov/Falconry/srv/index.htm>. If a licensee is unable to use the Form 3-186A electronic reporting system, he/she may submit a paper Form 3-186A by~~

mail, fax, or email to the department's License and Revenue Branch, or he/she may report over the telephone to the License and Revenue Branch. The information from the paper form or during a call will be entered into the USFWS's electronic reporting system by department staff, and the department shall charge an Administrative Processing Fee, as specified in Section 703, for each form completed.

~~(2) A licensee shall submit to the department's License and Revenue Branch a report using the Resident Falconer Raptor Capture, Recapture and Release Report, as specified in Section 703, within 10 calendar days of capture of a raptor from the wild or the release of a raptor back to the wild. The submission shall include information about the county of capture/release, date of capture/release, a description of the capture/release site, a description of the capture method, species information, and Latitude/Longitude coordinates of capture/release site. Capture, recapture and release in California may also be entered and reported electronically if the department offers an electronic reporting system. Licensee shall also report the capture and release by entering the required information on Form 3-186A in the USFWS's electronic reporting system within 10 calendar days of the capture.~~

(1) Licensees are required to report all raptor acquisition and disposition information using the Resident Falconer Raptor Capture, Recapture and Release Report within 10 calendar days to the department's online reporting system.

(A) For raptors acquired from the wild or released back to the wild, submission shall include information about the county of capture/release, date of capture/release, a description of the capture/release site, a description of the capture method, species information, and Latitude/Longitude coordinates of capture/release site.

(B) If a licensee is unable to use the department's online reporting system, the licensee may submit relevant forms by mail, fax, or email to the department's License and Revenue Branch, or the licensee may report over the telephone to the License and Revenue Branch. The information will be entered into the department's online reporting system by department staff, and the department shall charge a nonrefundable Administrative Processing Fee, as specified in Section 703, for each form entered.

~~(3)~~ (2) Upon applying for license renewal or within 10 calendar days after expiration of the license, whichever comes first, a licensee shall submit to the department, an annual report using the Falconry Hunting Take Report, as specified in Section 703, summarizing the number and type of prey species taken while hunting, counties hunted, and birds used in hunting during the most recent license year, as well as any inadvertent take of non-target wildlife.

~~(4)~~ (3) Upon applying for license renewal or within 10 calendar days after expiration of the license, whichever comes first, an Apprentice falconer shall submit to the department's License and Revenue Branch an annual report using the Apprentice Falconer's Annual Progress Report, as specified in Section 703. The report shall be signed and dated by both the Apprentice falconer and sponsor. The report will be used by the department to determine qualifying experience for future licenses.

~~(g) CAPTURING RAPTORS FROM THE WILD~~ Capturing Raptors From the Wild.

(1) A Resident-resident licensed falconer may not capture more than two raptors from the wild during the regulatory-license year and only as authorized for each falconry class license.

~~(2) A Nonresident nonresident licensed falconer with a license to practice falconry in a state certified according to Title 50, CFR, Section 21.29(b)(10) may request to capture within California one wild raptor of the species specified in subsection ~~(g)(7)~~ (g)(8), excluding species with capture quotas, and shall submit to the department's License and Revenue Branch a complete Nonresident Falconer Application for Raptor Capture Permit, as specified in Section 703. The permit issued shall be valid beginning on July 1 and ending on June 30 of the following year, or if issued after the beginning of the permit year, for the remainder of that permit year. Whether successful or unsuccessful in capturing a raptor, the nonresident licensed falconer shall submit a complete Nonresident Falconer Raptor Capture Permit and Report, as specified in Section 703. Nonresidents shall only capture raptors from the wild in accordance with the conditions of the permit. Nonresidents that request to capture species with capture quotas must submit an application for the random drawing, as specified in subsection ~~(g)(7)(K)~~ (g)(9).~~

(3) Non-U.S. citizens are not eligible to capture any California wild raptor.

~~(3)~~ (4) Raptors may be captured by trap or net methods that do not injure them. The licensee shall identify all set traps with the name and address of the licensee and shall check such traps at least once every 12 hours, except that all snare type traps shall be attended at all times when they are deployed.

~~(4)~~ (5) A licensee shall be present during the capture of a raptor from the wild; however another General or Master licensed falconer may capture the raptor for the licensee. A licensee's presence during capture includes attendance of snare traps, or attendance while checking non-snare traps at least once every 12 hours. If a licensee has a long-term or permanent physical impairment that prevents ~~him/her~~ the licensee from attending the capture of a raptor for use in falconry, then another licensee may capture a bird for the licensee without ~~him/her~~ the licensee being present. The licensee is responsible for reporting the capture. The raptor will count as one of the two raptors the licensee is allowed to capture in that regulatory license year.

~~(5)~~ (6) The following raptor species may be captured from the wild in California: Northern goshawk (*Accipiter gentilis*), Cooper's hawk (*Accipiter cooperii*), sharp-shinned hawk (*Accipiter striatus*), red-tailed hawk (*Buteo jamaicensis*), red-shouldered hawk (*Buteo lineatus*), merlin (*Falco columbarius*), American kestrel (*Falco sparverius*), prairie falcon (*Falco mexicanus*), barred owl (*Strix varia*), and great horned owl (*Bubo virginianus*).

~~(6)~~ (7) No more than two nestlings of the species allowed for capture from the wild may be captured by the same General or Master licensee during the regulatory license year. In no case may all nestlings be captured and removed from any nest. At least one nestling shall be left in a nest at all times.

~~(7)~~ (8) The following restrictions apply to the total, cumulative capture of wild raptors among all licensees. These restrictions are in addition to the limitation of two wild raptors per licensee during the regulatory license year.

(A) NORTHERN GOSHAWK Northern Goshawk.

No more than one northern goshawk may be captured within the Lake Tahoe Basin during the regulatory license year. There are no restrictions on the cumulative number or location of Northern goshawk captured in the balance of the state during the license year.

1. The Lake Tahoe Basin area is defined as those portions of Placer, El Dorado, and Alpine counties within a line: beginning at the north end of Lake Tahoe, at the

California-Nevada state line approximately four miles north of Stateline Point in the near vicinity of Mt. Baldy; westerly along the Tahoe Divide between the Lake Tahoe and Truckee River drainages to the intersection of the north line of Section 36, T17N, R17E, MDM; west along said north section line to the section corner common to section 25, 26, 35, and 36, T17N, R17E, MDM; south approximately one mile along the common section line; southwesterly to the intersection of the Tahoe Divide and Highway 267 in the near vicinity of Brockway Summit; southwesterly in the near vicinity of the Tahoe Divide to Mt. Pluto; south to Mt. Watson; westerly approximately two miles to Painted Rock; southerly approximately two miles along the Tahoe Divide to the intersection of Highway 89; southwesterly along the Tahoe Divide to Ward Peak; southerly approximately 30 miles along the Tahoe Divide to a point on the Echo Lakes Road; southeasterly along said road to Old Highway 50; southeasterly along Old Highway 50 to the intersection of the Echo Summit Tract Road; southerly along said road to Highway 50; easterly along Highway 50 to the intersection of the South Echo Summit Tract Road; southerly along said road to the Tahoe Divide; southerly along the Tahoe Divide past the Alpine county line to Red Lake Peak; northerly along the Tahoe Divide past Monument Peak to the California-Nevada state line; north on the state line to the point of beginning. NOTE: the area described above includes the entire basin of Lake Tahoe within California.

(B) ~~COOPER'S HAWK~~ Cooper's Hawk. No restrictions on cumulative number or location of Cooper's hawks captured statewide during the regulatory-license year.

(C) ~~SHARP-SHINNED HAWK~~ Sharp-shinned Hawk. No restrictions on cumulative number or location of sharp-shinned hawks captured statewide during the regulatory license year.

(D) ~~RED-TAILED HAWK~~ Red-tailed Hawk. No restrictions on cumulative number or location of red-tailed hawks captured statewide during the regulatory-license year.

(E) ~~RED-SHOULDERED HAWK~~ Red-shouldered Hawk. No restrictions on cumulative number or location of red-shouldered hawks captured statewide during the regulatory license year.

(F) ~~MERLIN~~ Merlin. No restrictions on cumulative number or location of merlins captured statewide during the regulatory-license year. Merlins may be captured only from August 15 through February 28 every year.

(G) ~~AMERICAN KESTREL~~ American Kestrel. No restrictions on cumulative number or location of American kestrels captured statewide during the regulatory-license year.

(H) ~~PRAIRIE FALCON~~ Prairie Falcon. No more than 14 prairie falcons may be captured per regulatory-license year.

(I) ~~BARRED OWL~~ Barred Owl. No restrictions on cumulative number or location of barred owls captured statewide during the regulatory-license year.

(J) ~~GREAT HORNED OWL~~ Great Horned Owl. No restrictions on cumulative number or location of great horned owls captured statewide during the regulatory-license year.

(K) ~~RANDOM DRAWING~~.

(9) Special Raptor Capture Permit Drawing. A random drawing shall be held by the department to ~~determine distribution of~~ distribute Special Raptor Capture Permits to capture species with quotas, which include one Northern goshawk in the Tahoe Basin and prairie falcons from the wild as specified in subsection-(g)(7) (g)(8). An applicant may be a resident and/or nonresident and must possess a valid General or Master

falconry license at the time of application to enter the drawing. Non-U.S. citizens are not eligible to enter the drawing.

1. ~~(A) A Resident~~ A resident applicant shall not submit more than two drawing applications each regulatory license year.

2. ~~(B) A Nonresident~~ A nonresident applicant shall not submit more than one drawing application each regulatory license year.

3. ~~(C) Applicants shall submit to the department's License and Revenue Branch Licensees may apply through the department's Automated License Data System at license agents, department license sales offices, or on the department's website, using a Special Raptor Capture Drawing Application, as specified in Section 703. Each application submitted must specify the falconer's name, contact information, GO ID number, the species he/she the applicant is applying for to capture from the wild, and include the~~ The applicant shall submit a nonrefundable Drawing Application Fee, as specified in Section 703 for each drawing application submitted.

4. ~~(D) Applications must be received by midnight 11:59pm, Pacific Standard Time, on Jan. 31~~ May 15 each year. ~~through the department's Automated License Data System. Incomplete, late and ineligible applications, and applications submitted without the fee, shall not be included in the drawing.~~

5. ~~(E) Permits are awarded according to an applicant's choice and computer-generated random number (lowest to highest) drawing. Successful applicants and a list of alternates for each species and/or area shall be determined by random drawing within 10 business days following the application deadline date. If the drawing is delayed due to circumstances beyond the department's control, the department shall conduct the drawing at the earliest date possible.~~

6. ~~(F) Successful and alternate applicants will be mailed notification as soon as practical notified. Unsuccessful applicants shall not be notified by mail. Upon receipt of the notification, the~~ The successful applicant shall submit the Raptor Capture Permit Fee, as specified in Section 703, to the department's License and Revenue Branch by 5:00 p.m. on June 1 June 30 each year to claim the permit. If the deadline to submit the fee falls on a weekend or holiday, payment will be accepted until 5:00 p.m. on the first state business day following the deadline to submit payment. Unclaimed permits shall be awarded to alternates for that species and/or area ~~after June 1~~ on an individual basis, in the order drawn.

7. ~~(G) A Special Raptor Capture Permit shall only be issued to a successful applicant who holds a General or Master falconry license that is valid for the same license year that the permit shall be~~ is valid. Only the permit holder is entitled to capture a raptor, and the permit shall be in immediate possession of the permit holder during the capture. Permits are not transferable and are valid only for the species, area and period as specified on the permit.

8. ~~(H) A permit holder who successfully captures a Northern goshawk or prairie falcon shall immediately complete the capture portion of the permit and shall return the permit to the department's License and Revenue Branch or enter it on the department's online reporting system within 10 calendar days of the capture. The submission shall include information about the county of capture, date of capture, a description of the capture site, a description of the capture method, species information, and Latitude/Longitude coordinates of capture site. The capture may also be entered and reported electronically~~

if the department offers an electronic reporting system. The permit holder shall also report the capture by entering the required information on Form 3-186A in the USFWS's electronic reporting system within five calendar days of the capture.

~~9-(I)~~ A permit holder who is unsuccessful in capturing a Northern goshawk or prairie falcon shall indicate "unsuccessful" on the report card portion of the permit and ~~return it~~ shall return the permit to the department's License and Revenue Branch within 10 calendar days of the close of the season expiration of the permit.

~~10-(J)~~ The permit holder shall surrender his/her the permit to an employee of the department for any act by the permit holder that violates any raptor related provision of the Fish and Game Code, or any regulation of the commission adopted pursuant thereto, and any act on the part of the permit holder that endangers the person or property of others. The decision of the department shall be final.

~~(8) BANDED OR MARKED RAPTORS~~ (10) Banded or Marked Raptors. If a licensee captures a raptor that has a band, research marker, or transmitter attached to it, the licensee shall promptly report the band number and all other relevant information to the Federal Bird Banding Laboratory at 1-800-327-2263.

(A) If the raptor has a transmitter attached to it, the licensee may possess the raptor for up to 30 calendar days, during which time the licensee shall make a reasonable attempt to contact the ~~researcher~~ owner of the transmitter. If the ~~researcher~~ owner wants to replace the transmitter or its batteries, or have the transmitter removed and the bird released, the ~~researcher or his or her owner or~~ the owner's designee may make such change or allow the licensee to do so before the raptor is released. Temporary possession of the raptor will not count against the licensee's possession limit for falconry raptors. If the ~~researcher-owner~~ cannot be contacted or does not want the transmitter to remain on the raptor, the licensee may keep the raptor if it was lawfully captured.

(B) If the raptor belongs to a falconer, subsection ~~(h)(10)~~ (h)(12) shall apply.

~~(9) INJURY DUE TO TRAPPING~~ (11) Injury Due to Trapping. If a raptor is injured due to trapping, the raptor may be put on the licensee's falconry license and it will count as part of the possession limit. If the licensee adds the raptor on the falconry license, ~~he/she~~ the licensee shall report the capture to the department's License and Revenue Branch ~~online reporting system~~ within 10 calendar days after capture, and shall have the raptor immediately treated by a veterinarian or a permitted California wildlife rehabilitator. Alternately, the injured raptor may be immediately given directly to a veterinarian or a permitted California wildlife rehabilitator. In either case, the licensee is responsible for the costs of care and rehabilitation of the raptor.

~~(10) UNINTENTIONAL CAPTURE~~ (12) Unintentional Capture. A licensee shall immediately release any bird unintentionally captured that ~~he/she~~ the licensee is not authorized to possess.

~~(11) PUBLIC AND PRIVATE LANDS~~ (13) Public and Private Lands. A licensee is not authorized to capture raptors or practice falconry on public lands where it is prohibited, on private property without written permission from the landowner or tenant, or on tribal government lands without written permission. The licensee shall carry the original signed written permission while practicing falconry.

~~(h) POSSESSION, TRANSFER, AND DISPOSITION OF RAPTORS~~ Possession, Transfer, and Disposition of Raptors.

~~(1) PERMANENT TRANSFER OF RAPTOR~~ Permanent Transfer of Raptor. A licensee may acquire a raptor through a transfer and shall report the transfer by entering the required information on ~~Form 3-186A in the USFWS's electronic~~ the department's online reporting system within 10 calendar days of the transfer. The number of raptors acquired through a transfer is not restricted, as long as the licensee abides by the requirements of ~~his/her the licensee's class~~, and does not exceed ~~his/her the licensee's~~ possession limit.

(A) If a licensee transfers a raptor removed from the wild to another licensee in the same year in which it is captured, the raptor will count as one of the raptors the licensee is allowed to capture from the wild that year. It will not count as a capture by the recipient.

(B) A surviving spouse, executor, administrator, or other legal representative of a deceased licensee may transfer any bird held by the licensee to another authorized licensee within 90 calendar days of the death of the licensee. After 90 calendar days, disposition of a raptor held under the license ~~is~~ shall be at the discretion of the department.

~~(2) TEMPORARY TRANSFER OR CARE OF RAPTOR~~ Temporary Transfer or Care of Raptor. Any licensee who temporarily transfers possession of ~~his/her the licensee's~~ raptor to another licensee, or allows an unlicensed person to temporarily care for a raptor, shall provide written notification of such transfer to the department's License and Revenue Branch within 10 calendar days after the bird is transferred. The notification shall include contact information including name, address, phone number, and email address of the temporary caregiver.

(A) Temporary possession of a raptor by a licensee shall not exceed 120 ~~consecutive~~ calendar days. Temporary possession may exceed 120 calendar days only if a request is made to the department's License and Revenue Branch and written authorization is given. Temporary care of a raptor by an unlicensed person shall not exceed ~~a 45 consecutive calendar day period~~ 45 calendar days. A raptor cared for by an unlicensed person shall remain housed at the licensee's facility. The unlicensed person is not authorized to fly the raptor. ~~The licensed person~~ A licensed falconer in temporary possession of a raptor may fly the raptor if he /she the falconer possesses the appropriate level class license.

~~(3) POSSESSION OF RAPTORS FROM REHABILITATION FACILITIES~~. A licensee may possess a raptor of any age that he/she is allowed to possess ~~acquired from a permitted wildlife rehabilitation facility~~. Transfer of a nonreleasable wild raptor from a permitted ~~California wildlife rehabilitation facility~~ is at the discretion of the rehabilitator and will count as one of the raptors a licensee is allowed to capture from the wild during the regulatory year. A licensee acquiring a raptor from a permitted ~~California wildlife rehabilitation facility~~ shall report the transfer by entering the required information on ~~Form 3-186A in the USFWS's electronic reporting system~~ within 10 calendar days of the transfer.

~~(4) ASSISTING IN RAPTOR REHABILITATION~~ (3) Assisting In Raptor Rehabilitation. A General or Master falconer may assist a permitted California wildlife rehabilitator to condition a raptor for its release back into the wild. A rehabilitation raptor possessed in the care of the licensee for this purpose shall not be added to the licensee's falconry license, but shall remain under the permit of the rehabilitator.

(A) The rehabilitator shall provide the licensee with a letter of temporary transfer that identifies the raptor and explains that the falconer is assisting in its rehabilitation. The terms of the temporary transfer are at the discretion of the rehabilitator to assure the necessary care of the raptor. The licensee shall have in possession the letter or legible copies ~~possession while flying the raptor for rehabilitation.~~ while assisting in the rehabilitation of the raptor.

(B) The licensee shall return any such raptor that cannot be released to the wild to the rehabilitator within 180 calendar days unless ~~the rehabilitator transfers the raptor to the licensee otherwise authorized by the department's License and Revenue Branch.~~ The department's Wildlife Branch will make the possession determination.

~~(5) IMPORTATION OF RAPTORS BY NONRESIDENTS OR NON-U.S. CITIZEN~~

~~(4) Importation of Raptors by Nonresidents or Non-U.S. Citizen.~~ A nonresident or non-U.S. citizen may temporarily import lawfully possessed raptors into California for up to 120 calendar days. The department's License and Revenue Branch shall be notified within 10 calendar days prior to importing the raptor. A nonresident or non-U.S. citizen shall submit to the department's License and Revenue Branch official written authority to export raptors from the originating state or country, along with a health certificate for the raptor, prior to importing a raptor. A non-U.S. citizen may import his/her a falconry raptor that he/she the licensee possesses legally, provided that importation of that species into the United States is not prohibited, and he/she the licensee has met all permitting requirements of his/her the licensee's country of residence. Import of raptors, including exotic raptors, may be subject to other state and federal laws and may require additional federal permits.

~~(6) RELEASE OF RAPTORS~~ ~~(5) Release of Raptors.~~ A licensee may release a native, wild caught raptor to the wild in California only to a location near the site that raptor was originally captured, and in appropriate habitat for that species of raptor. If the licensee cannot access the site of original capture, then licensee shall release ~~in~~ it in appropriate habitat for that species of raptor.

(A) Prior to release, the licensee shall ensure the immediate area around the release site is free from other raptors.

(B) The licensee shall remove any falconry band on the raptor being released; however seamless metal bands shall remain attached.

(C) A licensee may not intentionally and permanently, release a non-native raptor, hybrid, or native captive-bred raptor to the wild in California, ~~unless authorized by the department.~~

~~(D) A licensee shall not release any barred owl to the wild in California. A licensee shall contact the department's License and Revenue Branch to determine disposition of a barred owl in possession. The department's Wildlife Branch will determine disposition.~~

~~(7) HACKING~~ ~~(6) Hacking.~~ A wild raptor may be hacked for conditioning or as a method for release back into the wild. Any hybrid, captive-bred, or exotic raptor a licensee has in possession may be hacked for conditioning, and shall have two attached functioning radio transmitters during hacking except native captive bred raptors shall have a minimum of one functioning transmitter. A licensee may not hack any raptor near a known nesting area of a state or federally threatened or endangered, or fully protected animal species or in any other location where a raptor may take or harm a state or

federally listed threatened or endangered, or fully protected animal species. Only a General or Master falconer may hawk falconry raptors.

~~(8) DEATH, ESCAPE OR THEFT~~ (7) Death, Escape or Theft. A licensee whose raptor dies, escapes, or is stolen, shall report the loss of the raptor by entering the required information on Form 3-186A in the ~~USFWS's electronic~~ the department's online reporting system within 10 calendar days of the loss. A licensee may attempt to recover a raptor lost to the wild for up to 30 calendar days before reporting the loss. The licensee shall also report a theft of a raptor to an appropriate local law enforcement agency within 10 calendar days of the loss.

~~(9) DISPOSITION OF RAPTOR CARCASS~~ (8) Disposition of Raptor Carcass. If a raptor dies and was banded or had an implanted microchip, the band or microchip shall be left in place. If a licensee keeps the carcass or parts thereof, ~~he/she~~ the licensee shall retain all records of the raptor. A licensee must send the entire body of a golden eagle carcass held for falconry, including all feathers, talons, and other parts, to the National Eagle Repository. Within 10 calendar days the carcass of any other raptor species shall be either:

(A) ~~Delivered to the department. A carcass may only be delivered to the department if the carcass is frozen and if the licensee obtains permission from the department prior to delivery; or if the licensee obtains authorization from the department's License and Revenue Branch prior to delivery. The department's Wildlife Branch will make the determination where the carcass will go. A carcass may only be delivered to the department if the carcass is frozen; or~~

(B) Donated to any person authorized to possess the raptor or parts thereof; or

(C) Kept by the licensee for use in imping; or

(D) ~~Delivered to a taxidermist for mounting and possession by the falconer; or~~

~~(E) (D) Burned, buried, or otherwise destroyed; or~~

(E) Delivered to a taxidermist for mounting and possession by the licensed falconer only.

1. Within 30 days of the expiration of a license, the licensee shall return the mounted raptor to the department.

2. Within 30 days of the death of the licensee, the estate shall return the mounted raptor to the department.

3. In either event, the licensee or the estate shall contact the department's License and Revenue Branch. The department's Wildlife Branch will determine the disposition of the mounted raptor.

~~(10) RECAPTURE~~ (9) Recapture. A licensee may recapture a raptor wearing falconry equipment or a captive-bred or exotic raptor at any time whether or not the licensee is authorized to possess the species. A recaptured raptor will not count against the possession limit of the licensee, nor will its capture from the wild count against the licensee's limit on number of raptors captured from the wild. The licensee shall report recaptured raptors ~~to the department's License and Revenue Branch~~ by submitting a complete Resident Falconer Raptor Capture, Recapture and Release Report ~~and by entering the required information on Form 3-186A in the USFWS's electronic~~ to the department's online reporting system within five calendar days.

(A) A recaptured falconry raptor shall be returned to the person who lawfully possessed it. If that person cannot possess the raptor or does not wish to possess it, the licensee

who recaptured the raptor may keep it if that species is allowed under his/her the licensee's existing license. If kept, the raptor will count towards the licensee's possession limit.

1. A licensee who retains a recaptured raptor shall report the acquisition to the department's ~~License and Revenue Branch by submitting a complete Resident Falconer Raptor Capture, Recapture and Release Report and by entering the required information on Form 3-186A in the USFWS's electronic online reporting system~~ within five calendar days.

2. If neither party wishes to keep the raptor, disposition of the raptor will be at the discretion of the department. The licensee in possession shall contact the department's License and Revenue Branch. The department's Wildlife Branch will determine the disposition of the recaptured raptor.

~~(11) USE OF FEATHERS~~ (10) Use of Feathers. A licensee may possess feathers of each species of raptor authorized to be possessed for as long as the licensee has a valid falconry license. For eagle feathers, a licensee must follow federal standards as noted in ~~Title 50, CFR, Section 21.29~~ 50 CFR 21. A licensee may receive raptor feathers from another person in the United States as long as that person is authorized to possess the feathers. Feathers from a falconry raptor may be donated to any person with a valid permit to possess them, or to anyone exempt from a permit requirement for feather possession. Any feathers of falconry raptors possessed by a falconer whose license has expired or been suspended or revoked shall be donated to any person exempt from the permit requirement or authorized by permit to acquire and possess the feathers within 30 calendar days of the license expiration, suspension or revocation. If the feathers are not donated, they shall be burned, buried, or otherwise destroyed.

~~(12) PURCHASE, BUY, SELL, TRADE, OR BARTER~~ (11) Purchase, Buy, Sell, Trade, or Barter. No person ~~may~~ shall purchase, buy, sell, trade or barter wild raptors or any parts thereof including but not limited to feathers. A licensee may purchase, buy, sell, trade or barter captive-bred, hybrid or exotic raptors marked with seamless metal bands to other licensed falconers persons or entities who are authorized to possess them.

~~(13) USE OF HYBRID, NON-NATIVE, AND EXOTIC RAPTORS~~ (12) Use of Hybrid, Non-native, and Exotic Raptors. When flown free, hybrid, non-native, or exotic raptors shall have attached at least two functioning radio transmitters to allow the raptor to be located.

~~(14) OTHER USES OF FALCONRY RAPTORS~~ (13) Other Uses of Falconry Raptors. A licensee may use falconry raptors for education, exhibiting, propagation, or abatement. A licensee may transfer a wild-caught raptor to a raptor propagation permit, but the raptor shall have been used in falconry for at least two years, or at least one year for a sharp-shinned hawk, merlin, Cooper's hawk or American kestrel. A wild caught raptor may be transferred to another permit type other than falconry only if it has been injured and can no longer be used in falconry. In this case, the licensee shall provide a copy of a certification from a veterinarian to the department's License and Revenue Branch stating that the raptor is not useable in falconry.

~~(A) EDUCATION AND EXHIBITING~~ Education and Exhibiting. A licensee may use raptors in his or her possession for training purposes, education, field meets, and media (filming, photography, advertisements, etc.), as noted in ~~Title 50, CFR, Section 21.29~~ 50 CFR 21, if the licensee possesses the appropriate valid federal permits, as long as the

raptor is primarily used for falconry and the activity is related to the practice of falconry or biology, ecology or conservation of raptors and other migratory birds. Any fees charged, compensation, or pay received during the use of falconry raptors for these purposes may not exceed the amount required to recover costs. An Apprentice falconer may use his/her ~~the licensee's~~ falconry raptor for education purposes only under the supervision of a General or Master falconer.

~~(B) PROPAGATION~~ Propagation. A licensee may conduct propagation activities with raptors possessed under a falconry permit if the licensee possesses a valid federal Raptor Propagation Permit and the person overseeing propagation has any other necessary state and federal authorization or permits. The raptor shall be transferred from a falconry license to a federal Raptor Propagation Permit if it is used in captive propagation for eight months or more in a regulatory license year. The transfer shall be reported by ~~entering the required information on Form 3-186A in the USFWS's and by entering the required information on Form 3-186A in the USFWS's electronic~~ submitting a complete Resident Falconer Raptor Capture, Recapture and Release Report to the department's online reporting system. Transfer of a raptor from a falconry license to a federal Raptor Propagation Permit is not required if the raptor is used for propagation purposes fewer than eight months in a regulatory license year.

~~(C) ABATEMENT~~ Abatement. A Master falconer may conduct abatement activities with raptors possessed under a falconry license and receive payment if the licensee possesses a valid federal Special Purpose Abatement Permit. A General falconer may conduct abatement activities only as a sub-permittee of the holder of a valid federal Special Purpose Abatement Permit.

~~(i) BANDING AND TAGGING~~ Banding and Tagging.

~~(1) A goshawk, peregrine, gyrfalcon or Harris's hawk captured from the wild or acquired from another licensee or a permitted California wildlife rehabilitator shall be banded with a permanent, nonreusable, numbered USFWS leg band if the raptor is not already banded. Captive bred raptors that are listed under the MBTA shall be banded with seamless metal bands. A peregrine, gyrfalcon or Harris's hawk legally acquired from another state, or from another licensee, shall be banded with a permanent, nonreusable, numbered USFWS leg band if the raptor is not already banded.~~

~~(A) A licensee shall obtain a permanent, nonreusable, numbered USFWS leg band from the department's License and Revenue Branch or regional office prior to capturing a raptor from the wild. The License and Revenue Branch shall report banding data to the USFWS.~~

~~(B) A licensee may purchase and implant an ISO (International Organization for Standardization)-compliant (134.2 kHz) microchip in addition to the band. The licensee shall report the band number and or the microchip information on Form 3-186A in the USFWS's electronic reporting system. to the department's online reporting system when reporting acquisition of the bird.~~

~~(2) Lost or Removed Bands. A band may be intentionally removed from a raptor only by a department employee or a person authorized by the department's License and Revenue Branch or regional office. A licensee shall report the loss or removal of any band to the department's License and Revenue Branch and enter the required information on Form 3-186A in the USFWS's electronic reporting system within five calendar days of the loss or removal.~~

(2) Captive bred raptors that are listed under the MBTA shall be banded with seamless metal bands.

~~(3) Rebanding. A licensee shall reband a raptor if the original band is lost or removed. The licensee shall enter the required information on Form 3-186A in the USFWS's electronic reporting system within 10 calendar days of rebanding.~~

(3) If a band is lost or must be removed from a raptor in a licensee's possession, the licensee shall report the loss of the band to the department's online reporting system within five (5) days, and the licensee shall request a replacement permanent, nonreusable, numbered USFWS leg band from the department's License and Revenue Branch.

(4) After receiving a replacement band from the department's License and Revenue Branch, the licensee shall reband a raptor if the original band is lost or removed. The License and Revenue Branch shall report rebanding data to the USFWS.

~~(4) Prohibition on Defacing Band. (5) The alteration, counterfeiting or defacing of a band is prohibited except that licensees may remove the rear tab or may smooth any imperfect surface provided the integrity of the band and numbering are not affected.~~

~~(5) Health Considerations. (6) The department may approve an exemption from the banding requirement if a licensee provides documentation that health or injury problems to a raptor are caused by a band. If an exemption is approved, the licensee shall keep the written exemption and shall carry a copy when transporting or flying the raptor. If a wild Northern goshawk is exempted from the banding requirement, an ISO-compliant microchip supplied by the USFWS shall be used instead.~~

~~(j) FACILITIES, EQUIPMENT, AND INSPECTIONS~~ Facilities, Equipment, and Inspections.

~~(1) HOUSING STANDARDS AND SPECIFICATIONS~~ Housing Standards and Specifications. Raptor housing facilities shall meet the standards in Title 50, CFR, Section 21.29(d) 50 CFR 21 at all times. Raptor housing facilities shall be inspected and certified by the department prior to issuance of a falconry license. Thereafter, a licensee shall maintain approved permanent facilities for housing raptors.

(A) Raptor housing facilities shall protect raptors housed in them from predators, the environment, domestic animals, and escape, and shall provide a healthy, clean, and safe environment.

(B) Indoor ("mews") or outdoor ("weathering area") raptor facilities may be used to house raptors.

(C) Falconry raptors may be kept outside in the open at any location, ~~only if they are in the immediate~~ when in the presence of a licensed falconer and may be temporarily under watch by a person 12 years or older designated by the licensee.

(D) Permanent falconry facilities may be either on property owned by a licensee, on property owned by another person where a licensee resides, or elsewhere with property owner approval.

(E) A licensee shall report to the department's License and Revenue Branch, in writing within five calendar days if the licensee moves his/her ~~the licensee's~~ permanent falconry facilities to another location ~~by submitting a completed Raptor Facilities and Falconry Equipment Inspection Report, as specified in Section 703, and the inspection fee.~~ The department will conduct a facility inspection, as specified in Section 703, and the licensee shall pay the inspection fees.

(2) ~~EQUIPMENT~~ Equipment. A licensee shall have jesses or other materials and equipment to make them, leash, swivel, bath container, and appropriate scales or balances for weighing raptors ~~he/she the licensee~~ possess.

(3) ~~INSPECTIONS~~ Inspections. Inspections of indoor or outdoor facilities, equipment, and raptors shall be conducted by the department. Inspections are required for a new license applicant, applicants renewing a ~~lapsed license which has been expired more than 5 years~~, and licensees that move facility housing to a new address, ~~and these persons~~. Applicants and licensees shall initiate the inspection by submitting a complete Raptor Facilities and Falconry Equipment Inspection Report and fees, as specified in Section 703. Equipment and facilities that meet the federal standards shall be certified by the department using the Raptor Facilities and Falconry Equipment Inspection Report. Equipment and facilities that do not meet the minimum standards and specifications shall not be certified by the department.

(A) The department may conduct unannounced visits to inspect facilities, equipment, or raptors possessed by the licensee, and may enter the ~~premises~~ facilities of any **licensed falconer licensee when the licensee is present** during a reasonable time of the day and on any day of the week. **The department will make a reasonable attempt to contact the licensee prior to conducting the inspection.** The department may also inspect, audit, or copy any permit, license, book, or other record required to be kept by the licensee under these regulations at any time. **The department may deny the issuance of, or immediately suspend, the license of a licensee who refuses to be available to participate in a facility inspection or who refuses to allow inspection of a facility, license, book, or other record required to be kept by the licensee. A refusal to allow inspection may be inferred if, after reasonable attempts by the department, the licensee is unavailable for inspection. The department may reinstate a license suspended pursuant to this subdivision if the licensee allows the department to inspect the facility, license, book, or other record, and no violations of these regulations or any license conditions are observed during that inspection.**

(B) If a licensee's facilities are not on property owned by the licensee, ~~he/she the licensee~~ shall submit to the department's License and Revenue Branch a signed and dated statement with original signature from the property owner indicating the property owner agrees that the falconry facilities and raptors may be inspected by the department without advance notice.

Note: Authority: Fish and Game Code Sections: 200, 202, 203, 355, 356, 395, 396, 398, 710.5, 710.7, 713, 1050, 1054, 1530, 1583, 1802, 3007, 3031, 3039, 3503, 3503.5, 3511, 3513, 3800, 3801.6, 3950, 4150, 10500. Reference: Fish and Game Code Sections: 395, 396, 713, 1050, 3007, 3031, 3503, 3503.5, 3511, 3513, 3801.6. Title 50, Code of Federal Regulations, Parts 21.29 and 21.30, and California Penal Code Section 597.

PSNS,

CPAGE

10/24/2016

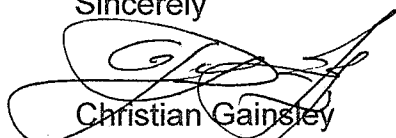
Attn: California Alcoholic Beverage Control
33 New Montgomery Street, Ste. 1233
San Francisco, CA. 94102

Re: Type 40 Application / Case File No. 575529
1000 Cortland Ave., dba: PinHall
San Francisco, CA. 94109

Attn: California Alcoholic Beverage Control, and San Francisco Board of Supervisors-

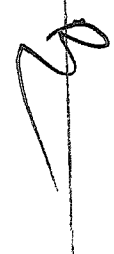
Skillshot Pinball is a unique, colorful, family-friendly pinball arcade that will serve beer and snacks. It will serve as an inviting community space for families; a place where parents can have active fun with their kids and still enjoy a beer. Nowhere else in the family-concentrated neighborhood of Bernal Heights does such an informal kid- and adult-friendly amusement space exist. As such, it'll also be a great spot to bring dates and for those with a specific affinity for pinball, it'll be a city-wide destination to have a good time and explore a historical range of old-fashioned mechanical games. There will be no video arcade games on the premise. Skillshot Pinball will be decorated, appointed, and operated to specifically not establish another dive or hipster bar. Potential patrons looking for this experience will be directed to the other end of Cortland where such establishments already exist. To combat student truancy, unaccompanied minors will not be admitted during school hours. Skillshot Pinball is owned and operated by Bernal Heights residents dedicated to the improvement of their community.

Sincerely



Christian Gainsley
1000 Cortland Avenue.
San Francisco, CA. 94110
415.623.0704
c.kosasa@gmail.com

David Villa-Lobos
CLA Consulting
P.O. Box 642201
San Francisco, CA. 94164
415.921.4192
admin@communityleadershipalliance.net

RECEIVED
S.F. ALCOHOLIC BEVERAGE CONTROL
SAN FRANCISCO
2016 NOV 10 PM 1:58
BY 

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161734

From: Board of Supervisors, (BOS)
To: Wong, Linda (BOS)
Subject: FW: Chamber Letter Opposing File 160384 - Fiscal Feasibility Determination for Major Events
Attachments: 11.9.16 Oppose File No. 160384, Fiscal Feasibility Determination for Major Events.pdf

From: Alexander Mitra [<mailto:amitra@sfchamber.com>]
Sent: Wednesday, November 09, 2016 1:59 PM
To: Farrell, Mark (BOS) <mark.farrell@sfgov.org>
Cc: Fannon, Una (MYR) <una.fannon@sfgov.org>; Elliott, Nicole (MYR) <nicole.elliott@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Mar, Eric (BOS) <eric.mar@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Tang, Katy (BOS) <katy.tang@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>; Campos, David (BOS) <david.campos@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Avalos, John (BOS) <john.avalos@sfgov.org>
Subject: Chamber Letter Opposing File 160384 - Fiscal Feasibility Determination for Major Events

Hi all,

Please see the attached letter from the San Francisco Chamber of Commerce opposing file number 160384, Fiscal Feasibility Determination for Major Events.

Thank you,

Alex Mitra
Manager, Public Policy
San Francisco Chamber of Commerce
235 Montgomery Street, Suite 760
San Francisco, CA, 94104
415.352.8808 (P)
415.794.1755 (C)
amitra@sfchamber.com | www.sfchamber.com

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SAN
FRANCISCO
CHAMBER OF
COMMERCE

November 9, 2016

The Honorable Mark Farrell, Chair
Board of Supervisors Budget and Finance Committee
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: Oppose File No. 160384 – Fiscal Feasibility Determination for Major Events

Dear Supervisor Farrell,

The San Francisco Chamber of Commerce, representing over 2,500 businesses, is opposed to Supervisor Kim's "Fiscal Determination for Major Events" legislation. This proposed measure would place San Francisco at a significant disadvantage when attempting to attract future major events that bring many benefits to the City including increased economic activity, job creation and tourism promotion.

Businesses and organizations throughout San Francisco directly benefit from the multitude of special events the city hosts each year. These events provide benefits for residents through greater job creation and increased tax collections that go directly into the City's General Fund to support vital city services. This measure would place San Francisco's ability to attract these major events at significant risk for little to no purpose.

San Francisco has hosted a number of major events that would be subject to the provisions of this proposal. All of these events went through a rigorous review process and not resulted in a loss to the City. Instead, these events paid economic dividends through the following:

- (1) Tax collections that far exceeded City expenditures
- (2) Job creation for San Francisco residents
- (3) Promotion of San Francisco as a must see tourist destination that will pay future dividends through increased visitation

Adding another layer of public review to an already extensive review process – one that has proven to be effective in protecting the City - introduces an element of risk and uncertainty that major event planners are unwilling to take. Consequently, San Francisco would forgo the benefits of hosting these events as event planners would select cities offering less uncertainty in their approval process.

For these reasons, the San Francisco Chamber of Commerce encourages the Board of Supervisors to reject this measure.

Sincerely,

Jim Lazarus
Senior Vice President of Public Policy

cc: Mayor Ed Lee, Clerk of the Board to be distributed to all members of the Board of Supervisors

To: BOS-Supervisors
Subject: FW: Time-Sensitive Communication RE: Marijuana Policy.

From: LA Country RAM Workgroup [mailto:lacountyram@gmail.com]
Sent: Wednesday, November 02, 2016 2:28 PM
To: LA County RAM <lacountyram@gmail.com>
Subject: Time-Sensitive Communication RE: Marijuana Policy.

Dear City Clerk,

Rethinking Access to Marijuana (RAM) is a collection of public health agencies funded by the LA County Department of Public Health and is engaged in a Community Partnership with the UCLA Fielding School of Public Health.

We ask that you distribute this document to all policymakers in your city: <https://drive.google.com/file/d/0B5rHO4JDkeMGdm51azFFYWhHY2M/view?usp=sharing>

As public health advocates, we are concerned by the harm associated with marijuana use, particularly as it relates to youth. Youth are vulnerable to marijuana's societal and physiological impacts; the data show it can dramatically impact cognitive development and academic performance.

Comprehensive regulation is a crucial strategy to mitigate the negative impacts of marijuana on youth. The RAM Policy Menu provides important information for local legislators concerned with enacting smart marijuana regulation. New medical marijuana laws were established in January 2016, but many areas of regulation are still under development. Local jurisdictions still hold the right and responsibility to define the presence of medical marijuana in their communities. With the additional possibility that legal recreational marijuana use will become a reality in the near future, officials must act now to enact policies that minimize youth exposure.

RAM is not for or against the legalization of marijuana for recreational use. We are advocating for solutions that protect youth.

For more information about RAM, visit our website at www.lacountyram.org.

Best,

The Members of Rethinking Access to Marijuana

Link to Policy Menu: <https://drive.google.com/file/d/0B5rHO4JDkeMGdm51azFFYWhHY2M/view?usp=sharing>

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From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Infant & Toddlers Day Care Fund

From: mnziman@aol.com [mailto:mnziman@aol.com]
Sent: Friday, November 11, 2016 9:29 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Infant & Toddlers Day Care Fund

Dear Members of the SF Board of Supervisors:

I believe that the above mention bill would greatly help families who live in San Francisco find good care for their young children. Having been in the position of having to find care for a young child, I can tell you that there is no greater stress for a parent. I would support this bill as long as it is for residents of San Francisco.

Thank you,

MNZiman

Please forward to Board members.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; BOS Legislation, (BOS); Somera, Alisa (BOS)
Subject: File 161138 FW: November 15, 2016 Joint Meeting of the Board of Supervisors and the Police Commission
Attachments: J. Turman Correspondence re November 15, 2016 Joint Meeting.pdf

From: Walker, Laura [mailto:LWalker@ReedSmith.com]
Sent: Friday, November 11, 2016 12:05 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Suzy Loftus <suzyloftus@hotmail.com>
Subject: November 15, 2016 Joint Meeting of the Board of Supervisors and the Police Commission

Hello All,

Attached please find correspondence of today's date from Commissioner Turman regarding the upcoming Joint Meeting.

Laura Walker for L. Julius M. Turman

This E-mail, along with any attachments, is considered confidential and may well be legally privileged. If you have received it in error, you are on notice of its status. Please notify us immediately by reply e-mail and then delete this message from your system. Please do not copy it or use it for any purposes, or disclose its contents to any other person. Thank you for your cooperation.

Disclaimer Version RS.US.201.407.01

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ReedSmith

L. Julius M. Turman
Direct Phone: +1 415 659 4740
Email: jturman@reedsmith.com

Reed Smith LLP
101 Second Street
Suite 1800
San Francisco, CA 94105-3659
Tel +1 415 543 8700
Fax +1 415 391 8269
reedsmith.com

November 11, 2016

VIA US MAIL

Honorable London Breed
President and Member of the Board of
Supervisors, District 5
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Eric Mar
Member of the Board of Supervisors, District 1
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Mark Farrell
Member of the Board of Supervisors, District 2
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Aaron Peskin
Member of the Board of Supervisors, District 3
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Katy Tang
Member of the Board of Supervisors, District 4
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Jane Kim
Member of the Board of Supervisors, District 6
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Norman Yee
Member of the Board of Supervisors, District 7
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Scott Wiener
Member of the Board of Supervisors, District 8
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable David Campos
Member of the Board of Supervisors, District 9
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable Malia Cohen
Member of the Board of Supervisors, District 10
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Honorable John Avalos
Member of the Board of Supervisors, District 11
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

November 11, 2016

Page 2

Re: November 15, 2016 Joint Meeting of the Board of Supervisors and the Police Commission

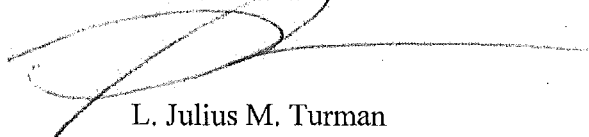
Dear Honorable Supervisors:

I am in receipt of a notice that the Board of Supervisors will hold a joint meeting with the Police Commission on November 15, 2016 regarding any updates to the reform measures recommended by the Department of Justice (COPS), the Blue Ribbon Panel, the Civil Grand Juries, and the Bar Association of San Francisco. Unfortunately, I have a previous work commitment that will take me out of state from November 15th – 17th. I apologize that I am unable to attend the joint session.

As Vice President of the Police Commission, I take these recommendations seriously and have been actively engaged in putting together the structures and the mechanisms to comply with each and every recommendation. As a Board of Supervisors appointee, I also take my obligation to report back to you as equally important. To this end, I will make myself available to meet one-on-one or in a group setting with any of you who require meeting with me on these issues.

Again, I apologize that I will be absent.

Very truly yours,



L. Julius M. Turman
Reed Smith LLP

LT:lw

CC: Angela Calvillo, Clerk of the Board
Suzy Loftus, President of the Police Commission

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: SFMTA - Item 11 Commuter Shuttle Mid-Year Status Report and Hub Study
Attachments: BART_SYSTEMS_LINKS_LOOPS_MUNI_HSR_CALTRAINS_FUTURE_MAPPING.jpg;
Muni_map_2015.jpg

From: Aaron Goodman [mailto:amgodman@yahoo.com]
Sent: Monday, November 14, 2016 9:26 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Fw: SFMTA - Item 11 Commuter Shuttle Mid-Year Status Report and Hub Study

FYI - SFBOS / transit discussion(s) on shuttle commuter bus systems parallels the AirBNB issues in terms of collective impact, and need to look more seriously at the "subway" mapping proposed, and if certain projects are in the public's best interests, in terms of solutions, and how to best improve MASS-TRANSIT systems in SF....

On Monday, November 14, 2016 9:23 PM, Aaron Goodman <amgodman@yahoo.com> wrote:

SFMTA Board of Directors;

Nov. 15th SFMTA meeting // **Item #11 - Regarding the Proposed Commuter Shuttle Program and suggested "solutions"**

There is a distinct problem with the proposed routes as shown in the proposal and that is the impact on existing transit access (by SF MUNI Bus systems) and the congestion that is occurring currently, and will occur due to future development pressures in these areas. Lyft and Uber already cause additional transit impacts on the shuttle systems, and existing Muni BUS routes citywide, and the commuter shuttle services do not significantly reduce or eliminate the need to invest heavily in mass-transit solutions citywide that will garner more solutions in population growth.

I suggest looking back in the SPUR documents on transportation, where a key map was produced on mass-transit systems and possible solutions.

The proposal shown in figure 4 ignores directly the impacts of the Balboa Park station existing conditions and traffic and the future Geneva Harney proposed BRT and eventual LRV possible links. By allowing bus shuttle stops at this intersection without grade-separation of the muni lines, or bus systems, the traffic conditions will only worsen during commute hours. This has been noted at Glen Park station, where again today a Genentech Shuttle, Bauer Limosine Bus, and Google Bus all approached and parked and turned at the Glen Park Station, blocking traffic and prohibiting safe and simple access for the Muni bus (public transit) in favor of a tiered system of transit. The other concern is that 19th Ave has not been approached in terms of major construction projects at (Parkmerced) and future projects for (SFSU-CSU) which will increase vehicular, and construction vehicle access to these sites, and cause more delays and congestion with additional bus systems if instigated simultaneously as these build out.

Having a shuttle system proposal for "special" additional and "existing" system competitive commuter bus transit systems should NOT take the place of simple loops and links and extensions of our existing muni light

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rail vehicle right-of-way routes. Nor should it take funding away from prior proposed transit corrective proposals that should take precedence in financial initial spending.

Geneva Harney to BVHP which can serve as a M-Line or J-Line or even a T-line loop and link in the system. With the recent Bayshore Multi-Modal Hub presentation that looked at Brisbane and produced (4) alternatives, which NONE showed promise early on to link over the freeway initially and directly bring commuters east-west from the BVHP shipyards to Balboa Park Station, with a stop at Caltrains and the HSR route we are ignoring the future needs and boxing ourselves into a corner design wise, without a real out for the Shuttle Bus Systems that could be designed into the BVHP area as a loop with a transfer point at the Caltrains/Bayshore station and Brisbane developments. Bayshore Blvd. and Geneva Harney area already clotted near the Schlage Lock Factory, and San Bruno Ave. where "casino" bus and shuttle bus systems block up the 8x and 9R daily along San Bruno Ave. without documenting the impacts. (Even with the proposed San Bruno Ave changes upcoming the impacts on the bus systems is at a break point with upcoming construction at Schlage, and Sunnydale, and congestion at the Silver/San Bruno and Bayshore to Oakdale and SFGH areas of Potrero. More significant transit upgrades must occur so that a trip to SFGH does not take over an hour from the southern D10 district points.

L-Taraval back up Sloat Blvd. to West Portal, or a direct connection out to Daly City and John Daly Blvd. up to a revitalized and air-right developed intersection at the Daly City BART station, possibly moving it westward and north of the intersection to provide new development and improved access as a platform decking of the freeway to increase pedestrian routes, and bike routes to the station while grade-separating the traffic to a below grade system while keeping muni at or above grade.

The mid-year status report and initial indications of HUBs for commuter shuttle bus systems ignores enforcement, and the need to document the already negative impacts members of the public have shown in the bus systems and how they ignore the mass-transit right-of way, drop-zones, and blocking of routes. There needs to be a more assured review of the existing impacts, and resolve by the SFMTA and CAC to thoroughly investigate the impacts, and invest in solutions up front that solve mass-transit connectivity and links in systems that are more readily implemented sooner vs. a shuttle hub system.

Please do consider the maps shown as insufficient in terms of analysis especially the Balboa Park Station area which cannot absorb a shuttle bus platform unless integrated into a new station masterplan and deck level designated for bus entry and direct exit onto the freeway systems. It may be more feasible to look at a future shuttle CCSF link along the west side of the highway if integrated into the parking and access to campus along Alemany over to SFSU, or at Balboa Park Station and Daly City BART stations if integrated into a larger revamp of both stations by BART.

Until than the shuttle system will not solve or relieve the impacts on SF Muni vehicles as viewed by a passenger/rider and neighbor who sees the impacts of these shuttle commuter systems in the daily riding of public transit. Attached is a more basic SF transit map the other showing what should be looked at in terms of system mapping and improved connectivity and line extensions, links, loops, and overlaps to really ring the city quickly and efficiently.

The F-Line Ft. Funston to the Presidio, out Geary with BART, and linking north to south along Sunset Blvd. need to ring the city, along with the D10 and D11 and D7 growth due to construction and development occurring it is becoming more prudent to shift gears and get the mass-transit systems moving faster than BRT, or Commuter Shuttles. With every development and suggested move (SOTA downtown to the tech-hub) the initial Castro Shuttle will quickly be over-ridden by essential need to improve band-width, speed, capacity, and connectivity. We need to start thinking sooner on these changes and not dilly-dally on the commuter hubs, which should be improved and paid for by the tech-industry to NOT impact mass-transit, and instead be a solid investment in OUR collective mass-transit systems.

Sincerely

Aaron Goodman D11 Resident / Public Transit Rider

From: Reports, Controller (CON)
Sent: Wednesday, November 16, 2016 12:56 PM
To: Calvillo, Angela (BOS); Gosiengfiao, Rachel (BOS); BOS-Supervisors; BOS-Legislative Aides; Kawa, Steve (MYR); Howard, Kate (MYR); Steeves, Asja (CON); Campbell, Severin (BUD); Newman, Debra (BUD); Rose, Harvey (BUD); SF Docs (LIB); CON-EVERYONE; Kelly, Jr, Harlan (PUC); Hom, Nancy (PUC); candersson@sfgwater.org; Low, Matthew (PUC); nicole@secteam.com; Cathy@secteam.com; Marianne@secteam.com; CLGk@pge.com
Subject: Issued — Board of Supervisors: Pacific Gas and Electric Company Properly Paid Its Franchise Fees and Surcharges for 2013 and 2014

The City Services Auditor Division (CSA) of the Office of the Controller (Controller) today issued its audit report of the franchise fees and surcharges Pacific Gas and Electric Company (PG&E) paid to the City and County of San Francisco (City) to use city streets to transmit, distribute, and supply electricity and gas. The audit found that PG&E correctly reported \$1,793,829,994 in gross receipts and correctly paid \$12,078,381 in franchise and surcharge fees to the City and that the Controller's Budget and Analysis Division and San Francisco Public Utilities Commission complied with requirements in administering and monitoring the franchise agreement.

To view the full report, please visit our website
at: <http://openbook.sfgov.org/webreports/details3.aspx?id=2386>

This is a send-only e-mail address. For questions about the report, please contact Director of City Audits Tonia Lediju at tonia.lediju@sfgov.org or 415-554-5393 or the CSA Audits Unit at 415-554-7469.

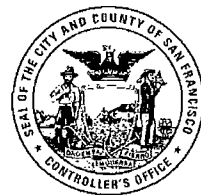
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City and County of San Francisco

Office of the Controller – City Services Auditor

BOARD OF SUPERVISORS:

**Pacific Gas and Electric Company
Properly Paid Its Franchise Fees
and Surcharges for 2013 and 2014**



November 16, 2016

**OFFICE OF THE CONTROLLER
CITY SERVICES AUDITOR**

The City Services Auditor (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that was approved by voters in November 2003. Charter Appendix F grants CSA broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

CSA may conduct financial audits, attestation engagements, and performance audits. Financial audits address the financial integrity of both city departments and contractors and provide reasonable assurance about whether financial statements are presented fairly in all material aspects in conformity with generally accepted accounting principles. Attestation engagements examine, review, or perform procedures on a broad range of subjects such as internal controls; compliance with requirements of specified laws, regulations, rules, contracts, or grants; and the reliability of performance measures. Performance audits focus primarily on assessment of city services and processes, providing recommendations to improve department operations.

CSA conducts its audits in accordance with the Government Auditing Standards published by the U.S. Government Accountability Office (GAO). These standards require:

- Independence of audit staff and the audit organization.
- Objectivity of the auditors performing the work.
- Competent staff, including continuing professional education.
- Quality control procedures to provide reasonable assurance of compliance with the auditing standards.

For questions about the report, please contact Director of City Audits Tonia Lediju at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

CSA Audit Team: Winnie Woo, Associate Auditor

Audit Consultants: Sjoberg Evashenk Consulting, Inc.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

November 16, 2016

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

Dear President Breed and Members:

The City Services Auditor Division (CSA) of the Office of the Controller (Controller) engaged Sjoberg Evashenk Consulting, Inc., to audit the franchise fees and surcharges Pacific Gas and Electric Company (PG&E) paid to the City and County of San Francisco (City) to use city streets to transmit, distribute, and supply electricity and gas. PG&E is required to report its gross receipts and pay each year a total of 0.5 percent of its gross receipts on the sales of electricity and 1 percent of its gross receipts on the sales of gas. PG&E collected electricity and gas surcharge fees on behalf of the City, pursuant to requirements in the California Public Utilities Code, and remitted those amounts to the City when PG&E paid its franchise fees.

Reporting Period: January 1, 2013, through December 31, 2014

Fees Paid:	Franchise Fees	\$10,888,826
	Surcharge Fees	<u>1,189,555</u>
	Total	\$12,078,381

Results:

PG&E correctly reported \$1,793,829,994 in gross receipts subject to the franchise fee and correctly calculated and paid the City the proper franchise and surcharge fees according to the terms and deadlines specified in the franchise agreements. Also, the Controller's Budget and Analysis Division and San Francisco Public Utilities Commission (SFPUC) generally complied with requirements in administering and monitoring the franchise agreement.

The responses of PG&E, SFPUC, and the Controller's Budget and Analysis Division are attached to this report.

CSA appreciates the assistance and cooperation of PG&E, SFPUC, and Controller's Budget and Analysis Division staff during the audit. For questions about the report, please contact me at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

Respectfully,

Tonia Lediju
Director of City Audits

Attachment

cc: Board of Supervisors
Budget Analyst
Citizens Audit Review Board
City Attorney
Civil Grand Jury
Mayor
Public Library

Board of Supervisors:
Pacific Gas and Electric Company Properly Paid Its
Franchise Fees and Surcharges for 2013 and 2014

November 1, 2016



455 Capitol Mall • Suite 700 • Sacramento, California • 95814 • Tel 916.443.1300 • Fax 916.443.1350

EXECUTIVE SUMMARY

Purpose of the Audit

As required by the San Francisco Administrative Code, Chapter 11–Franchises, the Office of the Controller (Controller) is required to assess (1) whether Pacific Gas & Electric Company (PG&E) complied with the reporting requirements and payment obligations contained in Chapter 11 and in San Francisco Gas Franchise Fee Ordinance 413 and Electric Franchise Fee Ordinance 414 (2) whether San Francisco departments complied with the relevant requirements for administering and monitoring the Gas and Electric Franchise Ordinances.

Highlights

The San Francisco Board of Supervisors may grant a franchise by ordinance to another entity to construct, install, and/or operate facilities in public rights-of-way within the City and County of San Francisco (City).

In 1939, Pacific Gas and Electric Company (PG&E) was granted gas and electric franchises authorizing it to use City streets to transmit, distribute, and supply electricity and gas. In consideration for the franchise, PG&E must submit statements of gross receipts and gas and electric franchise fee payments to the City on an annual basis.

The Office of the Controller's Budget and Analysis Division is responsible for receiving and reviewing the statements and payments, while the San Francisco Public Utilities Commission is responsible for administering and reporting on non-financial aspects of the franchise.

The audit found that PG&E complied with its obligations under the gas and electric franchise ordinances and the relevant provisions of the San Francisco Administrative Code, and that the San Francisco Public Utilities Commission and Controller's Budget and Audit Division also fulfilled their obligations in administering and monitoring the franchise.

INTRODUCTION

Audit Authority

The Office of the Controller (Controller) is required under the San Francisco Administrative Code (Administrative Code), Chapter 11, Section 11.44(a) to file a report no less than every two years with the Board of Supervisors analyzing whether each franchisee is complying with the reporting and payment obligations in Chapter 11 of the Administrative Code and the relevant franchise ordinance.

The City and County of San Francisco (City) also has the right under the Administrative Code, Chapter 11, Section 11.38 to access the books and records of a franchisee to monitor compliance with Chapter 11 of the Administrative Code, the franchise ordinance, or other applicable law.

Further, the San Francisco Charter provides the Controller's City Services Audit Division (CSA) with broad authority to conduct audits. Sjoberg Evashenk Consulting, Inc. (SEC) conducted this audit on behalf of CSA under these authorities.

Background

In 1939, the San Francisco Board of Supervisors granted Pacific Gas and Electric Company (PG&E) and its successors two franchises to use City streets to transmit, distribute, and supply electricity and gas. In consideration for the two franchises, PG&E agreed to pay the City annually a percentage of its gross receipts from the sales of electricity and gas in the City.

The electricity and gas franchise ordinances require PG&E to remit to the City, by April 15 of each year, a total of 0.5 percent of PG&E's gross receipts on the sales of electricity and 1 percent of PG&E's gross receipts on the sales of gas. In reporting the gross receipts subject to the City's franchise fees, PG&E deducts from its total revenues such amounts as uncollectible accounts and interdepartmental sales. Interdepartmental sales include the amounts recorded by PG&E for supplying electricity and gas to other PG&E departments within San Francisco. PG&E collects electricity and gas surcharge fees pursuant to requirements in the California Public Utilities Code and remits those amounts to the City when it pays its franchise fees. PG&E collects the surcharge fee, which is a municipal surcharge for the use of public lands, from customers who

purchase electricity and gas from a third party. The surcharge fee is to replace, but not to increase, franchise fees that would have been collected if not for changes in the regulatory environment such as the unbundling of the gas industry.

PG&E also has an Interconnection Agreement with the City to transmit electricity generated by the Hetch Hetchy Project (Hetch Hetchy) inside and outside the City, distribute the electricity within the City, and sell supplemental power to the City. PG&E bills the City for services, including transmission and distribution charges, supplemental power charges, demand charges, and other special charges. PG&E includes the transactions for services it provides to the City as part of PG&E's gross receipts from the sales of electricity reported to the City.

The San Francisco Public Utilities Commission (SFPUC) is responsible for administering the Interconnection Agreement with PG&E. Administration includes verifying the accuracy of monthly billings prior to payment. Section 11.1(I) of the Administrative Code designates the SFPUC as the entity responsible for administering and reporting on the City's gas and electric franchises, except for certain financial aspects which are administered by the Office of the Controller. The Controller's Budget and Analysis Division is responsible for receiving PG&E's annual statement and collecting franchise fee payment.

PG&E reports and remits gas and electric franchise fees to the City based on gross revenues that have been reduced by uncollectible accounts and interdepartmental sales. Uncollectible accounts are amounts billed to customers, but not received by PG&E. Interdepartmental sales are PG&E's costs to supply electricity and gas to properties it owns in the City. Since PG&E is not compensated for internal use of gas and electricity, no gross receipts are generated by these interdepartmental sales. For the two-year audit period, PG&E deducted from its gross revenue receipts approximately \$2,140,000 and \$8,822,000 in uncollectible accounts and interdepartmental sales, respectively. The amounts of uncollectible accounts and interdepartmental sales deducted for 2013 and 2014 would have resulted in additional franchise fees of approximately \$30,800 and \$29,700, respectively. The sum of these amounts represents less than 1 percent of the total franchise fees paid by PG&E to the City for 2013 and 2014.

Objectives and Scope

The objective of the audit was to determine whether PG&E complied with the reporting requirements and payment obligations contained in Chapter 11–Franchises of the Administrative Code, Gas Franchise Ordinance 413-39, and Electric Franchise Ordinance 414-39 (franchise agreements), as well as whether City departments complied with the relevant requirements for administering and monitoring the franchise for the audit period of calendar years 2013 and 2014.

Specifically, the audit determined whether:

1. PG&E correctly reported all revenues from the sale of electric and gas sales within City limits, including Hetch Hetchy, under the terms of San Francisco Electric Franchise Ordinance 414-39 and Gas Franchise Ordinance 413-39;
2. PG&E properly calculated and supported any adjustments from gross receipts;
3. PG&E correctly calculated and paid the City the proper franchise fees under the terms and deadlines specified in the franchise agreements;
4. The San Francisco Public Utilities Commission and the Controller’s Budget and Analysis Division of the San Francisco Office of the Controller complied with applicable requirements in administering and monitoring the franchise agreements such as the San Francisco City Charter of 1996 and Chapter 11 of the San Francisco Administrative Code; and
5. The PG&E, SFPUC, and Controller Budget and Analysis Division corrected relevant findings and recommendations from the prior franchise fee audit covering 2011 and 2012.

Methodology

To conduct the audit, the auditors reviewed the applicable provisions of Chapter 11 of the Administrative Code and the franchise agreement as well as conducted interviews of PG&E, SFPUC, and Controller Budget and Analysis Division management and staff.

Additionally, to understand the environment, the auditors reviewed the applicable provisions of the franchise ordinances and tested, on a sample basis, selected PG&E

revenue components with amounts that materially impact the franchise fees payable to the City.

To determine whether PG&E correctly reported its annual gross receipts, the audit team:

- Compared the amounts PG&E reported to the City to the amounts PG&E recorded in its monthly summary reports, financial systems, and monthly detailed reports, including, but not limited to, underlying reports of gas and electric sales from its customer billing system, uncollectable accounts, and revenue derived from natural gas vehicle sales, Hetch Hetchy Wheeling, and Hetch Hetchy streetlights.
- Compared PG&E's system-wide uncollectable rate to the uncollectable rate for the City to determine whether a large variance between the rates existed. Reviewed the reasonableness of PG&E's collection and write-off processes.
- Analyzed historical franchise fees and surcharges over a five year period to identify variances and reasons for any variances identified.
- Reviewed the reasonableness of electricity and gas surcharge fees collected by PG&E.
- Tested a sample of PG&E Customer Invoices from several gas and electric rate categories to ensure amounts were included in total revenue receipts.
- Assessed PG&E's internal controls over franchise requirements and systems used to calculate franchise fees.
- Performed high level tests of the completeness of PG&E's customer data set.
- Verified PG&E's internal reconciliation between its financial system and customer billing system.

The audit team's review of the Hetch Hetchy Interconnection Agreement consisted of verifying the amounts reported by PG&E to supporting monthly billing reports. The audit team did not test the accuracy of the detailed Interconnection

Agreement billings to the City because SFPUC staff is responsible for reviewing the billings to ensure they are accurate before paying PG&E; however, auditors compared actual invoices to monthly system billing reports.

To assess whether PG&E correctly calculated and paid the City the proper franchise fee under the terms and deadlines specified in the franchise agreement, the audit team reviewed Controller Budget and Analysis Division date stamps on PG&E's annual statements of gross receipts and franchise fee payments; confirmed that the statements of gross receipts were duly verified (i.e., signed and dated); and checked each calculation in PG&E's computation of its franchise fee to ensure mathematical accuracy.

To evaluate SFPUC and Controller Budget and Analysis Division's compliance with all applicable requirements and practices in administering and monitoring the franchise agreement, the auditors reviewed the most recent compliance report that SFPUC submitted to the Board of Supervisors and the tools used by the Controller Budget and Analysis Division to track and review franchise fee reports and payments.

To determine whether PG&E, SFPUC, and Controller Budget and Analysis Division staff corrected relevant findings and implemented recommendations from the CSA's prior audit covering 2011 and 2012, the audit team interviewed staff and reviewed pertinent documents to identify and evaluate changes since the prior audit.

Statement of Auditing Standards

This performance audit was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

AUDIT RESULTS

Summary

PG&E accurately reported its gas and electric gross receipts subject to the franchise fee and calculated and paid the City the proper franchise fees according to the terms and deadlines specified in the franchise agreements.

Both the Controller's Budget and Analysis Division and SFPUC generally complied with requirements for administering and monitoring the PG&E franchise agreement.

PG&E Submitted Its Gross Receipts Reports and Paid Associated Franchise Fees and Surcharge Fees on Time

For the period January 1, 2013 through December 31, 2014, PG&E accurately reported \$1,793,829,994 in total gross electricity and gas sales receipts within the City by the annual March 31st deadline specified in the franchise agreement. As shown in the exhibit below, PG&E also correctly calculated and paid \$10,888,826 in franchise fees by the annual April 15th deadline specified in the franchise agreements. PG&E also correctly collected and remitted to the City electricity and gas surcharge fees of \$1,189,555 for the period under review.

EXHIBIT		Gross Receipts Reported and Franchise Fees and Surcharge Fees Paid January 1, 2013 Through December 31, 2014			
Year	Type	Gross Receipts ¹	Franchise Fees ²	Surcharge Fees ³	Over/(Under) Paid
2013	Electricity	\$701,317,972	\$3,506,590	\$294,315	\$0
	Gas	\$196,647,474	\$1,966,475	\$254,959	\$0
2014	Electricity	\$708,576,849	\$3,542,884	\$319,539	\$0
	Gas	\$187,287,699	\$1,872,877	\$320,742	\$0
Total		\$1,793,829,994	\$10,888,826	\$1,189,555	\$0

Note 1: Gross receipts reported by PG&E are net of uncollectable accounts, interdepartmental sales, and reflect updated customer information adjustments.

Note 2: Franchise fee rates are 0.5 percent of electricity receipts and 1 percent of gas receipts.

Note 3: PG&E billed and collected electricity and gas franchise surcharge fees based on the formula specified in state law from its customers who purchased electricity and gas from a third party

Source: PG&E Certification of Gross Receipts

SFPUC Issued Its Statutorily Required Franchise Compliance Report

SFPUC is required by San Francisco Administrative Code, Chapter 11, Article 5, Section 11.44(b), to file a report with the Board of Supervisors (Board), no less than every two years, analyzing whether each franchise grantee is complying with all provisions of the chapter and its franchise, except for those addressed by the Controller's report.¹ SFPUC issued a compliance report to the Board dated August 2, 2016.

Controller's Budget and Analysis Division Established Processes to Validate and Verify PG&E Statements and Payments

San Francisco Controller's Budget and Analysis Division established practices to thoroughly review statements provided to verify the accuracy and completeness of gas and electric franchise fees and surcharges, verifying payments and reports were received on-time, and certifications provided were duly certified. The Budget and Analysis Divisions utilizes a spreadsheet to track its internal verification process as well as key dates and payments. The Budget and Analysis Division also conducts data analyses to identify variances between expected franchise fee and surcharge revenue receipts and actual revenue receipts, including processes to investigate discrepancies greater than a 10 percent threshold. During the audit period, actual amounts received were within 10 percent of budgeted amounts.

San Francisco Reached Settlement Agreement to Recover Hetch Hetchy Revenue

In the CSA's June 2012 Audit Report related to the PG&E Franchise Fees, the City asserted that PG&E may have wrongly applied the statute of limitations when determining additional monies owed to the City resulting from an adjustment to the Hetch Hetchy allocation methodology related to its Interconnection Agreement with SFPUC. In March 2013 the City filed a complaint against PG&E in the San Francisco Superior Court (Case No. CGC-13-529309) to recover franchise fees the City claimed PG&E underpaid on revenues PG&E received from the City for providing transmission and distribution services under the parties' Interconnection Agreement. Subsequently, on February 20, 2015, the City entered into a settlement agreement with PG&E.²

¹ Controller's Report refers to the report requirement under San Francisco Administrative Code, Chapter 11, Article 5, Section 11.44(a) analyzing whether each person owing a franchise fee is complying with the audit, reporting requirements, and payment obligations contained in the Chapter.

² Settlement Agreement details may be obtained at: <https://sfgov.legistar.com/LegislationDetail.aspx?ID=2252344&GUID=E992BDC4-C4E8-4DEE-BAAF-B5DDF4C93BAB&Options=ID|Text|&Search=079>

ATTACHMENT A: PG&E'S RESPONSE



Pacific Gas and
Electric Company®

CC CO Revenue
Operations
Revenue and Statistics

77 Beale Street
San Francisco, CA 94105

October 31, 2016

Tonia Lediju
Director of City Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Response to Audit report of franchise fees and surcharges for 2013 and 2014

Dear Ms. Lediju:

Thank you for providing Pacific Gas and Electric Company (PG&E) with an opportunity to comment on your draft report on the audit of PG&E's franchise fees and surcharges for 2013 and 2014. We find the report comprehensive and acceptable in form. We are pleased that you have concluded that PG&E has properly reported and calculated the franchise fees and surcharges.

It was a pleasure working with the professionals at Sjoberg Evashenk Consulting and appreciate their time in performing this audit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cecilia Guiman".

Cecilia Guiman
Revenue Operations
Pacific Gas and Electric Company

ATTACHMENT B: SFPUC'S RESPONSE



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

Assurance and Internal Controls Bureau
525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

October 18, 2016

Tonia Lediju, Director of City Audits
Office of the Controller, City Services Auditor Division
City Hall, Room 476
One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Management's Response to CSA Audit Report
Board of Supervisors: Pacific Gas and Electric Company
Properly Paid Its Franchise Fees and Surcharges for 2013 and
2014

Dear Ms. Lediju,

Thank you for the opportunity to review and provide responses to your audit report, *Board of Supervisors: Pacific Gas and Electric Company Properly Paid Its Franchise Fees and Surcharges for 2013 and 2014*.

We appreciate the time your staff dedicated to this audit, and are pleased there were no findings.

If you have any questions or need additional information, please do not hesitate to contact me at (415) 554-1600.

Sincerely,

A handwritten signature in black ink, appearing to read "Harlan L. Kelly, Jr.".

Harlan L. Kelly, Jr.
General Manager

cc: Michael Carlin, Deputy General Manager
Eric L. Sandler, AGM Business Services & Chief Financial Officer
Barbara Hale, AGM Power Enterprise
Nancy L. Hom, Director, Assurance & Internal Controls

Edwin M. Lee
Mayor

Anson Moran
President

Ike Kwon
Vice President

Ann Moller Cuen
Commissioner

Francesca Victor
Commissioner

Vince Courtney
Commissioner

Harlan L. Kelly, Jr.
General Manager



ATTACHMENT C: CONTROLLER'S RESPONSE



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

October 13, 2016

Tonia Lediju, Director of Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Ms. Lediju:

The Controller's Office Budget and Analysis Division (BAD) has reviewed the Franchise Fee Audit of Pacific Gas and Electric (PG&E) prepared by Sjoberg Evashenk Consulting for the period of January 1, 2013 through December 31, 2014.

We concur with the audit results related to our Division that we have complied with the requirements for administering and monitoring the PG&E franchise agreement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michelle Allersma".

Michelle Allersma, Director
Budget and Analysis Division

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: The SFMTA needs guidance if our city is to survive (as well as remain a popular tourist destination)

From: Diana Scott [mailto:dmscott01@yahoo.com]
Sent: Tuesday, November 15, 2016 11:52 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: The SFMTA needs guidance if our city is to survive (as well as remain a popular tourist destination)

Dear Supervisors:

I urge you to take this opinion piece to heart, and reconsider the disruptive and costly changes to our transportation network currently being imposed on city neighborhoods by SFMTA planners, especially given the likely loss of government support for expensive projects in San Francisco, the absence of sufficient funds to pay for many of these plans, and better, less costly solutions. You can do this as county transportation officials, as well as by supervisor-approved policy resolutions.

<http://www.beyondchron.org/guest-editorial-nightmare-coming-van-ness/>

Subway plans may be cost/impact effective on some key routes, but even short of that, there are safer, less costly, and more environmentally-friendly ways to improve transit and user satisfaction that those that are tearing up our neighborhoods. (Moving bus routes from curbside to roadway median, and removing air-filtering trees, is NOT one of them!)

Please minimize trauma to neighborhoods, businesses, commuting patterns, and the urban environment, as we embark on a traumatic new political era.

Diana Scott
Outer Sunset

32



**SAN FRANCISCO
PLANNING DEPARTMENT**

BDS-11, Land use CPAGE

RECEIVED
BOARD OF SUPERVISORS
SANTA ANITA

MEMO

2016 NOV 17 PM 1:24

BY *ZHB*

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Notice of Electronic Transmittal

**Notice of Hearing and Notice of Availability of a
Draft Environmental Impact Report (DEIR)
for the 1500 Mission Street Project**

DATE: November 16, 2016
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Michael Jacinto, Environmental Planner
Planning Department (415) 575-9033
RE: Notice of Availability of a Draft Environmental Impact Report (DEIR) for
the One Oak Street Project, Planning Department Case No. 2009.0159E
HEARING DATES: Planning Commission Draft EIR Hearing on January 5, 2017

In compliance with San Francisco's Administrative Code Section 8.12.5 "Electronic Distribution of Multi-Page Documents," the Planning Department has submitted a Notice of Availability of a Draft Environmental Impact Report (DEIR) for the One Oak Street Project in digital format. One hard copy and CDs will be submitted to the Clerk of the Board for the file of the Clerk by November 16, 2016. Additional copies may be requested by contacting Michael Jacinto at the phone number or email below.

There is no hearing for this project scheduled before the Board of Supervisors at this time. However, project approvals related to this project may be heard before the Board of Supervisors at some time in the future.

The public review period for this Draft EIR is from November 16, 2016 to 5:00 p.m. on January 10, 2017. In addition, there will be a public hearing before the Planning Commission on January 5, 2017 to receive comments on the information in the Draft EIR.

Please contact me at Michael.Jacinto@sfgov.org or 415-575-9071 if you have questions regarding this project.

cc: AnMarie Rodgers

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