

FILE NO. 150257

Petitions and Communications received from March 2, 2015, through March 9, 2015, for reference by the President to Committee considering related matters, or to be ordered filed by the Clerk on March 17, 2015.

**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 various pharmacists, regarding support for Safe Drug Disposal Stewardship Ordinance. File No. 141095. Copy: Each Supervisor. (1)

From various organizations, regarding support for Safe Drug Disposal Stewardship Ordinance. File No. 141095. Copy: Each Supervisor. (2)

From California Retailers Association, regarding support for Safe Drug Disposal Stewardship Ordinance. File No. 141095. Copy: Each Supervisor. (3)

From National Coalition Against Prescription Drug Abuse, regarding support for Safe Drug Disposal Stewardship Ordinance. File No. 141095. Copy: Each Supervisor. (4)

From Natural Resources Defense Council, regarding support for Safe Drug Disposal Stewardship Ordinance. File No. 141095. Copy: Each Supervisor. (5)

From Capital Planning Committee, regarding recommendation on the 10-Year Capital Plan FYS 2016-2025. File No. 150224. Copy: Each Supervisor. (6)

From Zacks & Freedman, regarding Amended Interim Zoning Controls. File No. 150087. Copy: Each Supervisor. (7)

From Ethics Commission, regarding proposed legislation changing permit consultant reporting requirements. File No. 141216. Copy: Each Supervisor. (8)

From Recreation and Park, regarding Reboot's National Day of Unplugging. Copy: Each Supervisor. (9)

From Police Commission, regarding District Station Boundary Analysis. Copy: Each Supervisor. (10)

From concerned citizens, submitting signatures for a petition regarding the Municipal Transit Agency. 4,108 Signatures. Copy: Each Supervisor. (11)

From Max Schweitzer, regarding an update to homeless plan. Copy: Each Supervisor. (12)

From Patrick Monette-Shaw, regarding Employees' Retirement System divestment in fossil fuels. File No. 130123. Copy: Each Supervisor. (13)

From concerned citizens, regarding Emergency Interim Zoning Controls in Corona/Corbett Heights. File No. 150192. 17 letters. Copy: Each Supervisor. (14)

From Patrick Monette-Shaw, regarding Paskin-Jordan's reappointment to Employees' Retirement System Board. Copy: Each Supervisor. (15)

From Planning, regarding Initial Study Notice of Availability for the Agreement for Disposal of Municipal Solid Waste at Recology Hay Road Landfill. Copy: Each Supervisor. (16)

From David Cortez, regarding teaching Catholic doctrine. Copy: Each Supervisor. (17)

From Controller, regarding Retiree Medical Benefit Cost Report. Copy Each Supervisor. (18)

February 26, 2015

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

Dear President Breed,

We are pharmacists that serve the residents of San Francisco, and we represent the pharmacies that participate in San Francisco's Safe Medicine Disposal Pilot Program. Many of us are unable to attend today's hearing because we are not able to step away from our pharmacies during business hours. Since we cannot attend in-person, we are writing to voice our support for the San Francisco Safe Drug Disposal Stewardship Ordinance, which would ensure that residents can continue to safely and properly dispose of their unused and expired medicines.

Over the last two years, we have witnessed many customers use the medicine collection bins. Some are seniors who tend to drop off unused medicine more often, and some are people who drop off large quantities of medicine at once from cleaning out their home, or the home of a loved one who passed away. As pharmacists, we are aware of the amount of medications prescribed in our community and believe it is critical that residents have a safe and convenient method to dispose of unused and expired medicines.

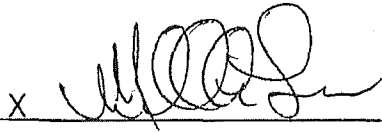
We know how important it is for medicines to be taken only by the person they are prescribed for, which is a central reason we support the Safe Drug Disposal Stewardship Ordinance. Providing safe and convenient drop-off locations can help prevent medicines from stockpiling around the home, reducing the risk of accidental poisoning and the availability of medicines for abuse.

Serving as a Safe Drug Disposal drop-off location has not negatively impacted or burdened our businesses. In fact, customers have only expressed appreciation and positive feedback about the Safe Medicine Disposal Pilot Program, and we are pleased to have a concrete directive to our customers on how to safely handle their medications. As pharmacies that have been in the Pilot Program from the beginning, we are confident that a permanent medicine collection program is wanted and would be well-utilized by San Francisco residents. For these reasons, we ask the Board of Supervisors to enact the Safe Drug Disposal Stewardship Ordinance.

Sincerely,

cc: Board of Supervisors



X 

Mickey Lim, RPH  
RPH 46426  
Pharmacy Manager Ph. 415-255-2720 Fax: 415-255-0937

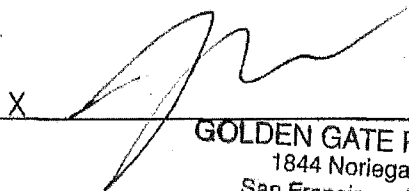
AHF PHARMACY  
4071 18th St.

San Francisco, CA 94114

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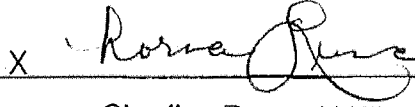
Paul Meylikae

POST DIVISADERO MEDICAL PHARMACY  
2299 POST STREET STE 109  
SAN FRANCISCO, CA 94115  
(P) 415-346-2663

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GOLDEN GATE PHARMACY

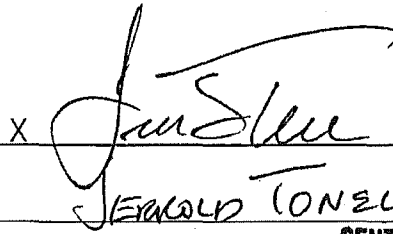
1844 Noriega Street  
San Francisco, CA 94122  
Tel: 415-661-0790  
Fax: 415-661-0839

X 

Charlies Drugs (415) 567-0771  
1101 Fillmore St. SF CA, 94115

PHA 342530

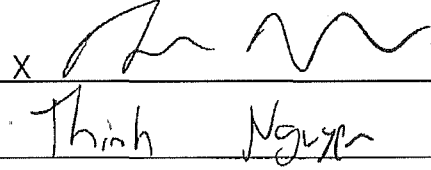
Fax (415) 567-3342

X 

JEWEL TONZELLI

CENTRAL DRUG STORE

4494 Mission Street  
San Francisco, CA 94112

X 

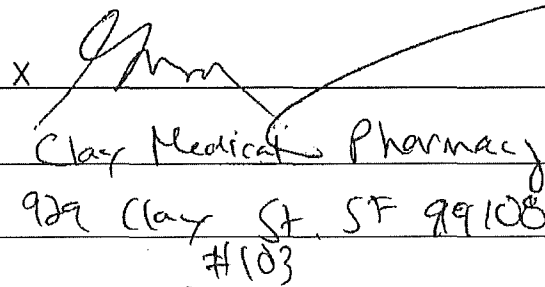
Thinh Nguyen

Four-Fifty Sutter Pharmacy  
450 SUTTER ST., 7TH FLOOR  
SAN FRANCISCO, CA 94108  
(415) 392-4137

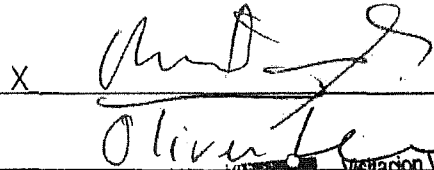
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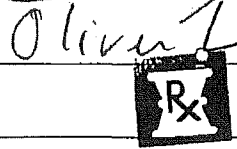
DANIEL NASRAH

DANIEL'S PHARMACY  
943 GENEVA AVE.  
SAN FRANCISCO, CALIF.  
94112-3402

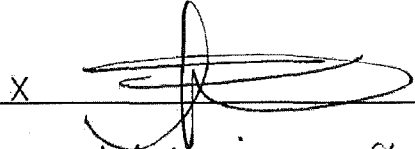
X 

Clay Medical Pharmacy  
929 Clay St. SF 94108  
#103

X 



Mission Valley Pharmacy  
100 Leland Ave  
San Francisco, CA 94134-2806

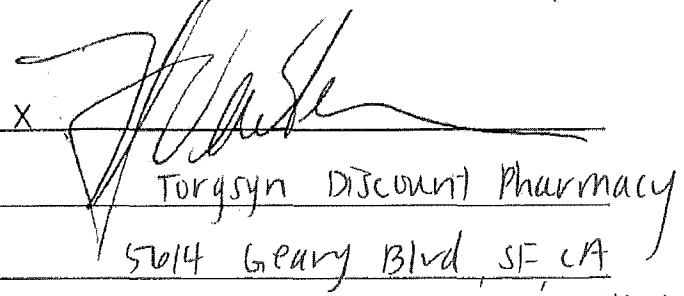
X 

Mission Wellness Pharmacy  
2121 Mission St SF CA 9

X 

THE DOOR YEE

FRANKLIN PHARMACY  
1508 FRANKLIN ST.  
SAN FRANCISCO, CA 94109

X 

Torgsyn Discount Pharmacy  
5014 Geary Blvd, SF, CA

94121





February 6, 2015

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

**Re: San Francisco Safe Drug Disposal Ordinance (File Number 141095) -- Support**

Dear Supervisor:

On behalf of our combined organizations and our tens of thousands of Bay Area members, we wish to express our strong support for the San Francisco Safe Drug Disposal Ordinance (File Number 141095). If adopted, the ordinance will require pharmaceutical manufacturers to develop, implement, and fund safe and convenient programs for the disposal of household drugs. Such an industry supported program will keep tons of pharmaceutical waste out of our waterways each year and represent an important step toward protecting both public and environmental health.

Pharmaceutical chemicals are regulated because of their impacts on humans and other living organisms. They do not belong in our waterways, yet depression, anti-anxiety, anti-epileptic, tranquilizing, and other types of drugs are being detected in the state's drinking water sources and aquatic habitats. Eighteen pharmaceuticals have been found in the South San Francisco Bay, with the antibiotic sulfamethoxazole detected at concentrations approaching levels of concern for aquatic life.

One of the key causes of pharmaceutical pollution is the improper disposal, either down the drain or in the trash, of household medications. Wastewater treatment is not able to completely remove these complex chemicals. Consequently, flushing drugs down the drain increases water pollution. The same happens when drugs are thrown in the trash. After they are landfilled, the chemicals leach into the effluent in the landfill. That liquid can leach into groundwater or is siphoned off and goes through the wastewater treatment process, with the same result as flushing.

The environmental effects of pharmaceuticals are well documented. Reproductive failure in aquatic species due to changes to sex organs, endocrine disruption, sex reversal, and impaired eggs and sperm density can be linked to synthetic estrogens in oral contraceptives. Antidepressants and anti-anxiety drugs at levels found in water sources can reduce sociability, reduce reaction to predators, and alter foraging habits. Some drugs bioaccumulate up the food chain. For instance, drugs to treat hypertension, angina, arrhythmia, and migraine, as well as antihistamines have been found in San Francisco Bay mussels.

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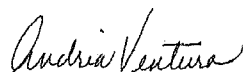
While human exposure to drugs through drinking water or eating contaminated food are generally below therapeutic levels, the ultimate effect of continued long-term exposure to chemical mixtures, the development of antibiotic resistant bacteria, and the impacts on vulnerable populations such as fetuses and infants are poorly understood. Studies that show how exposure to small amounts of various drugs can effect embryonic kidney cells, as well as blood and breast cancer cells, demonstrate **the need to take action now to reduce the medications entering water resources, before rising rates of pollution cause serious public health problems.**

San Francisco's pilot program, which allowed residents to drop off medications at local police stations and 13 participating pharmacies succeeded in keeping over 18 tons of pharmaceuticals out of San Francisco Bay and its tributaries over the course of just 30 months. However, the program needs to be extended to ensure that all San Franciscans have access to proper disposal options to protect both the environment and the public. To do this, drug manufacturers need to take responsibility for the end of their products' useful lives.

Pharmaceutical companies support collection programs in other industrial nations, despite the fact that consumers pay a much smaller percentage of their income on medications than do U.S. residents. This has proven to be both a beneficial public service and a cost effective strategy. When companies work together, the cost is so low (usually pennies per returned medication) they have not raised drug prices.

The Bay Area is a leader in protecting both its people and the environment we live in. Alameda County is in the process of implementing a similar ordinance. That law has twice been upheld by the courts, who have found that requiring drug manufacturers to be responsible for the life cycle of their products is fair, affordable for the industry, and does not disrupt interstate commerce. We applaud the San Francisco Board of Supervisors' courage proposing the San Francisco Safe Drug Disposal Ordinance and we urge you to support it when it comes up for a vote.

Sincerely,



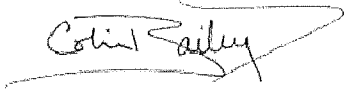
Andria Ventura  
Toxics Program Manager  
Clean Water Action



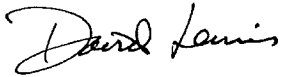
Sejal Choksi-Chugh  
Program Director  
San Francisco Baykeeper



Bill Allayaud  
California Director of Government Affairs  
Environmental Working Group



Colin Bailey, J.D.  
Executive Director  
Environmental Justice Coalition for Water



David Lewis  
Executive Director  
Save the Bay



Peter Drekmeier  
Policy Director  
Tuolumne River Trust



Sonia Diermayer  
Chair, Water Committee  
Sierra Club San Francisco Bay Chapter

Jeanne Rizzo, R.N.  
President and CEO  
Breast Cancer Fund



February 25, 2015

Supervisor London Breed, President  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

**RE: Support for File #141095 - Safe Drug Disposal**

Dear Supervisor Breed:

The California Retailers Association (CRA) is pleased to support File # 141095 relating to Safe Drug Disposal. We appreciate the consideration of our members as you and your staff crafted a workable solution for consumer disposal of unused or expired medications. While these medications serve a great purpose when used as prescribed, they can pose serious dangers and may be especially harmful if they are used by someone other than the person the medicine was prescribed for. Sensible disposal options are important to make available to consumers.

Our members have been proactive in the past on this issue by offering ways to provide safe drug disposal. We have participated in take-back events and the pilot program for the collection of unwanted medications operated by the San Francisco Department of the Environment. The ordinance proposed is consistent with our members' current practices and philosophies. We are pleased to support this approach, as it offers us the flexibility to provide disposal options that operate within our existing capabilities.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, supermarkets, fast food restaurants, chain drug and convenience stores, as well as specialty retailers such as auto, book and home improvement stores. CRA works on behalf of California's retail industry, which currently operates over 164,200 stores with sales in excess of \$571 billion annually and employing 2,776,000 people - nearly one fifth of California's total employment.

We appreciate the opportunity to be a part of this solution and look forward to the the progress made on this issue. Thank you for your time and consideration.

3

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Manetti', with a stylized flourish at the end.

Angie Manetti  
Director, Government Affairs

cc: The Honorable Ed Lee  
Supervisor Eric Mar  
Supervisor Mark Farrell  
Supervisor Julie Christensen  
Supervisor Katy Tang  
Supervisor Jane Kim  
Supervisor Norman Yee  
Supervisor Scott Wiener  
Supervisor David Campos  
Supervisor Malia Cohen  
Supervisor John Avalos



February 25, 2015

President of the Board, London Breed  
San Francisco Board of Supervisors  
San Francisco City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**RE: Proposed San Francisco County Safe Disposal Ordinance - SUPPORT**

The Honorable London Breed and Members of the San Francisco County Board of Supervisors:

On behalf of the National Coalition Against Prescription Drug Abuse (NCAPDA) Board of Directors, I am pleased to confirm our strong support for the proposed San Francisco County Safe Disposal Ordinance file number 141095.

NCAPDA is a non-profit organization focused on preventing prescription drug abuse related overdose deaths and addiction through community education, policy change and legislative advocacy. In every educational conversation we have with youth and adults of all ages we address the need to lock up their medications so they can't be illegally diverted or accidentally taken by young children. We also educate about the importance of properly disposing of expired and unwanted medications so they aren't diverted and our waterways aren't negatively impacted.

We are supportive of the Extended Producer Responsibility (EPR) as a valid and important policy approach where the producer designs, funds, and operates collection and end-of-life management systems for their products in collaboration with others in the product chain. We feel strongly that EPR should be applied to pharmaceuticals as it has been done in the case of many other products on the market such as mercury thermostats, paint and carpet whose manufacturers have taken responsibility for end of life and residual product management. We believe pharmaceutical manufacturers should take responsibility for the disposal of their unused products also. We supported state legislation that was widely supported in 2013 and 2014 but opponents killed the bills. This only leaves local ordinances as an option and we encourage San Francisco County to proceed and protect public health and the environment.

Sincerely,

April Rovero  
Founder/CEO  
National Coalition Against Prescription Drug Abuse  
925-980-5490  
[www.ncapda.org](http://www.ncapda.org)



March 5, 2015

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

***Re: San Francisco Safe Drug Disposal Ordinance (File Number 141095) -- Support***

Honorable Members of the San Francisco Board of Supervisors:

On behalf of NRDC (Natural Resources Defense Council), which has 1.4 million members and activists, 250,000 of whom are Californians, we are writing to express our support for the San Francisco Safe Drug Disposal Ordinance (File Number 141095). If adopted, the ordinance will require pharmaceutical manufacturers to develop, implement, and fund safe and convenient programs for the disposal of household drugs. This industry-supported program will keep tons of pharmaceutical waste out of our waterways each year and is an important step toward protecting both public and environmental health.

Citizens deserve and demand safe and secure options to manage unused pharmaceuticals that are as convenient as the opportunities to buy them. Inappropriate medication disposal endangers human safety and environmental health. Residential stock-piling of unused household medications leads to easy access and drug abuse by children and teens, and flushing and throwing away medication can harm the environment, including the water we drink. While pharmaceutical take-back is not the only solution to the problem, it is a major step towards a solution.

Safe disposal of pharmaceuticals is a shared societal burden, the costs of which should not fall on local government alone. We ask that the pharmaceutical companies share in this responsibility and work with San Francisco and its many constituencies eager to support a robust program. We encourage San Francisco to proceed and adopt the ordinance.

Sincerely,

Darby Hoover  
Senior Resource Specialist

**NATURAL RESOURCES DEFENSE COUNCIL**

111 SUTTER STREET | SAN FRANCISCO, CA | 94104 | T 415.875.6100 | F 415.875.6161 | NRDC.ORG



# Capital Planning Committee

DOS-11  
COB  
B+F Clerk  
Page

Naomi M. Kelly, City Administrator, Chair

## MEMORANDUM

March 2, 2015

**To:** Supervisor London Breed, Board President *nkelly*

**From:** Naomi Kelly, City Administrator and Capital Planning Committee Chair *nk*

**Copy:** Members of the Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Capital Planning Committee

**Regarding:** (1) Recommendation on the City & County of San Francisco 10-Year Capital Plan FY 2016 – FY 2025

(2) Department of Public Work's Supplemental Appropriation

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
MARCH 5 PM 4:11

In accordance with Section 3.21 of the Administrative Code, on March 2, 2015, the Capital Planning Committee (CPC) approved the following action items to be considered by the Board of Supervisors. The CPC's recommendations are set forth below.

**1. Board File Number: 150224 Recommendation on the City & County of San Francisco 10-Year Capital Plan FY 2016 – FY 2025.**

**Recommendation:** Recommend the Board of Supervisors (BOS) approve the Proposed 10-Year Capital Plan.

**Comments:** The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, City Administrator; Conor Johnston, Board President's Office; Ben Rosenfield, Controller; Kate Howard, Mayor's Budget Director; Mohammed Nuru, Director, Public Works; Ed Reiskin, Director, SFMTA; Harlan Kelly, General Manager, SFPUC; John Rahaim, Director, Planning Department; Phil Ginsburg, General Manager, Recreation and Parks Department; Kevin Kone, San Francisco International Airport; and Brad Benson, Port of San Francisco.

**2. Board File Number: TBD Approval of the Department of Public Work's supplemental appropriation request, re-appropriating \$6,201,602 from Developer Construction Contribution and \$116,454 from reimbursement for infrastructure improvements, totaling \$6,354,478, with \$4,016,454 appropriated to the Public Safety Building, and \$2,338,024 to be placed on Board Reserve pending future re-appropriation to an alternate ESER 2010 bond program.**

6



Recommendation:

Recommend the Board of Supervisors approve the supplemental appropriation.

Comments:

The CPC recommends approval of these items by a vote of 8-0.

Committee members or representatives in favor include: Naomi Kelly, City Administrator; Conor Johnston, Board President's Office; Ben Rosenfield, Controller; Mohammed Nuru, Director, Public Works; Kate Howard, Mayor's Budget Director; Ed Reiskin, Director, SFMTA; Kevin Kone, San Francisco International Airport; and Brad Benson, Port of San Francisco.

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors  
**Subject:** File 150087 FW: Written comments on File No. 150087 for today's Board hearing  
**Attachments:** BOS comments (3.3.15).pdf

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**From:** Ausberry, Andrea  
**Sent:** Tuesday, March 03, 2015 3:02 PM  
**To:** Michael Profant; Board of Supervisors (BOS)  
**Cc:** Ryan Patterson  
**Subject:** RE: Written comments on File No. 150087 for today's Board hearing

Mr. Profant,

Thank you. The attached comments will be added to File No. 150087.

Best regards,

*Andrea Ausberry*

San Francisco Board of Supervisors

***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.*

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**From:** Michael Profant [<mailto:mprofant@zulp.com>]  
**Sent:** Tuesday, March 03, 2015 3:01 PM  
**To:** Ausberry, Andrea; Board of Supervisors (BOS)  
**Cc:** Ryan Patterson  
**Subject:** RE: Written comments on File No. 150087 for today's Board hearing

Dear Ms. Calvillo:

Attached are our comments on File No. 150087 in relation to the Board of Supervisors hearing today. Please confirm that the attached packet will be included in the administrative record. Thanks very much.

Sincerely,

Michael E. Profant, Esq., AICP  
Zacks & Freedman, P.C.  
235 Montgomery Street, Suite 400

7

San Francisco, CA 94104  
Telephone: (415) 956-8100  
Facsimile: (415) 288-9755  
Email: [mprofant@zulpc.com](mailto:mprofant@zulpc.com)  
[www.zulpc.com](http://www.zulpc.com)

---

**From:** Ausberry, Andrea [<mailto:andrea.ausberry@sfgov.org>]  
**Sent:** Tuesday, March 03, 2015 2:57 PM  
**To:** Michael Profant; Board of Supervisors (BOS)  
**Cc:** Ryan Patterson  
**Subject:** RE: Written comments on File No. 150087 for today's Board hearing

Hello Mr. Profant,

FYI.  
The following email sent, was not accompanied by an attachment.

*Sincerely,*

*Andrea S. Ausberry*  
Assistant Clerk  
Land Use and Economic Development Committee  
San Francisco Board of Supervisors  
Office 415.554.4442  
Website | <http://www.sfbos.org/>  
Follow Us! | [Twitter](#)

 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.*

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**From:** Michael Profant [<mailto:mprofant@zulpc.com>]  
**Sent:** Tuesday, March 03, 2015 2:21 PM  
**To:** Board of Supervisors (BOS)  
**Cc:** Ausberry, Andrea; Ryan Patterson  
**Subject:** Written comments on File No. 150087 for today's Board hearing

Dear Ms. Calvillo:

Attached are our comments on File No. 150087 in relation to the Board of Supervisors hearing today. Please confirm that the attached packet will be included in the administrative record. Thanks very much.

Sincerely,

Michael E. Profant, Esq., AICP  
Zacks & Freedman, P.C.  
235 Montgomery Street, Suite 400  
San Francisco, CA 94104  
Telephone: (415) 956-8100  
Facsimile: (415) 288-9755  
Email: [mprofant@zulpc.com](mailto:mprofant@zulpc.com)  
[www.zulpc.com](http://www.zulpc.com)

# ZACKS & FREEDMAN

A PROFESSIONAL CORPORATION

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2015 MAR -3 PM 2:35

*Bas Luclerk,  
COB, CPages*

235 Montgomery Street, Suite 400  
San Francisco, California 94104  
Telephone (415) 956-8100  
Facsimile (415) 288-9755  
[www.zulpc.com](http://www.zulpc.com)

March 3, 2015

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

Re: File No. 150087 – Amended Interim Zoning Controls

Dear President Breed and Members of the Board of Supervisors:

This office represents 1049 Market Street, LLC and 1067 Market Street, LLC (“property owners”). File No. 150087 (the “Controls”) targets these clients and their properties, 1049 Market Street and 1067 Market Street, San Francisco, CA (the “properties”). The Controls are designed to deny the property owners any economically viable use of space that cannot legally be put to residential use – space which could otherwise be put to productive use as offices for businesses or nonprofit organizations displaced from elsewhere in SOMA.

The Controls are intended to target the property owners and their properties, but the Controls cannot rightly be applied to them. The Zoning Administrator’s February 2, 2015 Release of Suspension Request makes it clear that the properties’ commercial use has not been abandoned. Moreover, commercial use is ongoing at the properties, including but not limited to live/work use. Therefore, there is no “re-establishment of any commercial use that has been converted to residential use” that could be subject to the Controls. Additionally, the properties’ permits were finally issued well before the Controls were proposed. The property owners have relied on the permits and on the City’s representations, and they have a vested right to complete work under the permits. Importantly, 60-day Notices to Quit the premises based thereon were served. Retroactively invalidating an underlying permit at this point could expose the property owners to substantial liability for pursuing evictions based on permits that were invalidated after the fact.

Particularly troubling is the Land Use Committee’s decision to introduce substantive changes to the Controls on March 2, 2015 – including adding the language “Any permit, subject to the posted notice and 15-day hold requirements above” – after the close of public comment and without advanced notice. The hearing on the Controls has now been scheduled for a vote by the full Board without opportunity for public comment on these last-minute amendments, which change the Controls’ scope. This constitutes a violation of due process rights, the Brown Act, and the Sunshine Ordinance. Notwithstanding our objection to this violation, the March 2 amendments make it clear that the requirement for Conditional Use authorization does not apply to the property owners’ permits because those permits have already been finally issued – and therefore are not subject to the Controls’ 15-day notice requirement.

We oppose the Controls and submit these comments in advance of the Board's consideration thereof.

1. The Controls are substantially different from Resolution No. 428-13.
  - a. The Controls state: "This Resolution imposes a new 12-month period for these amended interim controls, which were enacted by Resolution No. 428-13 and expired on December 13, 2014." This is false. For example, the following text has been substantially altered: "FURTHER RESOLVED, That during the pendency of these interim controls in the geographic area covered by these controls, any commercial use that has been converted in whole or in part to residential use without benefit of a permit shall be deemed abandoned. Any permit, subject to the posted notice and 15-day hold requirements above, to re-establish any commercial use shall not be issued or reinstated, or, if already issued, shall not remain effective, unless the project sponsor obtains a Conditional Use authorization under Planning Code Section 303, in addition to all requirements of the Planning Code applicable to the establishment of any such use."
  - b. The differences between the Controls and Resolution No. 428-13 render the Controls a new set of interim zoning controls.
  - c. To the extent the Controls constitute a reenactment or extension of Resolution No. 428-13, no study was completed and no permanent controls were imposed pursuant to Resolution No. 428-13. This and other noncompliance with Government Code sec. 65858 demonstrates bad faith.
2. The Controls do not advance a legitimate state interest.
  - a. The purpose of the Controls is to target and punish the property owners for their unpopular but lawful attempt to evict tenants for illegal and unsafe residential use of the properties.
  - b. The Controls acknowledge the need for an exemption for life-safety work, but the Controls only grant such an exemption from the 15-day notice requirement – and *not* the Conditional Use requirement, which is far more time-consuming, burdensome, dilatory, and political.
  - c. The Controls attempt to force the property owners to maintain a life-safety hazard despite the Department of Building Inspection's issuance of Notices of Violation to cure that unlawful and hazardous condition.
3. The Controls' applicability is unconstitutionally vague.
  - a. It is unclear whether a finally issued permit would remain in effect during an application for Conditional Use authorization under the Controls' provision that such a permit "shall not remain effective, unless the project sponsor obtains a Conditional Use authorization under Planning Code Section 303."
4. The Controls and their environmental determination violate the California Environmental Quality Act ("CEQA").
  - a. The Controls conflict with the General Plan.
    - i. Pursuant to the General Plan, office use is principally permitted within the area covered by the Controls. *See* General Plan, Downtown Land Use and Density Plan, Map 1. The Controls seek to change a principally permitted use

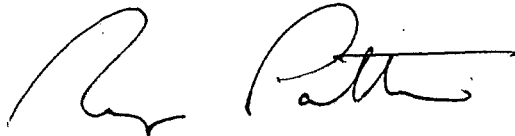
- to a conditional use and to compel residential use there without consideration of the density of residential uses, floor-area ratio, or any other consideration of environmental impacts or planning.
- b. The Controls are a Project under CEQA.
    - i. The Controls change zoning classifications and the permissible uses of land.
    - ii. The Controls seek to prioritize and/or mandate residential uses rather than commercial. Residential uses impose different and generally higher burdens on public services, which have not been evaluated. For example, a commercial building has little need for Fire, Police, and other safety services because it will generally be empty at night. A residential building has greater need for those services because it will be occupied at night by normal residential activities, such as cooking. Residential uses also have different impacts on traffic, parking, and public transit. All of these likely environmental impacts must be evaluated pursuant to CEQA.
  - c. The Controls, as amended on February 23, 2015, are altered so substantially from their original form – dramatically expanding their scope – that they constitute a new proposal. The environmental review process should be restarted and should not rely on the February 17, 2015 “no-project” determination.
5. The Controls conflict with the San Francisco Building Code (“SFBC”).
    - a. SFBC Section 109A requires the issuance of a Certificate of Final Completion and Occupancy (“CFCO”) prior to any residential use, but the Controls (under the auspices of the Planning Code) seek to compel residential use without the prior issuance of a CFCO.
    - b. The City’s processes and procedures for amending the SFBC have not been followed.
  6. The Controls are preempted by the California Building Code.
    - a. California Building Code Section 3408 explicitly authorizes the change of use from a more hazardous classification (e.g., residential) to a less hazardous classification (e.g., commercial).
    - b. California Historical Building Code Section 8-302 explicitly authorizes the return of a historical building to its historical use – in this case, office use.
    - c. The City has not followed the substantive or procedural requirements for deviation from the California Building Code.
    - d. The properties cannot economically be brought into compliance with the California Building Code for residential use. Compelling residential use despite the properties’ noncompliance with state law is impermissible under principles of state law preemption.
  7. The controls constitute unjust interference with the Department of Building Inspection’s and Planning Department’s Charter obligations to enforce the City Codes.
  8. If applied to the property owners’ properties, the Controls would violate their right to due process of law.
    - a. The Controls are an attempt to interfere with the Board of Appeals’ quasi-judicial proceedings in Appeal No. 15-022.
    - b. The Controls are irrational and are intended to target the property owners.

9. If applied to the properties, the Controls would effect a regulatory taking of private property without compensation.
  - a. The property owners cannot charge rent for illegal residential use, and the Controls seek to prevent any other use.
  - b. The properties' illegal residential use cannot be legalized. The cost of the work necessary to meet Building Code requirements for residential use would be greater than the value of the property and would destroy large portions of the property. That work would also necessitate temporary and permanent evictions, which the City seeks to prevent with the Controls.
  
10. Supervisor Jane Kim has demonstrated a bias against the property owners and should recuse herself from any participation in or involvement with the Controls.
  - a. This bias is demonstrated, *inter alia*, by Supervisor Kim's advocacy for the properties' residential occupants and pushing of the Department of Building Inspection to take actions adverse to the property owners, designed to freeze their use of the properties and deny them any economic value therefrom.
  
11. The Controls seek to unreasonably burden or prevent landowners from going out of the residential rental business, in violation of the state's Ellis Act.

We respectfully request that the Board of Supervisors reject the proposed Controls. If the Controls are enacted, we are prepared to file suit to enforce the property owners' rights.

Very truly yours,

ZACKS & FREEDMAN, P.C.



---

Ryan J. Patterson



1 RYAN J. PATTERSON (SBN 277971)  
2 ZACKS & FREEDMAN, P.C.  
3 235 Montgomery Street, Suite 400  
4 San Francisco, CA 94104  
5 Tel: (415) 956-8100  
6 Fax: (415) 288-9755  
7  
8 Attorneys for 1049 Market Street, LLC  
9 and 1067 Market Street, LLC  
10

11  
12  
13 **SAN FRANCISCO BOARD OF SUPERVISORS**  
14

15 **DECLARATION OF MARIO BALLARD**

16 File No.: 150087  
17 Re: Interim Zoning Controls  
18

19 I, Mario Ballard, declare as follows:

20 1. I make this declaration based on facts personally known to me, except as to  
21 those facts stated on information and belief, which facts I believe to be true.

22 2. I am a retired San Francisco Fire Captain, former Chief of the San Francisco  
23 Fire Department's Plan Check operations, and former Captain, Bureau of Fire Prevention &  
24 Public Safety. I currently consult on fire-related issues.

25 3. Buildings designed for commercial occupancy often lack life-safety features that  
26 are required for residential occupancy. This mismatch creates a substantial risk of harm to  
27 residential occupants of commercial buildings that do not meet Building Code or Fire Code  
28 requirements for residential occupancy.

1 I am familiar with the building located at 1049 Market Street and 1067 Market  
2 Street, San Francisco, CA (the "Buildings"), which were constructed and permitted for  
3 commercial occupancy. I am informed and believe that the Buildings do not meet code

ZACKS & FREEDMAN, P.C.  
235 MONTGOMERY STREET, SUITE 400  
SAN FRANCISCO, CALIFORNIA 94104

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requirements for residential occupancy because they lack required glazing in sleeping areas required for rescue windows up to and including the third floors.

5. I am informed and believe that Board of Supervisors File No. 150087 (the "Resolution") seeks to delay or prevent the abatement of extant unpermitted residential use of the Buildings, which would perpetuate a serious life-safety risk, not only to those occupying the building but also to fire personnel responding to an incident expecting certain life-safety features to be in place.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this was executed on March 3, 2015.

ZACKS & FREEDMAN, P.C.  
235 MONTGOMERY STREET, SUITE 400  
SAN FRANCISCO, CALIFORNIA 94104

DocuSigned by:  
*Mario Ballard*  
263BD3AF44714B0...  
Mario Ballard

**MARIO BALLARD & Associates**  
1335 Sixth Avenue, San Francisco, California 94122  
(415) 640-4283  
marioballardsf@aol.com

**Mario Ballard, Principal**

---

**CAREER SUMMARY**

Principal, Mario Ballard and Associates	5/1/2007-Present
Principal, Zari Consulting Group	1/1/2013-Present
Captain, Bureau of Fire Prevention, Plan Review Division	2001- 4/21/2007
Lieutenant, Bureau of Fire Prevention, Plan Check Division	1994 - 2001
Inspector, San Francisco Fire Department	1991 - 1994
Firefighter, San Francisco Fire Department	1974 - 1991
Linebarger Plumbing and Construction, SF CA	1974 - 1980
Servadei Plumbing Company, SF CA	1974
United States Army, Army Security Agency	1972 - 1974

**LICENSES**

ICC; International Code Conference Certified Building Plans Examiner

**CERTIFICATIONS**

ICC Advanced Occupancy  
ICC Advanced Schematic Design  
ICC Building Areas and Fire Design  
ICC Advanced Types of Construction  
ICC Advanced Means of Egress  
CFCA Certificate of Training of Locally Adopted Ordinances and Resolutions  
IFC Institute Certificate Application of the UBC for Fire Code Enforcement  
ICBO Certificate on Course Completion on Fundamentals of Exiting  
ICBO Certificate on Course Completion Complex Exiting  
ICBO Certificate on Course Completion Building Use and Construction Type  
ICBO Certificate on Course Completion Fire Protection, Building Size and Location  
ICBO Course Overview of the Uniform Building Code  
California Fire Chief's Association Fire Prevention Officers' Section Fire Alarm Levels I & II  
Fire Sprinkler Advisory Board of Northern California & Sprinkler Fitter Local 483 Fire Sprinkler Seminar  
National Fire Sprinkler Association, Inc., Hydraulics for Sprinklers  
EDI Code International, Innovative Code Enforcement Techniques  
Certification State of California Title 19/Title 24

## EDUCATION

Fire Strategy & Tactics 1981-1993  
Fire Service Supervision  
Fire Prevention 1A, 1B, 1C  
Fire Prevention 2A, 2B  
Fire Prevention Officer Level One  
Firefighter Level One and Two  
Arson 1A, 1B  
Hazardous Materials 1A, 1B  
Instructor 1A  
Fire Management 1A

City College of San Francisco 1970-1972

## COMMITTEE INVOLVEMENT

Building Code Advisory Committee  
Hunters Point Development Team  
Mission Bay Task Force  
Treasure Island Development Team  
Trans-Bay Transit Center  
Muni Metro, Light Rail Third Street Corridor  
Department of Building Inspection MIS Case Development  
San Francisco Board of Examiners Fire Department Representative  
Member California Fire Chief's Association Fire Prevention Officers  
BOMA Code Advisory Committee  
Mayor's Office of Economic Development Bio-Teck Task Force  
Hunters Point Redevelopment Task Force  
Building Code Standards Committee 1996-1999  
Participant in the Eighth Annual California Fire Prevention-Institute Workshop,  
*"Providing the Optimum in Fire and Life Safety Training"*  
Participant North/South California Fire Prevention Officers Workshops 1996 - 1998  
Guest Speaker at SMACNA (Sheet Metal and Air Conditioning Contractors National Association)

## PUBLIC SERVICE

Rooms That Rock For Chemo (RTR4C), Director Secretary 2011-Present  
San Francisco Spina Bifida Association, (Past) Vice President

**To:** BOS-Supervisors  
**Subject:** File 141216 FW: Ethics Commission recommendation re: ordinance changing permit consultant reporting requirements (File No. 141216)  
**Attachments:** EC Rec to BOS re Permit Cons.pdf; ATT00001.htm

Begin forwarded message:

**From:** "Mainardi, Jesse (ETH)" <jesse.mainardi@sfgov.org>  
**Date:** January 2, 2015 at 9:35:51 AM PST  
**To:** "Breed, London (BOS)" <london.breed@sfgov.org>, "Tang, Katy (BOS)" <katy.tang@sfgov.org>  
**Cc:** "Major, Erica" <erica.major@sfgov.org>, "Avalos, John (BOS)" <john.avalos@sfgov.org>, "Campos, David (BOS)" <david.campos@sfgov.org>, "Cohen, Malia (BOS)" <malia.cohen@sfgov.org>, "Farrell, Mark (BOS)" <mark.farrell@sfgov.org>, "Kim, Jane (BOS)" <jane.kim@sfgov.org>, "Mar, Eric (BOS)" <eric.mar@sfgov.org>, "Wiener, Scott" <scott.wiener@sfgov.org>, "Yee, Norman (BOS)" <norman.yee@sfgov.org>, "Calvillo, Angela (BOS)" <angela.calvillo@sfgov.org>, "St.Croix, John" <john.st.croix@sfgov.org>  
**Subject:** Ethics Commission recommendation re: ordinance changing permit consultant reporting requirements (File No. 141216)

Please see the attached letter concerning the Ethics Commission's resolution regarding proposed legislation changing permit consultant reporting requirements effective January 1, 2015 (File No. 141216).

Thank you.

Jesse Mainardi  
Deputy Executive Director  
San Francisco Ethics Commission  
25 Van Ness Avenue, Suite 220  
San Francisco, CA 94102  
Phone: (415) 252-3100  
Fax: (415) 252-3112  
[jesse.mainardi@sfgov.org](mailto:jesse.mainardi@sfgov.org)

PLEASE NOTE THAT NOTHING IN THIS EMAIL IS INTENDED TO CONSTITUTE A WRITTEN FORMAL OPINION OF THE SAN FRANCISCO ETHICS COMMISSION AND THE RECIPIENT MAY NOT RELY ON THIS EMAIL AS A DEFENSE IN ANY ENFORCEMENT PROCEEDING.





# ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

VIA EMAIL ONLY

BENEDICT Y. HUR  
CHAIRPERSON

PAUL A. RENNE  
VICE-CHAIRPERSON

BRETT ANDREWS  
COMMISSIONER

BEVERLY HAYON  
COMMISSIONER

PETER KEANE  
COMMISSIONER

JOHN ST. CROIX  
EXECUTIVE DIRECTOR

January 2, 2015

Chairperson London Breed  
Supervisor Katy Tang  
Board Government Audit and Oversight  
San Francisco City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Re: Ordinance changing permit consultant reporting requirements (File No. 141216)

Dear Chair Breed and Supervisor Tang,

I am writing to inform you of the Ethics Commission's resolution on December 16, 2014 regarding proposed legislation changing permit consultant reporting requirements effective January 1, 2015 (File No. 141216).

The Commission resolved to recommend to the Board of Supervisors that the proposed legislation require permit consultants to disclose compensation from clients only after that compensation meets a certain monetary threshold.

The Commission defers to the Board to determine the appropriate monetary threshold.

Sincerely,

*John St. Croix* <sup>by hand</sup>

John St. Croix  
Executive Director

cc: Supervisor John Avalos  
Supervisor David Campos  
Supervisor Malia Cohen  
Supervisor Mark Farrell  
Supervisor Jane Kim  
Supervisor Eric Mar  
Supervisor Scott Wiener  
Supervisor Norman Yee  
Angela Calvillo  
Erica Major

---

**From:** Chan, Connie (REC)  
**Sent:** Thursday, March 05, 2015 10:20 AM  
**To:** Chan, Connie (REC)  
**Subject:** PRESS RELEASE: SF Rec and Park Says "Unplug, Get Out and Play!"

FOR IMMEDIATE RELEASE

March 5<sup>th</sup>, 2015

Contact:

Connie Chan, SF Rec and Park

415-895-0689, [connie.chan@sfgov.org](mailto:connie.chan@sfgov.org)

**SF Rec and Park Says "Unplug, Get Out and Play!"**  
*SF Rec and Park joins Reboot's National Day of Unplugging*

SAN FRANCISCO – The San Francisco Recreation and Park Department in partnership with Reboot, will host the National Day of Unplugging (NDU) on March 7<sup>th</sup>, 2015 with unplugged activities throughout the day. The San Francisco Unified School District (SFUSD) and the SF Department of Children, Youth and Their Families (DCYF) will also join the partnership, urging parents to unplug with their kids for the day.

Last year, [Mashable](#), an online news and information source for the "Connected Generation", cited the Nielsen cross-platform report, which notes that Americans spent an average of 11 hours a day with electronic media. As smartphones invade people's daily activities, parents are increasingly less present and available for their children. In a study released in 2014, researchers at Boston Medical Center observed 55 groups of parents and young children eating at restaurants and found that 72 percent of caregivers pulled out a mobile device right away and mostly ignored the children.

"We are proud to be a sponsor of Reboot's National Day of Unplugging because it doesn't get better than reconnecting with our friends and families and playing together," said **Phil Ginsburg**, SF Rec and Park General Manager. "Let's Unplug, Get Out and Play!"

Reboot's National Day of Unplugging is once a year but it is designed to remind the public of the importance of unplugging regularly at times throughout the year to refocus our attention on the world around us and reconnect with family, friends and ourselves. NDU is a 24 hour period – running from sundown to sundown – and starts on the first Friday in March. This year it will be celebrated from sundown March 6<sup>th</sup> to sundown March 7<sup>th</sup>, 2015.

"Partnering with SF Rec and Park, the school district and the SF Department of Children, Youth and Their Families helps us to reach parents and others with an important message to spend more face-to-face time focused on each other and the community around them," said **Tanya Schevitz**, who leads the National Day of Unplugging campaign in the Bay Area. "It is great to have the resource of the SF Rec and Park Department with all of its fun and engaging activities offered to families and individuals throughout the day!"

SFUSD is the seventh largest school district in California, educating over 57,000 students every year. While its mission to ensure each student academic excellence, it also has long term partnership with SF Rec Park to promote healthy recreation for physical and mental health fitness so that each student can achieve his or her maximum potential.

"Promoting healthy habits with our children and families goes hand in hand with promoting academic success," said SFUSD Superintendent **Richard Carranza**. "Our wonderful city is full of great hands-on unplugged learning opportunities and places to play."

DCYF creates and facilitates innovative citywide policies and projects in support of children, youth and families. As a result, SF Rec and Park and DCYF have been long-time partners in serving the children, youth and families in San Francisco, providing support to their health and wellness through many recreation programming and parks projects.

“Being mindful of screen time for children and youth, and getting away from screen time altogether, is a great practice for families,” said **Maria Su**, Executive Director of DCYF. “We are in full support of National Day of Unplugging, and we hope many families across the City and the country will participate.”

Visit <http://www.nationaldayofunplugging.com/> and <http://sfrecpark.org/> for more information about specific activities and to get inspired for the 2015 NDU.

The National Day of Unplugging is a project of the nonprofit Reboot. Reboot affirms the value of Jewish traditions and creates new ways for people to make them their own. Inspired by Jewish ritual and embracing the arts, humor, food, philosophy, and social justice, Reboot produces creative projects that spark the interest of young Jews and the larger community.

Get out and play with SF Rec and Park for fun unplugging activities throughout the day, and get geared up at Sports Basement with 10 percent off if people mention the National Day of Unplugging.

"The National Day of Unplugging is an important reminder to be active and reconnect with those around us. We are a community center, a hangout, a hub. Our stores are like a second home to local athletes and groups who use our space daily for club meetings, to host potlucks, to start a workout from our front doors, or to pick up some tips at a speaker series event," **Kayla Griffin**, Assistant Marketing Coordinator. "Our employees are local coaches, instructors, outdoor enthusiasts, teachers, students. We are all active in the community and in our sports and activities. We know most people are inside the store so they can get outside the store. We know because we're out on the trails, in the Bay and on the roads with them! So unplug and join us for all the unplugged activities and our free community events that we always offer!"

###

**Connie Chan**

Deputy Director of Public Affairs

San Francisco Recreation and Park Department | City & County of San Francisco  
McLaren Lodge in Golden Gate Park | 501 Stanyan Street | San Francisco, CA | 94117

(415) 831.2796



Visit us at [sfrecpark.org](http://sfrecpark.org)  
Like us on [Facebook](#)  
Follow us on [Twitter](#)  
Watch us on [sfRecParkTV](#)  
Sign up for our [e-News](#)



**From:** SFPD, Commission (POL)  
**Sent:** Thursday, March 05, 2015 3:43 PM  
**To:** Board of Supervisors (BOS)  
**Cc:** Suhr, Greg (POL); Tomioka, Lyn (POL); Ferrigno, Sharon (POL); Mannix, Ann (POL); Moser, Bob (POL); Orkes, Charlie (POL); denise.schmitt@flysfso.org; Tom, Garret (POL); Sainez, Hector (POL); Redmond, Michael (POL); Ali, Mikail (POL); Pedrini, Christopher (POL); Lazar, David (POL); Dominic Celaya (AIR); Vintero, Eric (POL); McEachern, Greg (POL); Yee, Greg (POL); Miller875, James (POL); Cherniss, Jason (POL); Fox, Jason (POL); john.feeney@flysfso.org; DeFilippo, Jerome (POL); McFadden, Joseph (POL); Lee, Kenwade (POL); Mahoney, Mark; Osuna, Mark (POL); Connolly, Michael (POL); Vaswani, Raj (POL); O'Sullivan, Robert (POL); Silverman, Simon (POL); Gracie, Teresa (POL); Falvey, Timothy (POL); Oberzeir, Tim (POL); apivictor@gmail.com; drj@street-soldiers.org; Jturman@ReedSmith.com; pdejesus@kazanlaw.com; Sonia Melara (communique@sbcglobal.net); suzyloftus@hotmail.com; tmazzucco@mpbf.com  
**Subject:** Letter re: District Station Boundary Analysis  
**Attachments:** BOS letter re redistricting.pdf; summary district boundary.pdf; citywide proposed map.pdf

Honorable Supervisors,

Please see attached letter from the Police Commission regarding the District Station Boundary Analysis. Also attached is the summary report and the citywide map of proposed and current district lines.

Thank you,  
Risa

San Francisco Police Commission  
850 Bryant Street, Room 505  
San Francisco, CA 94013  
(415) 553-1667

10



# The Police Commission

CITY AND COUNTY OF SAN FRANCISCO

March 5, 2015

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

Honorable Members of the Board of Supervisors:

SUZY LOFTUS  
President

L. JULIUS M. TURMAN  
Vice President

DR. JOE MARSHALL  
Commissioner

PETRA DeJESUS  
Commissioner

THOMAS MAZZUCCO  
Commissioner

VICTOR HWANG  
Commissioner

SONIA MELARA  
Commissioner

Inspector John Monroe  
Secretary

We are pleased to share with you the process the Commission is undertaking to seek public comment and feedback on the San Francisco Police Department's effort to realign police district boundaries. As you know, the San Francisco Police Department (SFPD) and the Controller's Office (Controller) began a process in April of 2014 to conduct a data-driven assessment to consider realigning police district boundaries. The primary drivers for this process were both the Board of Supervisor's legislation that mandates a police district boundary analysis every ten years and the fact that the City is building a new Southern Police Station which requires the City to create new district boundary lines for Southern Station. The company selected by the Controller to conduct the analysis and lead the project is Public Safety Strategies Group, LLC. They managed the process, analyzed the data, conducted interviews, created maps and facilitated a process that resulted in one map being proposed.

The proposed map was presented to the Police Commission on December 10, 2014. After receiving that map, the Police Commission has engaged in an ongoing process to seek public input and comment on the proposed changes through a series of special community meetings and outreach to solicit feedback.

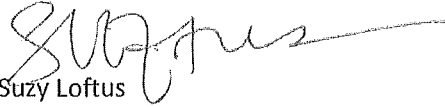
The Police Commission has conducted community meetings on redistricting with community members. In addition, we have received written requests in support of the proposed map and others asking for us to reconsider certain lines. In order to ensure that everyone is heard and all views are considered, the Police Commission will proceed as follows in completing this process:

- March 11th Police Commission Meeting: At our regularly scheduled Police Commission meeting, the Commission will discuss the public comments that were provided over the prior 90 days. The Commission will have the opportunity to request additional data analysis from the consultants.
- April 8th Police Commission Meeting: At our regularly scheduled Police Commission meeting, the Commission will receive a presentation from the consultants providing the additional analysis requested by the Commission. At this meeting, the Commission will discuss the requested changes, the additional data and possibly request an additional map(s) for final consideration by the Commission.
- April 15th Police Commission Meeting: At our regularly scheduled Police Commission meeting, the Commission will receive any revised maps and vote on adopting the final map.
- June/July 2015: In consultation with DEM, the Department estimates that the new district station boundary lines will be implemented 30-45 days after the Police Commission's approval.

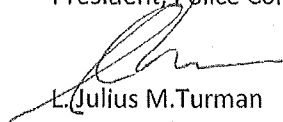
Board of Supervisors  
March 5, 2015  
Page 2

On behalf of the entire Commission, we appreciate the Board's ongoing support for the Police Department and welcome your input on these proposed changes. Please do not hesitate to call with any questions as we move forward in this important process.

Sincerely,



Suzy Loftus  
President, Police Commission



L. Julius M. Turman  
Vice President, Police Commission

cc: Chief Suhr  
Command Staff  
All Captains  
Police Commission

---

**From:** Reports, Controller (CON)  
**Sent:** Tuesday, March 03, 2015 12:13 PM  
**To:** Calvillo, Angela (BOS); Gosiengfiao, Rachel (BOS); BOS-Legislative Aides; BOS-Supervisors; Kawa, Steve (MYR); Leung, Sally (MYR); Howard, Kate (MYR); Seip, Emily (MYR); Falvey, Christine (MYR); Tsang, Francis; Elliott, Jason (MYR); Steeves, Asja (CON);  
sfdocs@sfpl.info; gmetcalf@spur.org; bob@sfchamber.com;  
jballesteros@sanfrancisco.travel; CON-EVERYONE  
**Subject:** Issued: San Francisco Police Department District Station Boundary Analysis Report

The Controller's Office and the San Francisco Police Department (SFPD) are pleased to release a report on the analysis of San Francisco's police district station boundaries. Public Safety Strategies Group (PSSG), an external consultant with technical expertise in policing strategies, facilitated the analysis and developed this report.

This analysis used a data-driven approach to evaluate district boundary lines based on a variety of variables, such as calls for service and incidents between districts, neighborhood boundaries, population, housing expansion, and operational considerations. PSSG utilized this data to facilitate a series of meetings with SFPD personnel and command staff, resulting in a proposal of new district station boundaries for seven of the ten police districts.

This proposal was presented to the Police Commission on December 10, 2014, and is currently under review and open to public comment. The report provides supplementary information about the redistricting proposal and does not reflect any final decisions.

To view the full report, please visit our website at: <http://openbook.sfgov.org/webreports/details3.aspx?id=1891>

For questions about the report, please contact Randle McClure, Faran Sikandar, or Lieutenant Peter Walsh.

Randle McClure  
[rande.mcclure@sfgov.org](mailto:rande.mcclure@sfgov.org)  
415-554-5344

Faran Sikandar  
[faran.sikandar@sfgov.org](mailto:faran.sikandar@sfgov.org)  
415-554-7529

Lieutenant Peter Walsh  
[peter.walsh@sfgov.org](mailto:peter.walsh@sfgov.org)  
415-553-1122

Follow us on Twitter @SFController

# District Station Boundary Analysis Report



**March 3, 2015**

***Submitted to:***  
**City and County of San Francisco - Controller's Office**

***Submitted by:***  
**Public Safety Strategies Group LLC**

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## A. Executive Summary

The San Francisco Police Department (SFPD) and Controller's Office (Controller) issued a Request for Proposals in 2013 to analyze the police district boundary lines. The drivers for the project included:

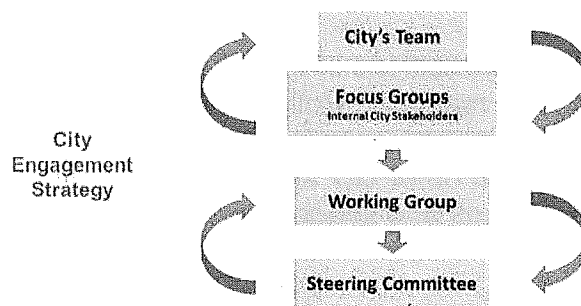
- The City began the construction of a new Southern District Police Station that will open in 2015, placing the station in the footprint of the current Bayview District.
- Anticipated population and commercial growth throughout the City.
- Imbalanced SFPD workload between the police districts.
- Board of Supervisors (BOS) legislation requires a district station boundary analysis study every 10 years.

The project began in April 2014 and culminated in the selection of the proposed district boundary maps in November 2014.

The project used a data driven approach to evaluate district boundary line changes based on calls for service (CAD) and incidents (CABLE) between districts, neighborhood lines, supervisorial lines, operational considerations, and response times that could be achieved in the short-term, given facility and information technology constraints.

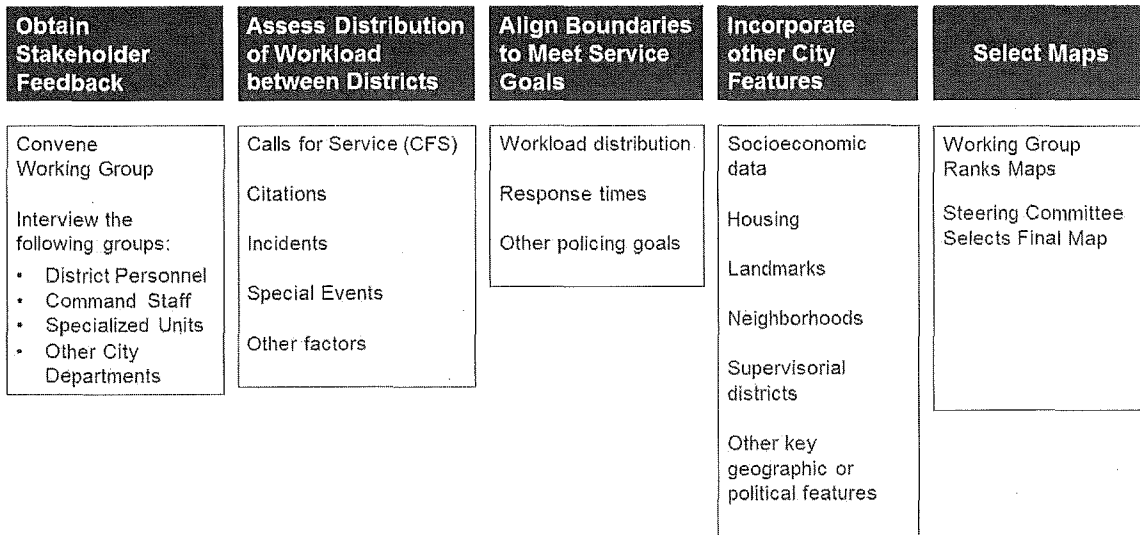
The process included interviews with SFPD personnel by PSSG personnel, and review of SFPD data, demographic, socioeconomic, transportation, and community infrastructure data by command staff members and representative district captains acting as a Working Group. The Working Group presented maps to a Steering Committee that consisted of the Controller, Police Chief, and a Deputy Director from the Department of Emergency Management. The figure below shows the key elements of the process.

The project used a multi-tiered structure to ensure the engagement of city stakeholders as shown below.



In addition, the project operated using a systematic analysis process depicted in the graphic below.

### Analysis Process Overview



The map selection process entailed PSSG creating 30 maps based on suggested line changes from the interviews with SFPD personnel. The Working Group evaluated the maps based on key data, including calls for service, incidents, population, housing expansion, area covered by each districts along with the key infrastructure located in the districts such as schools, alcohol outlets, senior centers, health care facilities, public housing, Single Resident Occupancy hotels (SRO's), and senior centers. In addition, the Working Group discussed and considered such variables as collision locations, gang locations, response times, and other variables that impact police response. After considering all information, the Working Group selected four proposed maps to the Steering Committee and the Chief selected the final map to present to the Police Commission.

The final proposed district boundary line changes include the following.

- Sets the southern border for the new Southern Station at 16th Street.
- Expands the Tenderloin District to extend south of Market Street.
- Expands the Central District to include Justin Herman Plaza and the area just south of Union Square, which is the location of many of the major retailers in the area.
- Expands the Northern District to include housing in the Western Addition, just west of the Northern Station, by moving the border west from Steiner Street to Divisadero Street at its northern point on Broadway Street to its new southern point on Market Street.
- Expands the Richmond District's southern boundary at Masonic Avenue along Fulton Street and Geary Street to the eastern border of Divisadero Street.
- Decreases the footprint of the Park District, by eliminating the section of the current district between Masonic Avenue - along Geary Street and Fulton Street - to Divisadero Street.

These changes, presented to the Police Commission on December 10, 2014 by PSSG and the SFPD will be evaluated by the Police Commission and open for a 90-day public comment period prior to the adoption of the line changes.

The map below shows the proposed district boundary line changes as compared to the current district boundary lines. The station locations are depicted with black stars, with the exception of the new Southern Station, which is shown with a star outlined in purple, and the current Southern Station is shown with a gray star.

### Proposed and Current District Station Boundary Lines



The next section of the report, the Project Overview, describes the project drivers, project objectives, project inputs, and project organization.

## B. Project Overview

This section of the report provides an overview of the project, the project drivers, project objectives, project inputs, project organization, stakeholder engagement, and the overall analysis methodology.

In October 2013, the City Services Auditor of the San Francisco Controller's Office (Controller) in collaboration with the San Francisco Police Department (SFPD) issued a Request for Proposal for a consulting firm to provide interactive maps, data analysis, and a data-driven assessment to develop restructuring options for the SFPD to consider for realigning its police district boundaries. In December 2013, the Controller's Office selected the Public Safety Strategies Group (PSSG) to conduct the study.

The project's primary goal directed PSSG to establish redistricting objectives and criteria in consultation with key City stakeholders, in order to drive data collection and analysis. PSSG provided the project Steering Committee, which consisted of the executive project sponsors - the Chief of Police (Chief) and the City Controller, along with the Director of the Department of Emergency Management, Division of Emergency Communications - preferred recommendations for district boundary line changes based on the data-driven assessment and key city stakeholder input.

PSSG received input from a variety of city stakeholders, then created maps and corresponding data for review by the Working Group (comprised of SFPD command staff, captains, SFPD IT and Department of Emergency Management (DEM)). The Working Group considered each map and then requested modifications before selecting four maps to provide to the Steering Committee (later described in the Project Organization section) review and discussion. After the Steering Committee's meeting, the Chief reviewed the suggested maps and then requested revisions to create the final map for recommendation to the Police Commission.

### Project Drivers

The SFPD completed a redistricting project in 2007 to comply with Board of Supervisors (BOS) legislation<sup>1</sup>, which requires a district station boundary study to take place every ten years. The current study, while following the methodology prescribed in the legislation, addressed other significant factors, as listed below.

- The City of San Francisco (City) is in the process of building a new Southern Police Station and police headquarters in the footprint of the Bayview Police District. The Southern Station will move from the current location on Bryant Street to 1251 3rd Street in early 2015, which requires the City to create new district boundary lines for the Southern Station.

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<sup>1</sup> The San Francisco Board of Supervisors enacted legislation in 2006 that mandated a police district boundary analysis occur every ten years (Added by Ord. 243-6, File No. 060795, App. 10/4/2006). A copy of the legislation appears as Attachment A.

- The City predicts a significant amount of residential, commercial, and transportation developments that will impact the eastern and southern areas in the City.
- The number of calls for service and incidents currently varies across police districts and sectors creating an imbalanced workload within the patrol division.

Given that the SFPD completed this study within the ten year time period mandated in the legislation, it will not have to conduct another study until 2024.

## Project Objectives

The objective of this study was to develop data-driven, boundary restructuring options to realign boundaries to achieve the following:

- Consider workload parity across the districts (e.g., the number of calls for service)
- Preserve neighborhoods and constructed and natural boundaries
- Adjust for district specific operational considerations
- Minimize response time, if possible
- Consider alignment with political boundaries
- Allow for short-term implementation given facility and information technology (IT) constraints

## Project Inputs

The success of this project required significant input from several city agencies along with various units within the police department, including:

- The SFPD, which provided raw data on department staffing, calls for service, response times, incident types, along with unique district operational considerations
- The SFPD personnel, who provided suggestions for single line changes<sup>2</sup> based on operational concerns that PSSG then used to create mapping options
- The Department of Emergency Management, which provided guidance regarding district maps, sectors, plot configurations, and technical concerns for dispatch implementation
- The San Francisco Planning Department (SF Planning), which provided information related to future developments and changes planned to city infrastructure, housing, and commercial developments
- The Department of Public Works, which provided information on potential options for increasing staffing capacity at some stations
- The Controller's Office, which provided project oversight and general coordination services

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<sup>2</sup> Streets in the City serve as boundaries between one police district and another. Line changes refer to street locations other than the current street locations to which City stakeholders suggested moving the district boundary lines.

PSSG's role was to gather, organize, and synthesize this information and create maps and data charts to facilitate conversations within the Working Group as they evaluated district boundary line changes and selected options for consideration by the Steering Committee.

## Project Organization

The project used a multi-tiered structure to manage the project and include city stakeholder engagement.

### *City's Team*

- The City's Team consisted of a project manager and analyst from the Controller's Office and a captain from the SFPD.
- The role of the City's Team was to provide management and administration services for the project.

### *Focus Groups*

- One Focus Group consisted of internal SFPD stakeholders and a second consisted of stakeholders from other city departments.
- The roles of the Focus Group participants ranged from providing suggestions for potential line changes and providing insight on potential complications from line changes to discussing the impact of facility changes, housing developments, and commercial growth on policing services.
- Members of the Focus Groups met individually with the PSSG team to provide line change suggestions and ranking of variables which the Working Group used to inform line changes.

### *Working Group*

- The Working Group consisted of command staff members (one deputy chief and two commanders) and representative district captains (five) from the SFPD, selected by the Chief.
- The Working Group's role was to review a variety of potential district boundary line changes and consider the impact on key variables (such as calls for service, crime incidents, population, land area, and housing and infrastructure).
- Representatives from SFPD IT and DEM received updates on the results of each of the meetings of the Working Group in order to point out any potential issues the line changes could have on their respective divisions.
- Each member of the Working Group met individually with the PSSG team to discuss their impressions of the current district boundary lines and what modifications would enhance police services.
- The Working Group then met collectively during a series of meetings to discuss potential changes and provided feedback on boundary line changes.

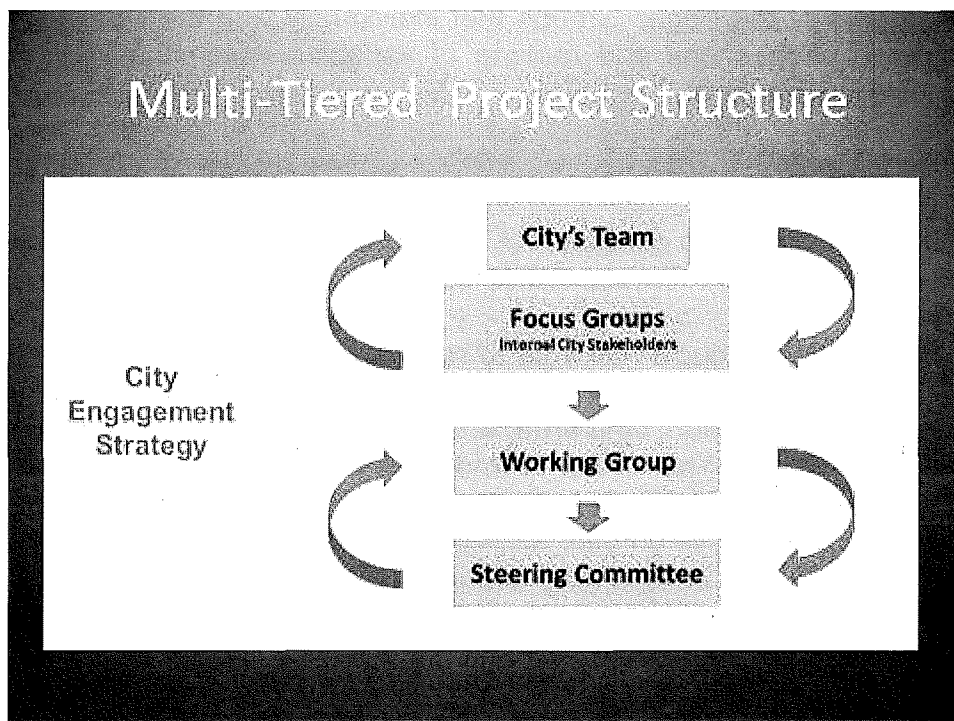
- The Working Group collaborated with PSSG to review maps and data and then discussed the positive and negative aspects of each suggested change before voting on the final maps to provide to the Steering Committee.

### *Steering Committee*

- The Steering Committee consisted of the executive project sponsors (Controller and SFPD Chief), and the DEM Deputy Director, Division of Emergency Management.
- The Steering Committee met twice during the project to review Working Group progress and discuss findings.
- During the first meeting with the Steering Committee, PSSG reviewed the scope of the project, project timeline, organization of the Working Group, and the overall methodology.
- During the second meeting, PSSG reviewed the process used by the Working Group to narrow the selection from more than 30 maps to the four presented to the Steering Committee and discussed the impact the proposed district boundary line changes would have on each district.
- The Steering Committee reviewed and discussed each map, then deferred final selection to the Chief.

The figure below shows how information flowed from the City's Team to the various city stakeholder groups and then back to the City's Team.

**Figure 1: Stakeholder Engagement Strategy**



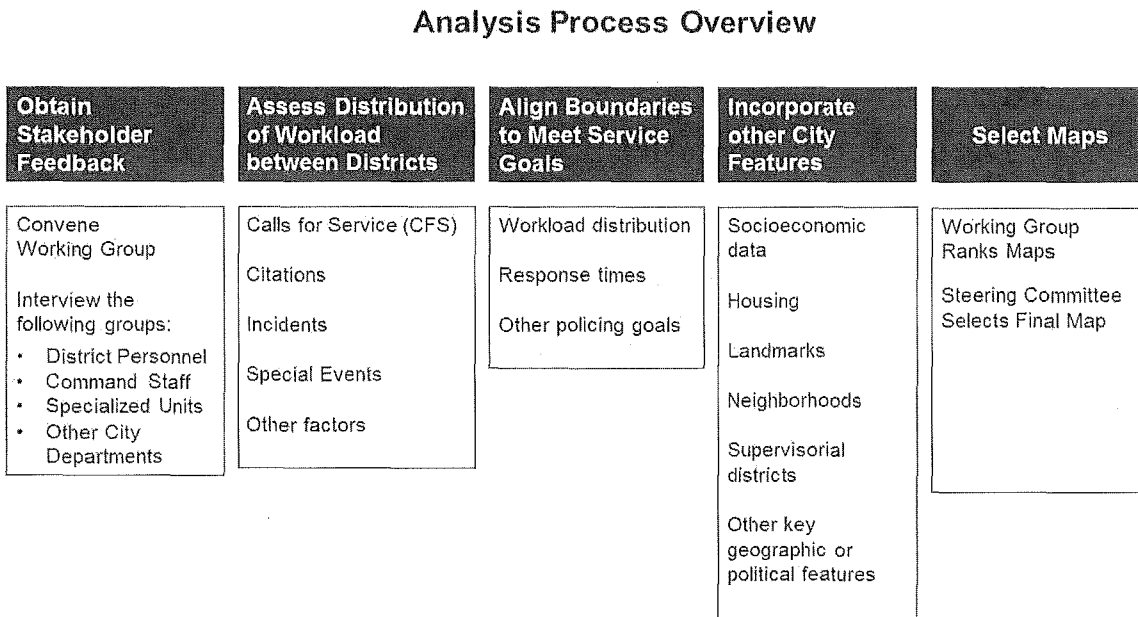


## Analysis Methodology

The figure below depicts the general process for the analysis of the district boundaries. The Chief determined the members of the Working Group who would participate in meetings and provide feedback on the process. PSSG met with the Working Group five times and the Steering Committee twice during the course of the project, and interviewed all designated command staff members, specialized units, district captains, and eight officers at each of the district stations.

The graphic below shows the systematic analysis process used during the project.

**Figure 2: Analysis Process Overview**



Details of the process appear in the Methodology Section on the next page.

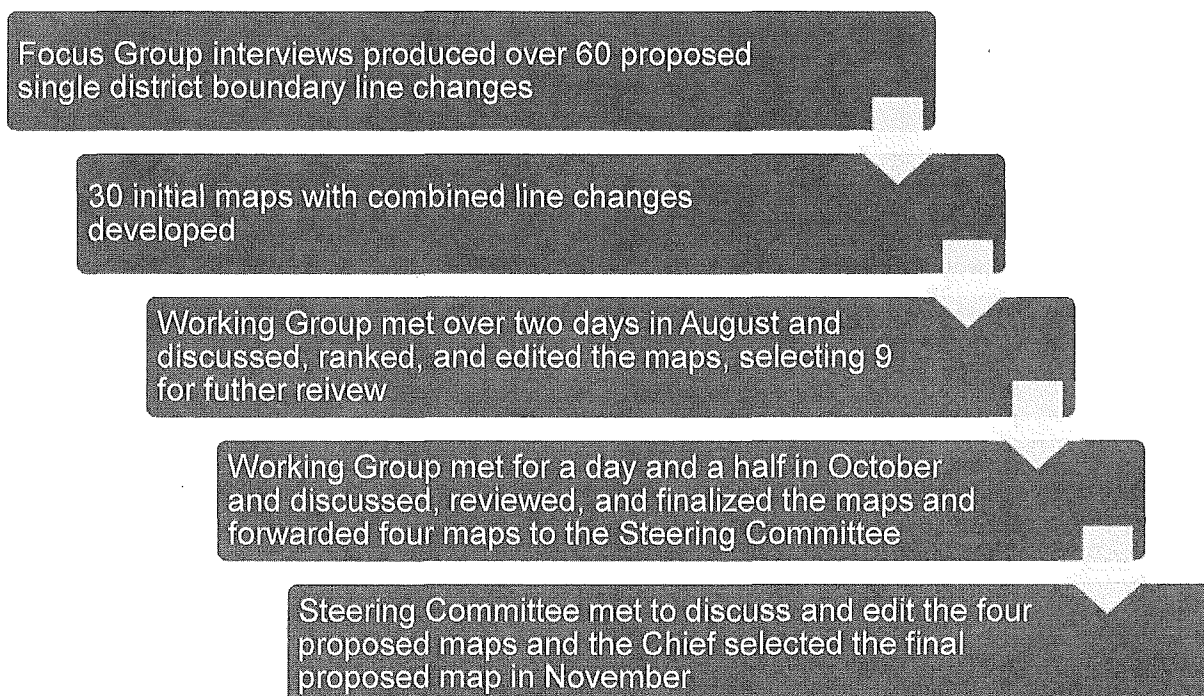
## C. Project Methodology

As described previously, the SFPD named a Working Group and the executive project sponsors created the City's Team which consists of a Controller's Office project manager and analyst along with a captain from the SFPD. These two groups provided continual input to the process. Together with PSSG, the groups agreed upon a timeline and strategy to determine the new boundary lines for the districts. This section will provide information on the key project milestones and the way in which PSSG, the City's Team, and the Working Group used available data to make the best-informed decisions. Also contributing to the process were internal SFPD stakeholders (district officers, specialized unit representatives, support services) and external stakeholders (other city departments such as Department of Public Works (DPW), SF Planning Department, Treasure Island Development Authority, etc. and leaders of initiatives such as HOPE SF<sup>3</sup>).

### Project Process, Timeline and Key Milestones

The figure below shows the high level process from interviews to map selection which will be explained in subsequent sections of the report.

**Figure 3: Overall Project Process**



<sup>3</sup> The HOPE SF initiative seeks to transform eight of San Francisco's most distressed public housing sites into vibrant, thriving communities through holistic revitalization.

The following list shows the overall timeline and key project milestones.

**Table 1: Project Milestones**

<b>Month</b>	<b>Milestone</b>
October 2013	City selected PSSG as the vendor to work with the City's Team and SFPD to conduct the District Station Boundary Analysis
February 2014	The City's Team and PSSG met to develop the statement of work for the project
April 2014	PSSG conducts interviews with City stakeholders and the Working Group
May 2014	PSSG met with the Working Group and Steering Committee to review the project scope, data requests and review the process
June 2014	SFPD Data Received by PSSG
July 2014	PSSG completed initial mapping showing single line changes as suggested during interviews with SFPD personnel and developed 96 crime maps showing the locations and density of the calls for service and incidents across the City
August 2014	PSSG met with the Working Group for two days to review 30 citywide maps with a variety of district boundary line changes and corresponding data for potential district boundary line changes, then selected nine maps for further review
October 2014	The Working Group met to review and revise nine maps and then selected four maps to forward to the Steering Committee. The Steering Committee met to review, discuss, and edit the final four maps and the Chief selected the final proposed map
November 2014	The Chief submitted revisions to the selected map creating the proposed map for review by the Police Commission
December 2014	Police Commission Meeting – Review of Proposed Map
December 2014 - March 2015	Public Comment/Feedback

The next section provides a summary of the SFPD interviews conducted by PSSG in April 2014.

## SFPD Interview Summary

In addition to the command staff, specialized units, and district captains, PSSG interviewed a cross-section of the district personnel allowing for a broad range of input into the process.

During the interviews, PSSG shared the project drivers, objectives, basic project components, reviewed the data elements, and provided interviewees the opportunity to rank data in order of importance to the interviewee. PSSG then compiled the completed ranking sheets and provided the results to the City's Team and Working Group for review. The review of the perceived importance of the data elements by the City's Team and Working Group allowed the team to understand the priority levels of the SFPD related to data and focus the map discussions around those data elements.

Much of the input on potential district boundary line changes came from the perceived workload, type of crime, and the desire to decrease district sizes. Suggested district boundary line changes from one district often conflicted with district boundary line change suggestions from a neighboring district. Few interviewees expressed concern regarding the location of supervisorial districts in relation to the police districts as the supervisorial districts did not impact the day to day work of the officer. Some interviewees had knowledge of neighborhood lines and raised issues centered on neighborhoods or areas that are split by the current police districts (or could potentially become split by the proposed district boundary lines).

Across all districts, at the patrol officer level, officers expressed that citywide officers were busy, going from call to call with little time available for proactive policing. Time spent on administrative activity varied widely from district to district. Likewise, proactive policing activity varied, depending on the particular district and the time of day. Officers stated that they do not have citywide or district-level goals for the amount of time they should dedicate to various functions during their shifts. According to the information shared by officers, the lack of district wide goals and performance measures appear to contribute to disparate workload between districts.

When discussing the physical location of each district station, officers shared that the location of each district station was important. Others expressed that the districts were so large making responding to calls from the police station difficult because of the time needed to travel from the station to the incident location. Other officers noted that several district stations were near district boundary lines rather than being centrally located within the district. Officers expressed that they spend time traveling from the incident location back to district station locations to write reports rather than having the ability to write reports in the field which impacts the amount of time officers can spend in the district.

The results of the interviews yielded over 60 suggestions for district boundary line changes, which created over 30 maps with significant line changes with a few minor

district-specific boundary line changes. Within the districts, there were often multiple suggestions on where the district boundary lines should ultimately lie.

Some suggested changes, when combined with other suggestions, created unintended issues. For example, some thought that only one district should be responsible for Golden Gate Park, which would mean that if Richmond Station was responsible for Golden Gate Park, Park Station would be in the Richmond District. Other suggestions included moving district boundaries east or west, which when combined, created extremely small districts. PSSG filtered the suggestions from the SFPD interviews to create a series of single line changes and then multiple line change maps that resulted in 30 maps for review by the Working Group.

The next section discusses the Working Group meetings and related work that occurred in between the meetings during the course of the project.

## Working Group Meetings

The process involved a series of Working Group meetings. Each meeting and the outcomes are detailed below.

### *April Working Group Meeting*

The first meeting of the group focused on discussing the project drivers, input, and data elements available to the group. During discussions, the group also discussed its role, number of expected meetings, and the project timeline. The group ranked each variable to allow the City's Team to understand the value of each data element for each Working Group member. Further, the process allowed the City's Team to learn the differences in perception of the Working Group members and how each data element impacted police operations.

The following highlights the questions and data reviewed during this month, along with the milestones that occurred in April.

- PSSG developed questions to ask SFPD members participating in the interviews. Key questions included how the following issues affected district staffing:
  - Geography
  - Neighborhood Boundaries
  - Supervisorial Boundaries
  - Calls for Service
  - Facilities
  - Special Events
  - Planned Development (commercial and residential)

- PSSG developed a key variable list for SFPD members to rank, which included the following police data elements:
  - Calls for Service
  - Incidents
  - Staffing
  - Response Times
  - Call Loading/Parity
  - Shootings
  - Proactive Policing Time
  - Special Events
  - Station Capacity
  - Collisions
  - Field Investigations
  - Span of Control
  - Online Crime Reporting Data
  - Citations
  - Administrative Activities
  
- PSSG developed a key variable list for SFPD members to rank, which included the following external variables:
  - Neighborhood Districts
  - Geographic Issues/Barriers
  - Housing Inventory/Expansion
  - Census 2010
  - Development Pipeline
  - ABAG - Association for Bay Area Governments Projection Data
  - Supervisorial Districts
  - Cultural Centers
  - Demographics
  
- PSSG conducted interviews with the following:
  - Chief of Police
  - Command Staff
  - Specialized Units
  - District Captains
  - District Officers
  - City Stakeholders (DPW, SF Planning, etc.)
  
- SFPD IT provided PSSG with example data sets, which PSSG reviewed and approved in order for SFPD IT to provide the required data for analysis.

PSSG and the City's Team developed informational sheets for SFPD personnel regarding the project for use with the media and community members.

### *May Working Group Meeting*

During the Working Group meeting in May, the group discussed the results of the data ranking based on the input from the Working Group and those interviewed in the districts. The following tables show the top five ranked police and external data sets.

**Table 2: Top Five Ranked Police Data Sets**

<b>Police Data Set</b>
Calls for Service
Incidents
Staffing
Response Times
Call Loading/Parity

**Table 3: Top Five Ranked External Data Sets**

<b>External Data Set</b>
Neighborhood Districts
Geographic Issues/Barriers
Housing Inventory/Expansion
Census 2010 (population)
Development Pipeline

Given the multitude of data sets and variables, the Working Group decided to limit the information considered as primary factors during the review. Based on the rankings and available data, the Working Group selected calls for service (CAD data), incidents (CABLE data), population, housing projections, and land area as the primary factors for review and the City's Team added the priority level of the calls. During meetings the Working Group reviewed maps and data on the primary factors and had access to the additional information, as needed.

The project addressed district boundaries, and the scope of work did not include a full staffing analysis. However, PSSG provided the City's Team with a table of staffing at the patrol level for each district. Throughout the project, the Chief acknowledged that parity would likely require changing staffing in the districts once the district boundary lines were established. The Working Group, while keeping parity between districts in mind as a factor, did not address parity within districts or parity between sectors in each district.

During this meeting, the group also discussed the global considerations on district boundary lines, as learned during the interviews. Key themes that emerged included:

- Determining the best district boundary lines for Southern Station based on the new physical location of the building prior to determining other line changes.

- Realigning district boundary lines to place the stations in a more centralized location, when possible.
- Moving district boundary lines to ensure similar types of housing are under a single command.
- Moving district boundary lines to eliminate multiple districts from having responsibility for a single location (for example, if a business has frontage on two streets, each of the streets could be in a different district).

In addition, the group viewed a demonstration of the Maptitude software, used throughout the project to show changes from one proposed map to another.

### *August Working Group Meeting*

Prior to the Working Group, PSSG prepared for the meeting by completing the following:

- PSSG met with HOPE SF to discuss upcoming housing redevelopment and the potential impact on police district boundaries.
- PSSG met with members of the Treasure Island Development Authority to discuss additional need for police services.
- PSSG organized and coded the calls for service and incident data.
- PSSG created maps for the calls for service and incident data for each crime code category which showed concentrations of crime categories in the City.
- PSSG created maps with single line changes as suggested from interviews for use during discussions with the Working Group to determine which single line changes should be incorporated into example citywide maps with multiple line changes.

The goal of the meetings held over two days in August was to evaluate the maps based on the single line change suggestions. For the meeting, in addition to district boundary line maps, PSSG created several maps for the Working Group's use during the decision-making process. The additional maps available for review by the group included district maps, sector maps, gang maps, neighborhood maps, supervisorial district maps, and topographical maps.

The Working Group was divided into two subgroups to review a series of 30 citywide maps containing multiple line changes. Each map was accompanied with five primary data variables including calls for service, incidents, population, housing, and land area. A facilitator led the subgroups in a discussion of their initial reactions to each map: *yes*, the map worked, and they liked it as is; *possible*, the map might work with a few modifications; and *no*, the map would not work. Next, the group discussed what they liked or did not like about the maps related to available data, key infrastructure and police operations.

Unfavorable reactions to maps included, but were not limited to, making a district too large, creating too many or not enough calls for service within a district, creating difficult



travel patterns, or separating key city features and infrastructure (such as convention centers, parks, commercial areas, or neighborhoods).

Changes viewed as positive for the group included moving district boundary lines that placed district stations in a more central location, placing public housing within the same district to enhance operations, creating more continuity of services based on inclusion of similar city features and infrastructure in the same district, and balancing workload between districts.

Comparing citywide maps featuring key infrastructure and data elements with district maps allowed the group to identify and consider neighborhood and geographic issues. The Working Group discussed commercial development based on potential growth; however, PSSG did not map this information because geo-coded information was not available.

After reviewing each map, the members of the Working Group individually ranked each map from the most desirable to the least desirable and decided they would review the top nine maps at the final Working Group meeting.

During the meeting, the group created a list of issues related to the boundary line changes, but not part of the scope of the study for the Working Group. The issues included facilities, and staffing (both additional staffing and the issue of district-level staff members being pulled from their main assignment to staff events), and resources (such as facilities and equipment).

### *October Working Group Meeting*

The goal of the October Working Group meeting was to select three maps and provide the maps to the Steering Committee for consideration. The Working Group reviewed the maps selected at the August meeting and considered the impact of a variety of additional police, demographic, key infrastructure, and socioeconomic variables that appear in the Map Selection section. Each variable appeared on a citywide map, and was made available for comparison with each line change, allowing the group to understand the impact of the variables on the line changes.

After considering the five primary variables and reviewing the maps of other data elements and key infrastructure, the group requested adjustments to several of the maps and then proceeded to select the maps as described in the Map Selection section.

## Map Selection

PSSG generated over 60 individual line changes and then 30 citywide maps based on feedback from the SFPD interviews. During the Working Group meetings, PSSG facilitated a review of the maps and corresponding data.

At the August meeting, PSSG presented 30 citywide maps for review. PSSG divided Working Group members into two subgroups to review the details of each map and data sheets that included calls for service, incidents, population, housing projections, and land area. In addition to evaluating the impact of line changes on several of the variables, the Working Group had access to the following maps:

- Topographical maps
- Gang maps
- Sector maps
- Neighborhood maps
- Supervisorial maps

The subgroups discussed the positives and negatives of each citywide map and then individually ranked each of the maps, eliminating some of the lower ranked maps. The highest ranked maps were updated based on specific requests by the Working Group members. PSSG incorporated the requests from the Working Group into additional maps for review and discussion.

At the October Working Group meeting, PSSG presented the revised maps from the August meeting along with maps, data tables, or summaries of non-police data variables and infrastructure, and police data. The Working Group reviewed each of these items to consider the information as it related to each district and the implication of changing district boundary lines. For example, the Working Group could determine if the number of alcohol outlets, SROs, schools, or senior centers would change if the district boundary lines were moved. In some cases the data was shown in “heat maps,” allowing the Working Group to view locations with high traffic density or poverty levels. The Working Group could also use the maps and data to help understand what resource allocations might be necessary to support policing efforts in each district if the district boundary lines change.

Members of the DEM participated in the process to ensure that proposed changes of district boundary lines could be integrated into radio talk groups - the radio channels assigned to each district - without a disruption of radio and dispatch services.

After reviewing the maps and information, the Working Group members ranked the remaining maps in order of their most preferred choice to their least preferred choice. The ranking for the first choice map was clear with the second choice far behind; the third and fourth choices were one point apart. The Working Group decided to forward the top four proposed maps to the Steering Committee for review. The Steering

Committee reviewed the maps and discussed the positive and negative aspects of each map and deferred the final selection to the Chief. In November, the Chief provided adjustments to the map selected in October, which created the final proposed changes that were presented to the Police Commission on December 10, 2014.

A complete list of information reviewed by the Working Group appears in the next table.

**Table 4: Key Data and Infrastructure Reviewed**

Data / Key Infrastructure Type	Source	Output
Calls for Service (CAD) 2008-2013	SFPD	Data used during map review
Incidents (CABLE) (2008 - 2013 using a 20% sample)	SFPD	Data used during map review
Human Resource Management System	SFPD	Data used to determine current patrol staffing at the district level
Civic Events Staffed by SFPD	SFPD	Data used to create a map
Crash <sup>4</sup> Data	SFPD	Data used to create a map
Field Interview Cards	SFPD	Data used to create a map
Gang Locations	SFPD	Maps provided by SFPD
Homicide Database	SFPD	Data used to create a map
Shooting Database	SFPD	Data used to create a map
Alcohol Outlets (20 & 21)	TransBase	Data used to create a map and list the number of facilities
Daily Ridership Density on Public Transit	TransBase	Data used to create a map
Employment Density	TransBase	Data used to create a map
Healthcare Facilities by Type	TransBase	Data used to create a map and list the actual number of facilities
Homeless Shelters	TransBase	Data used to create a map and list number of facilities per district
Household Income - Higher than Average	TransBase	Data used to create a map
Household Income - Poverty Level	TransBase	Data used to create a map
Pedestrian Density	TransBase	Data used to create a map
Pedestrian High Injury Locations	TransBase	Data used to create a map
Population Density	TransBase	Data used to create a map
Population Density - Non-white	TransBase	Data used to create a map

<sup>4</sup> PSSG uses the term crash to be more consistent with the National Highway Traffic Safety Administration (NHTSA) terminology. The SFPD radio code 518 uses the term accident and in media reports the SFPD sometimes uses the term collision.

Data / Key Infrastructure Type	Source	Output
Population Density - Youth	TransBase	Data used to create a map
Schools	TransBase	Data used to create a map and number of facilities per district
Senior Centers	TransBase	Data used to create a map and number of facilities per district
Senior Density	TransBase	Data used to create a map
Single Resident Occupancy Hotels (SROs)	TransBase	Data used to create a map
Universities and Colleges	TransBase	Data used to create a map
Public Housing	SF Housing Authority	Data used to create a map and number of facilities per district
Supervisory Districts	SFGov Shapefile – Supervisory Districts 2013	Existing map used
Neighborhood Districts	SFGov Shapefile – Neighborhoods, SF Realty Map	Existing maps used
Parks	SFGov Shapefile - Streets	Existing map used
Topographical Maps	Google Maps and United States Geological Society	Existing map used

The following items listed in either the scope or BOS legislation were discussed or referenced during the discussions, but were not used for decision making.

- Workforce Development Sites
- Traffic Hubs
- Travel Time
- Non-Resident Data
- Commercial Development
- Community Policing Efforts
- Arrest and Conviction Rates
- Administrative Time
- Time Spent on Scene
- CopLogic Data

The reasons for not using the information for decision making varied. For example conviction data was not used or requested; as the data was not readily available and it

would not inform the district boundary analysis. Foot beats were not mapped for review by the Working Group, but were discussed based on knowledge of foot beat locations. Response times were discussed as they currently stand in the districts; however, because records do not provide the starting location of an officer when answering a call, it is not possible using existing data to calculate what response times might be in the future. Some information was not used, as it requires additional work by the SFPD to make decisions about items such as the ratio of time spent on calls for service, administrative work, and community engagement.

The next section discusses the impact of the proposed district boundary line changes.

## D. Impact of District Boundary Line Changes

This section provides a description of the changes for each district. The final proposed map achieves and includes the following:

- Sets the southern border for the Southern District at 16th Street. The location of the new station is in the current Bayview District. The boundary line of the Southern District needs to move south in order to correct this issue. Treasure Island will remain in the Southern District, as the freeway entrances for officers to travel to and from Treasure Island are located in the Southern District.
- Sets the northern border for the Bayview District at 16th Street, in order to keep the new Southern District station within Southern District boundary lines.
- Expands the Tenderloin District to extend south of Market Street to Mission Street. This step creates a larger Tenderloin District. While not balanced in terms of land area when compared with the other districts, the calls for service and incidents become more aligned with other Metro Districts (Central, Northern, Mission, and Southern) (see Tables 6 and 7). This move also creates greater continuity of police services for businesses on Market Street. In addition, Mission Street provides a continuous district boundary line between the Tenderloin and Central Districts and the Southern District's boundary line which provides for a single main travel corridor between the districts.
- Expands the Central District to include Justin Herman Plaza and the area just south of Union Square which is the location of many of the major retailers in the area. Both of these moves create continuity of police services for the district and place the businesses in the Union Square area in one police district. While the Business Improvement District (BID) still falls in multiple police districts, those businesses in the shopping area will be in one district. In addition, the change creates a consistent boundary line between the Central and Tenderloin Districts with respect to the Southern District's northern boundary line which enhances travel within the district and sectors by creating continuous district boundary lines.
- Expands the Northern District to include housing in the Western Addition, by moving the western border to Divisadero Street/Castro Street, spanning from Broadway Street at its northern border to Market Street at its southern border. The current border of the Northern Station is just blocks from public housing in the Western Addition (currently in the Park District); the change in the boundary line will keep the housing in one district, in addition to creating a more centrally located police station. While the footprint of the Western Addition includes the area west of Divisadero Street to Masonic Avenue, the majority of the calls for service and incidents are contained in the area proposed to fall under the jurisdiction of the Northern Station.
- Expands the Richmond District southern boundary from Masonic Avenue along Fulton Street and Geary Street to the eastern border of Divisadero Street. This change creates a continuous border between the Park District and the Richmond District to the western border of the Northern District.

- Decreases the footprint of the Park District, by eliminating the section of the current district between Masonic Avenue along Geary Street and Fulton Street to Divisadero Street. This change moves responsibility for the public housing in the Western Addition from the Park District to the Northern District.

While the line changes improve incident level parity (CABLE) between all districts, workload parity issues will remain within the districts. The SFPD will need to address parity through staffing or sector realignment. In addition, the total number of calls for service (CAD) between districts does not improve with the proposed map.

The following table shows the comparison between the CAD and CABLE for the current and proposed lines. The numbers highlighted in green show where the citywide standard deviation<sup>5</sup> and range for CABLE between the districts improve with the proposed map; the citywide CAD standard deviation and range do not improve.

**Table 5: Comparison of Total CAD and CABLE between Current and Proposed Boundary Lines**

Comparisons Between Maps Citywide Parity Standard Deviations and Range for CAD and CABLE				
Map	Standard Deviation		Range	
	CAD	CABLE	CAD	CABLE
Current	2.5	3.7	7.0	12.5
Proposed	2.9	3.4	10.1	9.4

The following table shows the district CAD data (as a percentage of the citywide total) for the current and proposed data and the difference between the maps.

**Table 6: Comparison of CAD by District for Current and Proposed Boundary Lines**

District	Data / Infrastructure	Current	Proposed	Difference <sup>6</sup>
Bayview - CO C	CAD 2008-2013	8.8%	8.6%	-0.2%
Central - CO A	CAD 2008-2013	9.9%	11.8%	1.9%
Ingleside - CO H	CAD 2008-2013	9.4%	9.4%	0.0%
Mission - CO D	CAD 2008-2013	13.7%	13.7%	0.0%
Northern - CO E	CAD 2008-2013	13.5%	15.1%	1.6%
Park - CO F	CAD 2008-2013	6.7%	4.8%	-1.9%
Richmond - CO G	CAD 2008-2013	7.2%	7.5%	0.3%

<sup>5</sup> Standard deviation is a measure of the dispersion of a set of data from its mean.

<sup>6</sup> Difference is calculated as "Proposed" minus "Current."

District	Data / Infrastructure	Current	Proposed	Difference <sup>6</sup>
Southern - CO B	CAD 2008-2013	13.6%	8.9%	-4.7%
Taraval - CO I	CAD 2008-2013	8.4%	8.4%	0.0%
Tenderloin - CO J	CAD 2008-2013	8.8%	12.0%	3.2%

The following table shows the district CABLE data (as a percentage of the citywide total) for the current and proposed data and the difference between the maps.

**Table 7: Comparison of CABLE<sup>7</sup> by District for Current and Proposed Boundary Lines**

District	Data / Infrastructure	Current	Proposed	Difference <sup>8</sup>
Bayview - CO C	CABLE 2008-2013 (20%)	9.9%	9.8%	-0.1%
Central - CO A	CABLE 2008-2013 (20%)	9.9%	12.0%	2.1%
Ingleside - CO H	CABLE 2008-2013 (20%)	9.0%	9.0%	0.0%
Mission - CO D	CABLE 2008-2013 (20%)	13.1%	13.1%	0.0%
Northern - CO E	CABLE 2008-2013 (20%)	11.6%	13.2%	1.6%
Park - CO F	CABLE 2008-2013 (20%)	5.7%	3.8%	-1.9%
Richmond - CO G	CABLE 2008-2013 (20%)	5.5%	5.9%	0.4%
Southern - CO B	CABLE 2008-2013 (20%)	18.0%	13.0%	-5.0%
Taraval - CO I	CABLE 2008-2013 (20%)	7.7%	7.7%	0.0%
Tenderloin - CO J	CABLE 2008-2013 (20%)	9.7%	12.6%	3.0%

The following table shows the difference between percent of CAD and CABLE in the Metro and Golden Gate Divisions. The Metro Division includes the following districts: Central, Northern, Tenderloin, Southern, and Mission. The Golden Gate Division includes the following districts: Bayview, Ingleside, Taraval, Richmond, and Park. The current district boundary lines have a better balance of CAD and CABLE between the two divisions than the proposed boundary lines. In order to achieve parity between the Metro and Golden Gate Divisions, more significant district boundary line changes are required.

**Table 8: Comparison between Current and Proposed Boundary Lines in the Metro and Golden Gate Divisions**

Comparisons Between Percent CAD/CABLE for the Metro and Golden Gate Divisions				
Map	Metro	Golden Gate	Metro	Golden Gate
	CAD	CAD	CABLE	CABLE

<sup>7</sup> Due to the large volume of records, a 20 percent sample of CABLE data was taken from the six-year range 2008-13.

<sup>8</sup> Difference is calculated as "Proposed" minus "Current." "Current" and "Proposed" percentages presented in Table 7 are rounded values. "Difference" is calculated based on actual values.



Comparisons Between Percent CAD/CABLE for the Metro and Golden Gate Divisions				
Map	Metro CAD	Golden Gate CAD	Metro CABLE	Golden Gate CABLE
Current	59.54	40.46	62.19	37.81
Proposed	61.35	38.65	63.90	36.10

The next section includes a discussion of impacts on supervisorial districts resulting from the district boundary changes.

## Supervisorial District Changes

The following list highlights the changes in which police district(s) each Supervisorial District will be located, based on the proposed district boundary line changes.

- **District 2:** The small part of the district that was in the Park District east of Masonic Street is now in the Richmond District.
- **District 3:** The small part of the district that was in the Tenderloin District east of Powell Street is now in the Central District.
- **District 5:** A small section that was in the Park District north of Fulton Street between Masonic Avenue and Broderick Street is now in the Richmond District. In addition, the section of the current Park District between Divisadero Street and Steiner Street is now in the Northern District.
- **District 6:** The section from Market Street at 3rd Street south to Mission Street and east to the San Francisco Bay that was in the Southern District is now in the Central District.
- **District 8:** A small section that was in the Park District from Divisadero Street to Steiner Street is now in the Northern District.
- **District 10:** The section from China Basin to 16th Street that was in the Bayview District is now in the Southern District.

Supervisorial Districts 1, 4, 7, 9, and 11 are unaffected under the proposed police district boundary line changes.

The next section includes a discussion of changes created in neighborhoods resulting from the proposed district boundary line changes.

## Neighborhood Changes




There are several maps depicting neighborhoods in the City, but there is not a single official map. During the Working Group meetings, two maps were reviewed to account for variations in the delineation of neighborhood locations. The neighborhood changes listed below represent major neighborhoods, as affected by the boundary line changes.

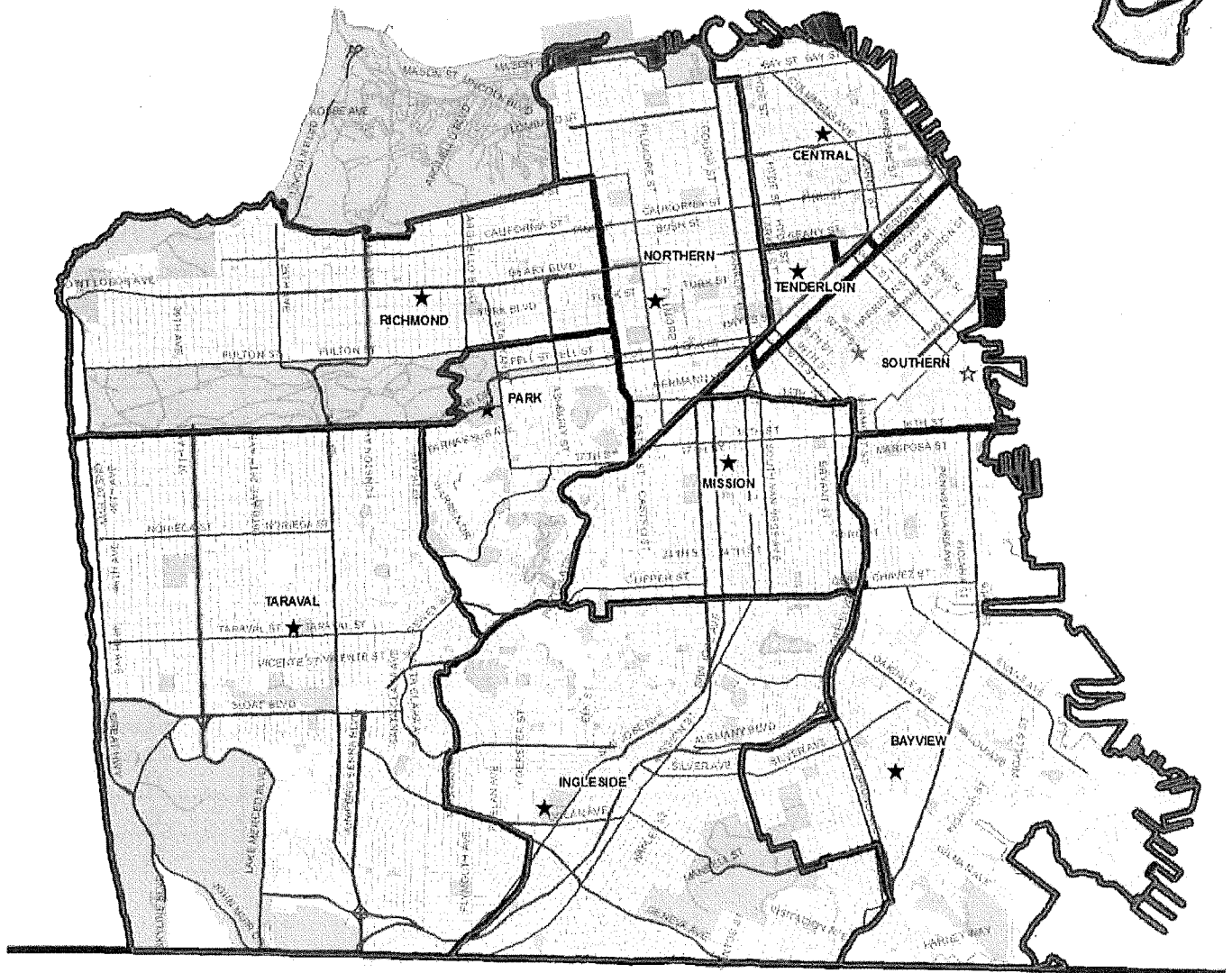
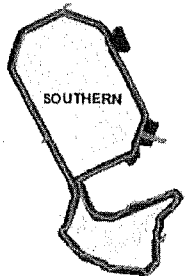
- The Southern District will now include Mission Bay, which was formerly in the Bayview District.
- The Tenderloin will now include a section of South of Market (SOMA) from South Van Ness between Market Street and Mission Street to 3rd Street.
- The Richmond District will now include Lone Mountain, which was partially in the Park District.
- The Central District will now include a section of South Beach and Yerba Buena along Market Street from 3rd Street to the San Francisco Bay that was formerly in the Southern District.
- The Central District will now include a section of the BID that was formerly in the Tenderloin District.
- The Northern District will now include a section of the Western Addition, which was formerly in the Park District.

In the following section, maps, descriptions of proposed changes, and data depicting the impact on calls for service and incidents are provided at the citywide level and for each of the ten police districts. The tables show data for the current district boundary lines and proposed districts lines, along with the difference (either increase or decrease) for each district. The percent shown is the percent of citywide data within a district.

### Map 1: Proposed and Current SFPD Police Districts

**SFPD District Station Map - Proposed Districts**

-  Current Districts
-  Proposed Districts
-  SFPD New Southern Station



**Bayview District, Company C**, has a population of 65,171 and covers 17.5 percent of the land mass in the City. The area is mixed-use commercial and residential, and highly segregated by race and zoning use. The district is comprised of many neighborhoods that include Bayview, Hunters Point, Silver Terrace, Potrero Hill, Mission Bay, and Portola. New development includes changes to housing, the potential for new commercial developments and planned redevelopment of Candlestick Park. The district contains 29 schools, five healthcare facilities, 62 alcohol outlets, three SROs, seven senior centers, and 43 public housing facilities.

From 2008 to 2013, the Bayview District handled 8.7 percent of all calls and 9.9 percent of the incidents. If the proposed boundary lines were in place during this time, the Bayview District would have handled 8.6 percent (-0.1 difference) of all calls and 9.8 percent (-0.1 difference) of the incidents.

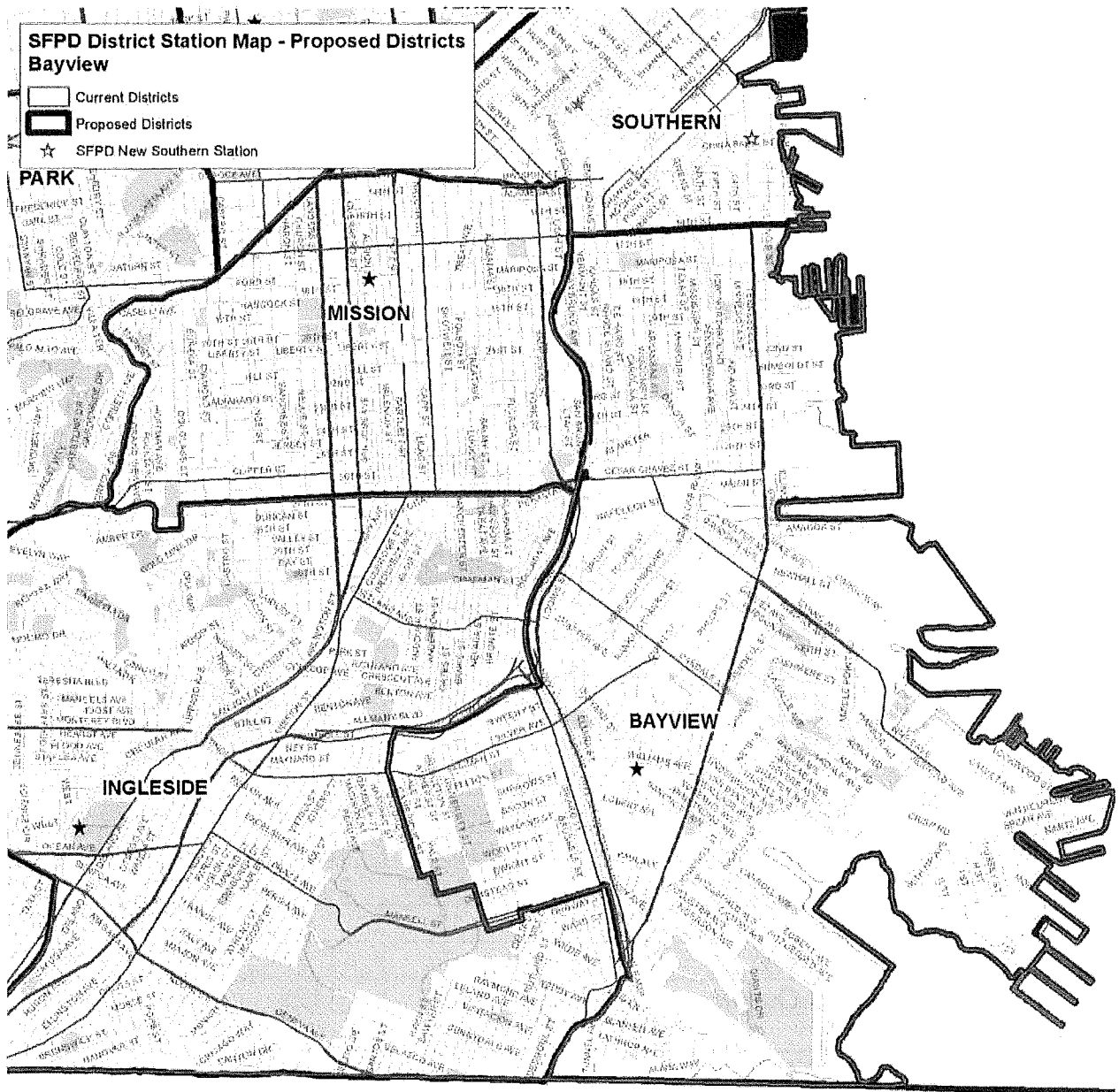
The table below shows the percent difference in the key data and infrastructure in the Bayview District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 9: Bayview – Key Data and Infrastructure – Current vs. Proposed**

<b>Bayview - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	8.7%	8.6%	-0.1%
CABLE 2008-2013 (20%)	9.9%	9.8%	-0.1%
Population	8.1%	7.9%	-0.2%
Housing	33.0%	26.5%	-6.5%
Area	17.5%	16.4%	-1.1%
Priority A	49,070	48,364	-706
Priority B	71,173	69,364	-1,809
Priority C	227,530	222,495	-5,035
Schools	29	29	0
Healthcare	5	5	0
Alcohol Outlets	62	61	-1
SROs	3	3	0
Senior Centers	7	7	0
Public Housing Facilities	43	43	0

The map on the next page shows the proposed Bayview District. The only change in the Bayview District is that its northern border moves south from Mission Creek Channel /China Basin to 16th Street.

Map 2: Proposed Bayview District



**Central District, Company A**, has a population of 67,721 and covers 4.1 percent of the land mass in the City. The area is both residential and tourist in nature. The district is comprised of many neighborhoods that include Downtown, Nob Hill, Russian Hill, Telegraph Hill, North Beach, Fisherman's Wharf, and Chinatown. The district has 13 schools, seven healthcare facilities, 117 alcohol outlets, 24 SROs, 16 senior facilities, and 10 public housing facilities.

From 2008 to 2013, the Central District handled 9.9 percent of all calls and 9.9 percent of the incidents. If the proposed boundary lines were in place during this time, the Central District would have handled 11.8 percent (+1.9 difference) of all calls and 12.0 percent (+2.1 difference) of the incidents.

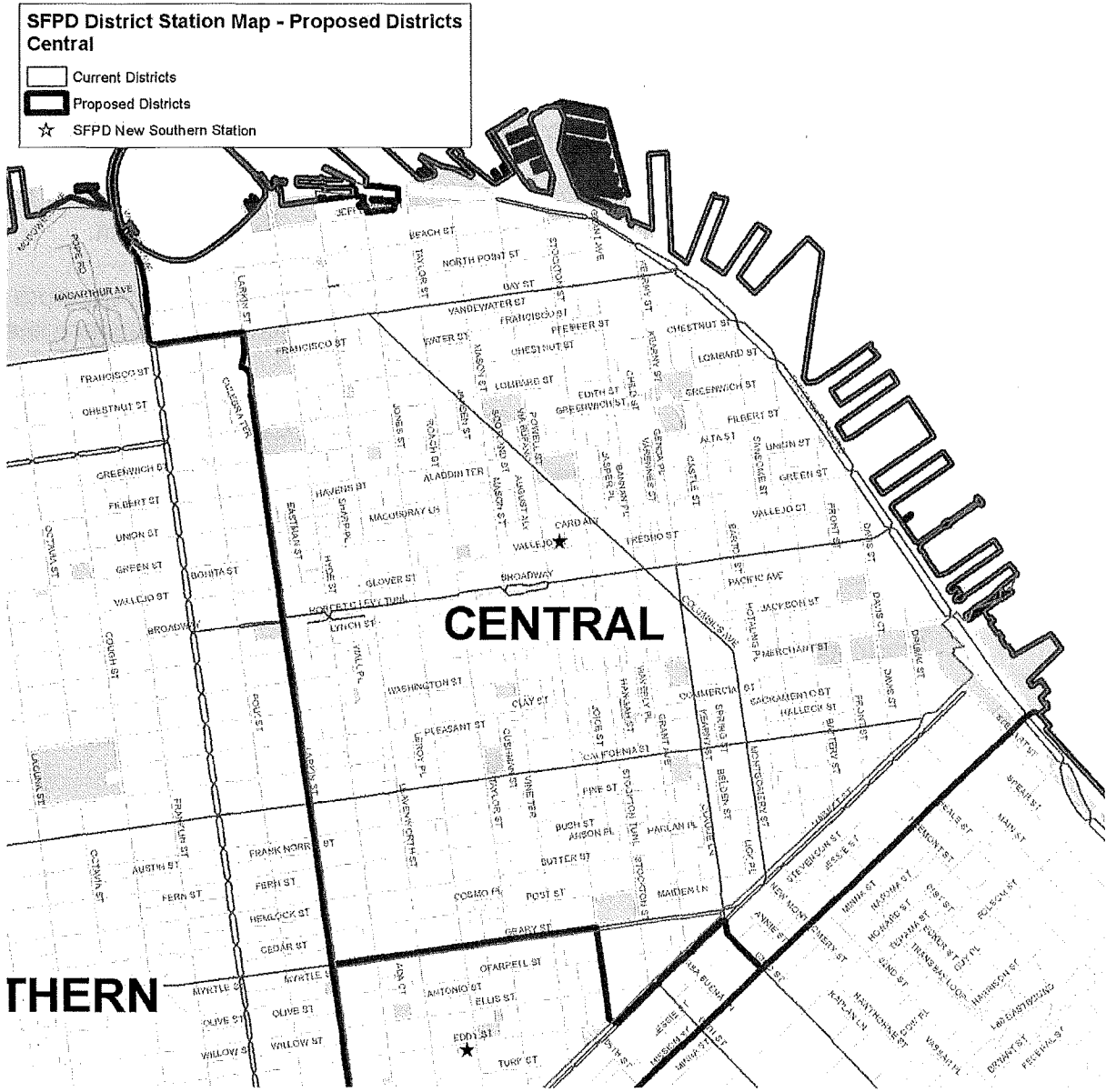
The table below shows the percent difference in the key data and infrastructure in the Central District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 10: Central – Key Data and Infrastructure – Current vs. Proposed**

<b>Central - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	9.9%	11.8%	1.9%
CABLE 2008-2013 (20%)	9.9%	12.0%	2.1%
Population	8.4%	8.6%	0.2%
Housing	1.5%	1.8%	0.3%
Area	4.2%	4.4%	0.2%
Priority A	35,806	43,111	7,305
Priority B	103,840	130,496	26,656
Priority C	250,487	291,318	40,831
Schools	13	13	0
Healthcare	7	7	0
Alcohol Outlets	117	125	8
SROs	24	24	0
Senior Centers	16	16	0
Public Housing Facilities	10	10	0

The map on the next page shows the proposed Central District. The only change in Central is that its southern border moves south from Market Street to Mission Street. Central will have responsibility for both sides of the following streets: Larkin Street north of Geary Street, Geary Street, and Powell Streets.

### Map 3: Proposed Central District



**Ingleside District, Company H**, has a population of 135,288 and covers 15.4 percent of the land mass in the City. The area is mostly residential. The district is comprised of many neighborhoods that include Diamond Heights, Bernal Heights, Glen Park, Miraloma, Sunnyside, Mission Terrace, Excelsior, Crocker Amazon, and Visitacion Valley. New development includes light mixed-use commercial and residential units along Mission Street. The district has 41 schools, 12 healthcare facilities, 80 alcohol outlets, 12 senior centers, and 15 public housing facilities.

From 2008 to 2013, the Ingleside District handled 9.4 percent of all calls and 9.0 percent of the incidents. There are not any changes to the Ingleside District.

The table below shows the percent difference in the key data and infrastructure in the Ingleside District as part of the citywide total for the current district boundary lines and proposed line changes.

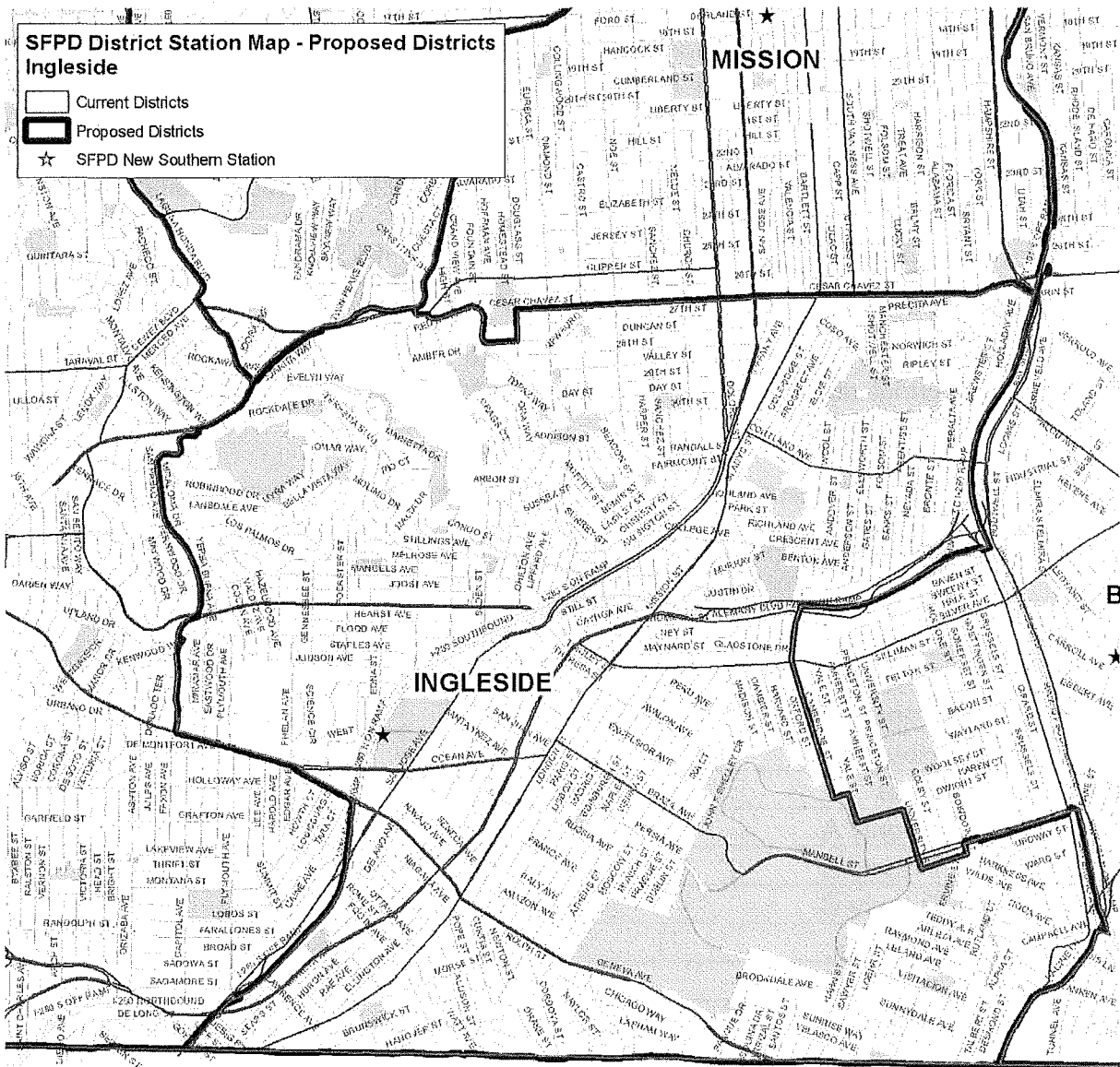
**Table 11: Ingleside – Key Data and Infrastructure – Current vs. Proposed**

<b>Ingleside - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	9.4%	9.4%	0.0%
CABLE 2008-2013 (20%)	9.0%	9.0%	0.0%
Population	16.9%	16.9%	0.0%
Housing	3.7%	3.7%	0.0%
Area	15.4%	15.4%	0.0%
Priority A	40,425	40,425	0
Priority B	70,288	70,288	0
Priority C	252,622	252,622	0
Schools	41	41	0
Healthcare	12	12	0
Alcohol Outlets	80	80	0
SROs	0	0	0
Senior Centers	12	12	0
Public Housing Facilities	15	15	0

The map on the next page shows the proposed Ingleside District. Under the proposed redistricting, the Ingleside District will not change.



Map 4: Proposed Ingleside District



**Mission District, Company D**, has a population of 79,452 and covers 6.3 percent of the land mass in the City. The area has many mixed-used residential and small businesses, except for the northeast section, which is more industrial. The district is comprised of many neighborhoods that include the Mission, Noe Valley, Dolores Heights, Lower Haight, and some of Castro. New development includes mixed-use commercial and residential units along Mission Street, Inner Mission, and condominiums in Noe Valley. The district contains 39 schools, 11 healthcare facilities, 120 alcohol outlets, 13 SROs, five senior centers, and 16 public housing facilities.

From 2008 to 2013, the Mission District handled 13.7 percent of all calls and 13.1 percent of the incidents. There are not any proposed changes to the Mission District

The table below shows the percent difference in the key data and infrastructure in the Mission District as part of the citywide total for the current district boundary lines and proposed line changes

**Table 12: Mission – Key Data and Infrastructure – Current vs. Proposed**

<b>Mission - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	13.7%	13.7%	0.0%
CABLE 2008-2013 (20%)	13.1%	13.1%	0.0%
Population	9.9%	9.9%	0.0%
Housing	2.5%	2.5%	0.0%
Area	6.3%	6.3%	0.0%
Priority A	60,934	60,934	0
Priority B	109,577	109,577	0
Priority C	372,696	372,696	0
Schools	39	39	0
Healthcare	11	11	0
Alcohol Outlets	120	120	0
SROs	13	13	0
Senior Centers	5	5	0
Public Housing Facilities	16	16	0

The map on the next page shows the proposed Mission District. Under the proposed redistricting, the Mission District will not change.

### Map 5: Proposed Mission District



**Northern District, Company E**, has a population of 84,987 and covers 6.8 percent of the land mass in San Francisco. The area includes mixed-use properties (south) and residential units (north). The district is comprised of many neighborhoods that include Civic Center, Pacific Heights, Cow Hollow, and the Marina. New development includes light mixed-use commercial and residential units. The district contains 32 schools, 10 healthcare facilities, 118 alcohol outlets, 22 SROs, 23 senior centers, and 25 public housing facilities.

From 2008 to 2013, the Northern District handled 13.5 percent of all calls and 11.6 percent of the incidents. If the proposed boundary lines were in place during this time, the Northern District would have handled 15.1 percent (+1.6 difference) of all calls and 13.2 percent (+1.6 difference) of the incidents.

The table below shows the percent difference in the key data and infrastructure in the Northern District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 13: Northern – Key Data and Infrastructure – Current vs. Proposed**

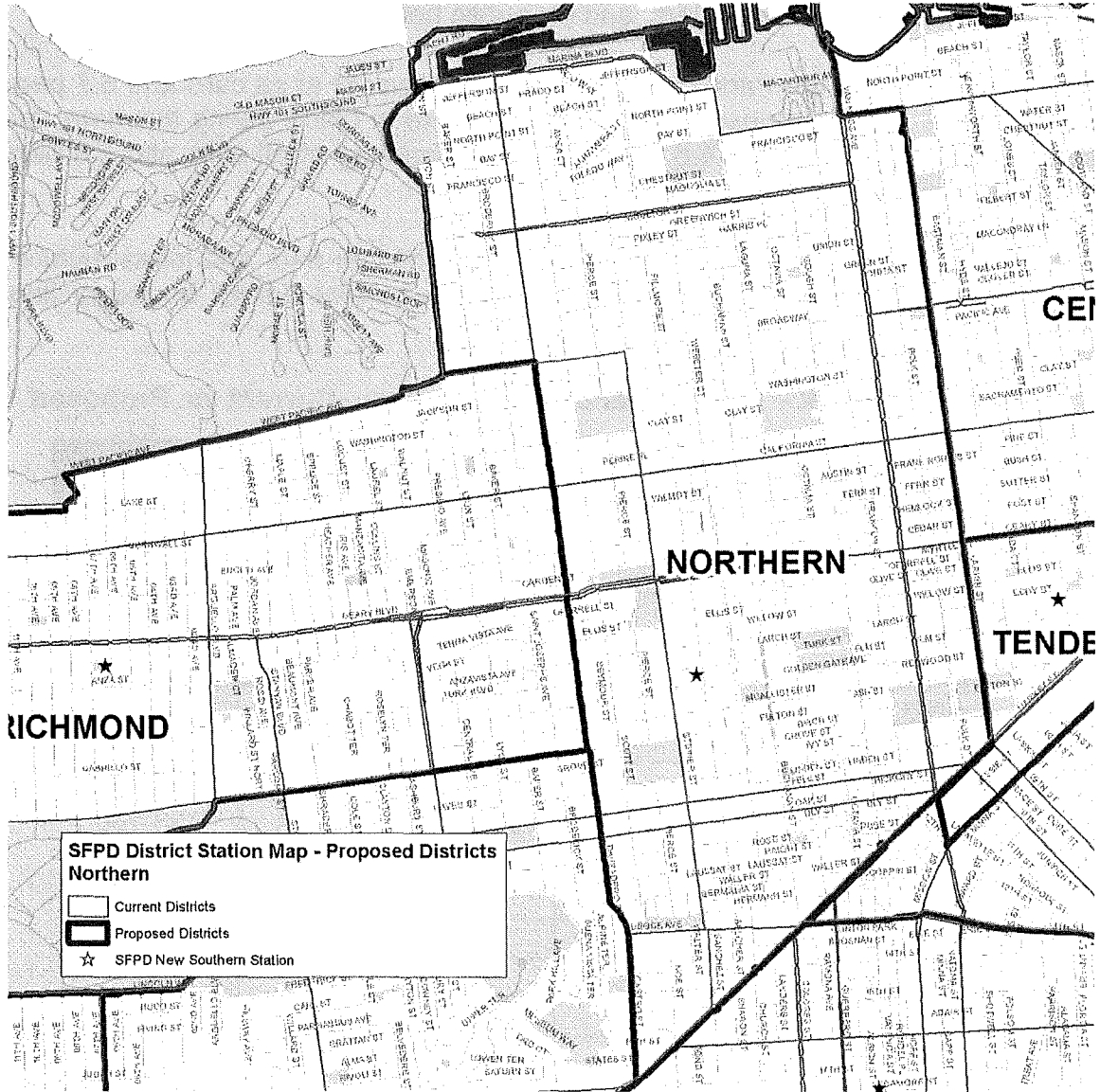
Northern - Key Data and Infrastructure - Current vs. Proposed			
Data / Infrastructure	Current	Proposed	Difference <sup>9</sup>
CAD 2008-2013	13.5%	15.1%	1.6%
CABLE 2008-2013 (20%)	11.6%	13.2%	1.6%
Population	10.6%	12.5%	1.9%
Housing	6.9%	6.9%	0.1%
Area	6.1%	7.3%	1.2%
Priority A	53,850	59,942	6,092
Priority B	114,780	125,609	10,829
Priority C	354,720	401,015	46,295
Schools	32	42	10
Healthcare	10	12	2
Alcohol Outlets	118	136	18
SROs	22	22	0
Senior Centers	23	24	1
Public Housing Facilities	25	30	5

The map on the next page shows the proposed Northern District. The only change in Northern is that its western border moves west from Steiner Street at Broadway to Divisadero Street, which when followed south becomes Castro Street, where it had previously followed Steiner Street south to Sanchez Street. The Northern District will

<sup>9</sup> "Current" and "Proposed" percentages presented in Table 13 are rounded values. "Difference" is calculated based on actual values.

have responsibility for both sides of the following streets: Divisadero and Castro Street to Market Street, and Broadway Street.

Map 6: Proposed Northern District



**Park District, Company F**, has a population of 59,023 and covers 6.7 percent of the land mass in the City. The area is mostly residential. The district is comprised of many neighborhoods that include Haight-Ashbury, North of Panhandle, west of Twin Peaks, Western Addition, and some of the Castro. New development includes light mixed-use commercial and residential. The district contains 20 schools, 10 healthcare facilities, 60 alcohol outlets, two senior centers, and six public housing facilities.

From 2008 to 2013, the Park District handled 6.7 percent of all calls and 5.7 percent of the incidents. If the proposed boundary lines were in place during this time, the Park District would have handled 4.8 percent (-1.9 difference) of all calls and 3.8 percent (-1.9 difference) of the incidents.

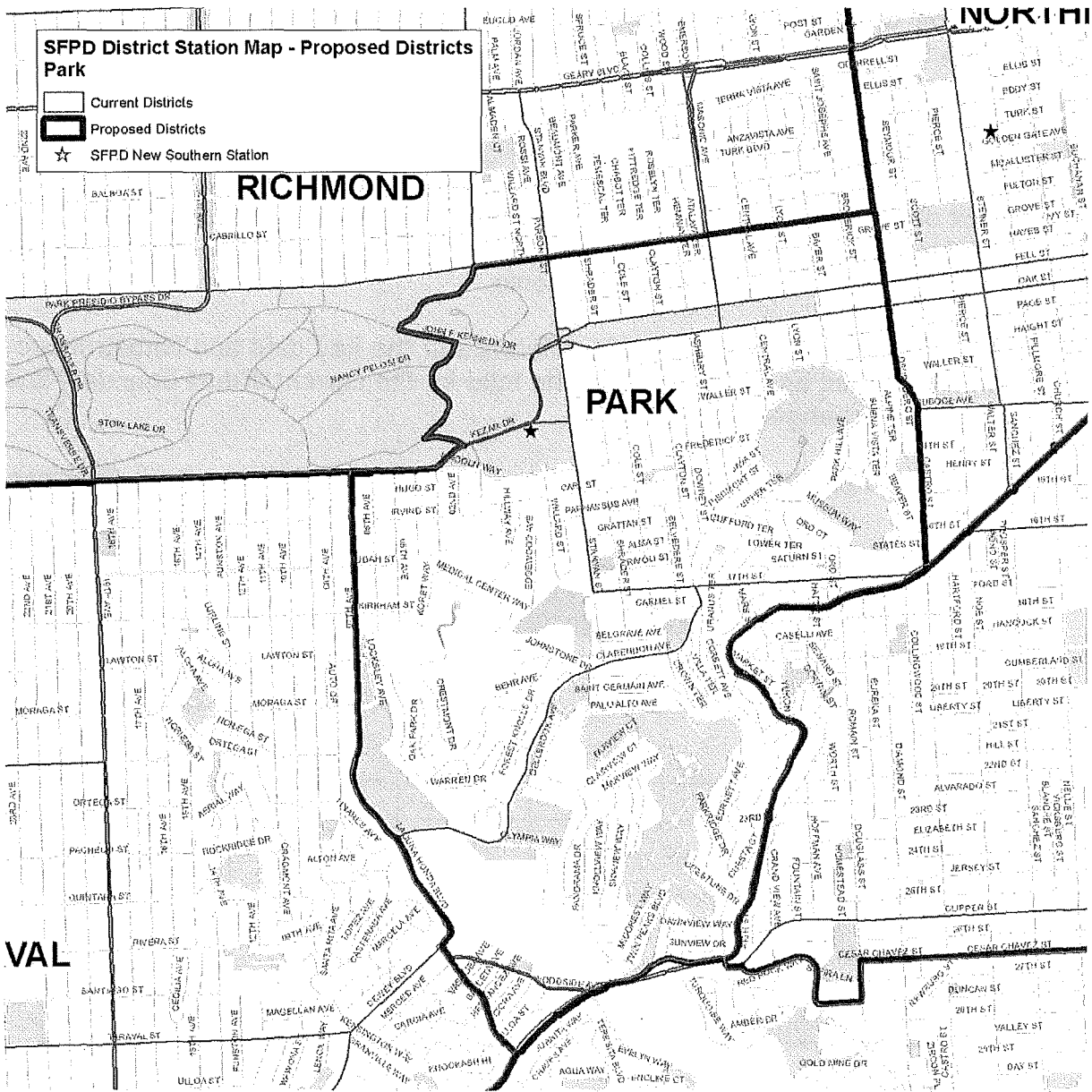
The table below shows the percent difference in the key data and infrastructure in the Park District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 14: Park – Key Data and Infrastructure – Current vs. Proposed**

<b>Park - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	6.7%	4.8%	-1.9%
CABLE 2008-2013 (20%)	5.7%	3.8%	-1.9%
Population	7.4%	5.2%	-2.2%
Housing	0.4%	0.2%	-0.2%
Area	6.7%	5.5%	-1.2%
Priority A	21,241	13,583	-7,658
Priority B	49,604	36,211	-13,393
Priority C	192,726	139,561	-53,165
Schools	20	14	-6
Healthcare	10	9	-1
Alcohol Outlets	60	40	-20
SROs	0	0	0
Senior Centers	2	1	-1
Public Housing Facilities	6	1	-5

The map on the next page shows the proposed Park District. The eastern border of the Park District formerly at Steiner Street and Sanchez Street moves west to Divisadero and Castro Streets. The northeast border of the Park District was formerly Geary Street and is now proposed to be Fulton Street. The change in the northeast border eliminates a section of the western border of the Park District, which formerly was at Masonic Avenue. The Park District will have responsibility for both sides of the following streets: Fulton to Divisadero Street.

### Map 7: Proposed Park District



**Richmond District, Company G**, has a population of 91,753 and covers 12.8 percent of the land mass in the City. The area is mostly residential and is home to Golden Gate Park. The district is comprised of many neighborhoods that include the Richmond, Presidio Heights, Laurel Heights, Sea Cliff, and Golden Gate Park. There is very little new development. The District contains 40 schools, seven healthcare facilities, 80 alcohol outlets, one SRO, 18 senior centers, and eight public housing facilities.

From 2008 to 2013, the Richmond District handled 7.2 percent of all calls and 5.5 percent of the incidents. If the proposed boundary lines were in place during this time, the Richmond District would have handled 7.5 percent (+0.3 difference) of all calls and 5.9 percent (-0.4 difference) of the incidents.

The table below shows the percent difference in the key data and infrastructure in the Richmond District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 15: Richmond – Key Data and Infrastructure – Current vs. Proposed**

<b>Richmond - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b> <sup>10</sup>
CAD 2008-2013	7.2%	7.5%	0.3%
CABLE 2008-2013 (20%)	5.5%	5.9%	0.4%
Population	11.4%	11.7%	0.3%
Housing	0.7%	0.7%	0.1%
Area	12.9%	12.9%	0.0%
Priority A	19,304	20,870	1,566
Priority B	50,304	52,869	2,565
Priority C	208,948	215,820	6,872
Schools	40	36	-4
Healthcare	7	7	0
Alcohol Outlets	80	82	2
SROs	1	1	0
Senior Centers	18	18	0
Public Housing Facilities	8	8	0

The map on the next page shows the proposed Richmond District. The eastern border for Richmond will change from Steiner Street in the northeast and Masonic Avenue to Divisadero at Broadway Street, south to Fulton Street.

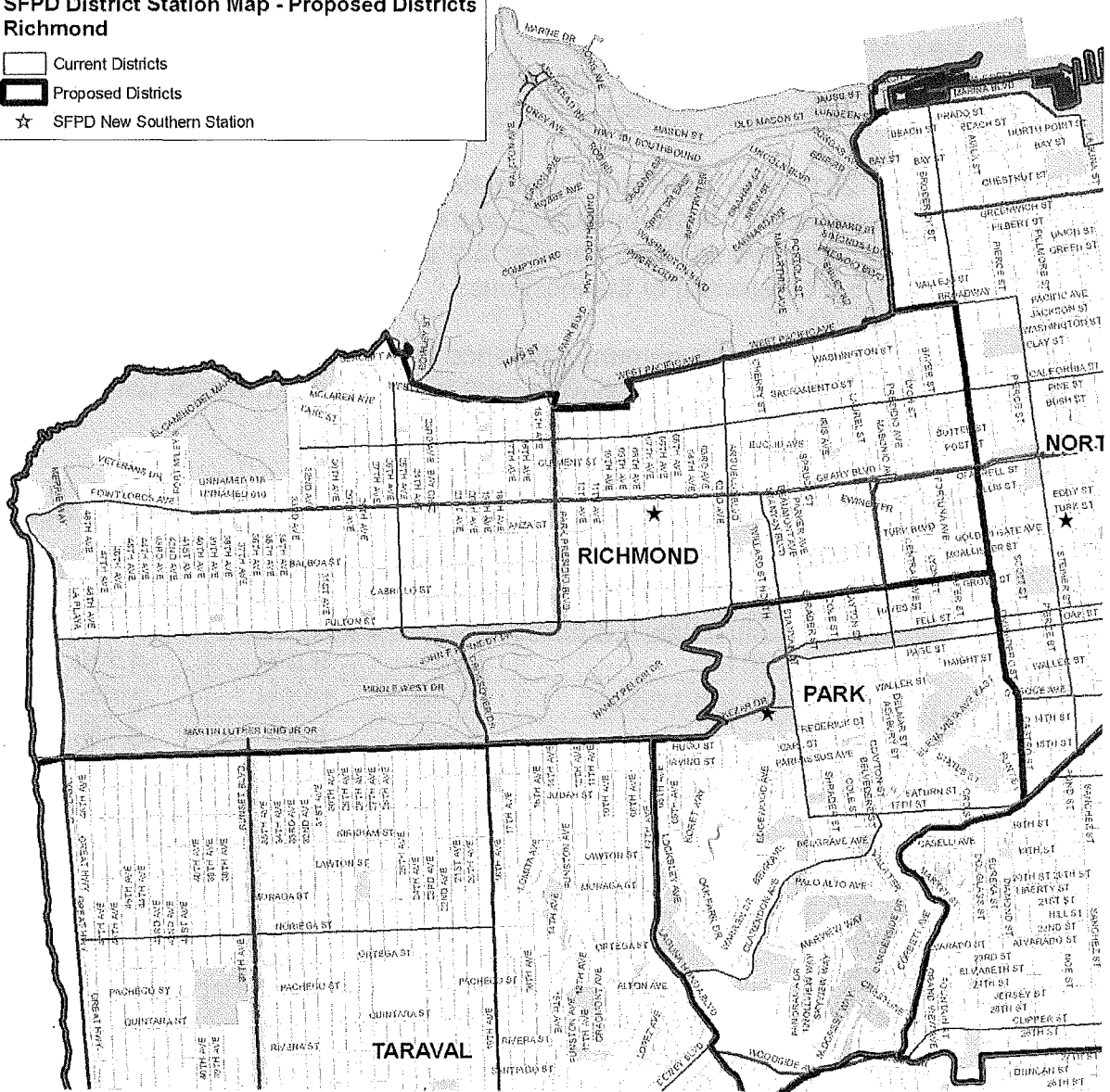
<sup>10</sup> "Current" and "Proposed" percentages presented in Table 15 are rounded values. "Difference" is calculated based on actual values.



Map 8: Proposed Richmond District

**SFPD District Station Map - Proposed Districts  
Richmond**

- Current Districts
- ▭ Proposed Districts
- ☆ SFPD New Southern Station



**Southern District, Company B**, has a population of 44,033 and covers 6.4 percent of the land mass in the City. The area is mixed-use commercial and residential and rapidly growing, with sporting venues, housing, businesses, and some tourism. The district is comprised of many neighborhoods that include the growing SOMA and Treasure Island areas. New development includes housing in eastern SOMA and mixed-use commercial and residential units in western SOMA. The district contains five schools, six healthcare centers, 69 alcohol outlets, 38 SROs, 14 senior centers, and one public housing facility.

From 2008 to 2013, the Southern District handled 13.6 percent of all calls and 18.0 percent of the incidents. If the proposed boundary lines were in place during this time, the Southern District would have handled 8.9 percent (-4.7 difference) of all calls and 13.0 percent (-5.0 difference) of the incidents.

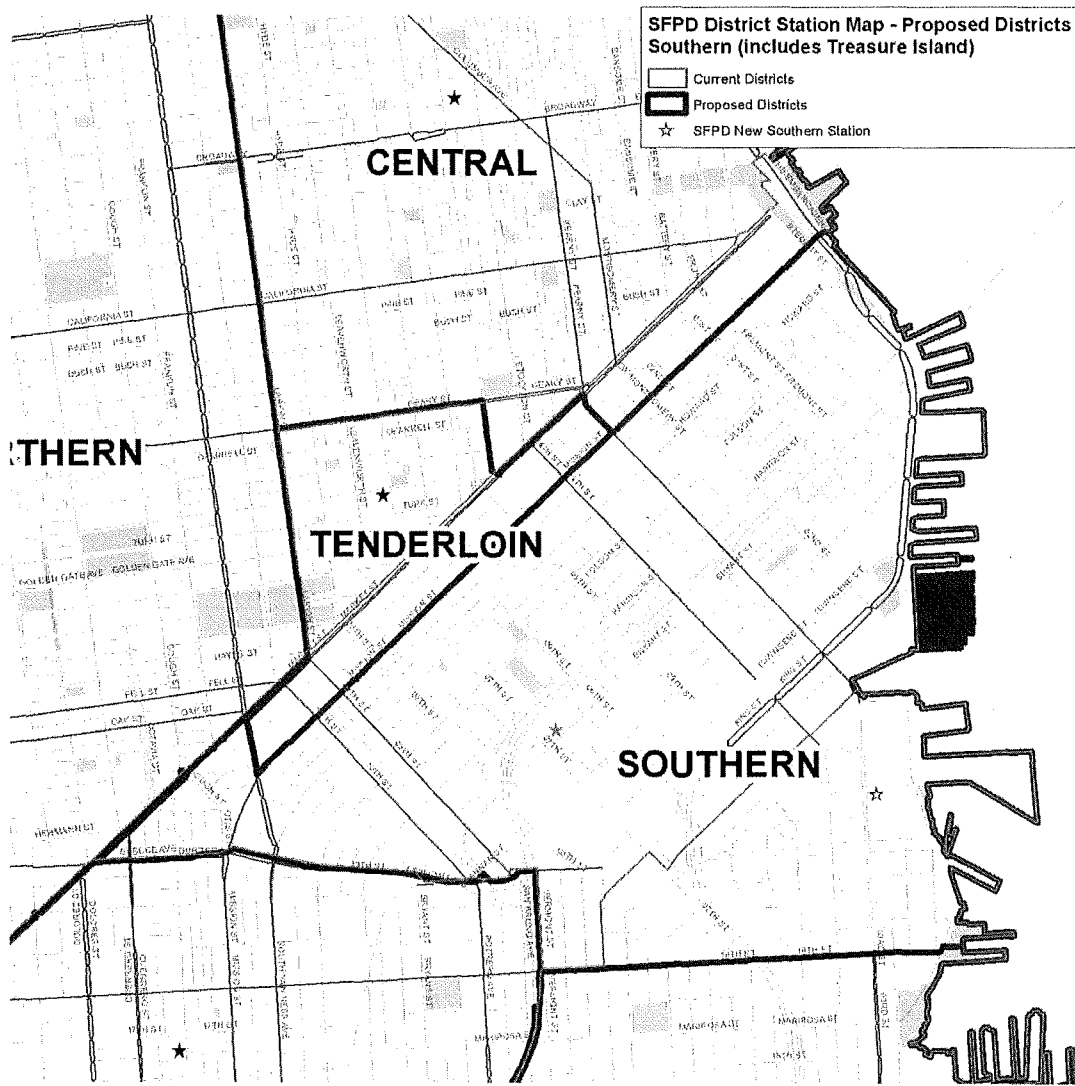
The table below shows the percent difference in the key data and infrastructure in the Southern District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 16: Southern – Key Data and Infrastructure – Current vs. Proposed**

<b>Southern - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	13.6%	8.9%	-4.7%
CABLE 2008-2013 (20%)	18.0%	13.0%	-5.0%
Population	5.5%	5.2%	-0.3%
Housing	33.0%	36.5%	3.5%
Area	6.4%	7.2%	0.8%
Priority A	57,266	37,921	-19,345
Priority B	143,421	92,143	-51,278
Priority C	341,244	219,969	-121,275
Schools	5	5	0
Healthcare	6	4	-2
Alcohol Outlets	69	59	-10
SROs	38	26	-12
Senior Centers	14	12	-2
Public Housing Facilities	1	1	0

The map on the next page shows the proposed Southern District. The northern border for the Southern District starts along its current border of Market Street until South Van Ness Street where the border drops south to Mission Street where it extends east to the San Francisco Bay. The western border remains the same, while the southern border changes from Mission Creek Channel/China Basin south to 16<sup>th</sup> Street. Treasure Island remains in the Southern District. The Southern District will have responsibility for both sides of the following streets: Mission Street, 16th Street, South Van Ness Street from Market to Mission, Market Street from South Van Ness to Duboce.

Map 9: Proposed Southern District



**Taraval District, Company I**, has a population of 151,815 and covers 23.9 percent of the land mass in San Francisco. The area is mostly residential. The district is comprised of many neighborhoods that include the Sunset, Merced, Oceanview, Ingleside, and Parkside. There is little new development. The district contains 47 schools, four healthcare facilities, 79 alcohol outlets, 11 senior centers, and five public housing facilities.

From 2008 to 2013, the Taraval District handled 8.4 percent of all calls and 7.7 percent of the incidents. There are not any changes to the Taraval District.

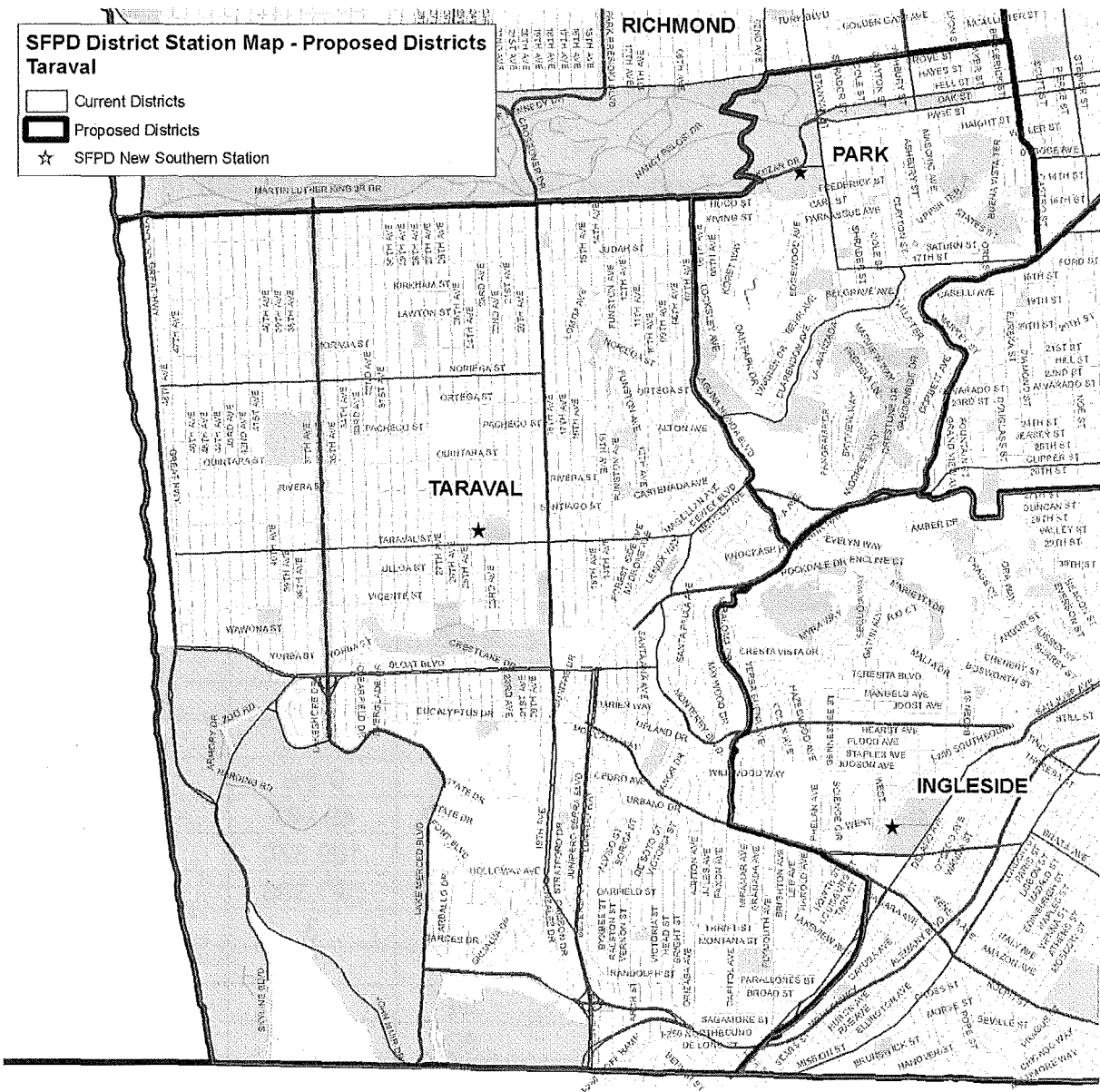
The table below shows the percent difference in the key data and infrastructure in the Taraval District as part of the citywide total for the current district boundary lines and proposed line changes.

**Table 17: Taraval – Key Data and Infrastructure – Current vs. Proposed**

<b>Taraval - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	8.4%	8.4%	0.0%
CABLE 2008-2013 (20%)	7.7%	7.7%	0.0%
Population	18.9%	18.9%	0.0%
Housing	17.5%	17.5%	0.0%
Area	23.9%	23.9%	0.0%
Priority A	28,597	28,597	0
Priority B	69,992	69,992	0
Priority C	223,752	223,752	0
Schools	47	47	0
Healthcare	4	4	0
Alcohol Outlets	79	79	0
SROs	0	0	0
Senior Centers	11	11	0
Public Housing Facilities	5	5	0

The map on the next page shows the proposed Taraval District. Under the proposed redistricting, the Taraval District will not change.

### Map 10: Proposed Taraval District



**Tenderloin District, Company J**, has a population of 22,774 and covers 0.5 percent of the land mass in the City. The area is residential, comprised of; mostly Single Room Occupancy hotels (SROs) and very densely populated. There is potential for development of residential towers. The district contains three schools, six healthcare facilities, 34 alcohol licenses, 80 SROs, ten senior centers, and four public housing facilities.

From 2008 to 2013, the Tenderloin District handled 8.8 percent of all calls and 9.7 percent of the incidents. If the proposed boundary lines were in place during this time, the Tenderloin District would have handled 12.0 percent (+3.2 difference) of all calls and 12.6 percent (+3.0 difference) of the incidents.

The table below shows the percent difference in the key data and infrastructure in the Southern District as part of the citywide total for the current district boundary lines and proposed line changes.

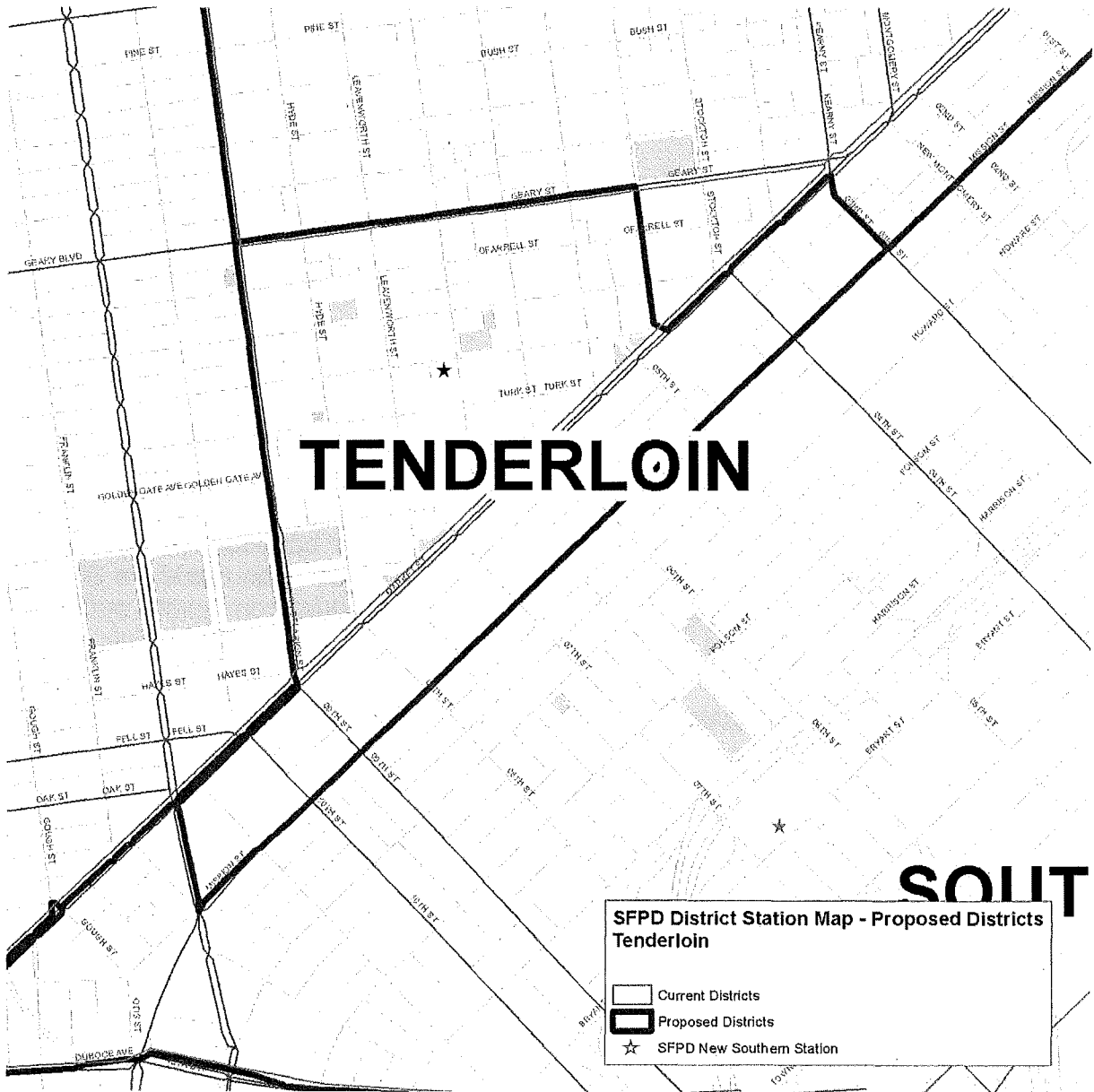
**Table 18: Tenderloin – Key Data and Infrastructure – Current vs. Proposed**

<b>Tenderloin - Key Data and Infrastructure - Current vs. Proposed</b>			
<b>Data / Infrastructure</b>	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
CAD 2008-2013	8.8%	12.0%	3.2%
CABLE 2008-2013 (20%)	9.7%	12.6%	3.0%
Population	2.8%	3.2%	0.4%
Housing	0.9%	3.7%	2.8%
Area	0.6%	0.8%	0.2%
Priority A	37,216	49,962	12,746
Priority B	82,940	109,370	26,430
Priority C	241,916	327,393	85,477
Schools	3	3	0
Healthcare	6	7	1
Alcohol Outlets	34	37	3
SROs	80	92	12
Senior Centers	10	12	2
Public Housing Facilities	4	4	0

The map on the next page shows the proposed Tenderloin District. The northern border for the Tenderloin District includes the current border of Geary Street, but rather than continuing to Market Street, the border goes south on Powell Street then northeast to Market Street at 3rd Street. The Tenderloin District will have responsibility for both sides of the following streets: Larkin from Market to Geary, Market from South Van Ness to Larkin Street, Market Street from Powell Street to 3rd Street, and 3rd Street from Market to Mission Street.

<sup>11</sup> "Current" and "Proposed" percentages presented in Table 18 are rounded values. "Difference" is calculated based on actual values.

Map 11: Proposed Tenderloin District



## **E. Conclusion**

The following section provides a short summary of the district boundary analysis project to date, the next steps in the process related to the proposed maps, and future strategies for the SFPD to consider.

### **Summary of the District Boundary Analysis Project**

In the fall of 2013, the Controller's Office sought a vendor to conduct a district boundary analysis in collaboration with the SFPD. The primary project driver was that the City was building a new Southern Police Station in the footprint of the Bayview District that will be opening in early 2015. In addition, the City expects changes in its residential and commercial development.

The project began in April of 2014. From April through October 2014, PSSG conducted interviews with SFPD personnel and other city stakeholders, and met with an assigned Working Group and Steering Committee to review data, create maps, and discuss the implication of district boundary line changes.

The SFPD and PSSG presented the proposed district boundary line changes to the Police Commission on December 10, 2014. The presentation started a 90-day public comment period. During this time the SFPD will conduct community outreach in the impacted districts to gather reaction from those that live and work in the districts.

### **Next Steps for Evaluating the Proposed District Boundary Lines**

As required in the BOS legislation, the Police Commission shall consider the District Station Boundary Analysis report, recommendations from the Chief, and any other information it deems relevant, and shall propose changes to district station boundaries where appropriate. During the 90-day period, the Commission may hold hearings, take testimony, consider written comments, and revise the initial proposal. After a minimum of 90 days from the posting of the initial proposal, the Commission may adopt new station boundaries (refer to BOS legislation in Section F for additional information), or request changes.

In consultation with DEM, SFPD anticipates that new district station boundary lines will be implemented 30-45 days after the Police Commission's approval.

### **Additional Areas for SFPD Consideration**

There are several areas which the SFPD can consider that would supplement the district boundary line analysis, inform future decision making, and improve policing services. These areas include the following:



## **Staffing Analysis**

### *District and Specialty Assignments*

- This analysis should be completed routinely (bi-weekly or monthly) so that reports are produced and archived in order to analyze workload in relation to calls for service, incidents, and patrol level staffing.

### *Civilianization*

- This analysis should be completed to determine what positions can be filled with civilian staff, freeing sworn department members to perform services that only sworn personnel can perform. This effort could reallocate additional officers at the district level, easing the disparity in workload differences due to the disparate level of calls for service and workload across districts.

## **Sector Car Analysis of CAD/CABLE**

- This analysis should be completed to determine the calls for service and incidents at a more detailed level than just looking at the district in its totality.

## **Parity**

- The analysis should be conducted in terms of call loading per officer, rather than per district. The discussion of parity needs to look at the calls for service, incidents, and arrests per person across the city in order to balance the workload by assigning personnel according to the amount of activity requiring a police response in the district. Parity citywide cannot be achieved with district boundary lines, but rather staffing reallocation.

## **Response Time Analysis**

- The analysis for response time should routinely occur, as has been the past practice of the SFPD. Once new district lines are set, the SFPD should monitor response times to determine if there are any changes.

## **Investment in Data Management**

- The software and databases used by the SFPD require improvements. For example, the recording of information for events is largely paper based and varies from district to district. The information that is contained in the CABLE system contains limited information and the information contained is not kept in a consistent manner. The homicide data is stored

in department developed files - either Excel or Word - and vary from year to year in terms of layout and content.

- The SFPD does not consistently record time spent on community engagement or administrative tasks, which makes it difficult to determine the time spent working with the community on administrative functions.
- The data sets provided contain errors which impact analysis. A data validation and quality control strategy would improve the data accuracy and quality, allowing the SFPD to better track and use information for decision making.

### **Alternative Deployment / District Staffing Structure**

- The crime trends show that crime is concentrated in certain areas of the city, which currently span across multiple districts. If the SFPD were to consider alternative strategies that maintain community based services and access, they may be able to more effectively address the crime issues.

### **Comprehensive Facilities Plan**

- The SFPD has several aging and inadequate facilities. Improving and rebuilding facilities is expensive. Determining which facilities can be improved and expanded is an important step in the long term strategy for policing on a district level.

Considering these areas and developing a plan for implementation will assist the SFPD in future planning and policing in the city.

## **F. Attachment A: Board of Supervisors Legislation**

### Board of Supervisors Mandate for District Boundaries Analysis

#### SEC. 2A.86. BOUNDARIES OF POLICE DEPARTMENT DISTRICT STATIONS

(a) Ten-Year Review. The boundaries of Police Department district stations should operate to maximize the effectiveness of police operations and the efficient use of police resources. No less than once every ten years, the Police Commission, in consultation with the Chief of Police, shall complete a comprehensive review of district station boundaries and make adjustments as appropriate.

(b) Data and Factors for Consideration. The Police Commission, in consultation with the Chief of Police, shall base the review of station boundaries on the following:

- (1) Population data, including, but not limited to, the results of the decennial federal census;
- (2) Data regarding nonresidents, including visitors, shoppers, workers, and tourists who spend time in San Francisco;
- (3) Proposed development or other activities that are likely to significantly alter the population of residents or nonresidents in the following ten year period;
- (4) Landscape features, whether natural or constructed, such as hills, waterways, major streets or transit lines, shopping districts, residential developments and parks;
- (5) Boundaries of neighborhoods and cohesive communities;
- (6) Areas with higher-than-average concentrations of children, youth, and the elderly;
- (7) Number, type, and frequency of policing activities, including calls for service and arrests;
- (8) Anticipated needs for police resources, including, but not limited to, adequate staffing for (i) foot beats and community policing efforts, (ii) areas experiencing or at-risk for higher-than-average crime, and (iii) areas with a special need for policing services due to lower-than-average arrest and conviction rates;
- (9) Capacity of police resources, including, but not limited to, district station facilities, information technology, communications systems, and police personnel;
- (10) Neighborhood and community input; and
- (11) Other relevant factors as determined by the Police Commission and the Chief.

(c) Review and Adoption of New Boundaries. No later than the first January 1st following official publication of the results of the federal decennial census, the Chief of Police shall develop and submit to the Police Commission a work plan for a comprehensive review of district station boundaries. The work plan shall

include timelines, a budget, and identification of functions that can best be performed by technical experts in other City departments or from outside the City.

Consistent with implementation of the work plan, including appropriate budgetary support for the project, the Chief of Police shall review the station boundaries, including all data described above. The following shall provide technical assistance to the Chief of Police, as requested; the Controller, the Director of the Mayor's Office of Criminal Justice, the Director of Planning, and any other officers or employees engaged in planning, forecasting, building, or population analysis. As part of the review, the Chief, with the assistance of the Mayor's Office of Criminal Justice and any expert identified or retained to manage the project, shall conduct public hearings and gather input from all affected communities.

Based on consideration of all relevant information, the Chief shall submit to the Police Commission a report analyzing the existing boundaries and making a recommendation for boundary changes, if any are warranted. The Chief shall submit the report and recommendation no later than the second January 1st following official publication of the results of the federal decennial census.

The Police Commission shall consider the Chief's report and recommendations, and any other information it deems relevant, and shall propose changes to district station boundaries where appropriate. The Commission shall forward any proposed-to-adjust station boundaries to the Mayor and the Board of Supervisors. The Commission also shall post the proposal at the Commission offices, outside the Commission's regular meeting location, and on the City's website, and shall send a copy to the Public Library. The Commission shall allow a minimum of ninety (90) days from the date of posting for public comment, before taking final action to adopt new station boundaries. During the 90-day period, the Commission may hold hearings, take testimony, consider written comments, and revise the initial proposal. After a minimum of ninety (90) days from the posting of the initial proposal, the Commission may adopt new station boundaries.

The Commission, in consultation with the Chief, may set an effective date for implementation of the new boundaries, which shall occur no later than eighteen (18) months from the posting of the initial proposal.

(d) Transition Provision. The Chief shall conduct the first boundary review described in this Section and submit recommendations to the Police Commission no later than January 1, 2008. Thereafter, the Chief shall conduct the review and submit recommendations according to the timelines described above. After January 1, 2008, the Clerk shall delete this Section 2A.90(d) from the Code.

(Added by Ord. 243-6, File No. 060795, App. 10/4/2006)

## **G. Attachment B: Data Processing Summary**

### **Data Analysis Review**

To make informed decisions about the process and results, final recommendations are dependent on reliable data. PSSG requested several data elements, including calls for service, crime data, department staffing, shootings, homicides, events, field interview cards, citation, and collision data for January 1, 2008, through December 31, 2013.

### **Limitations with SFPD Data**

The lack of technology for data analysis and extraction hampered not only this project but also ongoing data analysis in the City. While in the future, the SFPD plans to correct this through use of the recently created Crime Data Warehouse, looking at historical data presents challenges.

SFPD uses several department created databases for incidents such as homicides and shootings, but they vary from year to year. Information on events is largely kept by hand at the district level, but there is some data stored electronically that consists of the event name, date, and operational orders. The event database is kept with common names for locations rather than street addresses and the database does not contain specific route information for events such as races or parades. The gaps and difference in data prevents detailed analysis.

This rest of this section provides specific examples of deficiencies in data collection, archiving, and retrieval that impact not only the current studies, but also for using the data to develop and implement crime prevention strategies, report to agencies such as the Federal Bureau of Investigation, and appropriately plan for staffing and resource allocation.

### **CABLE Data**

The CABLE system is the City's crime reporting system. An electronic data storage system for all offenses reported to the SFPD, CABLE is designed to capture and store information about offenses, suspects, victims, and offense locations.

PSSG received crime-reporting data covering the period of January 1, 2008, to December 31, 2013. The CABLE database contained 723,263 incident records. The CABLE records used represent a random 20% sample, which is an acceptable sample size for the total number of records.

The annual totals and duplicate entries for each year appear in the following tables.

**Table 19: CABLE Records 2008 - 2013**

<b>Year</b>	<b>Total Number of Incidents Analyzed</b>	<b>Percent of All Incidents</b>
2008	128,491	17.8%
2009	118,082	16.3%
2010	111,949	15.5%
2011	112,375	15.5%
2012	121,456	16.8%
2013	130,910	18.1%
<b>Total</b>	<b>723,263</b>	<b>100.0%</b>

**Table 20: Duplication Frequency for CABLE Data 2008 - 2013**

<b>Duplication Frequency for CABLE Data 2008 - 2013</b>				
<b>Year</b>	<b>Primary Case</b>	<b>Duplicate Case</b>	<b>Percent of Duplicates</b>	<b>Total</b>
2008	120,040	8,451	6.6%	128,491
2009	111,943	6,139	5.2%	118,082
2010	103,945	8,004	7.1%	111,949
2011	102,616	9,759	8.7%	112,375
2012	110,042	11,414	9.4%	121,456
2013	117,376	13,534	10.3%	130,910
<b>Total</b>	<b>665,962</b>	<b>57,301</b>	<b>7.9%</b>	<b>723,263</b>

**Computer Aided Dispatch (CAD) Data**

CAD files are data records for SFPD's dispatch system, including calls for service SFPD receives and records of officer-initiated activities. The total number of CAD records reviewed was 8,521,696.

**Table 21: SFPD CAD Records 2008 – 2013**

<b>Year</b>	<b>Total Number of Calls</b>	<b>Percent of All Calls</b>
2008	1,643,151	19.3%
2009	1,535,818	18.0%
2010	1,445,998	17.0%
2011	1,322,323	15.5%
2012	1,295,312	15.2%
2013	1,279,094	15.0%
<b>Total</b>	<b>8,521,696</b>	<b>100.0%</b>

## Response Time Analysis

PSSG constructed tables of response times for each district by priority A, B, and C call types and by the constructed crime categories. It conducted this analysis for the sectors, as well. The response time breakdowns consisted of the time the call was received to the time of dispatch, dispatched to arrive, arrived to time cleared of the call, and time the call was received to the time the call was cleared.

Many records contained negative and/or unusable numbers. The unusable numbers resulted from missing values either on the arrival or cleared times. The total number of records for each year that were eliminated from the analysis appears in the table below. Despite the elimination of unusable records, the sample size was large enough to obtain trend data.

**Table 22: Records Eliminated from Response Time Analysis**

Year	Total Number of Calls	Total Number of Calls Eliminated	Percent of All Calls Eliminated
2008	1,643,151	752,206	45.8%
2009	1,535,818	720,582	46.9%
2010	1,445,998	701,150	48.5%
2011	1,322,323	687,271	52.0%
2012	1,295,312	685,504	52.9%
2013	1,279,094	708,758	55.4%
Total	8,521,696	4,255,471	49.9%

## Human Resource Management System (HRMS)

The HRMS contains SFPD personnel information related to staffing. SFPD did not provide actual staffing numbers for each district, but rather provided PSSG with the raw data files. PSSG used the raw HRMS files to create snapshots of the officers assigned to patrol on selected days. The HRMS data base contains errors such as listing both "Motorized Patrol" and "Motorized Ptrl." as deployment options and "Northern" and "Northern Station" as assigned locations

## TransBase

The City provided the TransBase information. Transbase contained several of the key variables related to traffic, city infrastructure, and population density. PSSG used the TransBase to create maps and corresponding data for the Working Group to review.

## **SFPD Databases**

The SFPD provided PSSG with internal data based on field investigations, collisions, citations, homicides, shootings, gang locations, and events. PSSG cleaned and coded this information to develop maps the Working Group reviewed.

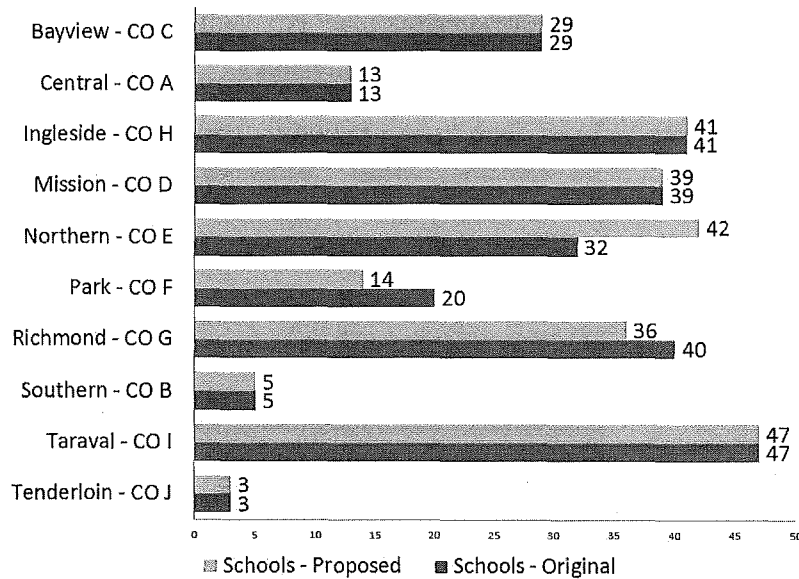


## H. Attachment C: Supporting Data

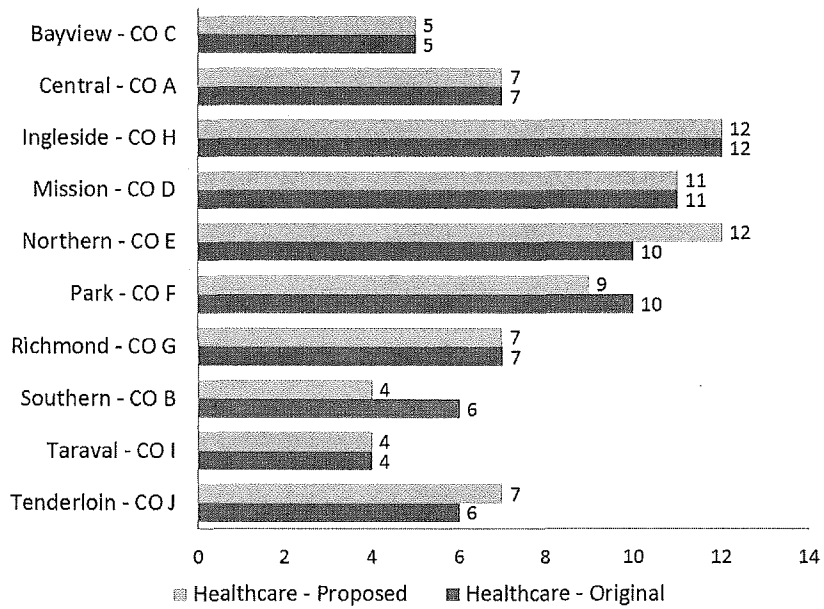
The following section provides a summary of data used during the project.

The charts below show a comparison of key infrastructure comparing the current with the proposed districts. The BOS legislation (see Appendix F) requires review of data related to areas of special populations, including higher than average concentrations of children, youth, and the elderly. The Working Group reviewed key infrastructure and areas where special populations are located or areas which might need additional police resources.

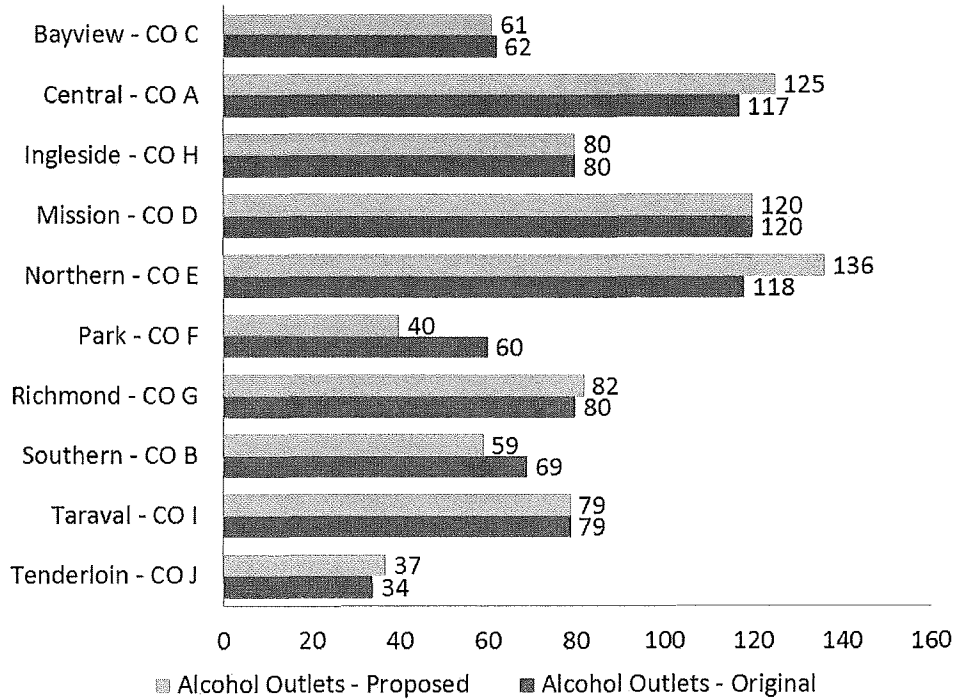
**Chart 1: Current and Proposed District Comparison of Schools**



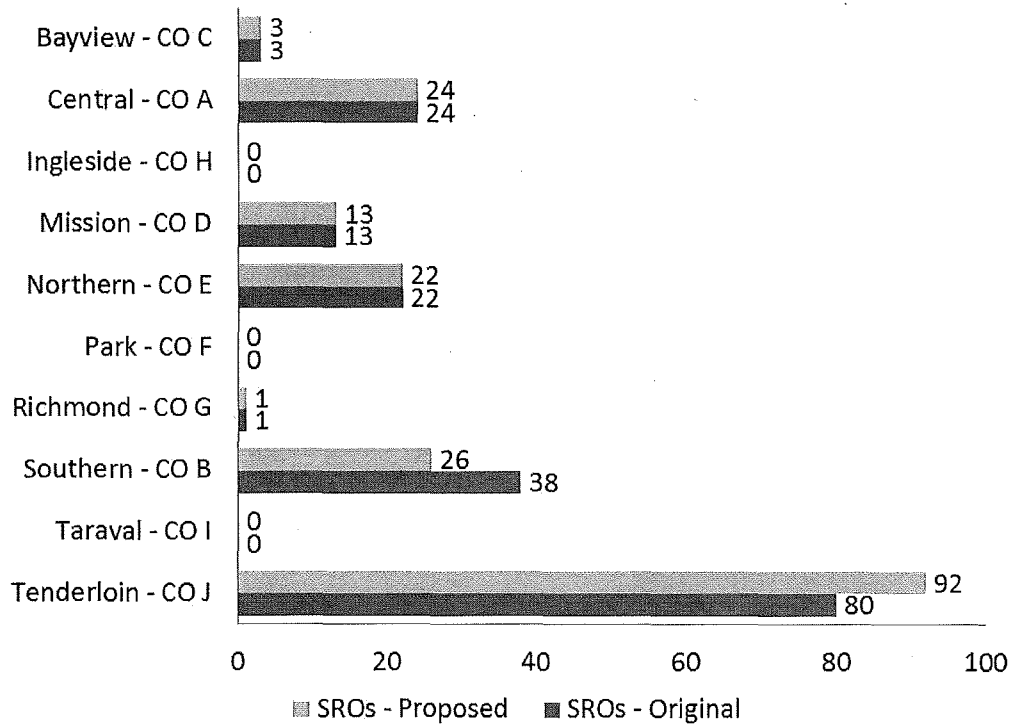
**Chart 2: Current and Proposed District Comparison of Healthcare Facilities**



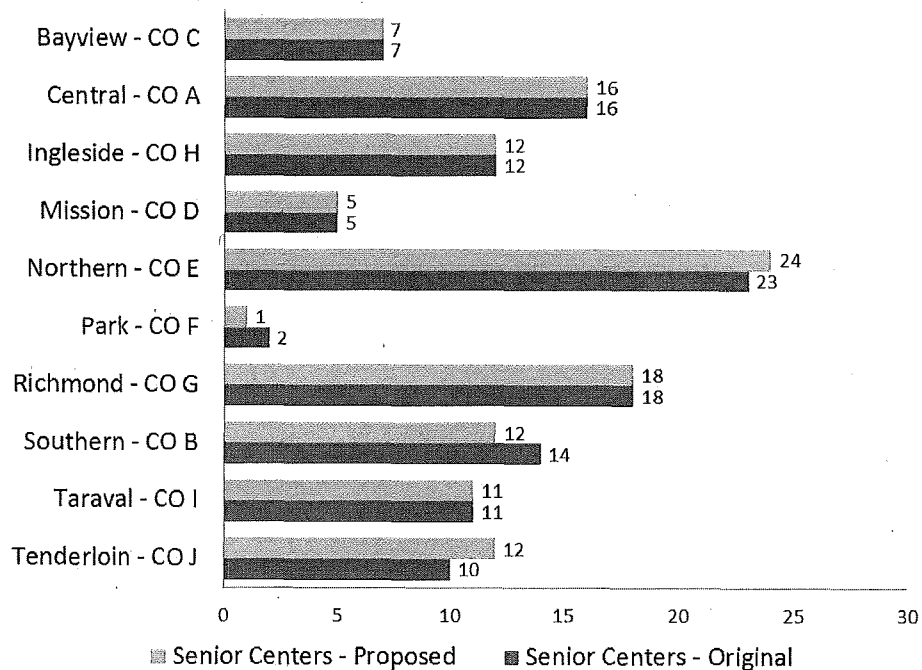
**Chart 3: Current and Proposed District Comparison of Alcohol Outlets**



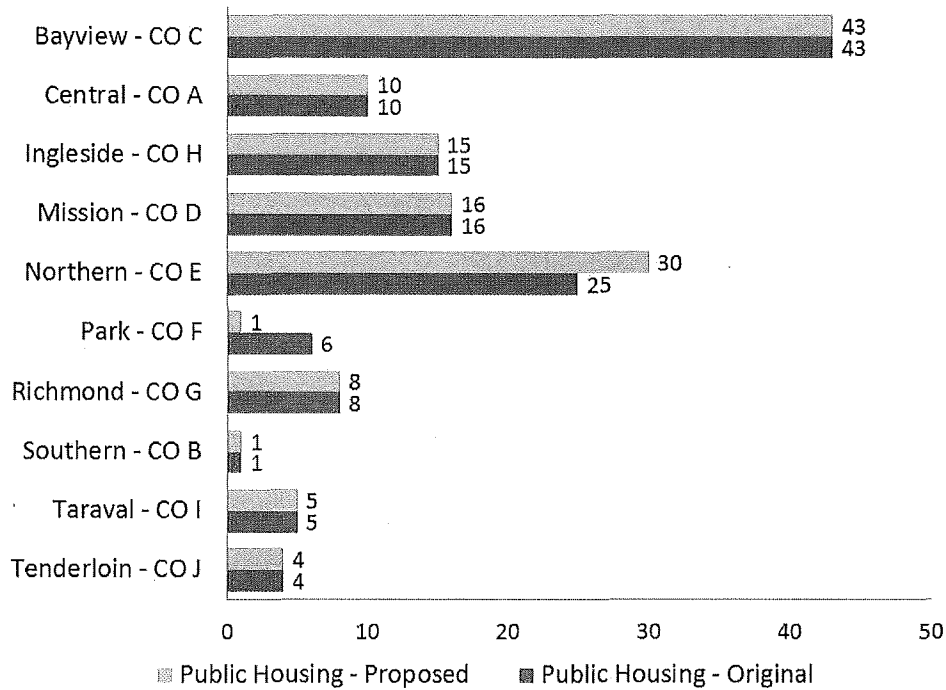
**Chart 4: Current and Proposed District Comparison of SROs**



**Chart 5: Current and Proposed District Comparison of Senior Centers**

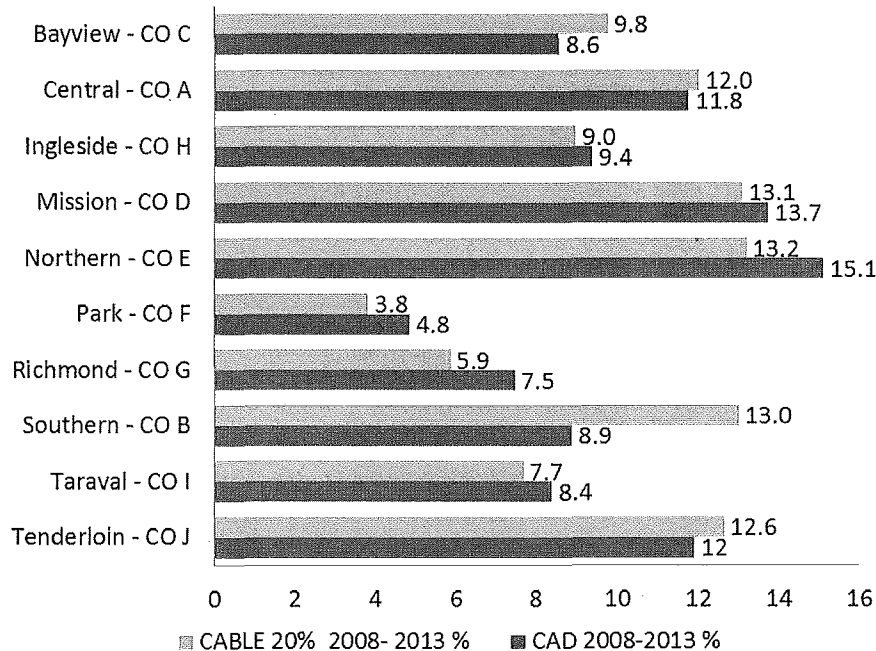


**Chart 6: Current and Proposed District Comparison of Public Housing**

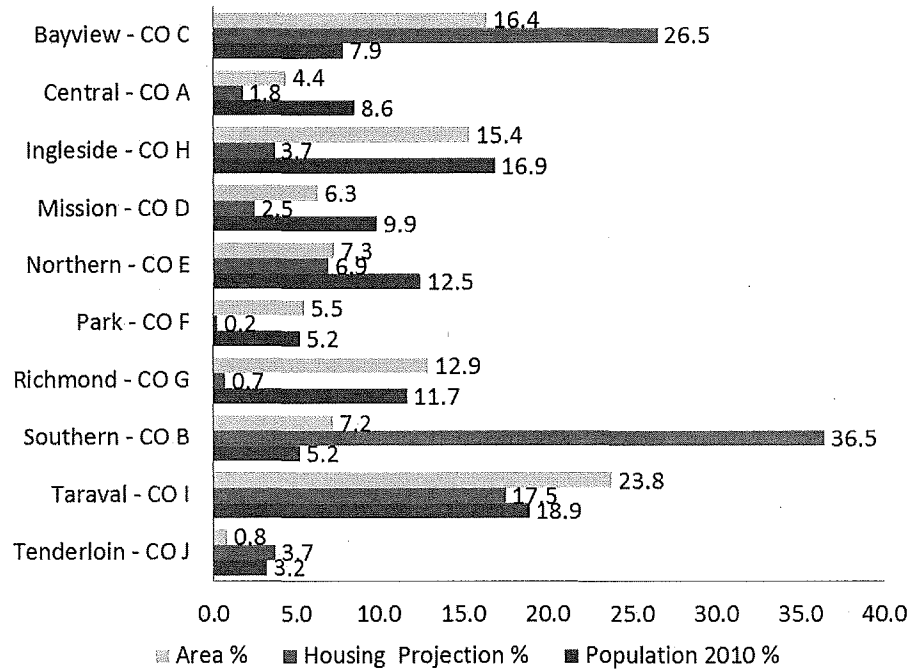


The next series of charts show the proposed key data elements for each district. Key data elements were determined by the Working Group to be the most useful data points to consider when changing district boundary lines.

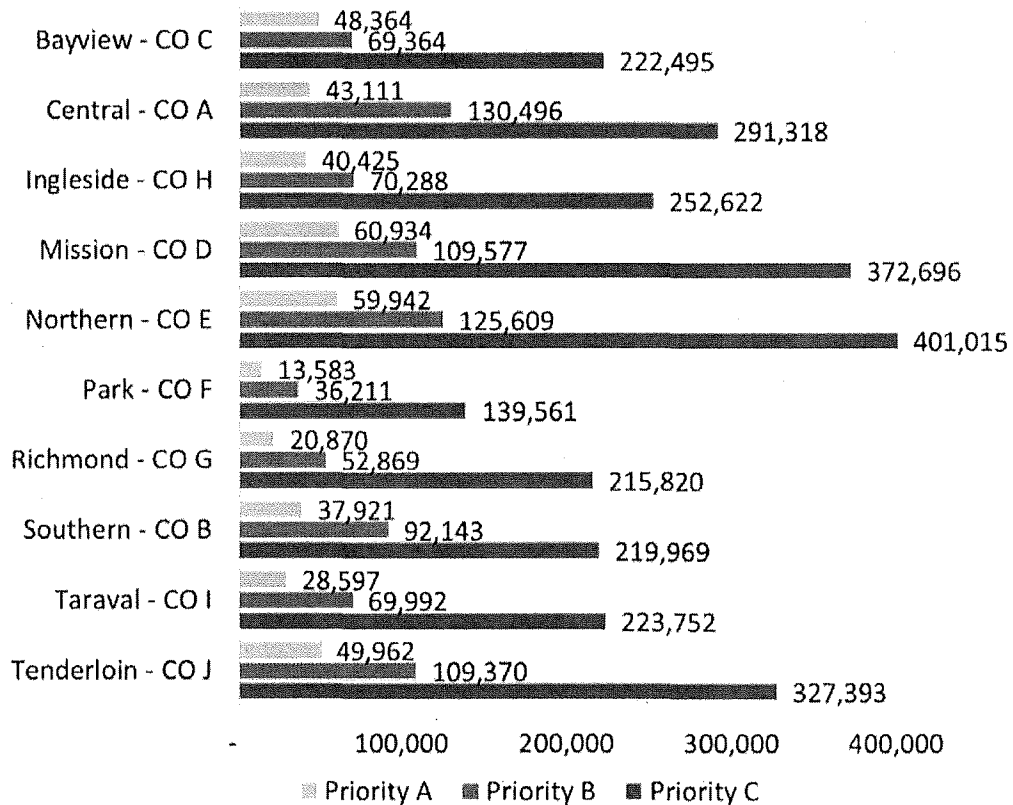
**Chart 7: District by District Proposed Key Data Elements – CAD and CABLE**



**Chart 8: District by District Proposed Key Data Elements – Population, Housing, and Land Area**

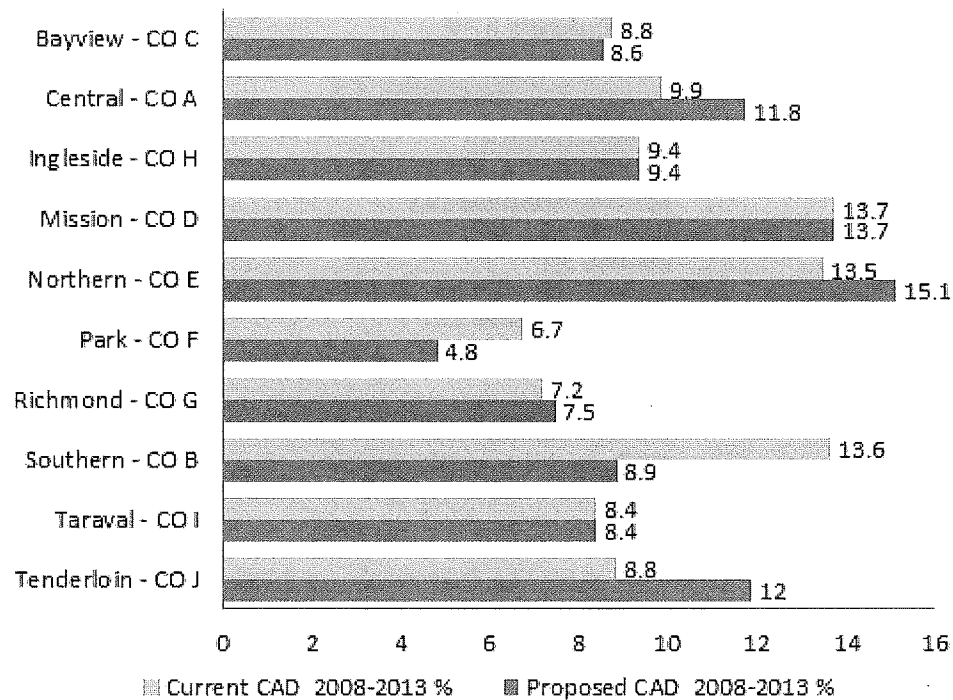


**Chart 9: District by District Proposed Key Data Elements – Call Priority Level**

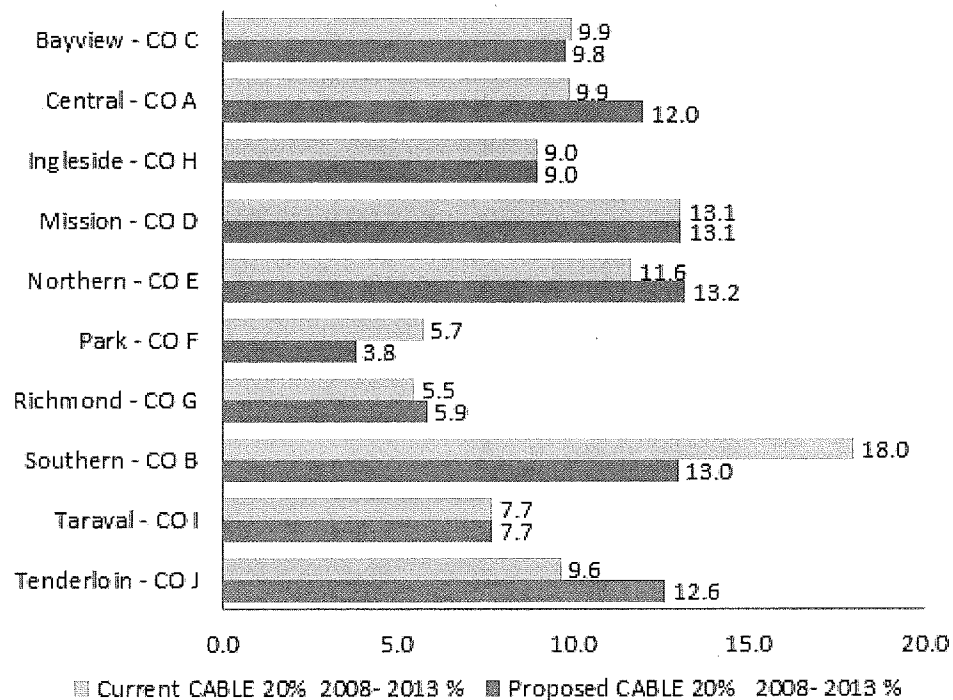


The next series of charts show the difference between the current key data elements for the district lines as compared to the proposed district lines.

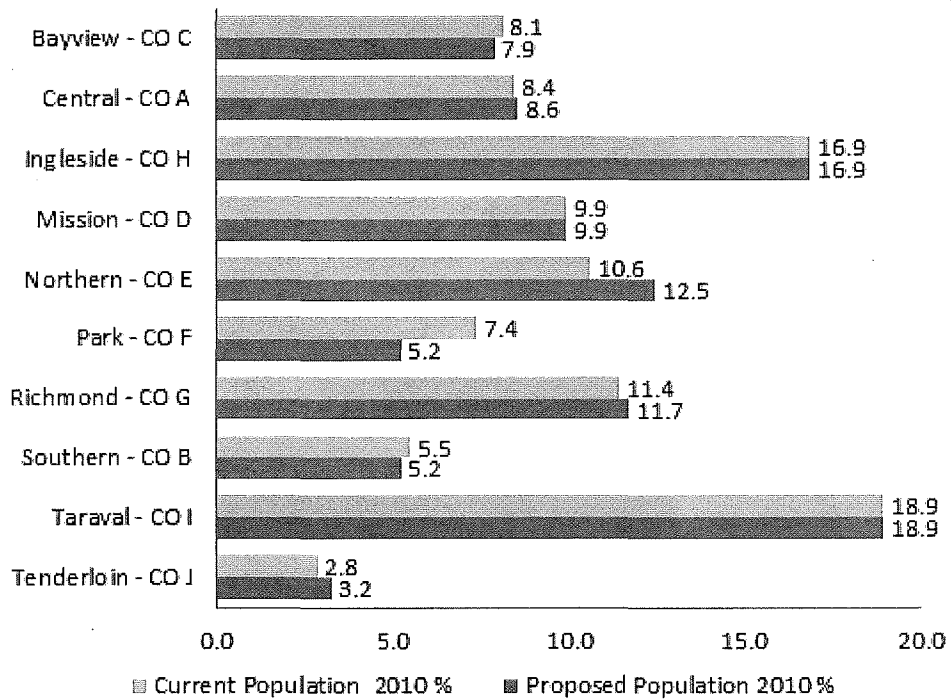
**Chart 10: Current vs. Proposed CAD by District**



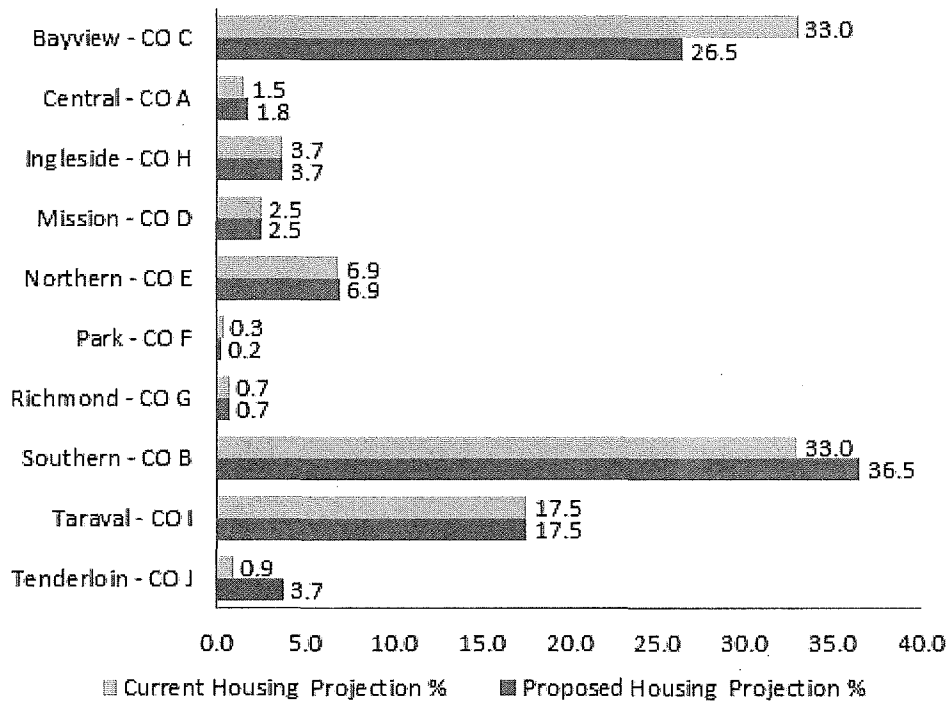
**Chart 11: Current vs. Proposed CABLE by District**



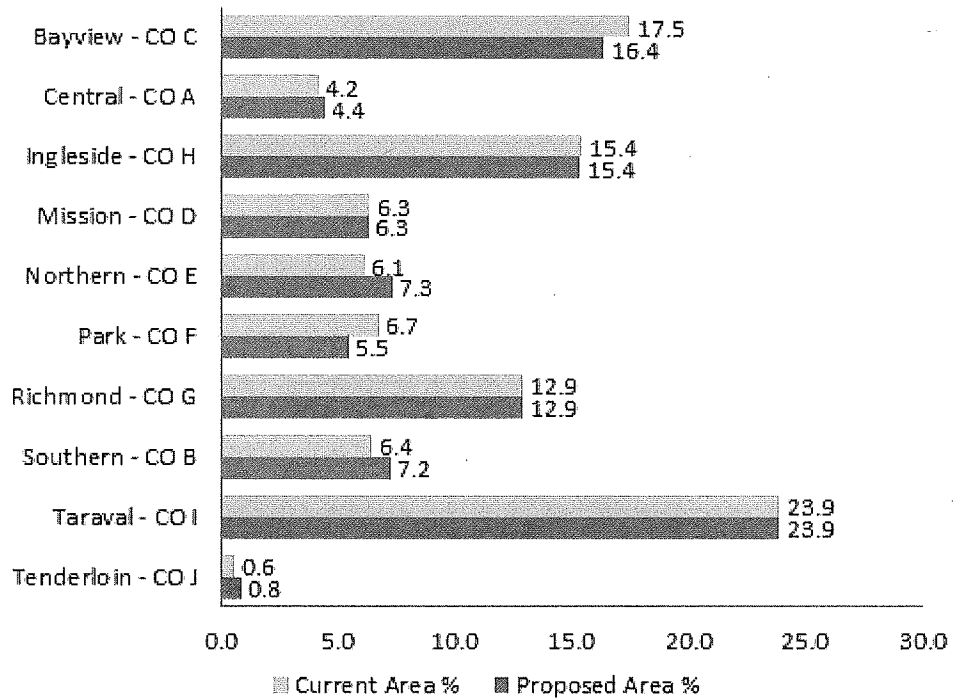
**Chart 12: Current vs. Proposed Population by District**



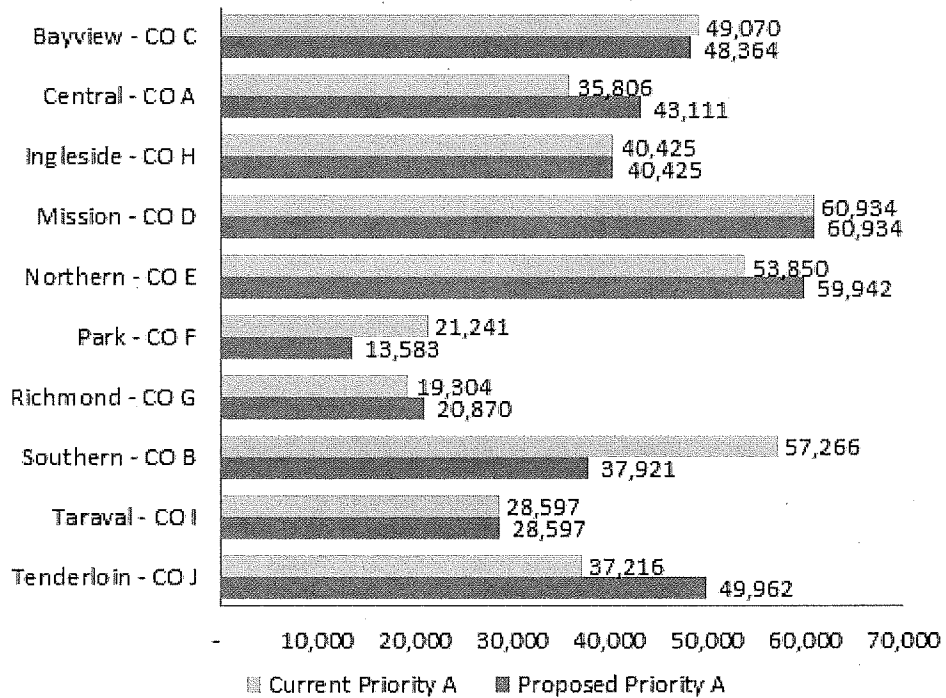
**Chart 13: Current vs. Proposed Housing by District**



**Chart 14: Current vs. Proposed Area by District**

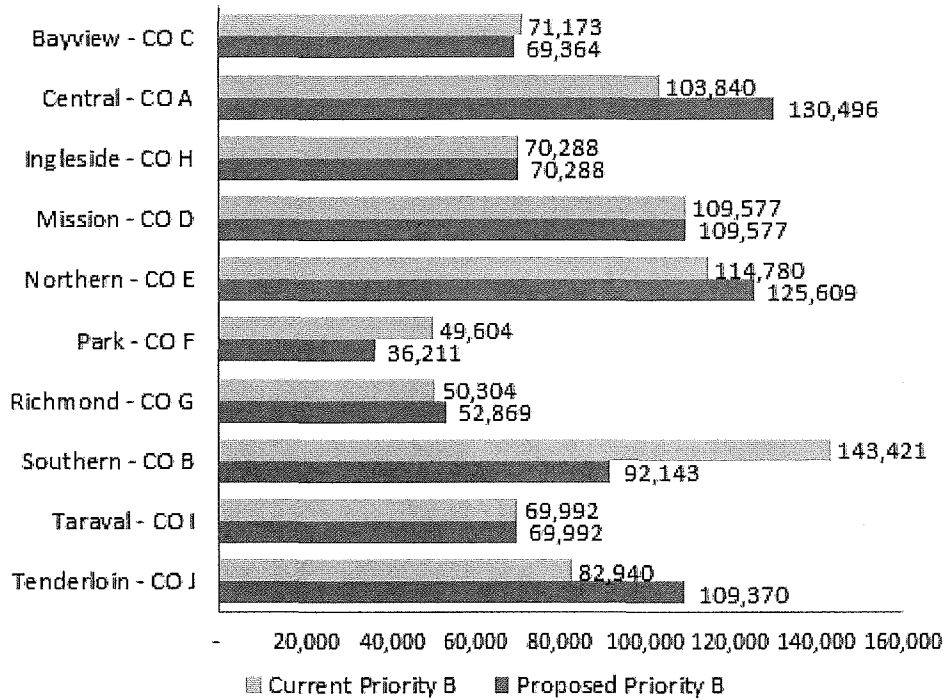


**Chart 15: Current vs. Proposed Priority A by District**





**Chart 16: Current vs. Proposed Priority B by District**



**Chart 17: Current vs. Proposed Priority C by District**

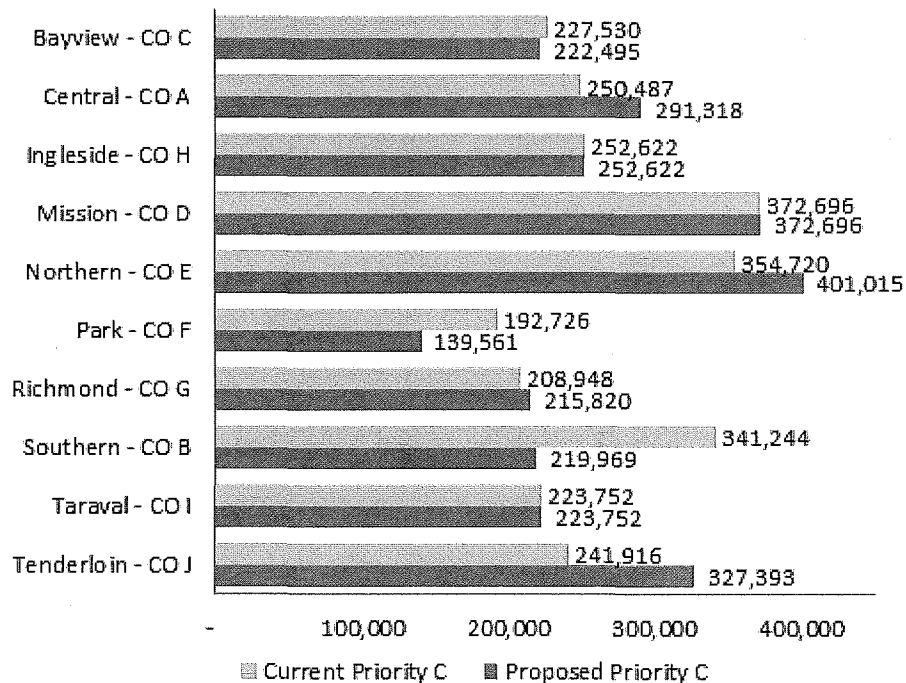


Table 23: Proposed District Boundary Lines - Data

Proposed District Boundary Lines - Data										
District / Company	CAD 2008-2013	CAD 2008-2013 %	CABLE 20% 2008 - 2013	CABLE 20% 2008-2013 %	Population 2010	Population 2010 %	Housing Projection	Housing Projection %	Area	Area %
Bayview - CO C	360,405	8.6	12,124	9.8	63,249	7.9	15,205	26.5	7.4	16.4
Central - CO A	495,126	11.8	14,886	12.0	68,645	8.6	1,005	1.8	2.0	4.4
Ingleside - CO H	394,901	9.4	11,135	9.0	135,288	16.9	2,114	3.7	6.9	15.4
Mission - CO D	578,071	13.7	16,220	13.1	79,452	9.9	1,418	2.5	2.8	6.3
Northern - CO E	635,794	15.1	16,350	13.2	99,990	12.5	3,971	6.9	3.3	7.3
Park - CO F	203,671	4.8	4,714	3.8	41,925	5.2	132	0.2	2.5	5.5
Richmond - CO G	314,458	7.5	7,267	5.9	93,848	11.7	394	0.7	5.83	12.9
Southern - CO B	373,460	8.9	16,118	13.0	41,912	5.2	20,889	36.5	3.3	7.2
Taraval - CO I	353,690	8.4	9,530	7.7	151,815	18.9	10,024	17.5	10.7	23.8
Wenderloin - CO J	500,827	12	15,677	12.6	25,893	3.2	2,133	3.7	0.4	0.8
<b>TOTAL</b>	<b>4,210,403</b>	<b>100.00</b>	<b>124,021</b>	<b>100.00</b>	<b>802,017</b>	<b>100.00</b>	<b>57,285</b>	<b>100.00</b>	<b>45.13</b>	<b>100.00</b>

Table 24: Current District Boundary Lines - Data

Current District Boundary Lines - Data										
District / Company	CAD 2008-2013	CAD 2008-2013 %	CABLE 20% 2008-2013	CABLE 20% 2008-2013 %	Population 2010	Population 2010 %	Housing Projection	Housing Projection %	Area	Area %
Bayview - CO C	368,519	8.8	12,333	9.9	65,171	8.1	18,924	33.0	7.86	17.5
Central - CO A	415,472	9.9	12,241	9.9	67,721	8.4	871	1.5	1.87	4.2
Ingleside - CO H	394,901	9.4	11,135	9.0	135,288	16.9	2,114	3.7	6.93	15.4
Mission - CO D	578,071	13.7	16,220	13.1	79,452	9.9	1,418	2.5	2.85	6.3
Northern - CO E	567,508	13.5	14,434	11.6	84,987	10.6	3,925	6.9	2.75	6.1
Park - CO F	283,765	6.7	7,109	5.7	59,023	7.4	199	0.3	3.03	6.7
Richmond - CO G	302,647	7.2	6,788	5.5	91,753	11.4	373	0.7	5.80	12.9
Southern - CO B	573,652	13.6	22,264	18.0	44,033	5.5	18,911	33.0	2.89	6.4
Taraval - CO I	353,690	8.4	9,530	7.7	151,815	18.9	10,024	17.5	10.75	23.9
Tenderloin - CO J	372,178	8.8	11,967	9.6	22,774	2.8	526	0.9	0.25	0.6
Total	4,210,403	100.00	124,021	100.00	802,017	100.00	57,285	100.00	44.99	100.00

From: Clair D Clark [petitions-noreply@moveon.org]  
Sent: Thursday, March 05, 2015 7:43 PM  
To: Board of Supervisors (BOS)  
Subject: I'm the 4,108th signer: "Stop SFMTA (San Francisco Municipal Transportation Agency)"

Dear San Francisco Board of Supervisors,

I just signed a petition addressed to you titled *Stop SFMTA (San Francisco Municipal Transportation Agency)*. So far, 4,108 people have signed the petition.

You can reach me directly by replying to this email. **Or, post a response for MoveOn.org to pass along to all petition signers by clicking here:** [http://pac.petitions.moveon.org/target\\_talkback.html?tt=tt-23483-custom-54063-20250305-cOcYmR](http://pac.petitions.moveon.org/target_talkback.html?tt=tt-23483-custom-54063-20250305-cOcYmR)

The petition states:

"As residents and taxpayers of San Francisco we believe that the SFMTA's first and foremost responsibility is to improve MUNI and to make MUNI a more desirable means of transportation. It is not SFMTA's job to make owning and driving a motor vehicle more expensive and difficult. The SFMTA needs to be accountable to all the citizens of San Francisco. We need a balanced, unbiased municipal transportation policy. We respectfully request that the Mayor and District Supervisors immediately stop the SFMTA from: 1. Installing new parking meters and extending the hours of enforcement 2. Enforcing Sunday parking meters 3. Increasing meter rates, fees and fines "

My additional comments are:

I moved to SF 2 years ago and have been ticketed 3 times under ridiculous situations. I actually have a unlimited muni pass and the service is horrible. Buses don't show up and run back to back (literally) frequently. SFMTA has no accountability at all.

To download a PDF file of all of your constituents who have signed the petition, including their addresses, click this link: [http://petitions.moveon.org/deliver\\_pdf.html?job\\_id=1436584&target\\_type=custom&target\\_id=54063](http://petitions.moveon.org/deliver_pdf.html?job_id=1436584&target_type=custom&target_id=54063)

To download a CSV file of all of your constituents who have signed the petition, including their addresses, click this link:

[http://petitions.moveon.org/deliver\\_pdf.html?job\\_id=1436584&target\\_type=custom&target\\_id=54063&csv=1](http://petitions.moveon.org/deliver_pdf.html?job_id=1436584&target_type=custom&target_id=54063&csv=1)

Clair D Clark  
San Francisco, CA

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*This email was sent through MoveOn's public petition website, a free service that allows anyone to set up their own online petition and share it with friends. MoveOn does not endorse the contents of petitions posted on our public petition website. If you have any questions, please email [petitions@moveon.org](mailto:petitions@moveon.org). If you don't want to receive further emails updating you on how many people have signed this petition, click here: [http://petitions.moveon.org/delivery\\_unsub.html?e=m0xZcWlXzqH9ZTz\\_cNZWJvYXJkLm9mLnNlcGVydmlz\\_b3JzOHNmZ292Lm9yZw--&petition\\_id=23483](http://petitions.moveon.org/delivery_unsub.html?e=m0xZcWlXzqH9ZTz_cNZWJvYXJkLm9mLnNlcGVydmlz_b3JzOHNmZ292Lm9yZw--&petition_id=23483).*



**From:** Max Schweitzer [maximillian.schweitzer@gmail.com]  
**Sent:** Friday, March 06, 2015 10:22 AM  
**To:** Lee, Mayor (MYR); Board of Supervisors (BOS)  
**Subject:** Homeless Plan Update (Illegal Immigrant Procedures)

**This is the basic plan to get all homeless off the streets permanently. There are currently more than enough facilities to house every homeless person on the street immediately.**

**Most SF homeless have severe brain damage and are unable to make logical rational decisions for themselves. Homeless are dying at a rate of 1 every other day. "Laura's Law" recently approved in SF will be used to force homeless into programs and treatment.**

**Approximately 50% of all SF homeless are US military veterans intentionally being dumped by Congress to literally die of criminal negligence in the street. VA is denying them benefits for "non-combat injuries" and SSA further denies them.**

MAP OF FACILITIES

**1. Point of Contact**

Lava Mae mobile shower service will be required with most cases.

- SFPD/FD Ambulance
- HOT (Homeless Outreach Teams)
- Park Ranger(s)/Police
- SFDPH Social Workers
- CHP
- FPS
- GGBHD
- VA
- Swords to Plowshares

**2. Medical Attention**

Under direction of HHS and eventual control pending Federal legislation

- SF General Hospital/Laguna Honda
- Navigation Center
- UCSF
- VA Hospital/Clinics
- SFDPH Clinics
- Kaiser Permanente
- Dignity Health
- CPMC
- Chinese Hospital
- NEMS

**3. Detox and Rehabilitation**

American Red Cross management and coordination of all detox facilities.

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- Delancey Street Foundation
- Salvation Army
- St. Vincent de Paul
- St. Anthony's

### **3A. Illegal Immigrants**

1. Determine if eligible for official State Department political asylum.
2. Notify their local Consulate General or their Embassy in DC.
3. Notify DHS for deportation.

### **3B. Juveniles**

City control of all various facilities, programs, and management. Coordination with SFUSD, SFPD, SFDA, SFDPH, SFHSA.

### **4. Housing/Shelter**

American Red Cross control and management of all various facilities. A total of 7380 units can currently be found with the 3 criminal non-profit housing developers.

- TNDC (Red Cross controlled)
- CCDC (Red Cross controlled)
- Mercy Housing (Red Cross controlled)
- Unorganized unofficial unlisted in 311 shelters (Red Cross controlled)
- SFHA (HUD)
- HUD vouchers

### **4A. Veterans Housing**

Vets have different needs and must be in separate supportive residential units. VA is building a facility in the former Bohemian Club building. CalVet is building a facility on the former UCSF Laurel Heights campus. Swords to Plowshares will have another location in the Presidio at Ft. Scott.

- Swords to Plowshares
- Planned VA Bohemian location
- Planned CalVet Laurel Heights location

### **5. Case Management/Oversight/Training**

- HHS
- SFDPH Social Workers
- SFHSA
- VA
- Swords to Plowshares
- Goodwill Industries
- CCSF

### **6. Release**

Mostly unlikely due to severe health issues. FBI will be monitoring and working.

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**To:** BOS-Supervisors  
**Subject:** FW: SFERS Invests \$100 Million Again in Oil and Gas; Are The Two No Longer Defined as "Fossil Fuels? What Happened to Divestment?"  
**Attachments:** 02-11-15 Draft Minutes.pdf

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**From:** pmonette-shaw [mailto:Pmonette-shaw@earthlink.net]

**Sent:** Saturday, March 07, 2015 5:16 PM

**To:** Mar, Eric (BOS); Farrell, Mark (BOS); Christensen, Julie (BOS); Tang, Katy (BOS); Breed, London (BOS); Kim, Jane (BOS); Yee, Norman (BOS); Wiener, Scott; Campos, David (BOS); Cohen, Malia (BOS); Avalos, John (BOS); Calvillo, Angela (BOS); Mar, Eric (BOS); Farrell, Mark (BOS); Christensen, Julie (BOS); Tang, Katy (BOS); Breed, London (BOS); Kim, Jane (BOS); Yee, Norman (BOS); Wiener, Scott; Campos, David (BOS); Cohen, Malia (BOS); Avalos, John (BOS); Calvillo, Angela (BOS)

**Subject:** SFERS Invests \$100 Million Again in Oil and Gas; Are The Two No Longer Defined as "Fossil Fuels? What Happened to Divestment?"

March 7, 2015

San Francisco Board of Supervisors

The Honorable Eric Mar, Supervisor, San Francisco Board of Supervisors, District 1

The Honorable Mark Farrell, Supervisor, San Francisco Board of Supervisors, District 2

The Honorable Julie Christensen, Supervisor, San Francisco Board of Supervisors, District 3

The Honorable Katy Tang, Supervisor, San Francisco Board of Supervisors, District 4

The Honorable London Breed, Supervisor, San Francisco Board of Supervisors, District 5

The Honorable Jane Kim, Supervisor, San Francisco Board of Supervisors, District 6

The Honorable Norman Yee, Supervisor, San

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Francisco Board of Supervisors, District 7

The Honorable Scott Wiener, Supervisor, San Francisco Board of Supervisors, District 8

The Honorable David Campos, Supervisor, San Francisco Board of Supervisors, District 9

The Honorable Malia Cohen, Supervisor, San Francisco Board of Supervisors, District 10

The Honorable John Avalos, Supervisor, San Francisco Board of Supervisors, District 11

Angela Calvillo, Clerk of the Board (for Petitions and Correspondence File)

1 Dr. Carlton B. Goodlett Place

San Francisco, CA 94102

**SFERS Invests \$100 Million Again in Oil and Gas; Are The Two No Longer Defined as "Fossil Fuels? What Happened to Divestment?**

Dear Board of Supervisors,

The draft minutes of SFERS' February 11 meeting (attached) shows on page 24 of 34 that SFERS' Board approved a \$100 million investment during closed session on December 10, 2014 in Kerogen Energy Fund II, LP.

Bloomberg.com reports <http://www.bloomberg.com/news/articles/2014-09-17/kerogen-is-said-to-seek-1-5-billion-for-next-energy-fund> that the Kerogen Energy Fund II is a private-equity firm, with offices in Hong Kong and London, and will invest in small to mid-size oil and gas companies outside North America.



Am I missing something here? I assume oil and gas have NOT been declassified as "fossil fuels." So why is SFERS investing in this energy fund when the Board of Supervisors has been pushing SFERS to divest from fossil fuels?

Could it be that the private-equity firm and Kerogen Energy Fund II LP is going into renewable energy and solar energy, rather than in oil and gas?

What am I missing in this picture?

Maybe you should drag SFERS back to a City Hall hearing — or better yet, just ask Supervisor Malia Cohen — to explain why there was a new 11th-hour investment of \$100,000 million in an investment that SFERS should be moving to divest from. Maybe Supervisor Cohen could give you the short answer in order to let SFERS off of the divestment hook explanation a little faster so you won't waste too much time in a formal hearing on the issue.

While you're at it, you might want to ask *Ex Officio* Board Member Malia Cohen how she voted on the Kerogen Energy Fund investment on December 10, since presumably, Cohen was appointed as your *Ex Officio* member to represent Board of Supervisors interests in oversight of the Retirement Fund.

Sincerely,

Patrick Monette-Shaw

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2012.0.2249 / Virus Database: 4257/8736 - Release Date: 03/06/15



# SFERS

San Francisco Employees' Retirement System

San Francisco  
Employees' Retirement System  
**RETIREMENT BOARD  
MEETING MINUTES**

**Wednesday, February 11, 2015**

1145 Market Street, 6<sup>th</sup> Floor  
San Francisco, CA 94103

1:00 p.m.

**MISSION STATEMENT**

*San Francisco City and County Employees' Retirement System is Dedicated to Securing, Protecting and Prudently Investing the Pension Trust Assets, Administering Mandated Benefit Programs, and Providing Promised Benefits.*

**RETIREMENT BOARD MEMBERS**

*President*

Victor Makras

*Vice President*

Malia Cohen

*Commissioners*

Leona Bridges

Joseph Driscoll

Herb Meiberg, CFA

Wendy Paskin-Jordan

Brian Stansbury

Jay Huish

*Executive Director*

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The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. To obtain a disability-related modification or accommodation, including large print agendas, American Sign Language interpreters, FM sound amplification system and auxiliary aids or services, please contact Norman Nickens at (415) 487-7025 at least two (2) business days before the meeting.

There is accessible parking in the vicinity of 1145 Market Street at Civic Center Plaza. Accessible **MUNI** lines are available at the corner of Market Street and 8<sup>th</sup> Street. The closest accessible **MUNI /BART** station is Civic Center Station.

Materials accompanying the agenda are available for public inspection and copying at SFERS, 1145 Market Street, 7th Floor. For additional information, please contact Norman Nickens, Executive Assistant, at (415) 487-7025.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

**The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.**

Know Your Rights Under the Sunshine Ordinance

**(Chapter 67 of the San Francisco Administrative Code)**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. **FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE.**

Sunshine Ordinance Task Force  
City Hall  
1 Dr Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
(415) 554-7724  
by fax at (415) 554-7854  
or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org)

**Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>**

Any materials distributed to the Retirement Board (or committee) within 72 hours of the meeting or after distribution of the agenda packet to Board (or committee) members are available for public inspection at SFERS, 1145 Market Street, 7<sup>th</sup> Floor, during regular office hours.

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (San Francisco Campaign and Governmental Conduct Code sections 2.100 - 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3112 and web site: [www.sfgov.org/ethics](http://www.sfgov.org/ethics)

## OPENING CALENDAR

President Makras called the meeting to order at 1:23 PM

Pledge of Allegiance

Roll Call

Commissioner Victor Makras	1:23 PM
Commissioner Malia Cohen	1:23 PM
Commissioner Leona Bridges	1:23 PM
Commissioner Joseph D. Driscoll	1:23 PM
Commissioner Herb Meiberger, CFA	1:23 PM
Commissioner Wendy Paskin-Jordan	1:23 PM
Commissioner Brian Stansbury	1:23 PM

021115-01 Discussion

### **General Public Comment**

President Makras called for general public comment.

John Stenson, MUNI retiree, addressed the Board regarding the punctuality of Board members and the starting time of the meeting. He also spoke in opposition to investment in hedge funds based on the CalPERS experience.

Patrick Monette-Shaw addressed the Board regarding investment in hedge funds and submitted the following written statement to be included with the minutes:

“How are SFERS’ Board and its chief investment officer, Bill Coaker, smarter than Warren Buffett and George Soros, who have both warned against investing public pension portfolios in hedge funds?”

‘Publius Poplicola’s’ on-line survey of SFERS Plan beneficiaries shows that as of February 10, among 794 survey respondents:

- 94.46% are **not** in favor of investing the City’s pension fund in hedge funds.
- 82.8% believe SFERS should **not** invest in hedge funds (i.e., a zero-percent allocation).
- 87.5% do **not** believe hedge funds are less risky than stocks.
- 95.6% do **not** believe hedge funds will protect the Pension Plan in a stock market decline.

- 95.8% believe SFERS' seven-member Board should not invest in hedge funds without approval of the 54,823 Plan beneficiaries.

Trustees of public pension plans — such SFERS' Board — whose clients (Plan beneficiaries) reject investment recommendations, have fiduciary, ethical and legal obligations, to back off.”

Jamilah Din, SEIU Local 1021 and active employee at Laguna Honda Hospital, spoke in opposition to investing in hedge funds due to fees and risk.

Cynthia Marcopulos, San Francisco Superior Court retiree, spoke in opposition to possible investment with the Mayor's Office of Housing down payment assistance program and in opposition to investment in hedge funds.

Janice Wong, active employee with SEIU Local 1021, spoke in opposition to investment in hedge funds due to high fees and risk.

Deborah Rosas, SEIU Local 1021, spoke in opposition to investment in hedge funds due to fees, accountability and transparency concerns.

Sylvia Alvarez-Lynch, active employee SFMTA, spoke in opposition to investment in hedge funds and noted the potential impact on employer contributions due to poor performance.

Steve Seltzer, United Public Workers for Action, spoke in opposition to investment in hedge funds. He noted the negative impact of hedge funds on unions and employee pension programs.

Tom O'Connor, President of San Francisco Firefighters Local 798, expressed his appreciation for the efforts of the Retirement Board and the professional investment staff, and expressed his trust in their judgment and experience.

Gregory Hoan, SEIU Local 1021 and active library employee, spoke in opposition to investment in hedge funds.

Kay Walker, United Public Workers for Action and SF Gray Panthers, spoke in opposition to investment in hedge funds and expressed concern regarding

transparency, socially responsible investments, and other factors.

Larry Griffin, City employee and member of Local 21, addressed the Board regarding cost-sharing under proposition C and in support of prudent, fact-based decisions and responsible and sophisticated investments, including hedge funds.

Richard Hack, SEIU Local 1021 retiree, encouraged more dialogue between the Board and the public. He also spoke in opposition to high risk investments, particularly hedge funds.

David Canham, SEIU Local 1021, read a statement from President Sanchez of SEIU in opposition to investing in hedge funds.

Elaine Hanson, SEIU Local 1021 and active City library page, spoke in opposition to investment in hedge funds due to performance history, high fees, illiquidity, and lack of transparency.

Herbert Weiner, SEIU Local 1021 retiree, spoke in opposition to investment in hedge funds due to high fees and potential impact on retirees if the fund does not perform well. Mr. Weiner submitted a written statement to be included with the minutes:

“Hedge funds are being proposed as a means of protecting the SFERS Fund against recessions and a means of attaining the market value necessary for the extra COLA.

If we do adopt hedge funds, there are high administrative costs: the annual 2% payment to the fund, 20% if the fund does well and the hiring of personnel to insure proper investments.

It should be noted that the annual 2% payment and personnel costs will hold constantly whether or not the fund performs adequately. Good returns are offset by the 20% cost.

Leveraging increases risks, because other leveraged borrowers must be paid off first. In case of poorly performing funds, we may not be paid off with significant losses for us.

We cannot be sure if the hired administrators will choose the best hedge funds. Didn't the best minds of Wall Street choose funds that went south, even bankrupting firms as Bear Stearns?

No transparency presents another peril.

We will have no idea about the operations of the investor, the internal problems that they might have until a brave journalist exposes them when they crash. This is the ultimate transparency-when it is too late.”

Vivian Imperiale, retiree, spoke in opposition to investment in hedge funds due to risk and fees.

Maria Guillén, SEIU Local 1021, spoke in opposition to investment in hedge funds due to risk.

Michael Lyon, SF Gray Panthers, spoke in opposition to investment in hedge funds.

Dwayne Victory, SEIU Local 1021, spoke in opposition to investment in hedge funds due to transparency concerns, recent performance history.

Richard Gale, retiree, spoke in opposition to investment in hedge funds due to fees, transparency, and poor performance.

Mike Hebel, SF Police Officers Association, expressed his appreciation for the time and efforts of the staff and Board in the asset allocation process. He spoke in support of consideration of hedge funds as an allowable asset class.

Jonathan Meade, SEIU Local 1021, addressed the Board regarding their role as trustees and expressed concern regarding how the asset allocation study process had been conducted.

Patricia Jackson, retiree and member of the SF Gray Panthers, spoke in opposition to any type of investment in hedge funds due to potential impact on retirees and fees.

Sai Orr, retiree, spoke in opposition to investment in hedge funds and expressed concerns with Prudential's

administration of the 457(b) Deferred Compensation Plan due to fund performance, fees and expense ratios.

David Hill, active employee of the Public Library, spoke in opposition to investment in hedge funds.

Evelyn Curiel, SEIU Local 1021, spoke in opposition to investment in hedge funds due to potential impact on retirees.

Denise D'anna, retiree, spoke in opposition to investment in hedge funds and urged the Board to take action to promptly resolve this issue.

Cynthia Landry, SEIU Local 21, spoke in opposition to any potential hedge fund allocation.

Rebecca Rhine, Municipal Employees Association, noted the concerns regarding pension security expressed by active employees and retirees. She spoke in support of a fact-based decision making process and noted that the decision on which specific hedge funds to consider for investment would be considered individually by the Board prior to any actual investments.

John Furlen noted that public equities are over-valued and that a simple indexing alternative was not available to the Board.

David Williams, SEIU Local 1021 retiree, spoke in opposition to investment in hedge funds due to fees, transparency, and lack of due diligence. He submitted an additional 865 petitions in opposition to investment in hedge funds.

Teri Dowling, Local 21 Investment Committee, said the Committee voted unanimously to support a 10% allocation to hedge funds due to the protections provided in the event of a market down turn.

Claire Zvanski, Retired Employees of the City and County of San Francisco, spoke in opposition to investment in hedge funds and expressed concern regarding the degree of due diligence conducted by the Board.

Michael Seville, Local 21, noted that their Investment Advisory Committee has unanimously voted to support a 10% hedge fund allocation based on expert



advice received by the Retirement Board. He further noted the need to adapt the investment strategy to provide down-side protections.

Martha Hawthorn, Local 1021, spoke in opposition to investment in hedge funds due to lack of transparency and in support of divestment from fossil fuels.

□ 021115-02 Action Item

**Approval of the Minutes of the January 14, 2015 Retirement Board Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the January 14, 2015 Retirement Board Meeting

Caryn Bortnick, Deputy Director and Interim Deferred Compensation Manager, requested a correction on page 18 of the draft Minutes. The draft stated: "Ms. Bortnick reported a recent change in the Target Date Fund small cap growth manager. QMA, the current manager, has reduced the number of managers from six to one."

It should read: "Ms. Bortnick reported a recent change in the Target Small Cap Value fund. Prudential, the current advisor, reduced the number of managers from six external managers to one manager (QMA, which is a subsidiary of Prudential)."

Commissioner Meiberger requested two changes:

On page 5 of the draft Minutes his comments should reflect a preference for fund of funds over a direct approach and on page 9 his comments should note that he "would not rule out PCA."

President Makras called for public comment.

There were no comments from the public.

Action: Moved by Commissioner Meiberger, Seconded by Commissioner Stansbury to Approve Minutes of January 14, 2015 Retirement Board Meeting as revised.

Ayes: Bridges, Cohen, Driscoll, Makras, Meiberger, Paskin-Jordan, Stansbury

**CONSENT CALENDAR**

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Retirement Board. There will be no separate discussion of these items unless a member of the Retirement Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

<input type="checkbox"/>	021115-03	Action Item	<b>Consent Calendar</b>
	021115-03a	Action Item	<b>Voluntary Retirement Board List No. 08-14</b>
	021115-03b	Action Item	<b>Decisions of Hearing Officers</b>
	Otto B. Dittman Effective Date: 11/1/12	7235 Transit Power Line Supervisor MTA	Ordinary Disability Retirement Denied
	Stephen H. Feiner Effective Date: 3/16/10	H4 Fire Inspector Fire	Industrial Disability Retirement Denied
	Donald E. Kern, Jr. Effective Date: 9/1/11	H2 Firefighter Fire	Industrial Disability Retirement Granted
	Nelly R. Kuan Effective Date: 10/1/13	2905 Sr. Eligibility Worker Human Services	Ordinary Disability Retirement Denied
	Joseph P. Lehane Effective Date: 3/15/14	7449 Sewer Service Worker PUC-Clean Water	Ordinary Disability Retirement Granted
	Jennifer E. Matz (Deceased – 12/5/14) Effective Date: 12/5/14	1381 Special Asst. 22 Business & Economic Development	Ordinary Disability Retirement Granted
	Gloria D. Posadas Effective Date: 10/7/14	1092 IT Operations Support Adm. II DPH-CMHS	Ordinary Disability Retirement Granted
	Lawrence E. Thompson Effective Date: PERS	8304 Deputy Sheriff Sheriff	CAL-PERS - Disability Retirement Denied
	Claudia Valentino Effective Date: 12/10/13	H2 Firefighter Fire	Industrial Disability Retirement Granted
	Maria E. Zuniga Effective Date: 9/6/12	9163 Transit Operator MTA	Ordinary Disability Retirement Granted
	021115-03c	Action Item	<b>Petition for Rehearing</b>

Otto B. Dittman  
Effective Date: 11/1/12

7235 Transit Power Line Supervisor  
MTA

Ordinary Disability Retirement  
Denied

021115-03d

Action Item

**Request Travel Approval for  
Commissioner Leona Bridges  
to attend the CII Spring 2015  
Conference, March 30 - April  
1, 2015, Washington, D.C.**

Documents provided to the  
Retirement Board prior to the  
current meeting: Voluntary  
Retirement Board List, Hearing  
Officer Decisions, Agenda

President Makras called for  
public comment.

There were no comments from  
the public.

Action: Moved by  
Commissioner Stansbury,  
Seconded by Commissioner  
Meiberger to Approve the  
Consent Calendar

Ayes: Bridges, Cohen, Driscoll,  
Makras, Meiberger, Paskin-  
Jordan, Stansbury

**INVESTMENT CALENDAR**

021115-04 Action Item

**Staff Due Diligence Report on 2015 Asset  
Allocation Proposals and Staff's Asset Allocation  
Recommendation**

Documents provided to the Board prior to the current  
meeting: Staff and Consultant Memoranda

William J. Coaker, Jr., Chief Investment Officer, and Leslie Kautz, Angeles Investment Advisors (Board General Investment Consultant), presented an oral and written report on this item.

Mr. Coaker submitted a written report on staff and consultant due diligence on the asset allocation proposals presented at the December 3, 2014, Special Board meeting.

Mr. Coaker noted that Investment staff, Angeles Investment Advisors, and Cambridge Associates (Board Alternative Investments consultants) had met to discuss December 3, 2014 asset allocation proposal as well as the proposed staff and consultant recommendation.

President Makras accepted the staff and consultant reports as presented and called for a motion from the Board.

Moved by Commissioner Stansbury, seconded by Commissioner Driscoll to accept the alternative staff asset allocation recommendation of:

Global Equity	40%
Private Equity	18%
Real Assets	17%
Absolute Return/Hedge Funds	5%
Fixed Income	20%

On the motion, Commissioner Bridges requested clarification, would the proposed hedge fund allocation be direct or fund of funds.

Commissioner Stansbury noted that the recommendation was to accept the staff recommendation and not constrained at this point, both options could be considered as individual investments recommendations following retention of a hedge fund consultant and appropriate staff due diligence.

Mr. Coaker noted that it was staff's intent to issue a Request for Proposals (RFP) for specialty hedge fund consultant(s), which would be broadly written with an open mandate.

Jay Huish, Executive Director, noted that the consultant and investment manager selection process

would be the same as the Board normally uses. The Board will have an opportunity to consider individual investments.

Commissioner Bridges expressed concern regarding staffing infrastructure prior to moving forward with implementation of the recommendation.

Mr. Huish noted that staffing and consultant resources will be addressed prior to any investment recommendation being brought forward for consideration by the Board.

Commissioner Paskin-Jordan reviewed some of the concerns raised by members of the public during public comments.

She noted that some individuals had expressed concern that hedge funds can't be tracked and had raised transparency concerns.

Mr. Coaker noted that the issue of transparency has been evolving over the last few years and that clients can insist on transparency, holdings can be provided to a risk aggregator (Risk Metrics for example), or hedge fund managers can provide factor exposures. He further noted that investment managers understand that the environment has rapidly changed in regard to transparency since 2008.

Ms. Kautz noted that transparency has to be a significant criterion in due diligence and manager selection.

Commissioner Paskin-Jordan noted that there are good hedge funds and bad hedge funds and that it was her intent to see that the System invested in top quartile managers.

Commissioner Paskin-Jordan noted that members of the public had inquired as to whether investment staff had met with CalPERS to discuss its reasons for exiting hedge funds. Mr. Coaker reported that he has recently met with CalPERS and has been meeting with CalPERS staff since 2005. This included meetings with CalPERS staff in February 2014 and additionally conversations as recently as last week. These discussions included what could be done by plans similar in size to SFERS in regard to utilizing hedge funds to manage risk.

Commissioner Paskin-Jordan noted that members of the public had stated that the plan grew since 2008 without risky assets.

Mr. Coaker reported that 85% of portfolio is in risk-oriented assets, 15% are in high quality bonds. The only risk free asset is U.S. treasuries (3%). The risk free rate of return on U.S. treasuries is currently about 2% and plan needs to achieve an investment return of 7.5%.

Ms. Kautz noted that the last six years have been exceptional and hedge funds provided down-side protections following the 2008 credit crisis.

Commissioner Paskin-Jordan noted that there is a negative public perception of hedge funds in general based on some poorly performing, highly leveraged hedge funds. She further noted that there are good and bad hedge funds, and the bad funds have generated much of the attention. She noted the strong funded ratio of the fund and the Board's role to manage a well diversified portfolio.

Commissioner Paskin-Jordan noted that there had been public comment related to Mr. Coaker's investment experience at the University of California.

Mr. Coaker noted that the U.C. performance data from his employment period there is publically available on the U.C. website and demonstrates above average performance.

Commissioner Driscoll addressed the issue of Board member due diligence activities. He noted the need for the Board to respond to the 2008 down-turn, and the need to reduce risk and volatility but still achieve the targeted rate of return. He noted that pensions are guaranteed by the City, not the funded status of the plan.

Commissioner Driscoll discussed the process for development of investment guidelines for hedge fund managers, including control of assets and due diligence, leverage and social issues. He reported that he has spoken with CalPERS staff regarding factors influencing their decision on hedge funds and noted the positive experience with hedge funds of some other large public pension plans.

Mr. Coaker noted that the first step would be to issue an RFP for hedge fund consulting services, conduct a through search, and then retain a consultant. The consultant would assist staff in developing appropriate investment guidelines, which would include ESG guidelines.

Commissioner Meiberger expressed appreciation for efforts of the public in the asset allocation study process. He discussed Warren Buffet's negative experience with US AIR and how he had addressed this publically.

He noted the limitations of "expert" advice and group think.

In regard to the staff recommendation, he noted that there is general agreement that SFERS holds too many bonds, and that there are valid concerns regarding a market down-turn. He discussed how to measure success with hedge funds and noted recent proposed changes in U.C. portfolio as reported in Pensions & Investments to reduce excessive fees.

In regard to fees, he noted that endowments and public pensions have differences in cash flow needs to service members and different operating cultures. He noted the lack of transparency with hedge funds.

Commissioner Meiberger questioned what happens if hedge funds lose money. Mr. Coaker cited "high water mark" provisions and use claw-back provisions in investment manager guidelines.

Commissioner Meiberger discussed the assumptions in the Angeles memorandum, specifically the correlation between Natural Resources / Infrastructure and fixed income. Ms. Kautz noted that infrastructure is not public and more equity like in returns.

Commissioner Stansbury left the meeting from 3:55 – 4:01 PM. Commissioner Cohen left the meeting from 3:58 – 4:02 PM.

Commissioner Meiberger recommended that natural resources, including farmland and timberland, should be considered a diversifying asset class.

He further noted that the staff recommendation only lowers fixed income by 5%. Real assets could provide greater diversity.

Mr. Coaker noted that the proposal included 17% to real assets, and staff had signaled that it can revisit that allocation within two years in the 2017 ALM study.

Commissioner Meiberger inquired if hedge fund managers would be fiduciaries to the Trust. Mr. Coaker and Ms. Kautz responded that this would depend on the specific situation, but hedge fund managers would probably not be fiduciaries based on likely fund structures being considered.

Commissioner Bridges left the meeting from 4:03-4:08 PM. Commissioner Makras left the meeting from 4:08 – 4:10 PM.

Commissioner Meiberger inquired if hedge fund managers will be required to comply with ERISA. Mr. Coaker responded that this could be negotiated. Ms. Kautz noted that hedge funds are well represented in private plans with ERISA regulated portfolios.

Commissioner Meiberger inquired if hedge fund managers will have manager investment guidelines as part of the contract. Ms. Kautz noted that they would have manager investment guidelines as part of contract, based on the specific fund structure.

Commissioner Meiberger inquired if hedge fund managers provide Global Investment Performance Standards (“GIPS”). Ms. Kautz noted that GIPS generally apply to managers who manage a large number of funds. Mr. Coaker noted that a specialty hedge fund consultant will assist with operational issues such as GIPS compliance.

Commissioner Meiberger discussed the use of a risk aggregator to identify factor exposures. Mr. Coaker discussed the use of holdings based data as well as factor exposures.

Commissioner Meiberger inquired if hedge fund managers will be held to CFA Code of Ethics. Ms. Kautz noted that many hedge fund managers are members of CFA, and in addition many hedge fund managers are SEC registered. These are issues that



can be considered as part of the due diligence process.

Commissioner Meiberger inquired if hedge fund managers will be held to a standard of negligence or gross negligence for purposes of liability. Jay Huish, Executive Director, noted that the issue of liability is addressed as part of contract negotiation.

Commissioner Meiberger stated his opposition to the motion, and said that while he liked the goal of reducing risk he did not think hedge funds were the answer.

Commissioner Cohen inquired if the proposed hedge fund allocation would be direct or fund of fund.

Mr. Coaker noted that this would be determined after a consultant has been retained through RFP process.

Commissioner Cohen inquired as to the time-line for implementation. Mr. Coaker reported that the RFP could be presented at the March Board meeting with responses due by the end of April, evaluation of responses by mid-May, presentation of semi-finalists to the Board by the June Board meeting, followed by on-site due diligence, and a final recommendation to the Board by August.

In addition to the consultant resources, additional in house staff are to be hired.

Commissioner Cohen inquired as to the impact on staff recruitment of a 5% versus 10% hedge fund allocation. Mr. Coaker responded that 5% is sufficient to attract and recruit qualified staff. The difference between 5% and 10% is a strategic decision by the Board between starting a new program slowly and reducing down-side risk more quickly.

Commissioner Cohen noted that fees remain a concern. Mr. Coaker responded that fees can be negotiated, and fees have been moving downward, from the 2% and 20% structure, to approximately 1.7% and 17%. Long-term lock-up arrangements can help to reduce fees, as can managed accounts. Ms. Kautz reported there was downward pressure on fees.

Commissioner Cohen noted the need for better, more stream-lined communication between the Board and public. The Board will be addressing these issues in

the future on an on-going basis. She acknowledged the concerns expressed in public comment and written communications from members. She spoke in support of the staff and consultant recommendation, noting that hedge funds have been used by investment managers over the years. She further noted that Board and staff have an obligation to protect the fund in a down-market, and that hedge funds are a vehicle to be considered by the Board to invest the fund in a diversified manner.

Commissioner Stansbury expressed his appreciation to the members of the public who have attended Board meetings and participated in the process. He noted that several Board members have been engaged in conversations with the public and have held informational meetings with members. He discussed the recent experience of public pension funds such as Stockton and Detroit, which have impacted benefits received by members of those funds. He further noted that the System needs to make changes based on lessons learned from the 2000-2002 tech bubble and the 2008 global financial crisis. Pension benefits are guaranteed by the Trust and the full-faith and credit of the City and County of San Francisco, regardless of the asset allocation decision. The required return cannot be achieved by bonds. Stocks are risky, SFERS rides them up but also down. Hedge funds have offered lower volatility and more consistent returns over the last 20 years. SFERS is top tier public pension fund in terms of returns, but not when compared to endowments, which out perform pension funds and are early adopters of various successful investment strategies. Transparency is an important concern to the Board, as are ESG concerns. He noted that the Board included three active City employees and two members relying on a City pension, and that the Board was very invested in the financial health of the plan.

Commissioner Meiberger left the meeting at 4:35 PM returned at 4:41 PM.

Commissioner Bridges noted that every asset class has some level of risk, including hedge funds, and the issue is the level of risk that the Board is prepared to accept. One risk is whether SFERS will be able to attract the best hedge fund managers?

Mr. Coaker noted that SFERS has many advantages in

attracting top-tier hedge fund managers, including location, access, size, and history.

Commissioner Bridges expressed her preference for a fund of funds approach, rather than a direct investment program. Mr. Coaker said the RFP would invite both hedge fund consultants and fund of funds managers to respond.

President Makras discussed direct, fund of fund, and hybrid approaches to hedge fund investments. Mr. Huish noted that staff could include all three approaches in the RFP.

President Makras discussed transparency concerns and how best to address them moving forward.

Mr. Coaker noted that this would depend in part the on managers hired and contractually negotiated terms.

President Makras discussed how to protect against bad actors. Mr. Coaker noted the importance of staying close to a manager, understanding the manager, and having an effective due diligence and monitoring process in place.

President Makras spoke in support of the proposed consolidation of private equity asset classes, and recommended a meaningful consideration of commitment to Bay Area real estate.

President Makras called for public comment.

Claire Zvanski, RECCSF, urged the Board to provide specific direction to staff on the draft of the RFP for hedge fund consulting services and recommended that investment guidelines should be established first.

Sylvia Alvarez-Lynch, SFMTA employee, commented that the Board has not been provided a blueprint to develop the hedge fund RFP and guidelines.

Herb Weiner, retiree, noted concerns previously expressed in Civil Grand Jury reports and spoke in opposition to investment in hedge funds.

John Furlen spoke in support of investment in hedge funds and noted the importance of de-risking the fund. He asked the Board if there is any recent public pension fund experience in attracting top managers,

are there alternatives to “alternatives,” urged the consideration of emerging hedge fund managers, and questioned whether local politics will impact the System’s ability to attract top managers.

Jed Holzman, Fossil Free SF, spoke in support of members of labor organizations and in opposition to hedge funds. He submitted a statement for the record:

“When giving managers guidance on investing the "Natural Resources" portion of the "Real Assets" allocation the Retirement Board will approve today, the Board should command that SFERS:

- Directly invest in companies whose businesses, technologies, and services drive resource optimization in the environmental markets: energy, water, waste, and sustainable agriculture.
- Directly invest in clean and renewable energy, including wind, solar, geothermal, wave, tidal, storage, and any other emerging renewable energy technologies.
- Directly invest in energy efficiency.
- Avoid any investment in companies whose primary business is in finding, extracting, transporting, or refining fossil fuels, or in providing services to support the fossil fuel industry in these practices.
- Avoid any investment in an electric utility whose reliance on coal is above the average of its home country.
- Avoid any investment in companies whose operations are in, or whose supply chain includes, any type of illegal clear-cutting or deforestation.
- Avoid any investment in mining companies whose operations have been associated with reported environmental, labor, or human rights abuses.
- Avoid any investment in companies working on development projects in countries who have known violations of ILO standards, primarily forced labor, in connection to development projects.”

Lois Scott, retiree, encouraged better communication

between the Board and System members.

Kay Walker, retiree, addressed the Board regarding communication and data provided to the public. She urged greater participation by members in the process.

David William, retiree, urged the development of specific guidelines and values in advance of manager selection or the issuance of an RFP.

Teri Dowling, Local 21, spoke on behalf of the staff recommendation.

Patrick Monette-Shaw urged the development of guidelines prior to making an asset allocation. He said the Board was ignoring the survey results of plan members, and that the Board has not conducted due diligence on FX Concepts.

Al Haggit, retiree, expressed his appreciation to the Board for their efforts.

Mr. Huish restated the motion.

Moved by Commissioner Stansbury, seconded by Commissioner Driscoll to accept the alternative staff asset allocation recommendation of:

Global Equity	40%
Private Equity	18%
Real Assets	17%
Absolute Return/Hedge Funds	5%
Fixed Income	20%

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Noes: Meiberger

Commissioner Meiberger left the meeting at 5:50 PM

Break: 5:50 - 6:10 PM

021115-05 Discussion Item **Proxy Voting Report for Calendar Year 2014**

Documents provided to the Board prior to the current meeting: Staff memorandum and ISS Report

William J. Coaker, Jr., Chief Investment Officer,

Robert L. Shaw, Managing Director for Public, and Fasil Michael, Institutional Shareholder Services (Proxy Services Consultant), presented an oral and written report on this item.

Mr. Shaw reported that annually the Investment Staff and Institutional Shareholder Services provides the Retirement Board with a report that summarizes the proxy votes made by the Retirement System during the prior calendar year. The report provide summary level information on how the Retirement System has voted its proxies across two broad proxy proposal classifications:

- Management – this includes the election of directors, appointment of auditors and Reorganizations/Mergers; and,
- Shareholder – this includes Corporate Governance, Social Proposals and Health/Environmental.

President Makras called for public comment.

Jed Holtzman, Fossil Free SF, discussed Level One proxy voting for fossil fuels and inquired how this was addressed in the report.

Jay Huish, Executive Director, noted that the Board had received updates on fossil fuel related proxy issues during the course of the year and a final report at the end of the proxy season in June 2014.

Action: This was a discussion only item.

021115-06 Discussion Item

**Review and Approval of Proxy Voting Policies for Calendar Year 2015**

Documents provided to the Board prior to the current meeting: Staff memorandum and ISS Report

William J. Coaker, Jr., Chief Investment Officer, Robert L. Shaw, Managing Director for Public, and Fasil Michael, Institutional Shareholder Services (Proxy Services Consultant), presented an oral and written report on this item.

Mr. Shaw reported that annually the Investment Staff and Institutional Shareholder Services reviews the

approved Proxy Voting Guidelines and makes recommendations for modifications. For 2015, Staff and ISS recommended:

- Changes to seven existing proxy voting policies;
- Adoption of three new proxy policies; and,
- Approval of the Proxy Voting Guidelines for 2015.

President Makras called for public comment.

Jed Holtzman, Fossil Free SF, discussed Level One proxy voting for fossil fuels, Greenhouse Gas Emission Goals and urged development of stronger policies, beyond Level One.

Claire Zvanski, RECCSF, urged the Board to adopt a stronger position on animal testing, which currently is considered on a case-by-case basis.

Moved by Commissioner Cohen, seconded by Commissioner Paskin-Jordan to Approve the Proxy Voting Policies for Calendar Year 2015

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger

021115-07 Action Item

**Approval to commit up to \$150 million to Blackstone Real Estate Partners VIII, L.P.**

Documents provided to the Board prior to the current meeting: Staff and Consultant memoranda

William J. Coaker, Jr., Chief Investment Officer, Art Wang, Managing Director for Private Markets, Peter Lin, Security Analyst, and Craig Beach, Cambridge Associates (Alternative Investment Consultant), presented an oral and written report on this item.

Commissioner Bridges left the meeting from 6:23-6:25PM.

Mr. Wang reported that The Blackstone Group is raising its eighth flagship global real estate fund,

Blackstone Real Estate Partners VIII, L.P., to target opportunistic real estate investments. The Fund targets to invest at least 60% of commitments in the United States and the remainder in Asia, Europe and Latin America. Blackstone Real Estate Advisors (“BRE”) seeks to acquire controlling interests in high-quality real estate by targeting distressed sellers or through sub- and non-performing loan transactions. To drive value creation, BRE will take an active asset management approach across its portfolio properties and will maximize value by building scale through assemblage of sector specific (property) portfolios or operating platforms. BRE believes that this will provide significant opportunities for the Fund to maximize operating synergies and exit opportunities. In addition, BRE intends to leverage its reputation as a “scale-player” to source large and highly complex transactions that typically have less competition from other opportunistic real estate investors.

President Makras called for public comment.

There were no comments from the public.

Action: Moved by Commissioner Paskin-Jordan, Seconded by Commissioner Cohen to commit up to \$150 million to Blackstone Real Estate Partners VIII, L.P.

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger

021115-08

#### **Chief Investment Officer Report**

Documents provided to the Retirement Board prior to the current meeting: CIO Report

William J. Coaker, Jr., presented an oral and written report on this item.

Mr. Coaker reported that the fund was valued at \$19.85 billion as of January 31, 2015.

Mr. Coaker reported that:



- At its meeting on November 12, 2014, the Retirement Board approved in Closed Session an investment of up to \$50 million in OrbiMed Royalty Opportunities II, L.P. and the investment closed on January 30, 2015;
- At its meeting on December 10, 2014, the Retirement Board approved in Closed Session an investment of up to \$100 million in Kerogen Energy Fund II, L.P. and the investment closed on January 30, 2015; and,
- At its meeting of January 14, 2015, the Retirement Board approved in Closed Session an investment of up to \$50 million in Vivo Capital VIII and the investment closed on February 3, 2015.

President Makras called for public comment. There were no comments from the public.

President Makras requested that reports of actions taken in Closed Session include the approved and actual closed commitments.

This was a discussion only item

### **DEFERRED COMPENSATION PLAN CALENDAR**

021115-09 Discussion Item **SFDCP Manager Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum and Report

Caryn Bortnick, Deputy Director and Interim Deferred Compensation Manager, presented an oral and written report on this item.

Ms. Bortnick reported that Russell Investments, the SFDCP Target Date Consultant, has been put up for sale. Additional information will be presented to the next Deferred Compensation Committee meeting.

President Makras called for public comment.

There were no comments from the public.

This was a discussion only item.

#### **ADMINISTRATION CALENDAR**

- 021115-10      Action Item      **Review and Approval of Basic COLA Effective July 1, 2015**

Documents provided to the Board prior to the current meeting: Staff memorandum

Janet Brazelton, Actuarial Services Coordinator, presented a written report on this item. President Makras accepted the report as submitted.

President Makras called for public comment. There were no comments from the public.

Action: Moved by Commissioner Cohen, Seconded by Commissioner Driscoll to Approve a Charter Section A8.526-2 cost of living (Basic COLA) increase of 2% payable effective July 1, 2015 for all qualified SFERS retiree who retired prior to July 2, 2015.

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger

021115-11 Action Item

**Determination and Approval of Credited Interest Rate for Fiscal Year 2015-2016**

Documents provided to the Board prior to the current meeting: Staff memorandum

Janet Brazelton, Actuarial Services Coordinator, presented a written report on this item. President Makras accepted the report as presented. There were no questions from Board members.

President Makras called for public comment. There were no comments from the public.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Cohen to Accept the credited interest rate analysis provided and approve recommendation of no adjustment in the Plan's current credited interest rate of 4% effective July 1, 2015.

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger

021115-12 Action Item

**Review and Adoption of July 1, 2014 Actuarial Valuation Results**

Documents provided to the Board prior to the current meeting: Cheiron (Consulting Actuary) presentation materials

Janet Brazelton, Actuarial Services Coordinator, Bill Hallmark and Anne Harper, Cheiron, presented an oral and written report on this item.

President Makras called for public comment. There were no comments from the public.

Action: Moved by Commissioner Paskin-Jordan, Seconded by Commissioner Stansbury Adopt July 1, 2014 Actuarial Funding Results

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger

021115-13 Action Item

**Adoption of Employer Contribution Rate for Fiscal Year 2015-2016**

Documents provided to the Board prior to the current meeting: Staff memorandum

Janet Brazelton, Actuarial Services Coordinator, presented an oral and written report on this item.

President Makras called for public comment.

There were no comments from the public.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Cohen to Approve the recommended employer contribution rate of 22.80% for Fiscal year 2015-2016.

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger

021115-14 Discussion Item

**Finance Committee Report**

Documents provided to the Board prior to the current meeting: Finance Committee Report

Commissioner Driscoll presented an oral and written report on this item.

Commissioner Driscoll reported that the Finance Committee met on January 21, 2015. At the meeting, the Committee:

- Approved the Minutes of the January 22, 2014 Finance Committee meeting.
- Reviewed the SFERS department budget for Fiscal Year 2015 – 2016. In 2014 the Retirement System submitted a two-year budget proposal for Fiscal Years 2014-15 and 2015-16. The proposed two-year budget included an increase in manager research and risk management/optimization services as well as seven new Investment Division positions.
- Reviewed SFERS expenditures for the Fiscal Year ended June 30, 2014;
- Reviewed the Audited Financial Statements and Supplemental Schedules for Fiscal years ended June 30, 2014 and 2013. Macias Gini & O’Connell, the external audit firm, will present the audited financial statements to the full Board at its March 11, 2015 regular meeting.
- Reviewed recaptured commissions (receipts and expenditures) for Fiscal Year Ended June 30, 2014.

President Makras called for public comment.

There were no comments from the public.

Action: This was a discussion only item

Documents provided to the Board prior to the current meeting: Personnel Committee Report

Commissioner Cohen presented an oral report and written on this item.

Commissioner Cohen reported that the Personnel Committee met on January 21, 2015.

At their meeting the Committee:

- Approved the Minutes of the March 19, 2014 Personnel Committee meeting.
- Reviewed the Board Performance Evaluation Process and content for the position of Actuarial Services Coordinator; and,
- Met in Closed Session for the performance evaluation of Executive Director Jay Huish.

President Makras called for public comment.

There were no comments from the public.

Action: This was a discussion only item

- 021115-16 Discussion Item **Update on Statements of Economic Interest (Form 700) Annual Filing Requirements and other Filing Requirements**

Documents provided to the Board prior to the current meeting: Staff memoranda

Jay Huish, Executive Director, presented an oral and written report on this item.

Mr. Huish reported that under San Francisco's Campaign and Governmental Conduct Code and Ethics Commission regulations, individuals who file their Statement of Economic Interest (also known as "Form 700s") with the Ethics Commission must do so electronically. The Board was provided with the guide prepared by the Ethics Commission on how to file electronically.

Board members must also complete the Annual Sunshine and Bi-Annual Ethics Training Declarations; these are also filed directly with the Ethics Commission. Finally, Retirement Board members are required to submit the Annual Membership Disclosure Form and return that to Norm Nickens, Board Secretary.

All filings are due no later than April 1, 2015.

Action: This was a discussion only item.

021115-17 Action Item

**Approve prospectively expanding the interpretation of the term "shortage" in the SFERS plan to include *Gillmore* debt**

Documents provided to the Board prior to the current meeting: Staff memoranda

Jay Huish, Executive Director, and Caryn Bortnick, Deputy Director, presented an oral and written report on this item. Mr. Huish explained the community property concepts of *Gillmore* rights and *Gillmore* debts. SFERS members with *Gillmore* debts have an option to repay the amount advanced, with interest, to avoid receiving an actuarially reduced retirement allowance. As an administrative practice, SFERS has only accepted after-tax payments, either after-tax payroll deductions or over the counter payments, to repay the *Gillmore* debt. But by expanding prospectively the definition of the term “shortage” in the plan to include *Gillmore* debts, members would be able to transfer funds from a SFDCP account under San Francisco Administrative Code Section 16.61-5, to pay a *Gillmore* debt.

President Makras called for public comment. There were no comments from the public.

Commissioner Stansbury expressed appreciation for efforts of staff in developing the proposal and inquired regarding the timeline for implementation. Mr. Huish reported the change would have immediate effect.

Commissioner Driscoll recommended that any communications to members regarding the change use plain language showing the pros and cons for members, including identifying any taxable events.

Action: Moved by Commissioner Stansbury, Seconded by Commissioner Bridges to Approve prospectively expanding the interpretation of the term “shortage” in the SFERS plan to include *Gillmore* debt

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury

Absent: Meiberger



021115-18 Discussion Item **Executive Director's Report**

Documents provided to the Retirement Board prior to the current meeting: Executive Director's Report

Administrative Update:

Mr. Huish reported on:

- Sunshine Ordinance Task Force complaint and outcome, with no finding of any violation; and,
- Soft launch of the new SFERS web site (mysfers.org) with a calculator, access to duplicate 1099Rs, and direct deposit notices.

Attachments for Informational Purposes:

Educational Opportunities List  
Blackout Period List

President Makras called for public comment. There were no comments from the public.

021115-19 Discussion Item **Retirement Board Member Reports and Comments**

Documents provided to the Board prior to the current meeting: Articles submitted by Commissioner Meiberger

There were no reports from Board members.

President Makras called for public comment. There were no comments from the public.

Action: This was a discussion only item

**CLOSED SESSION**

021115-20 Action Item **Closed Session -- Recommendations and Possible Action on Purchases of Particular, Specific Pension Fund Investments under California Government Code Section 54956.81**

President Makras called for public comment.

There were no comments from the public.

The Board entered closed session at 7:15 PM.

Present in the closed session were:

Commissioners Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury.

Jay Huish, Executive Director; William J. Coaker, Chief Investment Officer; Art Wang, Managing Director for Private Markets; Cynthia Wong, Securities Analyst; Justin Lo, Securities Analyst; Katie Porter, William Lin and Tran Ly, Deputy City Attorneys; Norm Nickens, Board Secretary; and Anita Ng, Scott Martin, Jennifer Urdan, and Marshall Fisher, Cambridge Associates.

Commissioner Bridges left the meeting at 7:17 PM.

The Board returned to open session at 7:25 PM.

Action: Moved by Commissioner Stansbury, Seconded by Commissioner Driscoll to not disclose discussions from closed session.

President Makras called for public comment. There were no comments from the public.

Ayes: Bridges, Cohen, Driscoll, Makras, Paskin-Jordan, Stansbury.

Absent: Meiberger

Commissioner Driscoll requested staff to explore adding additional details to reporting out on Closed Session investments when they are reported as closed to the Board.

□ 021115-21

### **Adjournment**

Having no further business, the Board adjourned the meeting at 7:26 PM.

Respectfully submitted,  
Jay Huish, Executive Director

DRAFT

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Zoning controls

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

From: Alejandro Celis [<mailto:alejandrocelis@msn.com>]  
Sent: Saturday, March 07, 2015 5:19 PM  
To: Board of Supervisors (BOS)  
Cc: Mathieu Sureau; Q Wu; Dieguito Pachueco  
Subject: Zoning controls

Dear Board of Supervisors,

I want to show my totally 100% support to the Legislation introduced by Supervisor Wiener and ready to be addressed this Monday March 9th at 1:30 pm "Emergency interim zoning control."

Respectfully

Jose Alejandro Celis

Home owner of 281 States Street , Corona Heights San Francisco 94114

114

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Support for Interim Zoning Controls in Corona Heights/Corbett Heights

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**From:** Sonja Renner [<mailto:sonja.renner@gmail.com>]  
**Sent:** Monday, March 09, 2015 11:19 AM  
**To:** Board of Supervisors (BOS)  
**Cc:** Wiener, Scott; Power, Andres  
**Subject:** Support for Interim Zoning Controls in Corona Heights/Corbett Heights

Dear Board of Supervisors,

My name is Sonja Renner and I live at 30 Ord Street in San Francisco, which is in the area of Supervisor Wiener's proposed legislation.

Please note that I am not entirely against development in our neighborhood. However, it is quite irritating and frustrating to see developers change the face of Corona Heights without considering the interests of the community. People who moved to Corona Heights have chosen this neighborhood due to some compelling characteristics. We do not only value the diversity of people living here, we also love the lush gardens that are home to a broad variety of plants, flowers, trees and animals (i.e. parrots, mocking birds, humming birds, blue jays).

Building massive single-family homes in Corona Heights/Corbett Heights must stop for several reasons:

1. Allowing developers to make substantial profits at the expense of a long-established community would be a huge mistake! We cannot risk that residential neighborhoods become a concrete jungle.
2. We must not allow people who don't intend to live in our neighborhood get away with destroying the charm of our streets. Reasonably sized and priced houses are what the neighborhood deserves and wants.
3. Building gigantic single-family homes is not sustainable regardless of whether the constructions meet current environmental codes! Let's live up to our reputation and be a role model in terms of environmental stewardship. We owe it to the next generations.
4. It's not a win-win situation: The house next to us (32 Ord St), a charming 1,700 sqft single-family house, has recently been sold with architectural drawings for a 4,976 sqft single-family home (gross surface areas). If this house was developed as planned, it would have a substantial impact on our investment while not even adding new housing units.

I kindly ask the Board of Supervisors to please support Scott Wiener's proposed legislation by voting for interim zoning controls in Corona Heights and Corbett Heights.

Warm regards,

Sonja Renner

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Sonja Renner

[Sonja.Renner@gmail.com](mailto:Sonja.Renner@gmail.com)

Cell: +1 (415) 728-8698

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**From:** Board of Supervisors (BOS)  
**To:** Ausberry, Andrea  
**Subject:** File 150192 FW: EVNA unanimous support for Wiener Corona Heights Interim Control legislation  
**Attachments:** EVNA Support Letter Supervisor Wiener Emergncy Interim Corona Heights Zoning Control 20150309.pdf

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**From:** Alan Beach-Nelson, EVNA President [<mailto:alan.beach@evna.org>]  
**Sent:** Monday, March 09, 2015 10:43 AM  
**To:** Farrell, Mark (BOS); Tang, Katy (BOS); Avalos, John (BOS); Wiener, Scott; Elsbernd, Sean; Campos, David (BOS); Board of Supervisors (BOS); Cohen, Malia (BOS); Kim, Jane (BOS); Christensen, Julie (BOS); Breed, London (BOS); Mar, Eric (BOS)  
**Cc:** 'EVNA Board of Directors'; [planning@evna.org](mailto:planning@evna.org)  
**Subject:** EVNA unanimous support for Wiener Corona Heights Interim Control legislation

Dear Honorable San Francisco Board of Supervisors,

Please find the attached unanimous letter of support for Supervisor Wiener's emergency legislation requiring conditional use authorization for home expansions in and around the Corona Heights neighborhood.

I hope that we can count on you support for this important legislation for our community.

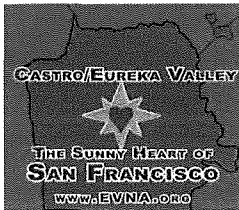
Best,  
Alan

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alan beach-nelson | president | Castro/Eureka Valley Neighborhood Association  
The neighborhood association for the Castro, Upper Market and all of Eureka Valley since 1881  
PO Box 14137, San Francisco, CA 94114 | [alan.beach@evna.org](mailto:alan.beach@evna.org) | 415.244.5152

I encourage you to learn more about Castro/EVNA; become a member at <http://evna.org/join>

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# CASTRO/EUREKA VALLEY NEIGHBORHOOD ASSOCIATION

The neighborhood association for the Castro, Upper Market and all of Eureka Valley since 1878

EVNA  
PO Box 14137  
San Francisco, CA 94114  
www.evna.org  
Board@EVNA.org

EVNA, a 501 (C)(4) Non-profit,  
Tax ID: 51-0141022

Eureka Valley Foundation,  
a 501(C)(3) Non-profit,  
Tax ID: 26-0831195

#### EXECUTIVE COMMITTEE

Alan Beach-Nelson  
President  
Castro Street  
Rob Cox  
Secretary & Quality of Life  
Committee Interim-Chair  
Hartford Street

James Moore  
Treasurer  
18th Street

#### COMMITTEE CHAIRS

James Kelm  
Newsletter & Social Media  
Castro Village Wine Co.

Jack Keating (Ex-Officio)  
Planning & Land Use  
17th Street

Shelah Barr  
Quality of Live Co-chair  
17th Street

Mark McHale  
Social  
Vanguard Properties  
Orie Zaklad  
Technology & Marketing  
Collingwood Street

#### DIRECTORS:

Patrick Crogan  
Market Street

Tim Eicher  
Q Bar

Mary Edna Harrell  
Castro Street

Crispin Hollings  
18th Street

Loïc Olichon  
18th Street

#### EX OFFICIO DIRECTORS:

Steve Clark Hall  
Webmaster  
19th Street

Judith Hoyem  
Emeritus  
17th Street

March 9, 2015

Honorable Members  
San Francisco Board of Supervisors  
San Francisco City Hall

Via email: Mark.Farrell@sfgov.org; Katy.Tang@sfgov.org; John.Avalos@sfgov.org;  
Scott.Wiener@sfgov.org; Sean.Elsbernd@sfgov.org;  
David.Campos@sfgov.org; board.of.supervisors@sfgov.org;  
Malia.Cohen@sfgov.org; Jane.Kim@sfgov.org; Julie.Christensen@sfgov.org;  
London.Breed@sfgov.org; Eric.L.Mar@sfgov.org

Subject: Letter of Support –Supervisor Wiener’s emergency legislation requiring  
conditional use authorization for home expansions in and around the Corona  
Heights neighborhood.

Dear Honorable Board of Supervisors:

Castro/Eureka Valley Neighborhood Association (EVNA) is the oldest continuously operating Neighborhood Association in San Francisco established as Eureka Valley Promotion Association in 1878. For 135 years, our members have been working to make this neighborhood a great place to live, work and play. Today, we strive to preserve the unique character of our diverse neighborhood while maintaining a balance between prospering businesses and residential livability. To achieve this goal, we regularly communicate with Eureka Valley constituents via the distribution of 3,500 newsletters in the core Eureka Valley neighborhood and through our over 550 members and subscribers.

We have long believed that residents of a community should have a voice when development or other changes are proposed which would significantly impact neighborhood character. The Conditional Use process has proven to be an effective tool to allow community participation in decisions with such long-term impact. Requiring a CU does not prevent changes, it merely ensures that they are made thoughtfully and with opportunities for stakeholders to be heard.

As such, per Supervisor Scott Wiener's interim residential zoning legislation for Corona Heights, the EVNA Board unanimously (11 yea, 1 abstention) supports the Supervisor's efforts to better balance the needs of developers with those of residents and the existing neighborhood character.

For this reason, Castro/EVNA's Board asks that you support the local community by voting for this emergency legislation requiring conditional use authorization for large homes in and around the Corona Heights neighborhood.

Sincerely,

Alan R. Beach-Nelson  
President

Cc: Andres Powers, Supervisor Scott Wiener's Office



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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Support for Interim Zoning Controls in Eureka Valley

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**From:** Dirk Aguilar [<mailto:daguilar@gmail.com>]  
**Sent:** Monday, March 09, 2015 9:56 AM  
**To:** Board of Supervisors (BOS)  
**Cc:** Wiener, Scott; Power, Andres  
**Subject:** Support for Interim Zoning Controls in Eureka Valley

Dear Board of Supervisors,

My name is Dirk Aguilar and I live at 30 Ord Street, which is in the area of Supervisor Wiener's proposed legislation.

Please allow me to begin by stating my support for remodels that embrace the character of Corona Heights and that are managed in concert with our community. My support does not extend to massive development that shows no consideration for the long-term interests of our neighborhood - especially if it does not help solve our city's housing challenges anyway.

To our immediate left and right are two large developments: 24-26 and 32 Ord Street. The latter aims at turning a charming 1,700 sqft hillside house into a 4,976 sqft single-family home (gross surface areas). Protecting our home, our neighborhood and helping other neighbors has become a part-time job that is costing us tens of thousands of dollars. Inaction is not an option and in fact it would have been downright dangerous for the structural integrity of our house. The situation has become alarming and we need help right now.

I would like to thank Supervisor Wiener for proposing emergency legislation, that carefully reviews oversize developments without preventing homeowners from expanding their houses to accommodate growing families. It is reasonable, thoughtfully crafted and it meets the needs of many of our neighbors.

I respectfully ask the Board of Supervisors to **please pass this legislation**. Thank you for your attention.

Best regards,

Dirk Aguilar  
30 Ord Street  
[\(415\) 347-5415](tel:(415)347-5415)

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P.S: Objection handling

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Our opponents may challenge this legislation on the grounds that new housing needs to be created. Because the before-mentioned developments are not adding any new housing, I argue that they effectively remove three units from our inventory for about four years. Once these units return, they are going to be exponentially more expensive.

Our opponents may also challenge this proposal on grounds that it further complicates our planning code and that it adds bureaucracy to an already slow planning process. In fact this legislation only targets developments that are larger than 3,000 sqft, which is a very generous threshold in the context of Corona Heights. All other developments continue being subject to the current process.

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** file 150192 FW: Interim Zoning Controls - Large Residential Projects in RH-1, RH-2, and RH-3 Zoning Districts

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

From: Matthew Siroka [[mailto:matthew\\_siroka@yahoo.com](mailto:matthew_siroka@yahoo.com)]

Sent: Monday, March 09, 2015 9:13 AM

To: Board of Supervisors (BOS)

Cc: Wiener, Scott

Subject: Interim Zoning Controls - Large Residential Projects in RH-1, RH-2, and RH-3 Zoning Districts

To the Board and Land Use Committee:

My family writes to fully support Supervisor Weiner's proposed interim zoning controls. We have seen first hand the intense impacts of rampant development in the corona heights neighborhood. The last two years have seen non-stop construction within just a few blocks of our home. Traffic congestion has increased dramatically, parking has become more scarce and crime has increased.

Interim zoning controls are necessary because these neighborhoods have very little space left for development, and once it is gone, nothing more can be done. These zoning controls will allow for a much needed pause to allow the City to balance the numerous competing needs and interests before proceeding with further development.

If you have any questions please feel to contact me at 415.786.1642

Sincerely,

Matthew Siroka

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192FW: Emergency interim zoning controls

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**From:** Bettina Eichel [<mailto:beichel@comcast.net>]  
**Sent:** Sunday, March 08, 2015 6:44 PM  
**To:** Board of Supervisors (BOS)  
**Subject:** Emergency interim zoning controls

Dear Board of Supervisors,

I'm writing to state my support for emergency interim zoning controls on overdevelopment proposed by Scott Wiener. When passed this legislation will immediately stop the proliferation of oversized and unaffordable homes in Corona Heights and Corbett Heights for 18 months while permanent controls are crafted. I believe this legislation is necessary to preserve the character and affordability of these neighborhoods.

Sincerely,

Bettina Eichel

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Support Controls in Corona Heights and Corbett Heights

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

From: Diana Goldstein [<mailto:dievenary@gmail.com>]  
Sent: Sunday, March 08, 2015 2:45 PM  
To: Board of Supervisors (BOS)  
Subject: Support Controls in Corona Heights and Corbett Heights

I own a house in Corona Heights and urge the Board of Supervisors to adopt permanent controls that will preserve the character of this charming, affordable neighborhood. We should not continue to erode our stock of affordable housing. There is already massive investment in housing for the rich.

Marc Goldstein

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192FW: Corona Heights/Corbett Heights

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**From:** [rmillersf@aol.com](mailto:rmillersf@aol.com) [<mailto:rmillersf@aol.com>]  
**Sent:** Sunday, March 08, 2015 12:18 PM  
**To:** Board of Supervisors (BOS)  
**Subject:** Corona Heights/Corbett Heights

As a long-time property owner in Corona Heights at 50 Vulcan Stairway, I urge the Board of Supervisors to limit new legislation regarding new or re-development, to necessary and appropriate measures that replace as opposed to supplement, existing guidelines/laws so as to streamline instead of further over-burdening regulation on neighborhood projects.

Having just waited 7 1/2 months for City Planning to rule on the historical merits of a renovation project(none found), I caution against potential further delays caused by the bureaucratic process. City Planners squarely put the blame on the Board of Supervisors for adding steps in the process that create additional backlog in their case load.

There are numbers of frustrated homeowners, developers and architects who bemoan the cumbersome and lengthy process required to pursue a building permit, both in this neighborhood and city-wide, who would join me in asking for any small relief from further over-regulation resulting from new legislation.

Sincerely,  
Richard A. Miller  
415-552-8678

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Unequivocal support for Corona Heights zoning controls

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

From: Barbara Hurtig [<mailto:bghurtig@aol.com>]  
Sent: Sunday, March 08, 2015 11:49 AM  
To: Board of Supervisors (BOS)  
Cc: [jhoyem@sbcglobal.net](mailto:jhoyem@sbcglobal.net)  
Subject: Unequivocal support for Corona Heights zoning controls

I am sorry that I will not be able to attend the meeting on 3/9 but I am sending you my complete support for initiation of zoning controls to take effect immediately. I've been living in this neighborhood since 1993 and have sadly watched homes being torn down and rebuilt with double or triple units. There was a time when the new homes integrated well into the neighborhood but now they're back to building out for maximum floor space, not enough garage space, and don't integrate with the neighborhood. And I won't even get into the treacherous driving habits of some of these people. I'm certainly not against change but evolution with thought is all I ask for. And frankly, if these were homes that were being built with any sense of esthetics, I would be fine, but they're just very big boxes. They jeopardize the character of our neighborhood, and our city.

Thank you for doing the right thing.

Barbara Hurtig and Ben Willis  
56 Levant Street  
San Francisco, CA 94114

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Zoning controls

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

From: Mathieu [[mailto:mathieu\\_sureau@yahoo.com](mailto:mathieu_sureau@yahoo.com)]  
Sent: Saturday, March 07, 2015 8:00 PM  
To: Alejandro Celis  
Cc: Board of Supervisors (BOS); Q Wu; Dieguito Pachueco  
Subject: Re: Zoning controls

I also support this legislation 100%, the neighborhood is already changing at such a fast pace, and will lose its character.

Mathieu Sureau co owner 281 states street 94114

Sent from my iPhone.

> On Mar 7, 2015, at 5:19 PM, Alejandro Celis <[alejandrocelis@msn.com](mailto:alejandrocelis@msn.com)> wrote:

>

> Dear Board of Supervisors,

>

> I want to show my totally 100% support to the Legislation introduced by Supervisor Wiener and ready to be addressed this Monday March 9th at 1:30 pm "Emergency interim zoning control."

>

> Respectfully

> Jose Alejandro Celis

> Home owner of 281 States Street , Corona Heights San Francisco 94114

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: For Land Use Committee - Clerk Andrea Ausberry

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**From:** Thomas Vilhauer [<mailto:thomas.vilhauer@gmail.com>]  
**Sent:** Saturday, March 07, 2015 8:43 PM  
**To:** Board of Supervisors (BOS)  
**Subject:** For Land Use Committee - Clerk Andrea Ausberry

To Whom It May Concern:

This note is directed to the Land Use and Zoning Committee and regards supervisor Weiner's proposal to expand the conditional use permit requirements for projects in RH-1,2, or 3 zoned parcels for all projects that would expand over 3000 square feet.

San Francisco is in a housing crisis and we need our city to supply more housing for more people. By requiring small multi unit projects to apply for conditional use permits will create an a protracted political process an obstruct the reasonable construction of additional needed units.

I am a resident of San Francisco and a homeowner. We will make the city more affordable to all by making more housing affordable to all.

Please help the city provide more housing for more people.

Sincerely,

Thomas Vilhauer

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: Save Corona Heights Character and Affordability

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

From: Diana Goldstein [<mailto:dievenary@aol.com>]

Sent: Sunday, March 08, 2015 12:42 PM

To: Board of Supervisors (BOS)

Subject: Save Corona Heights Character and Affordability

I have owned a small house in the Corona Heights area since 1969. My daughter grew up in this house and now rents it from me. I am grateful to be able to provide an affordable place so that my daughter can continue to live in San Francisco and not be forced to move away from her family. She is one of many adult children of San Franciscans who might be forced to leave because of the disturbing, overwhelming gentrification taking place all over the city. I hope that the Board of Supervisors will exert the controls necessary to preserve the character and affordability of Corona Heights. There are enough luxury condominiums being built in all parts of the city. Diversity is an important ingredient for a city to thrive.

Thank you.  
Diana Goldstein

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** file 150192 FW: Support for zoning controls on overdevelopment in Corona and Corbett Heights

---

**From:** Lauren Fogel [<mailto:lauren1021@gmail.com>]  
**Sent:** Sunday, March 08, 2015 5:27 PM  
**To:** Board of Supervisors (BOS)  
**Subject:** Support for zoning controls on overdevelopment in Corona and Corbett Heights

Hello,

As a 12-year home-owner in Corona Heights I have been disturbed to see the proliferation of oversized and unaffordable homes in my neighborhood. My own home was built in 1870 and has two huge, multi-unit structures behind it that were built in the '80s. Now I see many more, and significantly larger, multi-unit structures either under or planned for construction on my street. These buildings are truly out of character with the neighborhood and do nothing to help people looking for affordable housing in our increasingly out-of-reach city.

I hope that the Board of Supervisors will agree to stop this rampant and inappropriate development while permanent controls are crafted to better suit our neighborhood.

Many thanks.

Lauren Fogel  
270 States Street  
SF, CA 94114  
415/626-2256

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: 24-26 Ord Court, Appeal #15-011 - Save our mature trees and limit building size

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**From:** Carol Buell [<mailto:carolbuell@att.net>]  
**Sent:** Monday, March 09, 2015 10:06 AM  
**To:** Board of Supervisors (BOS)  
**Cc:** [buellorcarol@gmail.com](mailto:buellorcarol@gmail.com); [Scott.Weiner@SFGov.org](mailto:Scott.Weiner@SFGov.org)  
**Subject:** 24-26 Ord Court, Appeal #15-011 - Save our mature trees and limit building size

**24-26 Ord Court Appeal #15-011**

Since I'm unable to attend the meeting tomorrow, March 9, at City Hall, 1:30 pm, I'm writing to show my support to protect the two trees facing States Street on the 24-26 Ord Court property. These are very mature trees and add much beauty to States Street. If the proposed building is scaled back in size and built away from the sidewalk, saving the trees should be no problem. Let's not make the same mistake and let the developer chop mature trees as they did at the fork of States Street and Corona Community Park. And only a \$500 fine for illegally chopping down 14 trees. \$1,000 per tree at the very least should have been charged because these also were tall, mature trees, and needless to say cannot be replaced.

It doesn't matter how many small trees you have on a street, it's the large trees that add beauty and serenity to a street. These two trees provide a beautiful canopy over the street that you would expect to see in a park and is a special part of States Street because of this. With all the news media regarding our neighborhood more foot traffic is seen exploring the hills and stairs of Corona Heights. In order to conform to the quaintness and uniqueness of Corona Heights with its cottages and small homes, preserving the beauty that we have and limiting the size of new buildings is essential.

One new building at the corner of Ord Street and 17<sup>th</sup> sold for \$4 million after being vacant for many months. This is out of reach for middle class residents. As the old structures are replaced for newly built ones, let's remember that we need affordable housing for the middle class, otherwise San Francisco will be livable only for the very rich and the homeless. The tech boom may be here now, but everything goes in cycles and there is no guarantee that this situation will last forever.

Do the right thing for the neighborhood and its residents; some like myself have been here almost 30 years. We love Corona Heights and want its uniqueness protected.

Carol Buell  
30 Ord Court, #7  
San Francisco, CA 94114

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors  
**Subject:** File 150192 FW: opposed to Weiner's monster home control legislation

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**From:** Callan Carter [<mailto:callancarter@yahoo.com>]  
**Sent:** Sunday, March 08, 2015 7:20 PM  
**To:** Board of Supervisors (BOS)  
**Subject:** opposed to Weiner's monster home control legislation

I live at 5 Saturn St in the heart of Corona Heights. Scott Weiner's legislation to introduce controls on "monster homes" in my neighborhood does not reflect my wishes. I am opposed to this legislation, both in temporary or permanent form. I urge you to vote against it. Callan Carter, 5 Saturn St, San Francisco, CA 94114

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** file 150192 FW: Corona Heights Legislation  
**Attachments:** supervisor corona heights 1.pdf; jsu888.vcf

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

From: Jack Su [<mailto:jsu888@gmail.com>]  
Sent: Monday, March 09, 2015 9:54 AM  
To: Board of Supervisors (BOS)  
Subject: Corona Heights Legislation

Dear Supervisors,

I am opposed to the legislation, but I'm unable to attend the meeting today to voice my opposition in person.  
Please see attached letter.

--  
Thanks!

Jack

Board of Supervisors

Re: In opposition of Corona Heights construction restrictions.

Dear Supervisors,

I am a long time resident of San Francisco and live in a house in the proposed area. I am opposed to the legislation.

The current guidelines already have controls on bulk and mass. This proposed additional legislation is a restriction on square footage and it discriminates against big families or extended families.

Corona heights is an area with mixed architecture - Vintage single families homes and apartment buildings. It is as diverse as San Francisco population. I don't feel there is a need to elevate any one type of architecture in the area. Certainly it's not an emergency. I've attached a few pictures for your reference.

I feel there are already enough regulations to keep the neighborhood from spinning out of control. Don't believe in the propaganda.

I urge you to vote NO.

Thank you for your consideration

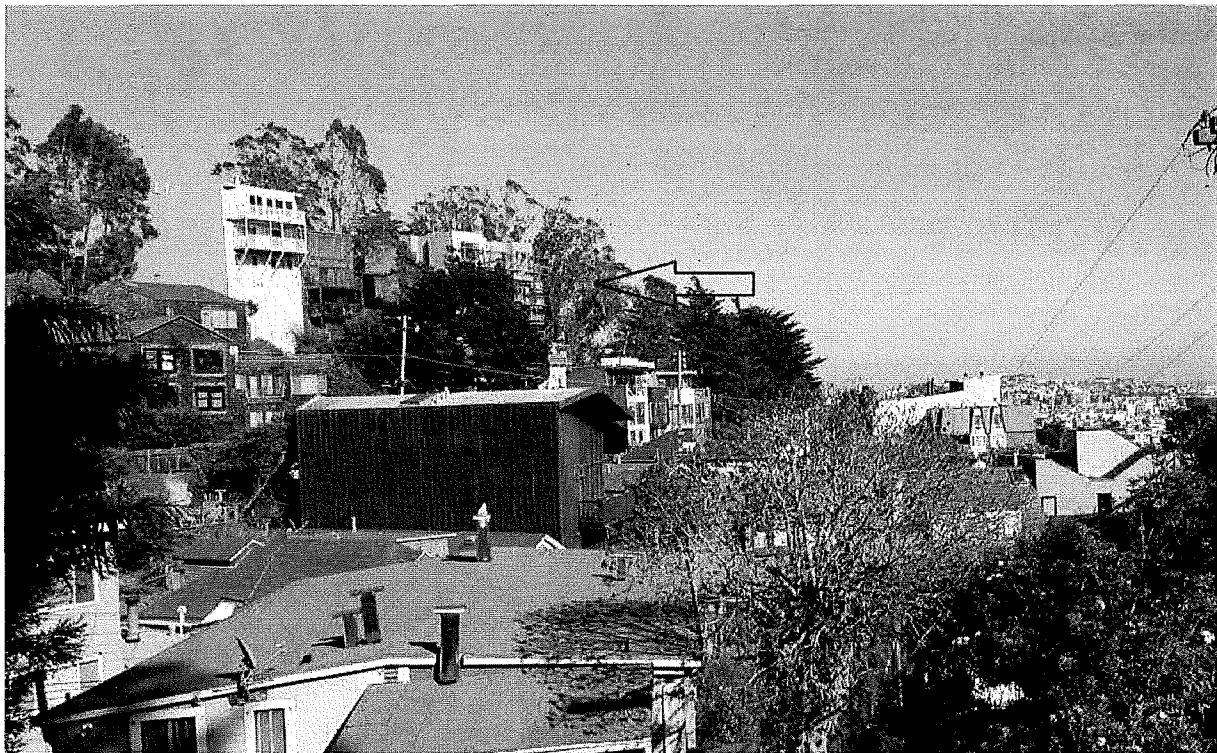
Jack Su

20 Vulcan Stairway

Propaganda picture:



Same house in perspective with red arrow – Fits perfectly in the neighborhood.





Homes on Ord St – No distinct architecture style



Mix of 1960s buildings with cottages – Ord Ct



Vulcan Stairway Apartment buildings.



Modern single family home on Vulcan Stairway.



26 Vulcan – almost 100% lot coverage. The current regulation is already sufficient to protect this home.



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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors; Ausberry, Andrea  
**Subject:** File 150192 FW: opposed to Weiner's monster home control legislation

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**From:** Callan Carter [<mailto:callancarter@yahoo.com>]  
**Sent:** Sunday, March 08, 2015 7:20 PM  
**To:** Board of Supervisors (BOS)  
**Subject:** opposed to Weiner's monster home control legislation

I live at 5 Saturn St in the heart of Corona Heights. Scott Weiner's legislation to introduce controls on "monster homes" in my neighborhood does not reflect my wishes. I am opposed to this legislation, both in temporary or permanent form. I urge you to vote against it. Callan Carter, 5 Saturn St, San Francisco, CA 94114

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**Subject:** How the Board of Supervisors So Badly Approved the Reappointment of Wendy Paskin-Jordan ... Part 2: Gambling With San Francisco Employees' Retirement Fund — Wendy-Paskin-Jordan's Troubling Reappointment

**Attachments:** mime-attachment.jpg; ATT00001.htm; Wendy\_Paskin-Jordan\_Troubling\_Reappointment\_to\_SFERS.pdf; ATT00002.htm; Attached Message Part.html; ATT00003.htm

**From:** pmonette-shaw <[Pmonette-shaw@earthlink.net](mailto:Pmonette-shaw@earthlink.net)>

**Date:** March 1, 2015 at 6:52:56 PM PST

**To:** <[Eric.L.Mar@sfgov.org](mailto:Eric.L.Mar@sfgov.org)>, <[Mark.Farrell@sfgov.org](mailto:Mark.Farrell@sfgov.org)>, <[Julie.Christensen@sfgov.org](mailto:Julie.Christensen@sfgov.org)>, <[Katy.Tang@sfgov.org](mailto:Katy.Tang@sfgov.org)>, <[London.Breed@sfgov.org](mailto:London.Breed@sfgov.org)>, <[Jane.Kim@sfgov.org](mailto:Jane.Kim@sfgov.org)>, <[Norman.Yee@sfgov.org](mailto:Norman.Yee@sfgov.org)>, <[Scott.Wiener@sfgov.org](mailto:Scott.Wiener@sfgov.org)>, <[David.Campos@sfgov.org](mailto:David.Campos@sfgov.org)>, <[Malia.Cohen@sfgov.org](mailto:Malia.Cohen@sfgov.org)>, <[John.Avalos@sfgov.org](mailto:John.Avalos@sfgov.org)>

**Cc:** <[angela.calvillo@sfgov.org](mailto:angela.calvillo@sfgov.org)>

**Subject:** How the Board of Supervisors So Badly Approved the Reappointment of Wendy Paskin-Jordan ... Part 2: Gambling With San Francisco Employees' Retirement Fund — Wendy-Paskin-Jordan's Troubling Reappointment

**Reply-To:** <[Pmonette-shaw@earthlink.net](mailto:Pmonette-shaw@earthlink.net)>

March 1, 2015

San Francisco Board of Supervisors

The Honorable Eric Mar, Supervisor, San Francisco Board of Supervisors, District 1

The Honorable Mark Farrell, Supervisor, San Francisco Board of Supervisors,  
District 2

The Honorable Julie Christensen, Supervisor, San Francisco Board of Supervisors,  
District 3

The Honorable Katy Tang, Supervisor, San Francisco Board of Supervisors, District  
4

The Honorable London Breed, Supervisor, San Francisco Board of Supervisors,  
District 5

The Honorable Jane Kim, Supervisor, San Francisco Board of Supervisors, District  
6

The Honorable Norman Yee, Supervisor, San Francisco Board of Supervisors,  
District 7

The Honorable Scott Wiener, Supervisor, San Francisco Board of Supervisors,  
District 8

The Honorable David Campos, Supervisor, San Francisco Board of Supervisors,  
District 9

The Honorable Malia Cohen, Supervisor, San Francisco Board of Supervisors,

15

District 10

The Honorable John Avalos, Supervisor, San Francisco Board of Supervisors,  
District 11

Angela Calvillo, Clerk of the Board (for Petitions and Correspondence File)  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

**How Did the Board of Supervisors So Badly Fail to Cross-Examine  
Wendy Paskin-Jordan for Reappointment to SFERS' Board**

Dear Board of Supervisors,

As my new article illustrates, the Board of Supervisors failed miserably in asking Ms. Paskin-Jordan a whole host of relevant questions on January 7 when you considered her reappointment to SFERS' Board of Directors.

There's lots of unasked and unanswered questions remaining that you should investigate now, and not wait until the Ethics Commission ever gets around to considering the two anonymous complaints against Paskin-Jordan.

Comically, SFERS Commissioner Joe Driscoll and Local 21 and POA leaders are claiming that the author of the anonymous on-line survey instrument regarding investing SFERS pension funds in hedge funds had involved the same person who had filed the anonymous complaints against Paskin-Jordan to Ethics. Publius Popsicola had nothing to do with the filing of the two Ethics complaints against Ms. Paskin-Jordan. I can assure you that is simply not the case, and a desperate, wild guess by Mr. Driscoll, and Local 21 and POA thugs.

Ms. Paskin-Jordan's behavior is so egregious, the Board of Supervisors needs to revisit its misguided approval of her reappointment to SFERS, sooner rather than later.

Sincerely,

Patrick Monette-Shaw  
*Columnist/Reporter*  
*Westside Observer Newspaper*

**Ms. Calvillo:** Please post both this e-mail and the printer-friendly version of my new article to the Petitions and Communications section, along with my name.

----- Forwarded Message -----

**Subject:**Part 2: Gambling With San Francisco Employees' Retirement Fund — Wendy-Paskin-Jordan's Troubling Reappointment

**Date:**Sun, 01 Mar 2015 15:17:39 -0800

**From:**pmonette-shaw <[Pmonette-shaw@earthlink.net](mailto:Pmonette-shaw@earthlink.net)>

**Reply-To:**[Pmonette-shaw@earthlink.net](mailto:Pmonette-shaw@earthlink.net)

**To:**undisclosed-recipients;;

My new article, “ *Part 2: Gambling With San Francisco Employees' Retirement Fund — Wendy-Paskin-Jordan's Troubling Reappointment*” is in press at the *Westside Observer* newspaper. The full article is now available at [www.stopLHHdownsize.com](http://www.stopLHHdownsize.com):

March 2015

## *Part 2: Gambling With San Francisco Employees' Retirement Fund*

### Wendy Paskin-Jordan's Troubling Reappointment

by Patrick Monette-Shaw

In his haste to reappoint Wendy Paskin-Jordan — wife of former Mayor and former Police Chief Frank Jordan — to the San Francisco Employees' Retirement System's (SFERS) Board of Directors, Mayor Ed "Shared Prosperity Agenda" Lee sloppily ignored vetting his reappointment recommendation required through the San Francisco Board of Supervisors Rules Committee where public testimony and a Rules Committee recommendation to approve or oppose mayoral appointees are then forwarded to the full Board of Supervisors for consideration.

Paskin-Jordan has a number of conflicts of interest that should have disqualified her from reappointment. Mayor Lee just turned a blind eye. Later, San Francisco's Board of Supervisors turned a blind eye, too.

As widely-respected financial journalist David Sirota noted in an *International Business Times* [article](#) on December 13, 2014, Paskin-Jordan "appears to have blurred the lines between her responsibility to the city and her personal financial interests." Sirota reported "Paskin-Jordan has invested her personal funds in a firm called GMO, which also manages almost \$400 million of the San Francisco pension system's money."

Sirota reported that "San Francisco has rules designed to prevent people who manage pension systems from placing personal money in the same entities in which public funds under their supervision are invested." In addition to concerns about her relationship with GMO, it's unclear whether Paskin-Jordan and her clients have also invested in Northern Trust by aggregating personal funds with SFERS' pension funds, a key question all but ignored by San Francisco's Board of Supervisors when it held a second hearing on her reappointment on January 7, 2015. She had been a no-show at the Board of Supervisors first hearing on December 16, 2014.

When the Mayor failed to follow the required process, instead of starting the reappointment process over with a referral to the Rules Committee, the Board succumbed to political pressure and scheduled a December 2014 hearing of the Board sitting as a Committee of the Whole to consider the Mayor's reappointment of Paskin-Jordan's. Paskin-Jordan tweaked the Board's collective noses when she failed to appear at the Board's December 16 hearing, forcing the Board to schedule a special meeting that was held on January 7, 2015, the last date possible to consider the reappointment within the maximum 30-day period allowed.

Paskin-Jordan's investment firm — Paskin Capital Advisors, LLC — has \$627 million in assets under management for her clients. Her activities have raised serious concerns about her fitness to be an SFERS Commissioner.

#### Two Conflict-of-Interest Ethics Complaints

When Mayor Lee recommended handing Paskin-Jordan a five-year reappointment to SFERS Board, he had to have known that two conflict-of-interest complaints against Paskin-Jordan had already been filed with the City's Ethics Commission.

Luckily, the Board of Supervisors were aware of the two separate formal anonymous complaints about Paskin-Jordan's Form 700's *Statement of Economic Interests (SEI)* that had been filed with the Ethics Commission in 2014.



The Board of Supervisors completely flubbed reappointment of Ms. Paskin-Jordan to the San Francisco Employees' Retirement Board, turning a blind eye to many egregious conflicts-of-interest.

Photo: © Labor Video Project; used with permission.

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**Paskin-Jordan has a number of conflicts of interest that should have disqualified her from reappointment. Mayor Lee just turned a blind eye. Later, San Francisco's Board of Supervisors turned a blind eye, too.**

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**It's unclear whether Paskin-Jordan and her clients have also invested in Northern Trust by aggregating personal funds with SFERS' pension funds, a key question all but ignored by the Board of Supervisors.**

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The first Ethics complaint filed on April 3, 2014 to SFERS, with copies to the Ethics Commission, alleged Paskin-Jordan had potentially received reduced fee structures for her account and her client's accounts by aggregating SFERS' fund balance with that of her and her clients accounts, saving her millions of dollars in investment and transaction fees. The complaint also claims she had received favorable fee structures for her business, and her clients doing business, with Northern Trust between September 2011 and September 2013.

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**Mayor Lee had to have known that two conflict-of-interest complaints against Paskin-Jordan had already been filed with the City's Ethics Commission.**

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Finally, the first Ethics complaint alleged that she and her clients are receiving special favors as a result of her appointment to SFERS, and SFERS' relationships and investments with 43 named financial firms, including GMO's Quality Fund (that she invested in personally), BGI, Bank of America, and Northern Trust, all of which SFERS has, does, or may do business with.

The second ethics complaint alleging Paskin-Jordan's financial misconduct dated September 2, 2014 involves a violation of the *Statement of Incompatible Activities* applicable to SFERS Board members, regarding Paskin-Jordan's investments in GMO's Quality Fund. SFERS Executive Director Jay Huish forwarded the second complaint to San Francisco Ethics Commission Executive Director, John St. Croix on December 8, the same date the Mayor reappointed her to SFERS.

As John Coté reported in the *San Francisco Chronicle* on December 15, 2014, the September complaint "centers on her investment of between \$100,001 and \$1 million in Grantham, Mayo, Van Otterloo and Co., an international investment firm headquartered in Boston known as GMO that has a minimum investment threshold of \$10 million."

Coté noted that City law prohibits Retirement Board members from investing with "managers of private equity, limited partnerships and non-publicly traded mutual funds that are doing business" with the City's retirement system. GMO describes itself on its website as "a private partnership," although San Francisco Employees' Retirement System staff considers GMO a "manager of public market assets," despite the \$10 million minimum investment threshold.

Not only does GMO consider itself a "private partnership," and *not* a "public market," GMO notes on its web site that:

"[GMO] serves a primarily institutional client base. Although we do have a small number of high net worth clients, GMO is an investment manager and does not offer investment advisory services that one might find at an organization that is dedicated to servicing high net worth individuals."

GMO also notes on its web site that:

"[GMO] offers several privately-managed products (hedge funds), that carry minimums of \$5 million or more per fund," and notes that there are several additional investor qualifications necessary to participate in these *private* offerings, including specific minimum net worth, income, and total other security investment amounts."

As Supervisor John Avalos noted during the Board of Supervisors hearing on December 16 on Paskin-Jordan's reappointment, GMO is not listed on eBay as an investment opportunity open to run-of-the-mill public investors. The GMO fund does not appear to be a "publicly traded mutual fund," but when the Supervisors finally grilled Paskin-Jordan on January 7, the question of whether GMO was indeed a publicly-traded investment Paskin-Jordan was entitled to invest in, the question didn't garner sufficient scrutiny by the 10 City supervisors. Paskin-Jordan claimed several times on January 7 that GMO was a "public mutual fund," despite the fact GMO itself notes it's a private fund that trades in hedge funds, not exclusively in mutual funds.

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**Supervisor John Avalos noted GMO is not listed on eBay as an investment opportunity open to run-of-the-mill public investors. The GMO fund does not appear to be a 'publicly traded mutual fund'.**

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Can anyone who is reading this invest in this fund without the \$10 million minimum threshold? Aren't you — as members of "the public" — entitled to invest in this "publicly-traded" mutual fund, as Paskin-Jordan is? How did she become more "entitled" than you or I?

Observers believe Ms. Paskin-Jordan's affiliations with, and investments in, GMO's Quality Fund represents, at minimum a perceived conflict of interest. Sirota reported December 13 that a letter from SFERS' executive director Jay Huish to the Ethics Commission defended her, claiming Paskin-Jordan was given the right to invest in the GMO fund at a lower level [of investing] *before* she was appointed to SFERS' board, and that it was, therefore, permissible. Paskin-Jordan didn't personally invest in GMO until August 30, 2011 after she had already been on the pension board for over a year.

Indeed, she failed to report her investment in the GMO Quality Fund — an equity fund investment — on her Form 700 for the period ending December 31, 2011 in April 2012, and only got around to reporting in March 2013 that investment on her Form 2012 for the period ending December 31, 2012, fully 16 to 19 months after acquiring it in August 2011. This bears repeating: She only finally disclosed the GMO investment in March 2013. Why hadn't she disclosed her "opportunity" earlier, only disclosing the investment while sitting as an SFERS Commissioner 16 months after she finally exercised the "opportunity"?

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**Paskin-Jordan claimed several times on January 7 that GMO was a 'public mutual fund,' despite the fact GMO itself notes it's a private fund that trades in hedge funds, not exclusively in mutual funds.**

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The Board of Supervisors and Deputy City Attorney Jon Givner who advises the Board of Supervisors, appear to have perhaps failed to review all SFERS contracts that came before the SFERS Board between the time that Paskin-Jordan acquired the GMO investment in August 2011 and when she finally disclosed the investment in March 2013.

### Gaming the System?

In addition to Paskin-Jordan's questionable conflicts-of-interest, other observers also question whether she feels entitled to game the system.

First, Mayor Lee noted in a short biography of Paskin-Jordan attached to his reappointment letter, that she served on Barclays Global Investors' board of directors until it was acquired by BlackRock. The Mayor claims she serves as a Trustee of various funds of BlackRock Funds. She probably should have rescued herself — but didn't — from a key SFERS vote involving BlackRock Investments during a full SFERS Board meeting on May 8, 2013, when the Board entertained a motion to terminate BlackRock Investments from a currency overlay program that *did* involve hedge funds. Although she cast a vote to terminate BlackRock, she shouldn't have voted at all, given her probable conflict of interest.

*Bloomberg Businessweek* reports in Paskin-Jordan's bio not only that she served as a Trustee of various funds of BlackRock Funds, including its Master Investment Portfolios, it also reports that she serves as a Trustee of BGI's Audit Committee and Member of its Nominating and Governance Committee; and as a Trustee of BGI's Prime Money Market Fund, BGI's Government Money Market Fund – Institutional Shares, and BGI's Treasury Money Market Fund – Institutional Shares.

Given SFERS' involvement with BGI, her affiliations as a Trustee of various BGI money market funds should have been thoroughly investigated — which the Board of Supervisors completely failed to do — in part because BGI was one of SFERS' currency overlay managers that contributed to the \$60+ million in SFERS losses over eight years. Meeting minutes of SFERS Board meetings do not reveal she ever rescued herself during discussions involving investing in BGI.

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**Given SFERS' involvement with BGI, her affiliations as a Trustee of various BGI money market funds should have been thoroughly investigated — which the Board of Supervisors completely failed to do.**

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*Pensions & Investments* columnist Randy Diamond reported on December 17, 2014 that Huish said Paskin-Jordan had received a "threshold waiver" to invest with GMO [to get around the \$10 million minimum investment threshold]. SFERS has repeatedly claimed that she had received this "waiver" *before* becoming an SFERS Commissioner, trying to justify why she had waited until a year after being appointed to the SFERS Board before finally exercising her "waiver." Diamond also reported that Huish claims SFERS "considers GMO a manager of public market assets," ignoring GMO's own claim that it offers private investments, not public investments.

Directly after the Board of Supervisors hearing on January 7, 2015, Paskin-Jordan was interviewed by the Labor Video Project and a YouTube video of the interview was posted on-line. In it, Huish asserts that Deputy City Attorney Jon Givner

(who advises the Board of Supervisors during its meetings) had ruled that she had been “off [of BGI’s] Board long enough that she didn’t have to recuse herself.” The City Attorney didn’t state when she left BGI’s board, and what date she had voted on any SFERS investments with BGI in order to gauge how much time had elapsed. But the truth is, she continues to serve as a Trustee of BGI, if not as a BGI Board member, which the City Attorney’s Office had to have known about. Are we expected to believe that Trustees are somehow exempt from recusal requirements that apply to Board members who are not exempt from recusal?

## Who’s Aggregating Whom?

Oddly, during the Labor Video interview on January 7, Paskin-Jordan belatedly claimed that her firm (Paskin Capital Advisors) had reached the \$10 million threshold by aggregating funds. She didn’t reveal any details about who she or her clients had aggregated investments with to apparently reach BGI’s \$10 million threshold. It’s an odd claim, as it had gone unreported by other media outlets prior to January 7, including *Pensions & Investments*, *Bloomberg Businessweek*, the *San Francisco Chronicle*, and the *International Business Times*, among other media outlets.

The Board of Supervisors failed on January 7 to dig deeply enough into the question of who Paskin-Jordan — by her own admission to the Labor Video Project — had aggregated funds with, and when. Hopefully the Ethics Commission will *not* ignore her admission that she had aggregated funds as the Ethics complaint against her had alleged.

Another question involving gaming the system involves her ownership of a condominium at 990 Union Street: In a June 21, 1995 article by Larry Bush that appeared in the *San Francisco Weekly* titled “*Jordan vs. Jordan: Candidate Promises, Citizen Mayor Delivers?*,” Bush reported that in 1991, while earning a Wells Fargo income of more than \$100,000 a year, Paskin claimed the right to purchase a condominium at 990 Union that had been reserved by the Planning Commission for moderate-income buyers. The two-bedroom condo was priced at \$109,000, while similar units in the building then carried a market price of up to \$300,000. Bush reported that Paskin had sued to win ownership of the unit and settled the case on Election Day 1991.

A check of the Assessor-Recorder’s web site on January 4, 2015 shows that the deed to that property was transferred to a Revocable Trust in the names of Frank and Wendy Paskin-Jordan on June 3, 2002. Bush reported in 1995 that the Paskin-Jordan’s rent the unit at market rate, not at affordable-rents rate, thus adding to “a scarcity of housing that is within reach” of San Franciscans being frozen out of the housing market. Paskin-Jordan’s most current Form 700, *Statement of Economic Interests*, for the period ending December 31, 2013 reports that she earns between \$10,001 and \$100,000 in rent on the 990 Union property, but the names of each of her tenants from whom she earned more than \$10,000 in rent were redacted. Her Form 700 indicates the “Fair market value” of 990 Union is between \$100,000 and \$1,000,000.

The real estate web site, Zillow, estimates 990 Union is worth \$884,768, but Zillow also estimates that 990 Union may have an upward range of \$1.01 million. As hot as San Francisco’s real estate market currently is, Zillow’s \$1.01 million estimate appears to be more likely, because an analysis by the Paragon Real Estate Group shows that the median price for two-bedroom condos (ostensibly at fair market value) in Paskin-Jordan’s Russian Hill neighborhood stood at \$1.325 million as of June 2014.

It’s hard to believe that a property Paskin-Jordan acquired for \$109,000 has not in the intervening 25-year period increased in fair market value to over \$1,000,000 — which is now on the low end of current market-rate two-bedroom condos. Observers question whether she may be potentially under-reporting the fair market value of her 990 Union property on her Form 700’s by reporting her \$109,000 purchase price in 1991, not the *current* fair market value of that property.

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**During the Labor Video interview on January 7, Paskin-Jordan belatedly claimed that her firm had reached the \$10 million threshold by aggregating funds. She didn’t reveal any details about who she or her clients had aggregated investments with.**

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**Observers question whether she may be potentially under-reporting the fair market value of her 990 Union property on her Form 700’s by reporting her \$109,000 purchase price in 1991, not the *current* fair market value of that property.**

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## Board of Supervisors Rubber-Stamps Paskin-Jordan's Reappointment

Although Coté quoted Supervisor Avalos on December 15 that the Board of Supervisors had “failed to scrutinize [Mel] Murphy’s reappointment [to the Port Commission] closely enough, we shouldn’t be doing that with Wendy Paskin-Jordan.” But when push came to shove, the Board of Supervisors also failed to scrutinize Paskin-Jordan closely enough, all but giving her a free pass on several probable conflicts of interest.

Despite all of the ethical concerns raised regarding her reappointment, the Board of Supervisors unanimously approved reappointment of Paskin-Jordan on January 7. They did so without probing into any of these questions, other than discussion of whether she needs to recuse herself in the future from voting on any of SFERS’ banking-related issues involving Northern Trust.

The Board of Supervisors should have stopped her reappointment dead in its tracks. Instead, they handed her a get-out-of-jail-free card.

Unfortunately, during the Board’s January 7 hearing, not one City supervisor inquired about the allegation that she may have had aggregated investments in Northern Trust, GMO, or any of the 43 firms listed in the April 3 Ethics complaint.

The allegation of aggregating investments involves whether clients at Paskin-Jordan’s investment firm would benefit. That is, was any portion of SFERS \$20 billion pension fund balance added to her own millions in fund balances so she or her clients could receive the same rate as SFERS, in effect receiving a volume discount on fees?

The April 3, 2014 Ethics complaint clearly asserted she had received favorable fee structures, possibly with Northern Trust. Northern Trust is SFERS’ custodial bank. While Paskin-Jordan admitted to the Labor Video Project that she had aggregated funds to qualify for investing in GMO, she has not yet indicated whether she also aggregated funds with Northern Trust.

[**Editor:** She has not acknowledged that, perhaps because the two Ethics Commission complaints against her are still on-going. It’s clear that the Ethics Commission should take note of Paskin-Jordan’s own admission to the Labor Video Project that she had been involved in aggregating funds to qualify for the GMO threshold, an accusation alluded to in the April 3 ethics complaint.]

When Supervisor Avalos asked Paskin-Jordan on January 7 whether she had a “relationship” with Northern Trust, she replied, “I do have a relationship with Northern Trust. I work in [Northern Trust’s] Trust Department,” explaining that is very different than SFERS’ work with Northern Trust’s custodial banking or securities areas. She appears to have used poor phrasing, since observers think she doesn’t actually work *at* Northern Trust, she simply works *with* Northern Trust.

It’s clear by her own admission that her firm, Paskin Capital Advisors, uses Northern Trust. What’s left unclear is whether she or her clients obtained “volume discounts” by way of aggregation. And as SFERS Pension Plan beneficiaries worry, it’s becoming clearer that she may well have a clear conflict-of-interest on pension fund investments that may help her private business and her clients. How will, or how has, this affected her vote on the hiring of a new custodial bank for SFERS, which was recently underway?

Towards the end of the Board’s hearing, Deputy City Attorney Givner indicated the City Attorney’s office will work closely with SFERS to make sure she recuses herself from voting on contracts before SFERS involving Northern Trust. Oddly, Givner didn’t specify whether Paskin-Jordan would be monitored involving *all* recusals from matters involving BGI or other external investment managers.

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**During the Board’s January 7 hearing, not one City supervisor inquired about the allegation that she may have had aggregated investments in Northern Trust, GMO, or any of the 43 firms listed in the April 3 Ethics complaint.**

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**It’s clear by her own admission that her firm, Paskin Capital Advisors, uses Northern Trust. What’s left unclear is whether she or her clients obtained ‘volume discounts’ by way of aggregation.**

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Indeed, in response to yet another records request placed by this author for this article, SFERS acknowledged that “Commissioner Paskin-Jordan recused herself at the Board meeting of April 10, 2013 from participation in the agenda item ‘*Consideration of level I and Level II Engagement of Certain Bank Mortgage Servicing Companies under SFERS Social Investment Policies and Procedures*’.” That’s it: A single recusal since having been appointed to SFERS in 2010. SFERS also responded that she had no other recusals at either the full Board level, or at subcommittee meetings.

## Free Pass on Fossil Fuels Divestment

Critics of Paskin-Jordan accuse of her of delaying for almost two years SFERS’ divestment in fossil fuel investments, given that the Board of Supervisors passed a resolution in 2013 recommending that SFERS divest from fossil fuels. The majority of the Board’s cross-examination of Paskin-Jordan on January 7 focused on the fossil fuels divestment rather than other weighty issues detailed in the two ethics complaints against her.

Avalos focused heavily on whether she had been present at several SFERS Board meetings, including one on February 19, 2014. She fought back saying that SFERS Board had directed SFERS staff to “study” the divestment. But she offered no explanation to Avalos of when SFERS staff would conclude its “study,” and when SFERS’ Board would actually start its process to begin fossil fuel divestment.

She coyly testified that Jeremy Grantham is an expert in investments and an advocate of trying to understand when to divest from fossil fuels. This is the same Grantham who is a legendary hedge fund investor and founder of the \$100 billion funds manager, GMO. And it’s the same GMO in which she invested in, in August 2011. It’s been reported that Grantham expects fossil fuels investments will undergo rapid divestment over the next 10 to 40 years, and it will completely replace fossil fuels energy in favor of renewable alternate energy sources.

It is completely unclear why Paskin-Jordan is stalling SFERS divestment from fossil fuels, but some observers worry that her investments in Grantham’s GMO Quality Fund — the one she invested in, in 2011 — may be slowing things down.

Lamely, she claimed that as proof of her interest in divesting from fossil fuels, she drives a Prius. Oh, please!

## Experience With Hedge Funds

Corporate-controlled Mayor Ed Lee and his billionaire financier pals want to get their hands on the City employees’ pension funds by pushing investing in hedge funds that have obscene fees, using fee speculators and union busters who want to grab pension funds with their sticky fingers. Mr. Mayor reappointed Wendy Paskin-Jordan to SFERS’ Board for a five-year term, despite her financial conflicts of interest and her probable malfeasance. She also stated on the Labor Video Project’s YouTube video that she wants to invest in good “hedge funds.” It’s not known whether she has hedge investments in her \$674 million Paskin Capital Advisors, LLC fund.

Perhaps in a preemptive move, she surprisingly said at the end of the video segment: “I personally do not invest in hedge funds that we [SFERS] intend to use [invest in] ...”

This is an amazing admission, if you think about it. She said this on January 17, nearly a month *before* the SFERS Board voted on February 11 to approve investing in hedge funds. How could Paskin-Jordan have known in January which hedge fund managers SFERS intends to use, which wasn’t even discussed on February 11 when SFERS’ Board approved investing in hedge funds?

That decision point hasn’t been reached, and won’t be (reportedly) for months.

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**As SFERS Pension Plan beneficiaries worry, it’s becoming clearer that she may well have a clear conflict-of-interest on pension fund investments that may help her private business and her clients.**

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**This is the same Jeremy Grantham who is a legendary hedge fund investor and founder of the \$100 billion funds manager, GMO. And it’s the same GMO in which she invested in, in August 2011.**

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**Paskin-Jordan claimed ‘I personally do not invest in hedge funds that we [SFERS] intend to use [invest in]’ ...” This is an amazing admission. How could Paskin-Jordan have known in January which hedge fund managers SFERS intends to use, which wasn’t even discussed on February 11?**

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She also claimed on the video “I don’t have a huge amount of experience with hedge funds.” It’s unclear what rationale she exercises when deciding whether to personally invest in hedge funds.

Paskin-Jordan’s Form 700’s on file with the Ethics Commission reveal she has had *some* experience with hedge funds:

Year of Form 700	Schedule	Business Entity	Fair Market Value	Nature of Investment	Date Acquired
2010	Schedule A-1	Daedalus Qualified Partners, LP	\$100,001 – \$1,000,000	Hedge Fund	4/1/2009
2011	Schedule A-1	Harvest Growth Capital, LLC	\$100,001 – \$1,000,000	Alternative Investments	2/3/2011
2012	Schedule A-1	Harvest Growth Capital, LLC	\$100,001 – \$1,000,000	Alternative Investments	2/3/2011
2013	Schedule A-1	Harvest Growth Capital, LLC	\$100,001 – \$1,000,000	Alternative Investments	2/3/2011
2013	Schedule A-1	Harvest Fund	\$2,000 – \$10,000	Private equity investments in emerging hedge fund firms.	11/1/2012

As reported elsewhere, “alternative investments” is a financial investing buzz word that often — though not exclusively — includes hedge funds.

Investopedia.com reports that most alternative investment assets are held by institutional investors or accredited, high-net-worth individuals because of their complex nature, limited regulations, and relative lack of liquidity. Alternative investments include hedge funds, managed futures, real estate, commodities and derivatives contracts. For its part, Harvest Growth Capital does not state on its web site what types of “alternative investment” vehicles it uses.

Curiously, Paskin-Jordan reported on her annual Form 700 for the period ending December 31, 2010 her April 2009 investment of between \$100,001 and one million dollars in the Daedalus Qualified Partners hedge fund. At that point, she had held the investment for 21 months — a year and nine months. Oddly, within the next 12 months, the Daedalus investment mysteriously vanished from her annual Form 700 for 2011 for the period ending December 31, 2011.

Form 700 instructions for Schedule A-1 stipulate that the disposal of personal investments must be reported, including the date disposed of. There’s no record in Paskin-Jordan’s Form 700’s indicating when she disposed of her Daedalus investment. The Form 700 instructions clearly state that “[a] ... disposed of date is only required [when an investment interest] is entirely disposed of during the reporting period.”

When the investment vanished from her Form 700 for the period ending December 31, 2011, the Form 700 instructions are very clear that any remaining investment (assuming any previous partial disposals) or the entire disposal must be reported with the date of the final “entirely disposed of.” Why Paskin-Jordan failed to report the date on which she appears to have finally disposed of the Daedalus hedge fund investment is another symptom of how Paskin-Jordan may be gaming the system and flouting disclosure rules.

It is unknown whether Paskin-Jordan dumped her Daedalus hedge fund investment, or whether Daedalus Qualified Partners dumped her.

What is known is that the California Secretary of State’s web site reports that Daedalus Qualified Partners has a status of “canceled” (i.e., no longer an active registered business in the State of California). Unfortunately the Secretary of State’s web site doesn’t indicate the date when Daedalus Qualified Partners was changed to “canceled” or why. The Secretary of State’s web site indicates that a “John S. Osterweis” formerly located at One Maritime Plaza in San Francisco as being Daedalus Qualified Partners’ agent for service or process.

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**It is unknown whether Paskin-Jordan dumped her Daedalus hedge fund investment, or whether Daedalus Qualified Partners dumped her. ... Then there’s the problem that the FBI investigated Daedalus Capital Partners for fraud.**

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Another document available on the CorporationWiki web site includes an entity-relationship diagram showing the relationships between Daedalus Qualified Partners; Osterweis Capital Management, LLC (which remains an active company according to the Secretary of State); and another outfit called Daedalus Capital Partners.

It turns out that the FBI investigated Daedalus Capital Partners for fraud, a case that involved:

“... a classic advanced fee scheme [that] was perpetrated by the hedge funds manager; investors received false financial statements claiming large profits, when in fact the money was being siphoned off and used to finance the manager’s lavish lifestyle.”

It gets worse. As recently as May 23, 2014, the *Chicago Tribune* reported that the Illinois Securities Department had charged Daedalus Capital, LLC’s founder and chief investment officer Stephen Messiah Coleman with fraud, claiming in a civil action that the money manager sold improper investments and acted as an unlicensed adviser. Illinois’ action followed on the heels of a fraud case in Missouri, which had also prohibited Coleman from selling securities after Missouri’s securities commissioner found that Coleman had committed fraud.

The relationships, if any, between various Daedalus Capital, LLC outfits in Missouri, Illinois, and perhaps elsewhere; Daedalus Capital Partners; and Daedalus Qualified Partners, LP, is not yet clear. But what is clear, is that there have been multiple allegations of fraud against some of these financial investment companies.

And it’s abundantly clear that if Paskin-Jordan invested in Daedalus Qualified Partners and potentially lost her hedge fund investment, SFERS’ Pension plan beneficiaries are right to worry that she should not be involved in picking and choosing which hedge fund managers should be chosen to invest SFERS’ funds in hedge funds. If she was unable to pick a sound hedge fund manager using her personal funds, Plan beneficiaries have a damned good reason to worry about her ability to pick a “good hedge fund” using their pension funds.

---

**It’s abundantly clear that if Paskin-Jordan invested in Daedalus Qualified Partners and potentially lost her hedge fund investment, SFERS’ Pension plan beneficiaries are right to worry that she should not be involved in picking and choosing which hedge fund managers should be chosen to invest SFERS’ funds in hedge funds.**

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As for her experience with hedge funds, her Form 700’s reveal she has had “experience” with between \$200,002 and \$2 million invested in hedge funds or “alternative investments” that may have included hedge funds. This invites the question of whether she is telling the truth about how much experience she has with hedge funds.

Schedule A-2 involves reporting of business-related investments, as opposed to personal investments on Schedule A-1. Paskin-Jordan lists a single, aggregate report for Paskin Capital Advisors, not detailed, individual investment reports made by her firm, so it is not known what level of expertise she has with hedge funds for her business clients.

The Board of Supervisors unanimously approved her reappointment, despite her support for hedge funds and the many financial conflicts of interest which are now bottled up in the Ed Lee-controlled Ethics Commission.

At the same time, there are serious conflicts of interest on SFERS’ pension board. Wendy Paskin-Jordan’s two Ethics complaints involving her financial conflicts of interest — since she is a sales person for financial securities — should have disqualified her from reappointment. Why should she be on SFERS’ Board when it appears she may be using her position to financially benefit herself or benefit her clients?

This begs the question: Which oversight body will seriously consider and dispose of the ethics allegations against Paskin-Jordan? The Board of Supervisors? The Ethics Commission? The Retirement Board?

Clearly it’s not the Board of Supervisors, which failed miserably to conduct a meaningful investigation of Paskin-Jordan’s conflicts of interest and her questionable behavior. The Ethics Commission, for its part, will undoubtedly drag its feet investigating the two ethics complaints filed against her, and it will take a year or longer for Ethics to rule on the two complaints.

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**There are serious conflicts of interest on SFERS’ pension Board. Paskin-Jordan’s two Ethics complaints involving her financial conflicts of interest should have disqualified her from reappointment.**

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That leaves the Retirement Board. Under Roberts Rules of Order, and various codes of ethics that apply to SFERS Commissioners, the Retirement Board could mount its own investigation under provisions to censure Board members. Since her behavior reflects so negatively on SFERS’ Board, a reasonable person would assume the Board would have

conducted its own investigation by now, open to members of the public. Why hasn't SFERS' Board moved to protect its own reputation?

It is time to protect the City's pension fund by eliminating all conflicts of interest. Paskin-Jordan could help out by doing the only ethical thing: She should resign from SFERS' Board, immediately.

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**Paskin-Jordan could help out by doing the only ethical thing: She should resign from SFERS' Board, immediately.**

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*Monette-Shaw is an open-government accountability advocate, a patient advocate, and a member of California's First Amendment Coalition. He received the Society of Professional Journalists-Northern California Chapter's James Madison Freedom of Information Award in the Advocacy category in March 2012. Feedback: <mailto:monette-shaw@westsideobserver>.*





# SAN FRANCISCO PLANNING DEPARTMENT

BOS-11  
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March 4, 2015

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

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

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

Subject: Distribution of Initial Study Notice of Availability to Board of Supervisors  
Case No. 2014.0653E - Agreement for Disposal of San Francisco Municipal Solid Waste at Recology Hay Road Landfill in Solano County

Dear Ms. Calvillo:

Enclosed please find 12 copies of the Notice of Availability of the Initial Study for the above-referenced project, for distribution to the Board of Supervisors. Please note that this document does not pertain to any item currently calendared before the Board, but is being distributed pursuant to the San Francisco Administrative Code Chapter 31.

If you have any questions related to this project's environmental evaluation, please call me at 575-9038.

Sincerely,

Paul Maltzer  
Senior Environmental Planner

enclosures

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# SAN FRANCISCO PLANNING DEPARTMENT

## Notice of Availability of and Intent to Adopt a Negative Declaration

*Date:* March 4, 2015  
*Case No.:* 2014.0653E  
*Project Title:* **Agreement for Disposal of San Francisco Municipal Solid Waste at Recology Hay Road Landfill in Solano County**  
*Zoning:* Not Applicable – Agreement Citywide in Scope  
*Block/Lot:* Not Applicable  
*Project Sponsor:* Jack Macy, Department of the Environment, (415) 355-3751  
*Staff Contact:* Paul Maltzer – (415) 575-9038  
paul.maltzer@sfgov.org

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

### To Whom It May Concern:

This notice is to inform you of the availability of the environmental review document concerning the proposed project as described below. The document is a preliminary negative declaration (PND), containing information about the possible environmental effects of the proposed project. The PND documents the determination of the Planning Department that the proposed project could not have a significant adverse effect on the environment. Preparation of a negative declaration does not indicate a decision by the City to carry out or not to carry out the proposed project.

**Project Description:** The proposed project consists of an Agreement between the City of San Francisco and Recology to change the disposal site for San Francisco's municipal solid waste (MSW). Currently, Recology, the company that collects San Francisco's waste, transports San Francisco's MSW to the Altamont Landfill, located in eastern Alameda County, for disposal. San Francisco's existing agreement with Waste Management, Inc., operator of the Altamont Landfill, will expire around 2016. The proposed project consists of an Agreement to authorize the transportation of MSW from San Francisco to the existing Recology Hay Road Landfill located in unincorporated Solano County, at 6426 Hay Road, near State Route 113, southeast of Vacaville, where it would be disposed. San Francisco and Recology would enter into an Agreement for the transportation and disposal of five million tons of San Francisco's MSW at the Recology Hay Road Landfill. MSW would be transported by long haul semi-trucks, primarily from the Recology San Francisco transfer station located at 501 Tunnel Avenue, with several additional trucks hauling residual wastes for disposal from Recology's Recycle Central facility, located at Pier 96 in San Francisco, as is presently the case. At current rates of disposal, it is estimated that the Agreement would have a term of approximately 13 – 15 years. No new construction or changes in current Recology operations within San Francisco are proposed. No new construction or change in existing permits would be required at the Recology Hay Road Landfill in Solano County. The proposed project would correspond with the cessation of transport of San Francisco's MSW to Altamont Landfill. The Agreement between San Francisco and Recology to authorize the proposed change in disposal sites would need to be approved by the San Francisco Board of Supervisors.

The PND is available to view or download from the Planning Department's Negative Declarations and EIRs web page (<http://www.sf-planning.org/sfceqadocs>). Paper copies are also available at the Planning Information Center (PIC) counter on the ground floor of 1660 Mission Street, San Francisco.

If you have questions concerning environmental review of the proposed project, contact the Planning Department staff contact listed above.

Within 30 calendar days following publication of the PND (i.e., by 5:00 p.m. on **April 3, 2015**, any person may:

- 1) Review the PND as an informational item and take no action;
- 2) Make recommendations for amending the text of the document. The text of the PND may be amended to clarify or correct statements and may be expanded to include additional relevant issues or to cover issues in greater depth. This may be done **without** the appeal described below; **OR**
- 3) Appeal the determination of no significant effect on the environment to the Planning Commission in a letter which specifies the grounds for such appeal, accompanied by a \$547 check payable to the San Francisco Planning Department.<sup>1</sup> An appeal requires the Planning Commission to determine whether or not an Environmental Impact Report must be prepared based upon whether or not the proposed project could cause a substantial adverse change in the environment. Send the appeal letter to the Planning Department, Attention: Sarah B. Jones, 1650 Mission Street, Suite 400, San Francisco, CA 94103. **The letter must be accompanied by a check in the amount of \$547.00 payable to the San Francisco Planning Department, and must be received by 5:00 p.m. on April 3, 2015.** The appeal letter and check may also be presented in person at the PIC counter on the first floor of 1660 Mission Street, San Francisco.

In the absence of an appeal, the negative declaration shall be made final, subject to necessary modifications, after 30 days from the date of publication of the PND. If the PND is appealed, the final negative declaration (FND) may be appealed to the Board of Supervisors. The first approval action, as identified in the Initial Study, would establish the start of the 30-day appeal period for the FND pursuant to San Francisco Administrative Code Section 31.16(h).

Members of the public are not required to provide personal identifying information when they communicate with the Commission or the Department. All written or oral communications, including submitted personal contact information, may be made available to the public for inspection and copying upon request and may appear on the Department's website or in other public documents.

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<sup>1</sup> Upon review by the Planning Department, the appeal fee may be reimbursed for neighborhood organizations that have been in existence for a minimum of 24 months.

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**From:** Board of Supervisors (BOS)  
**To:** BOS-Supervisors  
**Subject:** FW: Teaching Catholic doctrine.

**Importance:** High

---

**From:** David Cortez [<mailto:dcortez1956@mail.com>]  
**Sent:** Monday, March 09, 2015 11:32 AM  
**To:** Board of Supervisors (BOS)  
**Subject:** Teaching Catholic doctrine.  
**Importance:** High

To the Board of San Francisco.

After reading this article about the Board of San Francisco banning the Catholic Church from teaching Catholic Doctrine, I had to write my voice my oppostion. As Bill Donohue put it.

**Bill Donohue of the Catholic League put it like this: "It is not the business of the state to police the internal affairs of any religious institution."**

David Cortez **(Catholic)**

17

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**From:** Reports, Controller (CON)  
**Sent:** Thursday, March 05, 2015 1:30 PM  
**To:** Calvillo, Angela (BOS); BOS-Legislative Aides; BOS-Supervisors; Gosiengfiao, Rachel (BOS); Kawa, Steve (MYR); Leung, Sally (MYR); Howard, Kate (MYR); Falvey, Christine (MYR); Elliott, Jason (MYR); Rose, Harvey (BUD); Newman, Debra (BUD); Campbell, Severin (BUD); sfdocs@sfpl.info; gmetcalf@spur.org; bob@sfchamber.com; jballesteros@sanfrancisco.travel; CON-EVERYONE; CON-CCSF Dept Heads; CON-Finance Officers  
**Subject:** Issued: Retiree (Post-employment) Medical Benefit Cost Report

The City's unfunded liability for other post-employment benefits (OPEB) is estimated to be \$3.98 billion, a decrease of approximately 10% from the last valuation two years ago. This decrease is attributable primarily to lower than previously projected medical inflation, likely due at least in part to cost-containment efforts by the City's Health Service System. The City's shift to a financially preferable "prefunded" approach to meeting these future liabilities is slowly taking hold. Given the impacts of recent ballot measures intended to manage these future costs, the City is projected to achieve a fully-funded plan in approximately 30 years, if actuarial assumption regarding medical inflation, investment earnings, and other factors are met.

To view the full report, please visit our website at: <http://openbook.sfgov.org/webreports/details3.aspx?id=1892> or on our homepage (<http://sfcontroller.org/>) under News & Events.

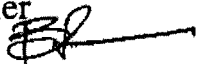
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**MEMORANDUM**

**TO:** Mayor Edwin Lee  
Members of the Board of Supervisors

**FROM:** Ben Rosenfield, Controller 

**DATE:** March 5, 2015

**SUBJECT:** Report on Retiree (Postemployment) Medical Benefit Costs

---

I am providing with this letter an updated valuation of the City's retiree (or postemployment) medical benefits liability as required by Governmental Accounting Standards Board Statement Number 45 (GASB-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The actuarial and analytical work was performed by Cheiron, Inc., the actuarial consulting firm that also provides services to the San Francisco Employee Retirement System. This letter briefly summarizes the analysis and the attached package includes Cheiron's most recent Postretirement Health Plan Actuarial Valuation Report and a slide presentation illustrating the findings.

**Executive Summary**

- The City's unfunded actuarial liability for other post-employment health benefits (OPEB) reported in the valuation report is \$3.98 billion. This number represents the accrued future cost of providing retiree health benefits earned by employees and retirees as of the valuation date, net of a modest balance of \$17.9 million in the Retiree Health Care Trust Fund.
- This unfunded liability estimate has decreased by approximately 10%, or \$437 million, from the prior study performed two years ago. This reduction is largely due to lower than previously projected medical inflation, likely due at least in part to cost-containment efforts pursued by the City's Health Service System. In addition, an increase in the discount rate, changes in the demographics of the participants, and the benefits of recent ballot measures have contributed to the reduction.
- Until recently, the City paid for retiree medical benefits on a 'pay-as-you-go' basis, which means paying the cost of the retiree health benefits as they become due each year. As a sound financial management practice, it is preferable to set aside funds for these benefits as they are earned, investing those funds in an interest bearing account. Over

time, pre-funded assets will earn investment income that will be used to pay all or a portion of future benefit costs, reducing costs to future taxpayers and employees accordingly.

- As a result of Proposition B (2008), Proposition C (2011), and Proposition A (2012) the City has taken important steps in this direction in recent years, which will slow the rate of growth of the City's unfunded liability in coming years. Beginning in 2009, the City and newly-hired employees contribute to a Retiree Health Care Trust Fund, which will be used to pay for future costs of a lower retiree health benefit level. Beginning in 2016, additional contributions to this fund on behalf of pre-2009 hires will also be required by both employees and the City.
- Given the scale of the overall benefit costs and previously accumulated liability, these pre-funded contributions are modest and will phase in gradually, as the workforce changes over many years. For fiscal year 2014, the City's pay-as-you-go expense was \$160.7 million and contributions to the Retiree Health Care Trust Fund were \$5.9 million. The City's unfunded liability is projected to continue to grow for many years, albeit at a slower rate, given that the City's and employees' prefunding contributions are less than the interest due on the accumulated liability.
- With these updates, the baseline valuation projects that the OPEB costs will be fully funded by fiscal year 2043, with employer contributions never exceeding 10% of payroll. This means that no early withdrawal from the Retiree Health Care Trust Fund would be needed. Per the Charter, withdrawals can only occur if employer contributions exceed 10% of payroll and certain approvals are provided. The peak projected employer contribution rate is 9.33% in fiscal year 2029.
- As with all long-term projections, the City's unfunded actuarial liability for OPEB reported in the valuation report incorporates assumptions about the probability of events far into the future including the rate of return on investments, employee counts and wage rates, mortality rates and healthcare cost trends. The most significant driver of these projections is the future medical inflation assumption. To the extent that medical inflation exceeds these assumptions, the unfunded liability will increase, while to the extent that the City can control future inflationary increases, future costs will be lower than projected. The attached table depicts this sensitivity to certain changes in assumptions.
- As always, please feel free to call me with questions or comments at (415) 554-7500.

cc: Department Heads  
Labor Organizations

**Sensitivity Analysis Given Key Assumption Changes**

Scenario	Key Assumptions			Projected Results	
	Investment Return	Payroll Growth	Health Inflation	Contributions > ARC <sup>1</sup>	Full Funding
Valuation (baseline)	7.5%	3.83%	Valuation rate	FY 2021	FY 2043
3% payroll growth	7.5%	3.00%	Valuation rate	FY 2022	FY 2047
Health Trend +1%	7.5%	3.83%	Valuation rate	FY 2022	FY 2052
Health Trend -1%	7.5%	3.83%	Valuation rate	FY 2022	FY 2040
6.5% Return	6.5%	3.83%	Valuation rate	FY 2021	FY 2046
Short Term Shock	7.5%	0% for 3 years	10% for 3 years	FY 2026	FY 2052
Long Term Pessimistic	6.5%	3.00%	+1%	FY 2022 > FY 2046	Never

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<sup>1</sup> The Annual Required Contribution (ARC) is the actuarially determined amount that if contributed annually to an OPEB plan is expected to be sufficient to fully fund benefit payments as they come due. This column shows the fiscal year in which the employer contributions are first expected to exceed the ARC.



City and County of San Francisco  
Postretirement Health Plan



July 1, 2012 Actuarial Valuation Results  
with  
Sensitivity Testing

January 26, 2015

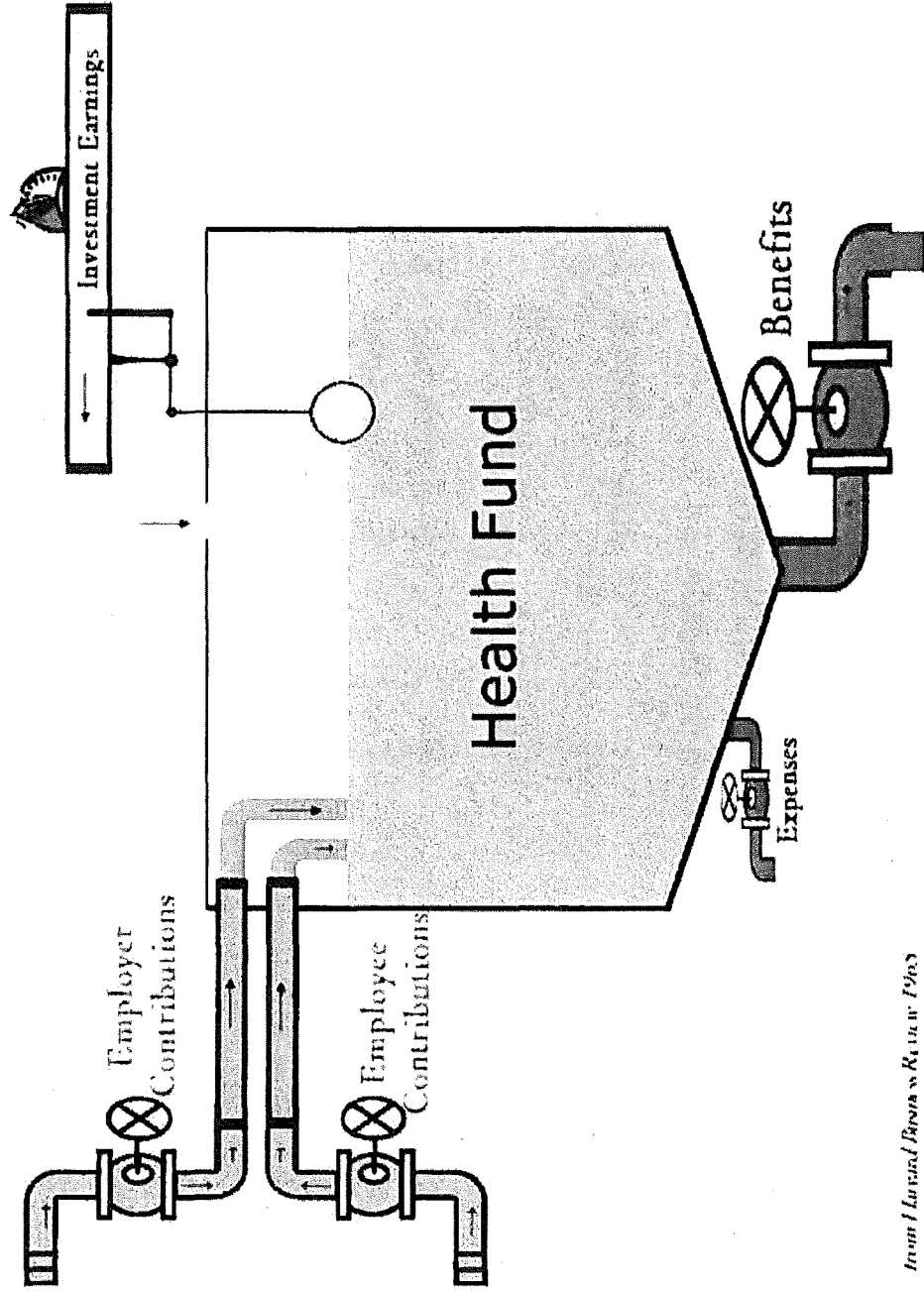
Bill Hallmark, ASA, FCA  
Michael Schionning, FSA  
Rosson Cain, FSA

# Agenda



- Introduction
- July 1, 2012 Actuarial Valuation Highlights
- Sensitivity Testing Projection Scenarios
  - Baseline Valuation
  - 6.5% Investment Returns
  - Short Term Shock
  - Long Term Pessimistic
- Questions
- Appendix

# Introduction



from *Laurial Brown's Review* 1963

# July 1, 2012 Actuarial Valuation Highlights



## Summary of Key Valuation Results GASB 45 Basis

	July 1, 2010	July 1, 2012
Discount Rate	4.25%	4.45%
Actuarial Liability	\$ 4,420,146	\$ 3,997,762
Assets	<u>(3,195)</u>	<u>(17,852)</u>
Unfunded Actuarial Liability (UAL)	\$ 4,416,951	\$ 3,979,911
Funded Ratio	0.1%	0.4%
	<b>FYE 2012</b>	<b>FYE 2014</b>
Annual Required Contribution (ARC)	\$ 397,862	\$ 341,377
Net OPEB Obligation (NOO), end of year	\$ 1,348,883	\$ 1,793,753

*Dollar Amounts in Thousands*

The July 1, 2012 actuarial valuation results determine the ARC for Fiscal Year Ending (FYE) 2014 and 2015, whereas the July 1, 2010 actuarial valuation is the basis for the FYE 2012 and 2013 ARC.

# July 1, 2012 Actuarial Valuation Highlights



Reconciliation with Prior Results GASB 45 Basis				
	Actuarial Liability July 1, 2012	% of Liability	Total Normal Cost as of July 1, 2012	% of Total Normal Cost
Expected July 1, 2012 valuation results *	\$ 4,974,193		\$ 235,495	
<u>(Gain)/Loss due to:</u>				
Demographic Changes	\$ (131,296)	-3%	\$ 6,740	3%
Health Cost Changes	(838,737)	-17%	(39,892)	-17%
Discount Rate Change from 4.25% to 4.45%	(105,288)	-2%	(8,848)	-4%
Implementation of Proposition C	(14,879)	0%	0	0%
Other Assumption Changes	113,769	2%	(3,266)	-1%
Total (Gain)/Loss	\$ (976,430)	-20%	\$ (45,267)	-19%
July 1, 2012 valuation results	\$ 3,997,762		\$ 190,227	

*Dollar Amounts in Thousands*

\* Actuarial Liability as of July 1, 2010 is projected to July 1, 2012 with expected benefits earned and interest reduced by expected benefits paid. The Total Normal Cost as of July 1, 2010 is projected to July 1, 2012 with anticipated salary increases and population changes.

- Demographic changes are differences between actual and projected census
- Health cost changes include the change in expected and actual healthcare claims, expense costs, and premiums.
- Proposition C removed an additional subsidy for certain terminated vested participants

# July 1, 2012 Actuarial Valuation Highlights



## Historical Trends (GASB 45 Basis)



	2006	2008	2010	2012
Funded Ratio	0.0%	0.0%	0.1%	0.4%
UAL/(Surplus) (in millions)	\$4,036.3	\$4,364.3	\$4,417.0	\$3,979.9
Discount Rate	4.50%	4.25%	4.25%	4.45%

# July 1, 2012 Actuarial Valuation Highlights



<b>Annual Required Contribution GASB 45 Basis</b>		
	<b>FYE 2014</b>	<b>FYE 2015</b>
Total Normal Cost	\$ 198,304	\$ 202,191
Less Expected Employee Contributions	<u>(11,791)</u>	<u>(14,246)</u>
Employer Normal Cost	\$ 186,513	\$ 187,944
Unfunded Actuarial Liability Amortization	<u>154,864</u>	<u>162,445</u>
<b>Annual Required Contribution</b>	<b>\$ 341,377</b>	<b>\$ 350,389</b>

*Dollar Amounts in Thousands*

- 2012 valuation results are used to determine the Annual Required Contribution (ARC) for FYE 2014 and FYE 2015
- Unfunded liability amortized as a level percentage of payroll over 30-years

# July 1, 2012 Actuarial Valuation Highlights



## Projected UAL Amortization Rates at Expected Return on Assets

	FYE 2013	FYE 2014
Actuarial Liability, beginning of year	\$ 2,793,329	\$ 2,941,582
Normal Cost	98,620	100,536
Projected Benefit Payments	(161,324)	(163,885)
Interest	210,956	222,124
Actuarial Liability, end of year	\$ 2,941,582	\$ 3,100,358
Market Value of Assets, beginning of year *	\$ 17,852	\$ 31,205
Contributions	13,234	17,686
Net Investment Earnings	120	96
Market Value of Assets, end of year	\$ 31,205	\$ 48,988
Projected Unfunded Actuarial Liability (UAL)	\$ 2,910,376	\$ 3,051,370
Amortization Factor	18.2865	18.2865
Projected Amortization Payment (following year)	\$ 159,155	\$ 166,865
Payroll	\$ 2,551,761	\$ 2,649,493
UAL Rate	6.24%	6.30%

\* Actual market value of assets used through FYE 2014.

*Dollar Amounts in Thousands*



# July 1, 2012 Actuarial Valuation Highlights



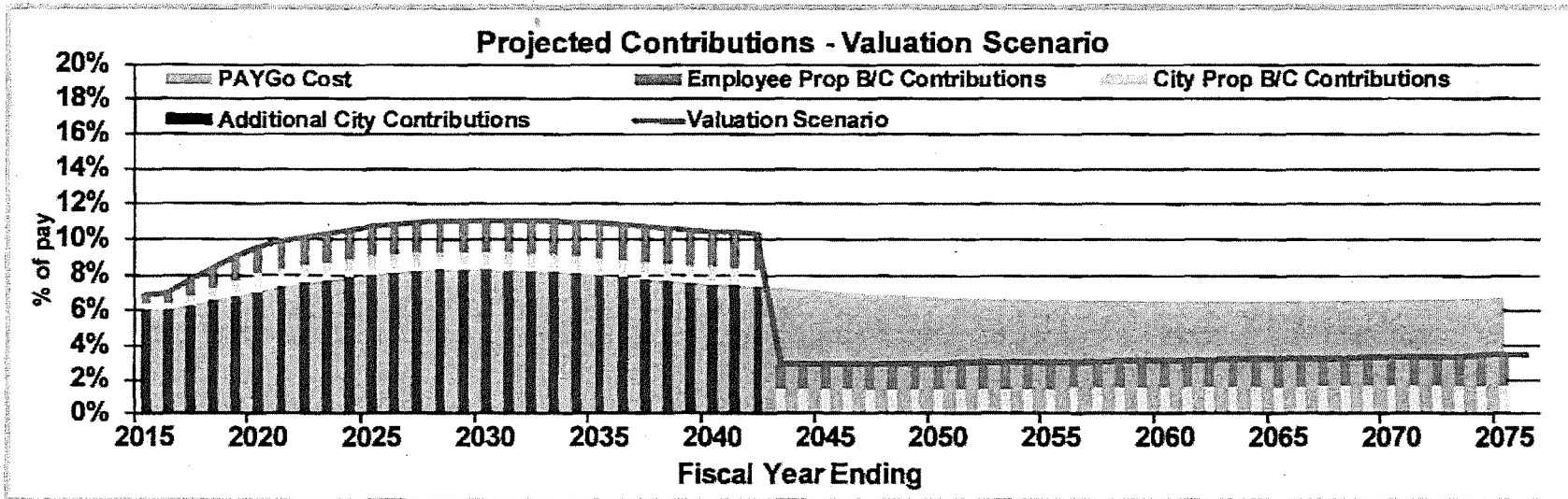
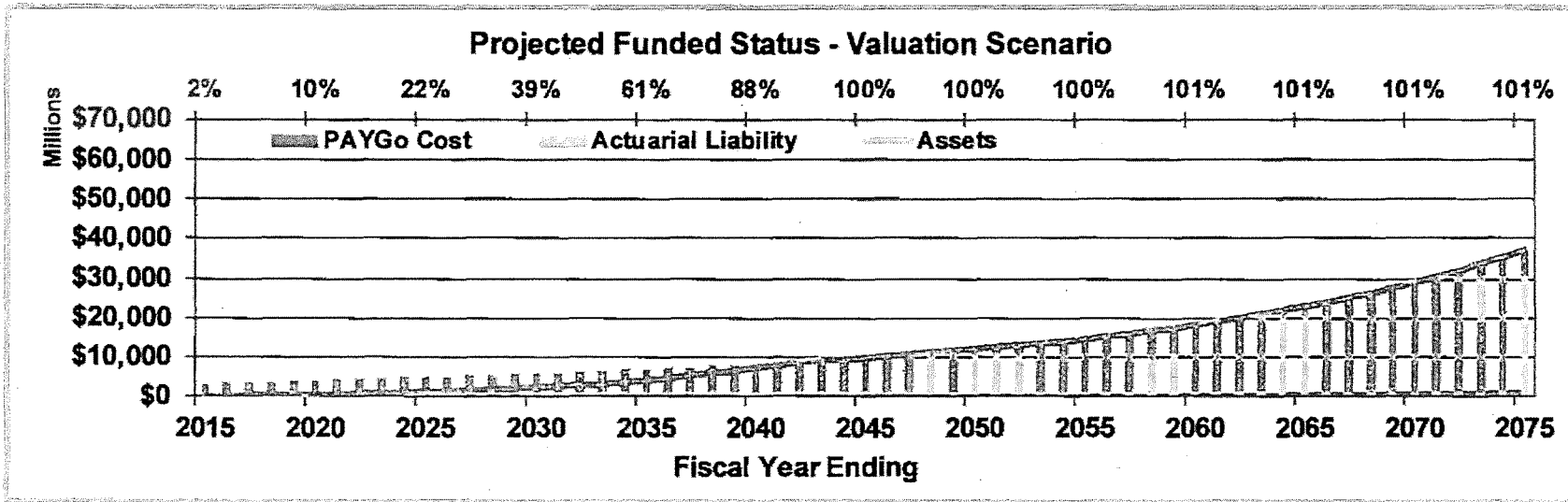
- **Contribution Policy Established in Charter**
  - Hired before 1/10/2009
    - If no UAL, employees contribute lower of 50% of normal cost or 1% of pay and City contributes remainder of normal cost
    - If there is a UAL, City and employees contribute 1% of pay (phased in from 2017 to 2020) and City also contributes the pay-as-you-go cost
  - Hired on or after 1/10/2009
    - If no UAL, employees contribute lower of 50% of normal cost or 2% of pay and City contributes remainder of normal cost
    - If there is a UAL, employees contribute 2% of pay and City contributes 1% of pay plus the pay-as-you-go cost
  - Disbursements regulated to control asset growth
    - Administrative expenses are paid from the trust
    - If no UAL, benefits are paid from the trust
    - If there is a UAL, stabilization disbursements may be made
      - To reduce total City contribution to 10% of pay
      - Maximum stabilization disbursement is 10% of assets

# Baseline Valuation Projections



- Baseline valuation projections assume all assumptions are met each and every year
- Outlook
  - Projected to be fully funded by FYE 2043
  - No stabilization disbursements necessary
  - Peak City contribution rate of 9.33% reached in FYE 2029

# Baseline Valuation Projections



# Sensitivity Testing Scenarios



- There is significant uncertainty in these projections
- The sensitivity testing scenarios were designed to illustrate some of the potential variations in the projections, if future experience for key assumptions turns out to be different than expected
- We will discuss three of the scenarios in detail; the remainder are provided in the appendix

# Sensitivity Testing Scenarios



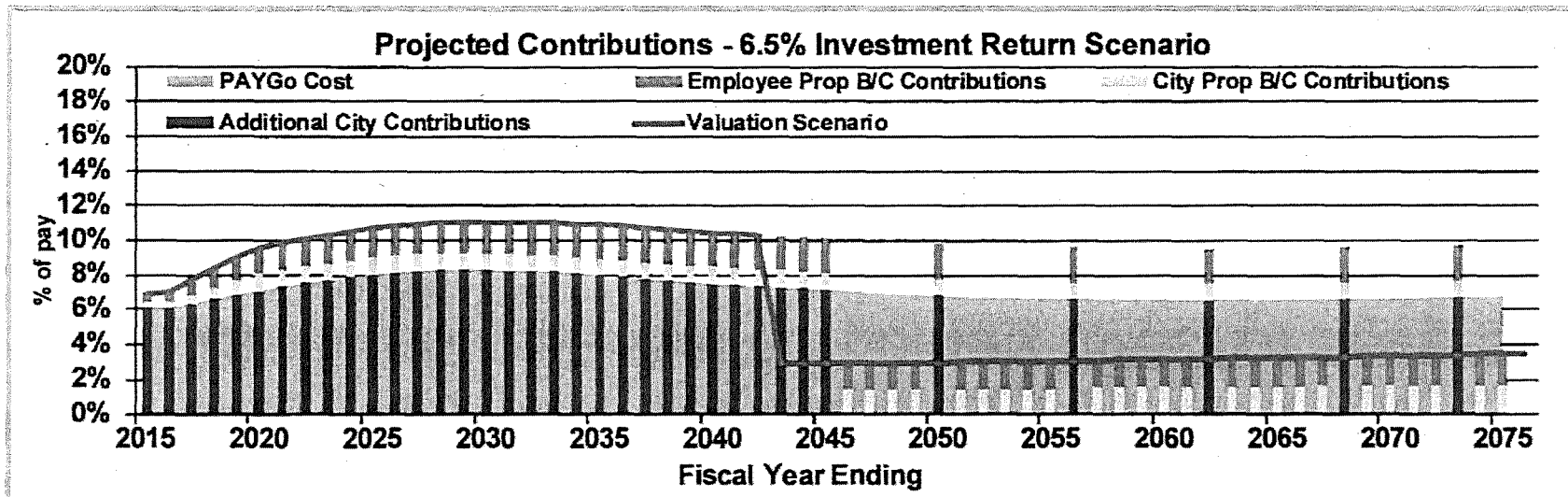
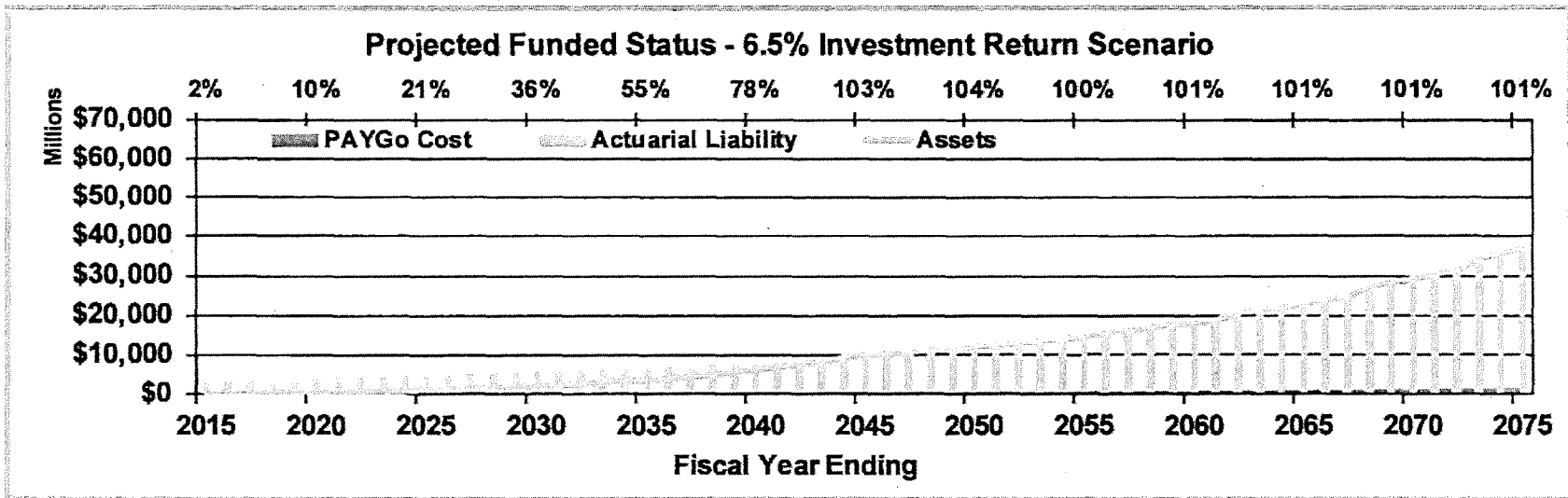
Scenario	Key Assumptions			Projected Full Funding Date
	Investment Return	Payroll Growth	Health Inflation	
Valuation	7.50%	3.83%	Valuation	2043
6.50% Return	6.50%	3.83%	Valuation	2046
Short Term Shock	7.50%	0.00% 3 years	10% 3 years	2052
Long Term Pessimistic	6.50%	3.00%	+1%	Never
<b>Additional Scenarios in the Appendix</b>				
3% Payroll Growth	7.50%	3.00%	Valuation	2047
Health Trend +1%	7.50%	3.83%	+1%	2052
Health Trend -1%	7.50%	3.83%	-1%	2040

## Sensitivity Testing – 6.5% Return



- Assume the Plan actually earns 6.5% each year on assets
- While the discount rate for determining the funded status remains at 7.5%
- Outlook
  - The initial projected date the plan becomes fully funded is FYE 2046 or three years later than the valuation baseline
  - The lower than expected actual returns, however, cause a UAL to develop periodically
  - When a UAL develops again, City contributions spike for a year, eliminating the UAL for a few years
  - No stabilization disbursements are required under this scenario

# Sensitivity Testing – 6.5% Return



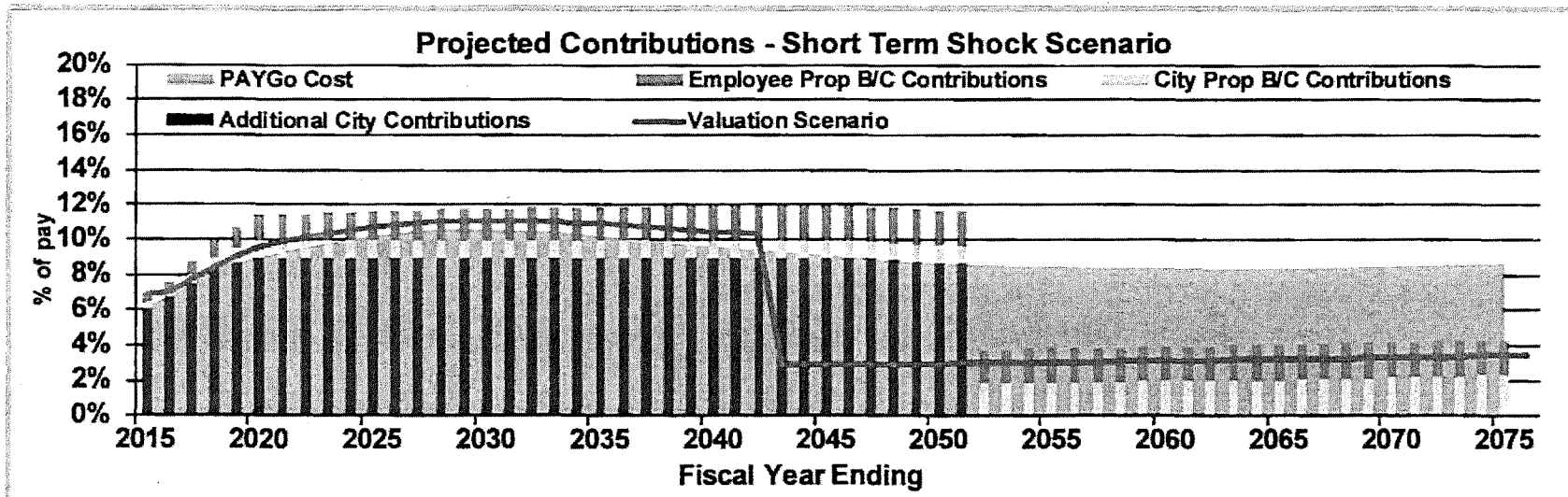
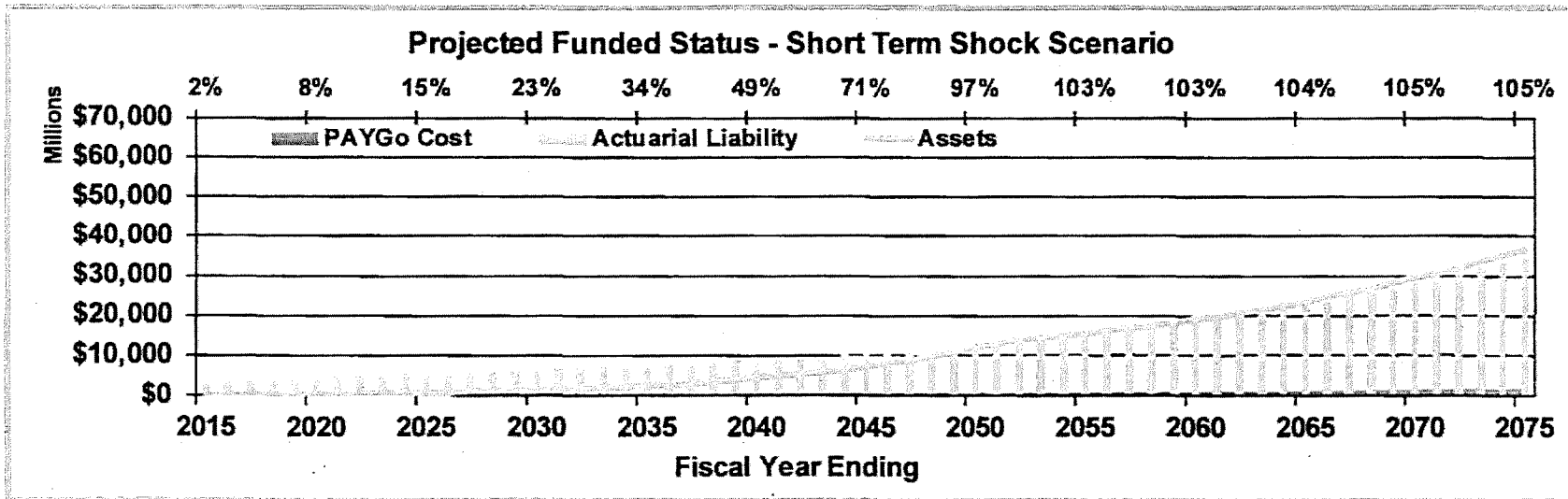
## Sensitivity Testing – Short Term Shock



- Illustrates the potential combined effect of several key variables
- Initial 3-year adverse experience commencing FYE 2016
  - 0% payroll growth
  - Spike in medical inflation to 10% for 10 County average, non-Medicare, and Medicare eligible
- Return to valuation assumptions after 3-year period
- Outlook
  - Pushes the date for fully funding to FYE 2052
  - The plan remains just over fully funded thereafter
  - Stabilization disbursements are required from FYE 2020 through FYE 2046



# Sensitivity Testing – Short Term Shock

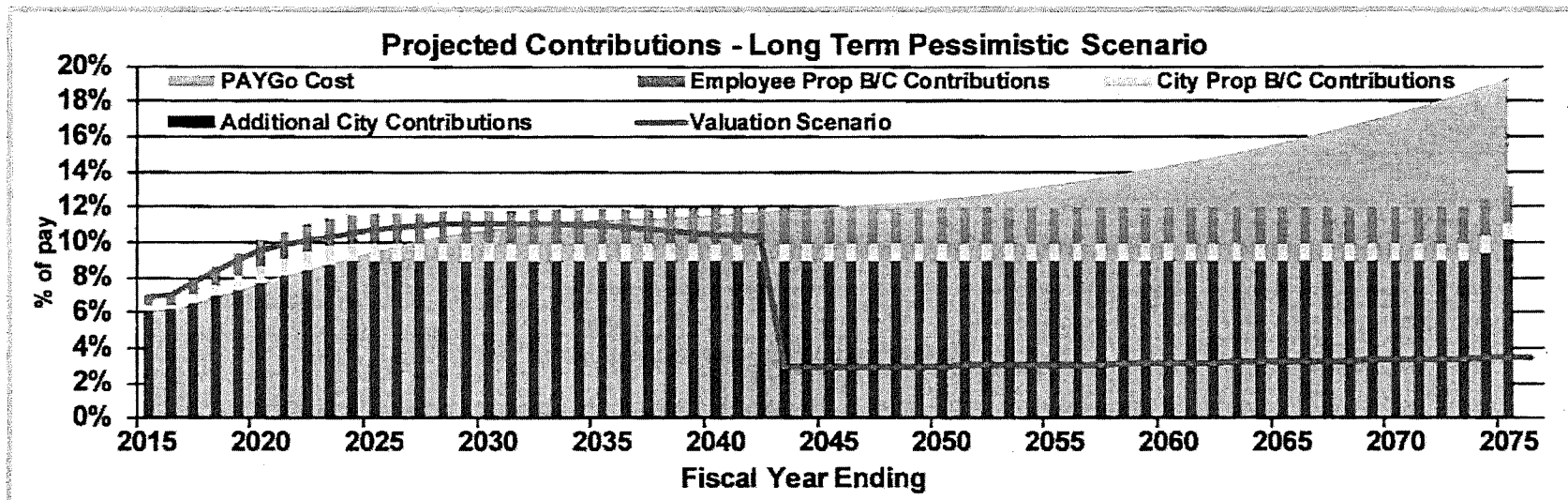
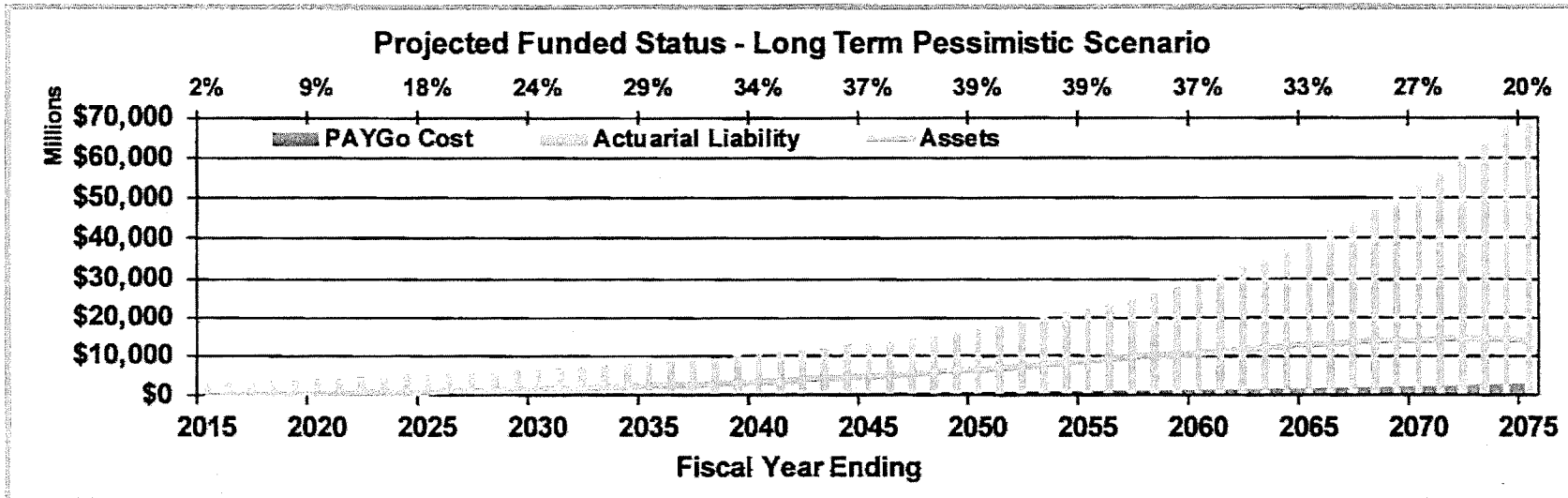


# Sensitivity Testing – Pessimistic

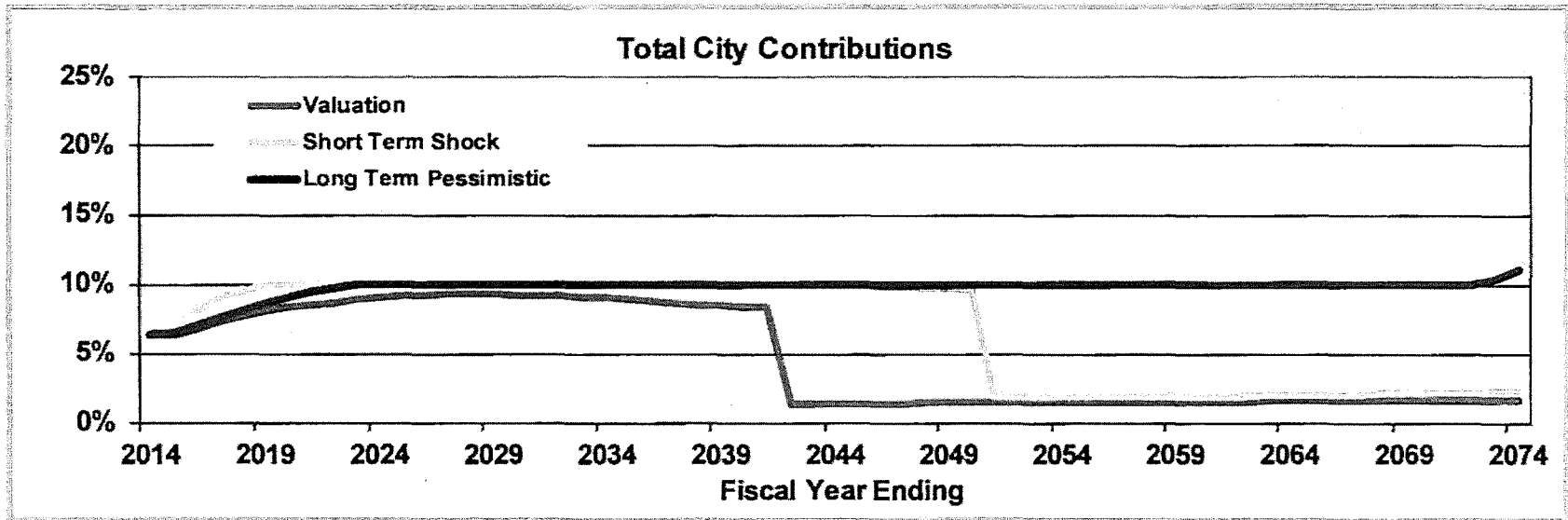
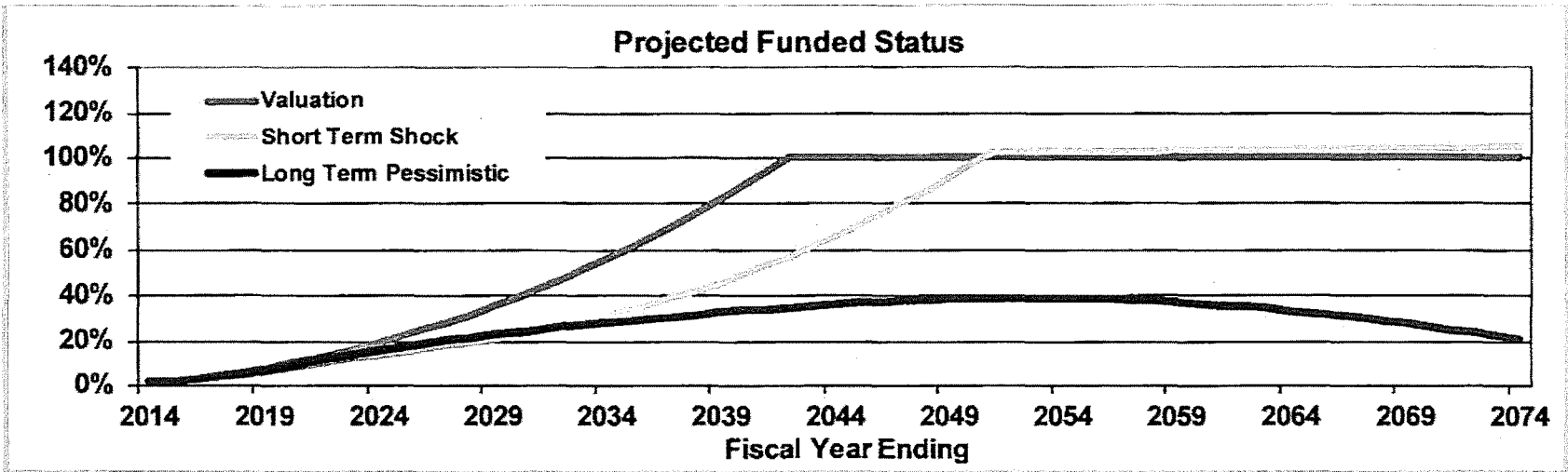


- Illustrates the combined effect of several key assumptions
- Adverse experience for the duration of the projection
  - 3% payroll growth
  - 1% increase in medical inflation
  - 6.5% investment return
- Outlook
  - The plan never reaches full funding under this scenario
  - Stabilization disbursements are required beginning in FYE 2024, but they are insufficient to hold City contributions at 10% after FYE 2073
  - The funded status reaches a high of 39% in FYE 2054 and drops again to 18% by FYE 2077

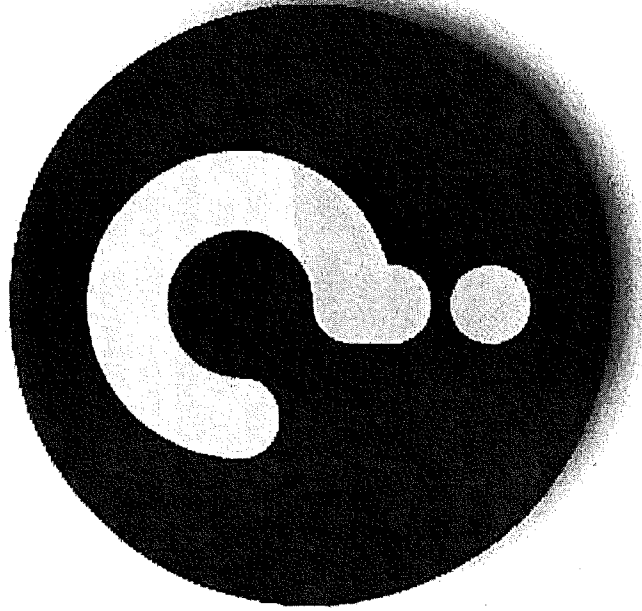
# Sensitivity Testing – Pessimistic



# Sensitivity Testing – Summary



# Questions



# Required Disclosures



The purpose of this presentation is to discuss the results of the July 1, 2012 actuarial valuation for City and County of San Francisco Postretirement Health Plan and present sensitivity analysis to key drivers of the valuation results. Unless indicated otherwise, the assumptions and methods used follow those listed in the July 1, 2012 Actuarial Valuation Report. This presentation is for the use of the City and County of San Francisco and its auditors in preparing financial reports in accordance with applicable law and accounting requirements.

In preparing our presentation, we relied on information (some oral and some written) supplied by the City and County of San Francisco. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

We hereby certify that, to the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This presentation was prepared for the City and County of San Francisco for the purposes described herein. This presentation is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Bill Hallmark, ASA, FCA, MAAA  
Consulting Actuary

Michael Schionning, FSA, MAAA  
Principal Consulting Actuary

Rosson Cain, FSA, MAAA  
Consulting Actuary

# Appendix



## Additional Sensitivity Scenarios

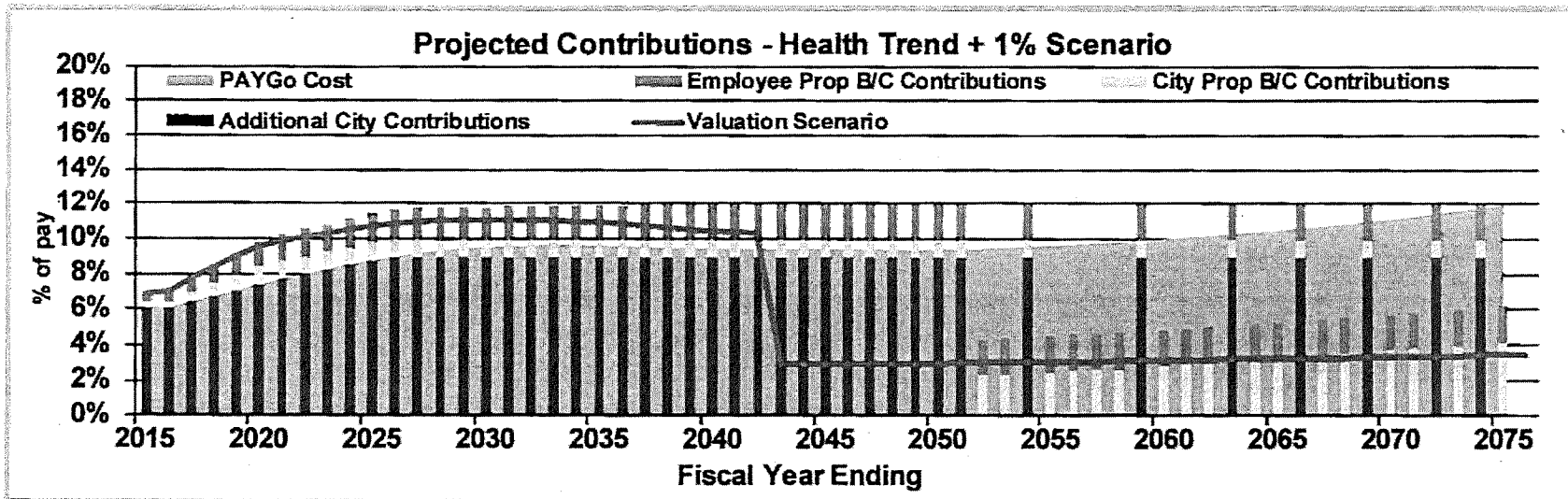
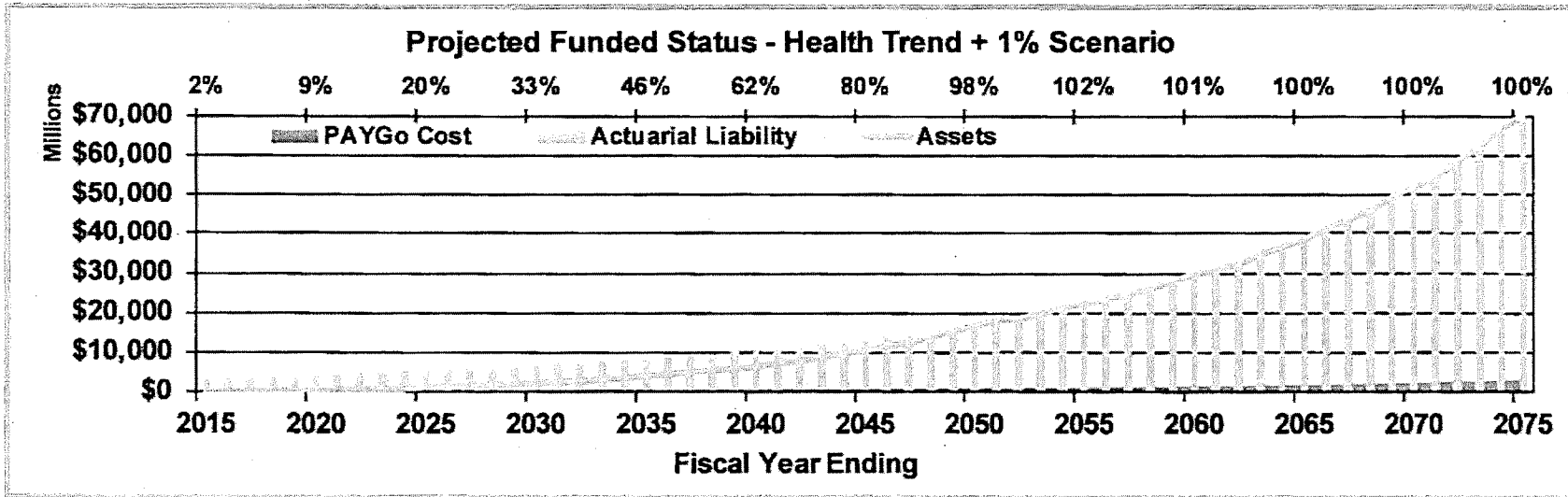
## Sensitivity Testing – Trend Plus 1%



- Assume medical inflation is 1% higher than the valuation assumption
- Outlook
  - Trend rates have a major impact on results
  - The pay as you go costs are higher in all future years
  - The plan initially becomes 100% funded in FYE 2052, but the continued unexpected health trend causes a UAL to develop periodically
  - When a UAL develops again, City contributions spike for a year, eliminating the UAL for a few years
  - Stabilization disbursements would be required from FYE 2026 through FYE 2051 and each time the contribution spiked



# Sensitivity Testing – Trend Plus 1%

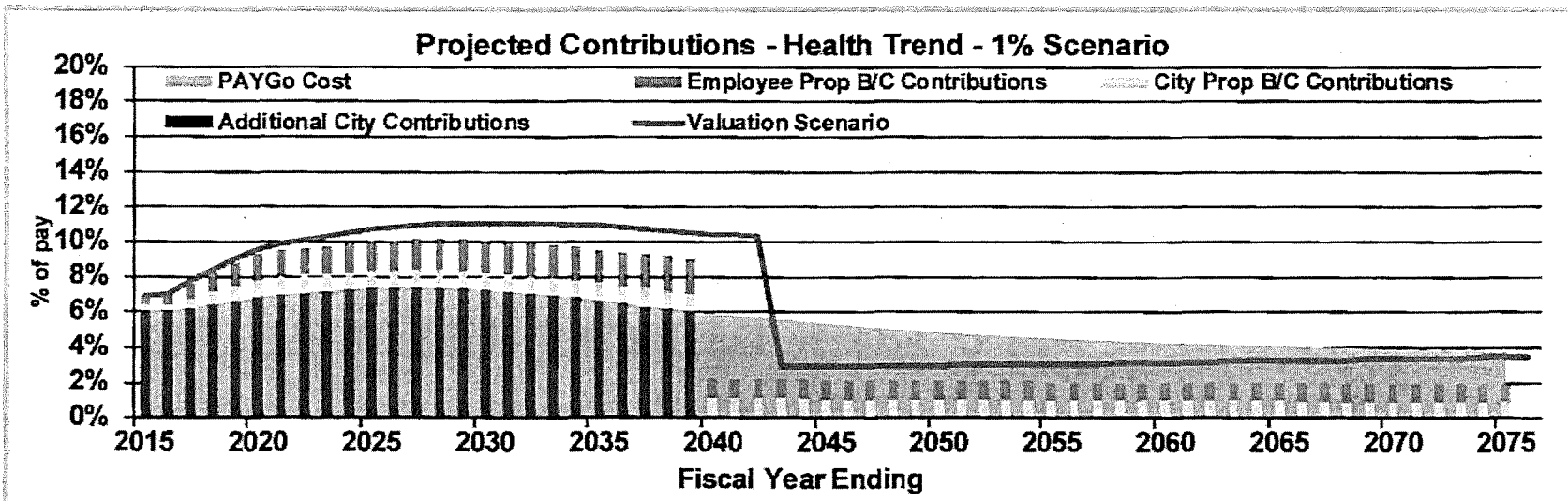
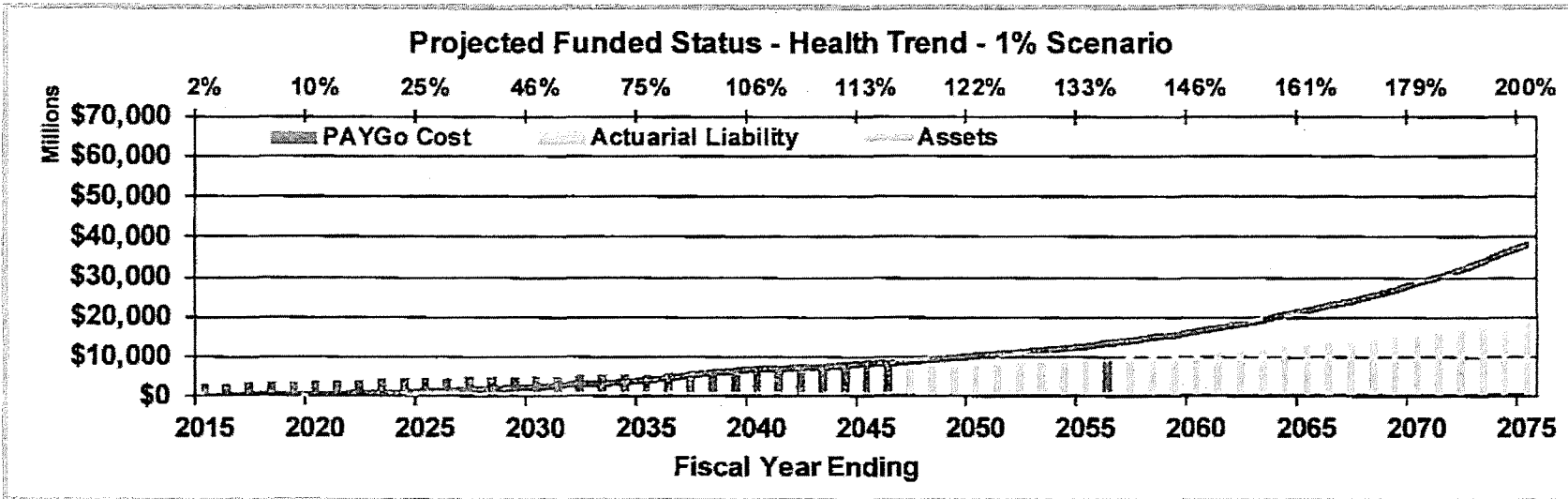


## Sensitivity Testing – Trend Minus 1%



- Assume medical inflation is 1% lower than the valuation assumption
- Outlook
  - This scenario produces lower pay as you go costs for all future years
  - The plan becomes fully funded in the FYE 2040 and remains fully funded thereafter
  - It reaches 200% funding by the FYE 2076

# Sensitivity Testing – Trend Minus 1%

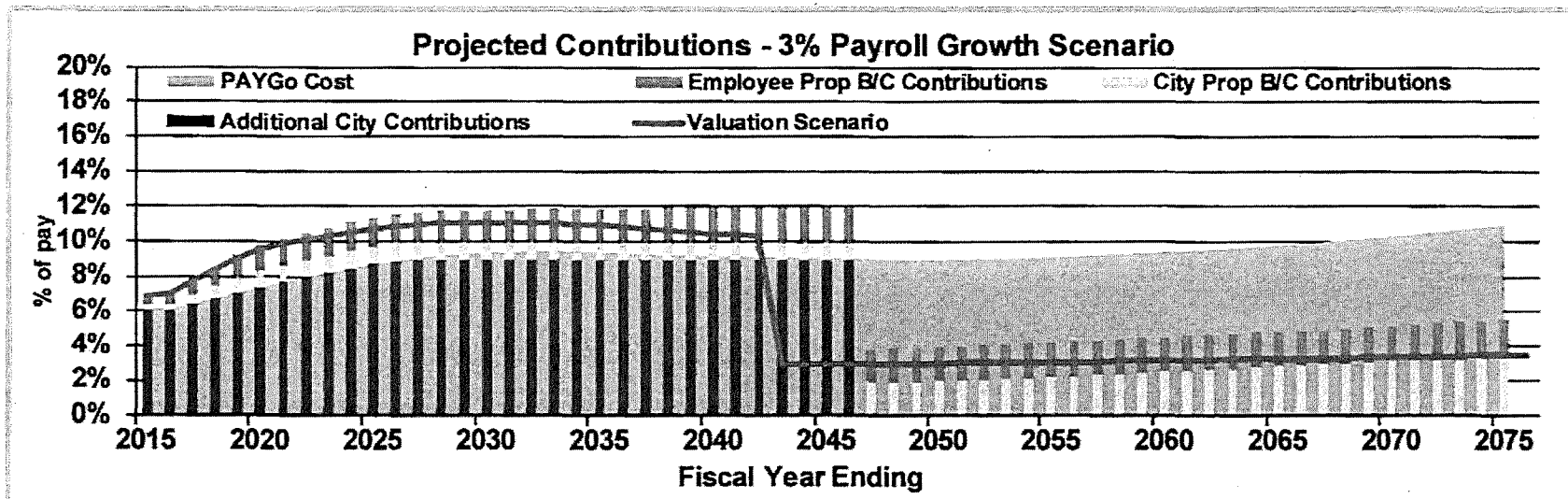
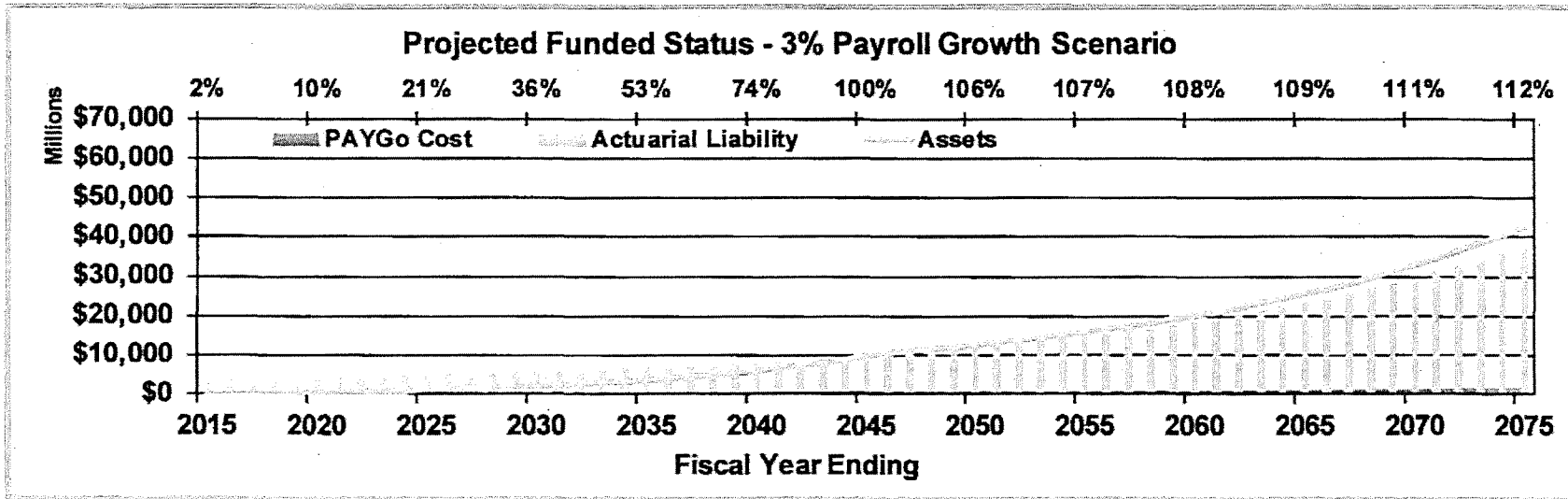


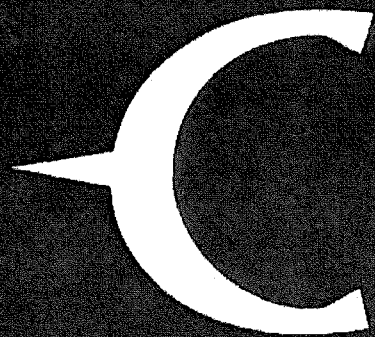
## Sensitivity Testing – 3% Payroll Growth



- Assume Plan experiences 3.00% annual growth in payroll compared to 3.83% used in the valuation
- Outlook
  - Benefits are not pay-related so dollar amount of benefits is unchanged, but benefits represent a higher percent of payroll
  - Contributions that are determined or limited by payroll are lower
  - Extends date for the plan to be fully funded to FYE 2047
  - Stabilization disbursements would be required from FYE 2027 through FYE 2046

# Sensitivity Testing – 3% Payroll Growth





**City and County of San Francisco**

**Postretirement Health Plan**

**Actuarial Valuation Report  
As of July 1, 2012**

**Produced by Cheiron**

**February 2015**



Classic Values, Innovative Advice



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February 24, 2015

Mr. Ben Rosenfield  
Controller  
City and County of San Francisco  
City Hall Room 316  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Dear Mr. Rosenfield:

The purpose of this report is to present the July 1, 2012 actuarial valuation of the City and County of San Francisco Postretirement Health Plan (Plan). This report is for the use of the City and County of San Francisco and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. It contains our findings and information for disclosures required by the Governmental Accounting Standards Board Statements No. 43 and 45 (GASB 43 and 45) for the fiscal years ending (FYE) June 30, 2014, and June 30, 2015.

The appendices to this report describe the participant data, assumptions, methods, and substantive Plan provisions used in calculating the figures throughout the report. In preparing our report, we relied on information (some oral and some written) supplied by the City and County of San Francisco. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience, differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and, changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

Actuarial computations are calculated based on our understanding of GASB 43 and 45 and are for purposes of fulfilling plan and employer financial accounting requirements. Determinations for purposes other than meeting plan and employer financial accounting requirements may be significantly different from the results in this report.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we





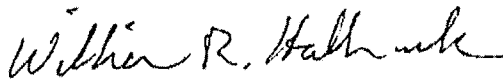
Mr. Ben Rosenfield  
February 24, 2015  
Page ii

meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared for the City and County of San Francisco for the purpose described herein and for use by the Plan auditor in completing an audit related to the matters herein. This report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

This report does not reflect future changes in benefits, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010, related legislation, or regulations with the exception of additional medical trend loads of 2.5% for FYE 2019 and 0.5% for FYE 2020 to account for the expected impact of the excise tax on high-cost coverage.

Sincerely,  
Cheiron



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



Rosson Cain, FSA, MAAA  
Consulting Actuary



Michael Schionning, FSA, MAAA  
Principal Consulting Actuary

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION I  
EXECUTIVE SUMMARY**

The City and County of San Francisco engaged Cheiron to provide a valuation of its Postretirement Health Plan's liability as of July 1, 2012. The primary purposes of performing this actuarial valuation are to:

- Determine the Annual Required Contribution (ARC), Annual OPEB Cost (AOC), and the Net Other Postemployment Benefit (OPEB) Obligation (NOO) of the Postretirement Health Plan under GASB 43 and 45 for the fiscal years ending June 30, 2014, and June 30, 2015;
- Provide information for financial statement disclosures under GASB 43 and 45;
- Provide projections of contributions, assets, actuarial liability, ARC, and NOO to illustrate the long-term effect of the contribution strategy; and,
- Show the sensitivity of the valuation results to changes in health trend assumptions.

***Summary of Key Valuation Results***

As of July 1, 2012, the Plan's actuarial liability was approximately \$3,997.8 million. Since the valuation as of July 1, 2010, there were changes in Plan benefits and assumptions as well as demographic experience, which had a combined effect of reducing the Plan's actuarial liability by approximately \$976.4 million.

In 2009, the City began to pre-fund its obligations and subsequently the Plan created an irrevocable trust, the Retiree Health Care Trust Fund (RHCTF). As of July 1, 2012, the market value of assets was \$17.9 million. The Annual Required Contribution (ARC) for the 12 months ending June 30, 2014 is \$341.4 million, compared to \$408.7 million for the previous year.

The table below presents the key results of the July 1, 2012 actuarial valuation compared to the results of the prior actuarial valuation as of July 1, 2010. The July 1, 2012 actuarial valuation results determine the ARC for FYE 2014 and 2015, whereas the July 1, 2010 actuarial valuation is the basis for the FYE 2012 and 2013 ARC.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION I  
EXECUTIVE SUMMARY**

<b>Table I-1 Summary of Key Valuation Results</b>		
	<b>July 1, 2010</b>	<b>July 1, 2012</b>
Discount Rate	4.25%	4.45%
Actuarial Liability	\$ 4,420,146	\$ 3,997,762
Assets *	(3,195)	(17,852)
Unfunded Actuarial Liability (UAL)	\$ 4,416,951	\$ 3,979,910
Funded Ratio	0.1%	0.4%
	<b>FYE 2012</b>	<b>FYE 2014</b>
Annual Required Contribution (ARC)	\$ 397,862	\$ 341,377
Net OPEB Obligation (NOO), end of year	\$ 1,348,883	\$ 1,793,753

*Dollar Amounts in Thousands*

\* Assets shown as of July 1, 2010 were set aside for the RHCTF and contributed when it was established in December 2010

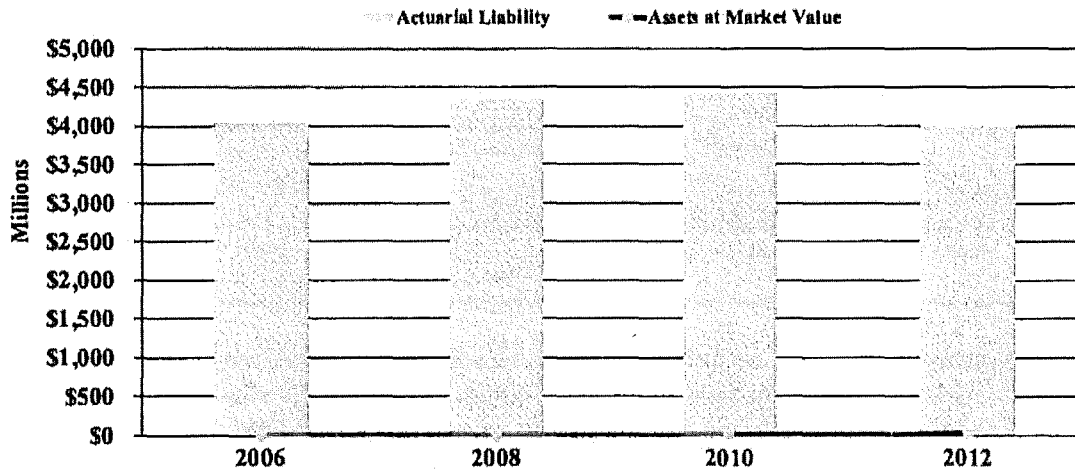
**CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012**

**SECTION I  
EXECUTIVE SUMMARY**

***Historical Trends***

The chart below shows the historical trend of assets and liabilities on a GASB 45 basis for the City and County of San Francisco Postretirement Health Benefit Plan. The first valuation complying with GASB 45 was performed as of July 1, 2006. The City established the San Francisco Retiree Health Care Trust Fund (RHCTF) in December 2010 to fund its OPEB liabilities.

**City and County of San Francisco Postretirement Health Benefit Plans**



	2006	2008	2010	2012
Funded Ratio	0.0%	0.0%	0.1%	0.4%
UAL/(Surplus) (in millions)	\$4,036.3	\$4,364.3	\$4,417.0	\$3,979.9
Discount Rate	4.50%	4.25%	4.25%	4.45%

\* 2006 was the first GASB 45 valuation.

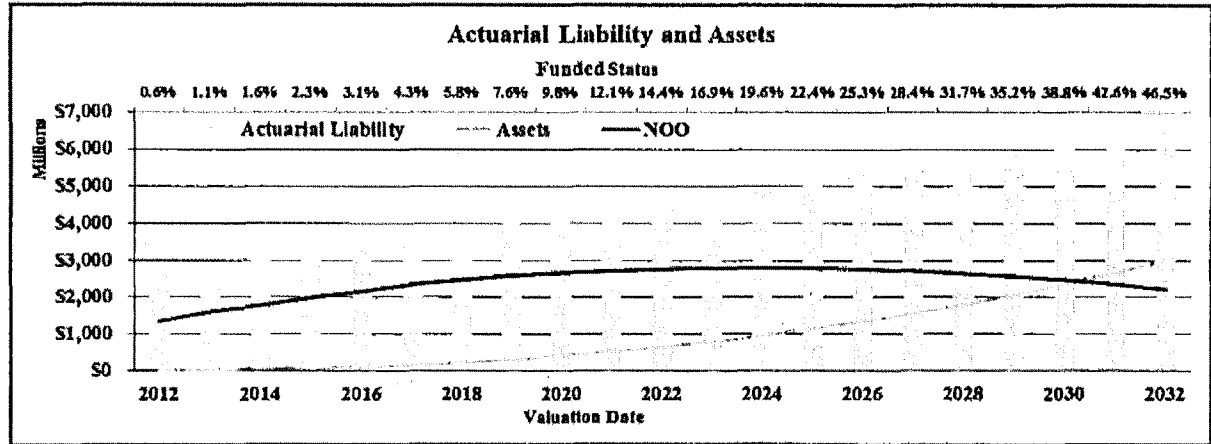
\*\* As of July 1, 2010, there were approximately \$3.2 million in assets set aside for the Postretirement Health Plan, but the RHCTF was not established until December 2010.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION I  
EXECUTIVE SUMMARY**

**Projections**

The charts below project the assets and liabilities as well as the contributions and accounting expenses for the 20 years following the valuation date. These projections are based on the current valuation assumptions, except for changes in the GASB discount rate as indicated below.



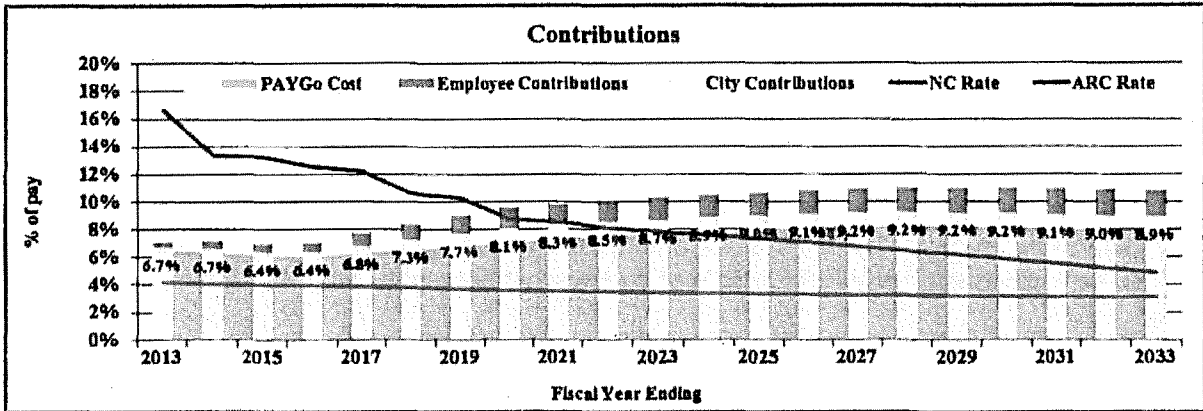
The chart above shows the projected actuarial liability (gray bars) based on a discount rate of 7.50%. On this basis, the actuarial liability of approximately \$2.8 billion as of July 1, 2012 is expected to grow to approximately \$6.5 billion over the next 20 years. On a GASB basis, the actuarial liability is calculated using a discount rate of 4.45% and as of July 1, 2012 is approximately \$4.0 billion. As contributions increase, the GASB discount rate is expected to increase to 7.50% for the fiscal year ending June 30, 2020 and later.

The green line shows the projected accumulation of assets. At its June 18, 2014 meeting, the RHCTF Board adopted an asset allocation that its investment consultant expects to earn an average of 7.50% net of expenses per year. The projection of assets uses actual assets through June 30, 2014 and projects future assets assuming a return net of expenses of 7.50% each year. The ratio of the assets to the actuarial liability is shown at the top of the chart, increasing from less than 1% to 46.5% over the 20-year period.

The purple line projects the Net OPEB Obligation (NOO). It first increases from \$1.3 billion to a peak amount of \$2.7 billion in 2024, and then starts to decrease slowly, ending at approximately \$2.1 billion in 2032. Under the recent GASB exposure drafts to replace GASB 43 and 45, however, the NOO would be replaced by a measure of the unfunded liability, the Net OPEB Liability, beginning July 1, 2017.

CITY AND COUNTY OF SAN FRANCISCO  
 POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

SECTION I  
 EXECUTIVE SUMMARY



The chart above shows the projected annual costs. Benefit payments, net of retiree contributions, are shown by the gray area. In the first few years, there is a decline in benefit payments as a percent of payroll reflecting the lower growth in actual healthcare costs since the valuation date compared to expected payroll growth. After FYE 2015, benefit payments are expected to grow faster than payroll increasing from approximately 6.1% of payroll to 8.2% of payroll by FYE 2027 before gradually decreasing as a percent of payroll.

The yellow bars represent the City's contributions as a percent of payroll, and the teal bars represent the employee contributions as a percent of payroll. The City's contribution is based on the pay-as-you-go cost (the benefit payments) plus the contributions to the RHCTF required by Propositions B and C until the Plan is 100 percent funded or the contribution amount exceeds 10% of payroll. The Plan does not reach 100 percent funded status during the projection period and the peak contribution rate is 9.2% of payroll. As a result, there are no distributions from the RHCTF to pay benefits during the projection period.

The employee's contribution is anticipated to increase from approximately 0.4% to 1.9% of payroll by the end of the projection period. Note the employee contribution rate will eventually reach 2% of pay when all active employees are subject to the Proposition B contribution requirements.

The bright red line shows the anticipated decline in the normal cost rate based on a 7.50% discount rate as more active employees are eligible to receive the benefits defined by Proposition B.

The ARC, shown by the purple line, is projected to decrease from 16.6% of payroll in fiscal year ending June 30, 2013 to 4.9% in fiscal year ending June 30, 2033. The initial rapid reduction is a result of the plan contributions increasing such that the discount rate used to value liabilities increases from 4.45% to 7.50% for the fiscal year ending June 30, 2020. The more gradual reduction after that reflects both the declining normal cost rate and a smaller payment on the unfunded liability.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION I**  
**EXECUTIVE SUMMARY**

These projections assume that all assumptions used in the actuarial valuation are exactly realized each and every year. While the assumptions represent best estimates, the future is uncertain and will not unfold exactly as expected by the assumptions. Variations in each assumption will alter these projections, but the projections are particularly sensitive to changes in healthcare trend, participation in the Plan, and payroll and membership growth. In the early years of the projection, investment returns are not significant, but as assets accumulate volatility in investment returns becomes more significant. An examination of the sensitivity of these projections to alternative scenarios will be provided separately from this valuation report.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION II  
ASSETS**

*Market Value of Assets*

Table II-1, below, shows the change in the value of assets through fiscal year ending 2014. The San Francisco Retiree Health Care Trust Fund (RHCTF) was established in December 2010 as an irrevocable trust. Prior to December 2010, contributions required under Proposition B were set aside and deposited into the RHCTF when it was established; these assets are treated as plan assets in the table below.

<b>Table II-1</b>				
<b>Market Value of Assets in Retiree Health Care Trust Fund (RHCTF)</b>				
	<b>FYE 2011</b>	<b>FYE 2012</b>	<b>FYE 2013</b>	<b>FYE 2014</b>
Market value of assets, beginning of year	\$ 3,195	\$ 8,542	\$ 17,852	\$ 31,205
Contributions				
Employee	\$ 3,518	\$ 6,141	\$ 8,823	\$ 11,791
Employer	1,773	3,070	4,411	5,895
Total	\$ 5,291	\$ 9,211	\$ 13,234	\$ 17,686
Investment earnings	\$ 56	\$ 144	\$ 194	\$ 258
Benefit payments *	\$ 0	\$ 0	\$ 0	\$ 0
Administrative expenses	0	(45)	(75)	(161)
Market value of assets, end of year	\$ 8,542	\$ 17,852	\$ 31,205	\$ 48,988

\* Benefits are not paid from the RHCTF at this time

*Dollar Amounts in Thousands*

For valuation purposes, the actuarial value of assets is set equal to the market value of assets.

Up to this point, assets have been invested in fixed income securities, but at its June 18, 2014 meeting the RHCTF Board adopted an asset allocation of 37 percent domestic equity, 37 percent international developed equity and 26 percent investment grade bonds. Implementation of this asset allocation is in process, and beginning July 1, 2014, it is assumed assets will earn an average of 7.50% each year.



CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION III  
DEVELOPMENT OF BLENDED DISCOUNT RATE**

The discount rate used for GASB 43 and 45 disclosures is a weighted average of the expected return on Plan assets (7.50%) and the expected return on City assets (3.75%). If contributions to the Plan were equal to the Annual Required Contribution (ARC), the discount rate would be 7.50%. If contributions to the Plan were just equal to the benefit payments for the next year, the discount rate would be 3.75%. Since contributions are between these two amounts, the discount rate is a weighted average of these two discount rates where the weights reflect how close contributions are expected to be to the ARC as opposed to the benefit payments.

***Projected Contribution Rates***

Currently, the City pays retiree benefits from general assets and both the City and employees make contributions to the Retiree Health Care Trust Fund (RHCTF). For the fiscal years ending June 30, 2014 and June 30, 2015, employees hired after January 9, 2009 (Prop B Employees) contribute 2.0% of pay to the RHCTF and the City contributes 1.0% of Prop B Employee pay. No contributions are made by or on behalf of Pre-Prop B employees until the fiscal year ending June 30, 2017. Table III-1 below develops the projected contribution rates as a percentage of total payroll for FYE 2014 and 2015.

<b>Table III-1</b>		
<b>Projected City and Member Contribution Rates to RHCTF</b>		
	<b>FYE 2014</b>	<b>FYE 2015</b>
<b>Projected Payroll</b>		
Pre-Prop B employees	\$ 1,965,358	\$ 1,937,184
Prop B employees	<u>586,403</u>	<u>712,309</u>
<b>Total</b>	<b>\$ 2,551,761</b>	<b>\$ 2,649,493</b>
<b>Projected Contribution Amounts *</b>		
Employees	\$ 11,791	\$ 14,246
Employer	<u>5,895</u>	<u>7,123</u>
<b>Total</b>	<b>\$ 17,686</b>	<b>\$ 21,369</b>
<b>Projected Contribution Rates as a % of Payroll</b>		
Employees	0.46%	0.54%
Employer	<u>0.23%</u>	<u>0.27%</u>
<b>Total</b>	<b>0.69%</b>	<b>0.81%</b>

\* Actual amounts shown in FYE 2014

*Dollar Amounts in Thousands*

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION III  
DEVELOPMENT OF BLENDED DISCOUNT RATE**

*Development of the Annual Required Contribution at Expected Return on Plan Assets*

Table III-2 below shows the measures of actuarial liability and normal cost as of the valuation date based on a discount rate equal to the expected return on assets, 7.50%. These measures are the basis for the projection of the ARC for FYE 2014 and 2015.

<b>Table III-2</b>			
<b>Liability Measures at Expected Return on Plan Assets</b>			
<b>as of July 1, 2012</b>			
	<b>Pre-Prop B</b>	<b>Prop B</b>	<b>Total</b>
Actuarial Liability			
Actives	\$ 1,114,248	\$ 13,228	\$ 1,127,476
Terminated Vested Members	257,908	0	257,908
Retirees	1,407,945	0	1,407,945
<b>Total Actuarial Liability</b>	<b>\$ 2,780,101</b>	<b>\$ 13,228</b>	<b>\$ 2,793,329</b>
Normal Cost	\$ 86,919	\$ 11,701	\$ 98,620
Valuation Payroll	\$ 1,917,663	\$ 452,689	\$ 2,370,352
Normal Cost Rate	4.53%	2.58%	4.16%

*Dollar Amounts in Thousands*

The valuation payroll shown above represents the present value on July 1, 2012 of the salaries expected to be paid during FYE 2013 to employees who were active employees on the valuation date considering the probability of their terminating employment during the year due to retirement, disability, termination or death. It does not represent the total amount of payroll expected during the fiscal year.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION III  
DEVELOPMENT OF BLENDED DISCOUNT RATE**

Table III-3 below projects the normal cost rate for FYE 2014 and 2015 by applying the Pre-Prop B and Prop B normal cost rates from the valuation to the projected payroll for Pre-Prop B and Prop B employees for FYE 2014 and 2015. Since the lower Prop B normal cost rate applies to all new employees, the aggregate normal cost rate is projected to decrease gradually as new employees replace current Pre-Prop B employees. The normal cost rate is a component of the ARC.

<b>Table III-3</b>			
<b>Projected Normal Cost Rates at Expected Return on Assets</b>			
	<b>FYE 2014</b>		<b>FYE 2015</b>
<b>Pre-Prop B employees</b>			
Normal Cost Rate	4.53%		4.53%
Payroll	\$ 1,965,358	\$	1,937,184
Normal Cost	\$ 89,081	\$	87,805
<b>Prop B employees</b>			
Normal Cost Rate	2.58%		2.58%
Payroll	\$ 586,403	\$	712,309
Normal Cost	\$ 15,157	\$	18,411
<b>Total</b>			
Normal Cost	\$ 104,238	\$	106,216
Payroll	\$ 2,551,761	\$	2,649,493
Normal Cost Rate	4.08%		4.01%

*Dollar Amounts in Thousands*

The payroll shown in the table above represents the expected salaries paid during the specified fiscal years including salaries of new hires since the valuation date.

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**SECTION III  
DEVELOPMENT OF BLENDED DISCOUNT RATE**

Table III-4 below projects the Unfunded Actuarial Liability (UAL) to July 1, 2013 and July 1, 2014. The amortization payment applicable to FYE 2014 and 2015 is calculated as a rate of projected payroll (UAL Rate). The ARC is the normal cost rate, as shown previously in this report, plus the UAL rate.

<b>Table III-4</b>		
<b>Projected UAL Amortization Rates at Expected Return on Assets</b>		
	<b>FYE 2013</b>	<b>FYE 2014</b>
Actuarial Liability, beginning of year	\$ 2,793,329	\$ 2,941,582
Normal Cost	98,620	100,536
Projected Benefit Payments	(161,324)	(163,885)
Interest	210,957	222,125
Actuarial Liability, end of year	\$ 2,941,582	\$ 3,100,358
Market Value of Assets, beginning of year *	\$ 17,852	\$ 31,205
Contributions	13,234	17,686
Net Investment Earnings	119	97
Market Value of Assets, end of year	\$ 31,205	\$ 48,988
Projected Unfunded Actuarial Liability (UAL)	\$ 2,910,377	\$ 3,051,370
Amortization Factor	18.2865	18.2865
Projected Amortization Payment (following year)	\$ 159,155	\$ 166,865
Payroll	\$ 2,551,761	\$ 2,649,493
UAL Rate	6.24%	6.30%

\* Actual market value of assets used through FYE 2014

*Dollar Amounts in Thousands*

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**SECTION III  
DEVELOPMENT OF BLENDED DISCOUNT RATE**

***Blended Discount Rate Calculation***

Table III-5 below combines the information developed in the tables in this section to calculate the blended discount rate. The weight given to the expected return on plan assets in the weighted average calculation is equal to the contributions to the RHCTF divided by the amount that would be contributed to the RHCTF if the full ARC had been contributed. Since this valuation is used for two fiscal years, the blended discount rate used in the valuation is the average of the blended discount rates calculated for each fiscal year.

<b>Table III-5</b>		
<b>Calculation of Blended Discount Rate</b>		
	<b>FYE 2014</b>	<b>FYE 2015</b>
<b>1. Contribution Rates to RHCTF</b>		
Employee	0.46%	0.54%
Employer	<u>0.23%</u>	<u>0.27%</u>
Total	0.69%	0.81%
Normal Cost Rate *	4.08%	4.01%
UAL Rate *	<u>6.24%</u>	<u>6.30%</u>
Total ARC Rate *	10.32%	10.31%
Pay-As-You-Go Rate	<u>6.42%</u>	<u>6.13%</u>
<b>2. Total ARC in Excess of Pay-As-You-Go</b>	3.90%	4.18%
<b>3. Weight to Expected Return on Plan Assets (1. / 2.)</b>	17.77%	19.32%
<b>4. Expected Return on Plan Assets</b>	7.50%	7.50%
<b>5. Expected Return on City Assets</b>	3.75%	3.75%
<b>6. Discount Rate [3. * 4. + (1 - 3.) * 5.]</b>	4.42%	4.47%
<b>Discount Rate for Valuation (average of 6.)</b>	<b>4.45%</b>	

\* Calculated at the expected return on assets

CITY AND COUNTY OF SAN FRANCISCO  
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**SECTION IV  
GASB VALUATION RESULTS**

This section of the report provides the July 1, 2012 actuarial valuation results on a GASB basis, develops the Annual Required Contribution (ARC) under GASB 43 and 45 for the fiscal years ending June 30, 2014 and June 30, 2015, and reconciles the current valuation with the prior July 1, 2010 valuation.

Table IV-1 below compares the actuarial liability, plan assets, and unfunded actuarial liability as of July 1, 2012 to the prior valuation as of July 1, 2010.

<b>Table IV-1 Actuarial Liability</b>		
<b>Valuation Date</b>	<b>July 1, 2010</b>	<b>July 1, 2012</b>
Discount Rate	4.25%	4.45%
Actives	\$ 2,045,612	\$ 1,665,912
Terminated Vested Members	381,448	445,251
Retirees	1,993,086	1,886,599
Total Actuarial Liability	\$ 4,420,146	\$ 3,997,762
Assets*	(3,195)	(17,852)
Unfunded Actuarial Liability	\$ 4,416,951	\$ 3,979,910
Funded Ratio	0.1%	0.4%

*Dollar Amounts in Thousands*

\* Assets shown as of July 1, 2010 were set aside for the RHCTF and contributed when it was established in December 2010

The *actuarial liability* represents the portion of the value of projected benefits that is allocated to service earned prior to the valuation date. The *unfunded actuarial liability* (UAL) represents the excess of the actuarial liability over plan assets.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION IV  
GASB VALUATION RESULTS**

The valuation is performed as of July 1, 2012 and those results are then projected forward to the first day of the fiscal year for which the annual required contribution (ARC) is determined. In Table IV-2 below, the projection of the actuarial liability from the valuation date to the beginning of each of the next two fiscal years is shown.

<b>Table IV-2 Projected Actuarial Liability</b>		
	<b>FYE 2013</b>	<b>FYE 2014</b>
Actuarial Liability, beginning of year	\$ 3,997,762	\$ 4,209,295
Normal Cost	190,227	194,038
Projected Benefit Payments	(161,324)	(163,885)
Interest	182,630	192,146
Actuarial Liability, end of year	\$ 4,209,295	\$ 4,431,594
Assets	(31,205)	(48,988)
Projected Unfunded Actuarial Liability (UAL)	\$ 4,178,090	\$ 4,382,606
Amortization Factor	26.9791	26.9791
UAL Rate	\$ 154,864	\$ 162,445

*Dollar Amounts in Thousands*

The ARC consists of two parts: (1) the *employer normal cost*, which represents the annual cost attributable to service earned in a given year less employee contributions, and (2) amortization of the UAL, which is based on a rolling 30-year amortization period. Table IV-3 below shows development of the ARC for fiscal years ending June 30, 2014 and June 30, 2015.

<b>Table IV-3 Annual Required Contribution</b>		
	<b>FYE 2014</b>	<b>FYE 2015</b>
Total Normal Cost	\$ 198,304	\$ 202,190
Less Expected Employee Contributions	(11,791)	(14,246)
Employer Normal Cost	\$ 186,513	\$ 187,944
Unfunded Actuarial Liability Amortization	154,864	162,445
Annual Required Contribution	\$ 341,377	\$ 350,389

*Dollar Amounts in Thousands*

CITY AND COUNTY OF SAN FRANCISCO  
 POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION IV  
 GASB VALUATION RESULTS**

Table IV-4 shows the expected benefit payments, or “pay-as-you-go” costs, net of retiree contributions, for the 15 fiscal years following the valuation date. In calculating the liability of the plan, expected benefit payments are projected for the life of each existing participant.

<b>Table IV-4</b>					
<b>Expected Net Benefit Payments</b>					
<b>FYE</b>	<b>Expected</b>		<b>Expected</b>		<b>Expected</b>
<b>June 30,</b>	<b>Net Benefit</b>	<b>FYE</b>	<b>Net Benefit</b>	<b>FYE</b>	<b>Net Benefit</b>
<b>June 30,</b>	<b>Payments</b>	<b>June 30,</b>	<b>Payments</b>	<b>June 30,</b>	<b>Payments</b>
2013	\$ 161,324	2018	\$ 195,382	2023	\$ 275,512
2014	163,885	2019	210,846	2024	292,933
2015	162,462	2020	226,788	2025	309,874
2016	167,067	2021	243,755	2026	325,559
2017	180,552	2022	259,670	2027	341,235

*Dollar Amounts in Thousands*



CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION IV  
GASB VALUATION RESULTS**

***Reconciliation with Prior Results***

Table IV-5 estimates the impact of the major factors contributing to the change in liability since the last actuarial valuation (July 1, 2010). Note that the expected values as of July 1, 2012 are based on assumptions and methods from the prior valuation.

<b>Table IV-5 Reconciliation with Prior Results</b>				
	Actuarial Liability July 1, 2012	% of Liability	Total Normal Cost as of July 1, 2012	% of Total Normal Cost
Expected July 1, 2012 valuation results *	\$ 4,974,193		\$ 235,495	
<i>(Gain)/Loss due to:</i>				
Demographic Changes	\$ (131,296)	-3%	\$ 6,740	3%
Health Cost Changes	(838,737)	-17%	(39,892)	-17%
Discount Rate Change from 4.25% to 4.45%	(105,288)	-2%	(8,848)	-4%
Implementation of Proposition C	(14,879)	0%	0	0%
Other Assumption Changes	113,769	2%	(3,268)	-1%
Total (Gain)/Loss	\$ (976,431)	-20%	\$ (45,268)	-19%
July 1, 2012 valuation results	\$ 3,997,762		\$ 190,227	

*Dollar Amounts in Thousands*

\* Actuarial Liability as of July 1, 2010 is projected to July 1, 2012 with expected benefits earned and interest reduced by expected benefits paid. The Total Normal Cost as of July 1, 2010 is projected to July 1, 2012 with anticipated salary increases and population changes.

Below is a brief description of each of the changes shown above:

- *Expected Values* refer to the change that would have occurred had experience matched all the assumptions between July 1, 2010 and July 1, 2012.
- *Demographic Changes* refer to population changes between July 1, 2010 and July 1, 2012.
- *Health Cost Changes* refer to the impact of the difference between actual health care claims, expense costs and premium compared to the projected costs using the assumptions from the July 1, 2010 valuation. The claim curves were updated to reflect actual changes in utilization.
- *Discount Rate Change* refers to the change in discount rate from 4.25% as of July 1, 2010 to 4.45% as of July 1, 2012.
- *Implementation of Proposition C* refers to the benefit change removing the additional dependent subsidy and applies to vested terminated participants as of June 30, 2001, and not yet retired as of the proposition adoption date.
- *Other Assumption Changes* refers to all other assumption changes including changes to health care trends, wage inflation, and participation assumptions.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION V**  
**SENSITIVITY TO HEALTH CARE TREND RATES**

The actuarial liability, ARC, and benefit payments produced in this report are sensitive to the assumptions used. The tables below show the impact of a 1% increase or decrease in the health care trend rates on the actuarial liability, the ARC, and the net expected benefit payments, to provide some measure of sensitivity. Since actual premiums are known through 2015, the 1% increase or decrease to the health care trend commences after December 31, 2015.

<b>Table V-1</b>			
<b>Actuarial Liability as of July 1, 2012</b>			
<b>(4.45% discount rate)</b>			
<b>Health Care Trend Rate</b>	<b>-1%</b>	<b>Base</b>	<b>1%</b>
<b>Actuarial Liability</b>			
Actives	\$ 1,399,201	\$ 1,665,912	\$ 2,004,869
Terminated Vested Members	377,541	445,251	531,191
Retirees	<u>1,744,291</u>	<u>1,886,599</u>	<u>2,053,196</u>
<b>Total Actuarial Liability</b>	<b>\$ 3,521,033</b>	<b>\$ 3,997,762</b>	<b>\$ 4,589,256</b>
Assets	<u>(17,852)</u>	<u>(17,852)</u>	<u>(17,852)</u>
<b>Unfunded Actuarial Liability</b>	<b>\$ 3,503,181</b>	<b>\$ 3,979,910</b>	<b>\$ 4,571,404</b>

*Dollar Amounts in Thousands*

<b>Table V-2</b>			
<b>GASB ARC – FYE 2014</b>			
<b>(4.45% discount rate)</b>			
<b>Health Care Trend Rate</b>	<b>-1%</b>	<b>Base</b>	<b>1%</b>
Total Normal Cost	\$ 164,406	\$ 198,304	\$ 242,633
Less Employee Contribution	<u>(11,791)</u>	<u>(11,791)</u>	<u>(11,791)</u>
Employer Normal Cost	\$ 152,615	\$ 186,513	\$ 230,842
UAL Amortization	<u>135,168</u>	<u>154,864</u>	<u>179,380</u>
<b>Total ARC</b>	<b>\$ 287,783</b>	<b>\$ 341,377</b>	<b>\$ 410,222</b>

*Dollar Amounts in Thousands*

CITY AND COUNTY OF SAN FRANCISCO  
 POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

SECTION V  
 SENSITIVITY TO HEALTH CARE TREND RATES

<b>Table V-3</b>			
<b>Expected Net Benefit Payments</b>			
<b>Fiscal Year Ending June 30,</b>	<b>Health Care Trend Rate</b>		
	<b>-1%</b>	<b>Base</b>	<b>1%</b>
2013	\$ 161,324	\$ 161,324	\$ 161,324
2014	163,885	163,885	163,885
2015	162,462	162,462	162,462
2016	166,260	167,067	167,873
2017	178,000	180,552	183,119
2018	190,817	195,382	200,016
2019	203,987	210,846	217,873
2020	217,348	226,788	236,549
2021	231,409	243,755	256,641
2022	244,192	259,670	275,978
2023	256,639	275,512	295,582
2024	270,284	292,933	317,248
2025	283,203	309,874	338,779
2026	294,710	325,559	359,309
2027	305,960	341,235	380,195

*Dollar Amounts in Thousands*

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION VI  
ACCOUNTING DISCLOSURES**

**GASB Statements No. 43 and 45** establish standards for disclosure of OPEB information by governmental plans and employers in their financial statements. In accordance with those statements, we have prepared the following disclosures.

***Schedule of Funding Progress***

The schedule of funding progress, Table VI-1, compares the assets used for funding purposes to the actuarial liability to determine how well the Plan is funded and how this status has changed over the past several years. The unfunded actuarial liability is compared to the covered payroll as a measure of the potential future burden on the employer.

<b>Table VI-1</b>						
<b>Schedule of Funding Progress</b>						
<b>Actuarial Valuation Date</b>	<b>Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
7/1/2006*	\$ 0	\$ 4,036,324	\$ 4,036,324	0.0%	\$ 2,066,866	195.3%
7/1/2008*	0	4,364,273	4,364,273	0.0%	2,296,336	190.1%
7/1/2010**	0	4,420,146	4,420,146	0.0%	2,393,930	184.6%
7/1/2012	17,852	3,997,762	3,979,910	0.4%	2,457,633	161.9%

*Dollar Amounts in Thousands*

\* Figures prior to July 1, 2010 valuation calculated by the prior actuary.

\*\* As of July 1, 2010, the City set aside approximately \$3.2 million in assets for the OPEB plan. However, the Retiree Health Care Trust Fund was not established until December 2010.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**SECTION VI  
ACCOUNTING DISCLOSURES**

***Schedule of Employer Contributions***

The schedule of employer contributions, Table VI-2, is a required disclosure under GASB 45. It compares the actual employer contributions to the Annual OPEB Cost and shows the historical trend of the Net OPEB Obligation. For this purpose, employer contributions include both the pay-as-you-go cost and contributions to the RHCTF.

<b>Table VI-2 GASB 45 Schedule of Employer Contributions</b>				
<b>Fiscal Year Ended</b>	<b>Annual OPEB (AOC) Cost</b>	<b>Amount Contributed</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2010*	\$ 374,214	\$ 126,859	33.9%	\$ 852,782
6/30/2011*	392,151	145,880	37.2%	1,099,177
6/30/2012	405,850	156,252	38.5%	1,348,883
6/30/2013	418,539	160,300	38.3%	1,607,130
6/30/2014	353,251	166,628	47.2%	1,793,753

*Dollar Amounts in Thousands*

\* Figures prior to FYE June 30, 2012 calculated by the prior actuary.

Under GASB 43, there is a separate Schedule of Employer Contributions, Table VI-3, for the Retiree Health Care Trust Fund that compares the actual contributions to the Annual Required Contribution.

<b>Table VI-3 GASB 43 Schedule of Employer Contributions</b>			
<b>Fiscal Year Ended</b>	<b>Annual Required Contribution (ARC)</b>	<b>Amount Contributed</b>	<b>Percentage of ARC Contributed</b>
6/30/2010*	\$ 368,665	\$ 126,859	34.4%
6/30/2011*	384,334	145,880	38.0%
6/30/2012	397,862	156,252	39.3%
6/30/2013	408,735	160,300	39.2%
6/30/2014	341,377	166,628	48.8%

*Dollar Amounts in Thousands*

\* Figures prior to FYE June 30, 2012 calculated by the prior actuary.

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

SECTION VI  
ACCOUNTING DISCLOSURES

Table VI-4 below shows the development of the Net OPEB Obligation (NOO) for the fiscal year ending (FYE) June 30, 2014, and projects the NOO for the fiscal year ending June 30, 2015. The FYE 2015 actual NOO will change based on the actual contributions made.

<b>Table VI-4</b>		
<b>Development of Net OPEB Obligation (NOO)</b>		
	<b>FYE 2014</b>	<i>Projected FYE 2015 *</i>
1. Net OPEB Obligation/(Asset), beginning of year	\$ 1,607,130	\$ 1,793,753
2. Annual Required Contribution for FYE	\$ 341,377	\$ 350,389
3. Interest on Net OPEB Obligation/(Asset)	71,444	79,741
4. Adjustment to Annual Required Contribution	<u>59,570</u>	<u>66,487</u>
5. Annual OPEB Cost (2.) + (3.) - (4.)	353,251	363,643
6. Employer Contributions		
a. Contributions to RHTF	\$ 5,895	\$ 7,123
b. Benefit Payments	<u>160,733</u>	<u>162,462</u>
c. Total	\$ 166,628	\$ 169,585
7. Net OPEB Obligation/(Asset), end of year (1.) + (5.) - (6c.)	\$ 1,793,753	\$ 1,987,811

*Dollar Amounts in Thousands*

\* Estimated values are shown in italics

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

SECTION VI  
ACCOUNTING DISCLOSURES

The *Note to Required Supplementary Information* shown in Table VI-5 provides additional disclosure information for the financial statements.

Table VI-5 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	
The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.	
Valuation Date	July 1, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Amortization Period	Rolling 30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	4.45%
Total Payroll Growth	3.83%
Ultimate Rate of Medical Inflation	4.50%
Years to Ultimate Rate	18

CITY AND COUNTY OF SAN FRANCISCO  
POSTRETIREMENT HEALTH PLAN ACTUARIAL VALUATION AS OF JULY 1, 2012

**APPENDIX A  
PARTICIPANT DATA**

**Participant Data:**

The following table compares key statistics from the current to the previous valuation.

<b>Schedule of Valuation Data</b>			
<b>Valuation Date</b>	<b>July 1, 2010</b>	<b>July 1, 2012</b>	<b>% Change</b>
<b>Active Employees</b>			
Count	27,378	27,764	1%
Average Age	47.9	47.5	-1%
Average Service	13.5	11.9	-12%
Total Payroll	\$ 2,303,649,881	\$ 2,457,633,410	7%
<b>In-Pay Participants with Coverage*</b>			
Count	23,511	24,515	4%
Average Age	69.8	69.5	0%
<b>Vested, Terminated Members</b>			
Count	1,509	2,134	41%
Average Age	48.0	48.7	1%

\* Includes spouses and domestic partners

The following table provides a summary of Active employees by age and service as of the current valuation date.

<b>Active Employees by Age and Service As of July 1, 2012</b>								
<b>Age Group</b>	<b>Years of Service</b>							<b>Total</b>
	<b>&lt; 5</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30+</b>	
Under 25	198	5	0	0	0	0	0	203
25 to 29	1,069	235	3	0	0	0	0	1,307
30 to 34	1,459	775	185	3	0	0	0	2,422
35 to 39	1,208	887	741	149	3	0	0	2,988
40 to 44	1,090	909	1,248	596	177	14	0	4,034
45 to 49	984	792	1,254	811	548	162	20	4,571
50 to 54	821	672	1,075	682	761	567	300	4,878
55 to 59	578	524	904	560	630	592	480	4,268
60 to 64	278	312	494	328	310	287	326	2,335
Over 65	103	137	165	112	87	71	83	758
<b>Total</b>	<b>7,788</b>	<b>5,248</b>	<b>6,069</b>	<b>3,241</b>	<b>2,516</b>	<b>1,693</b>	<b>1,209</b>	<b>27,764</b>



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**APPENDIX A  
PARTICIPANT DATA**

Key statistics for active participants by employee group are provided as of the valuation date in the following table.

<b>Active Employees by Employee Group As of July 1, 2012</b>						
	<b>Police</b>	<b>Fire</b>	<b>Muni</b>	<b>Craft</b>	<b>Misc.</b>	<b>Total</b>
<i><b>Hired On or Before January 9, 2009</b></i>						
Count	1,993	1,272	1,716	2,783	14,404	22,168
Average age	44.2	45.6	50.6	52.2	49.5	49.2
Average service	15.7	15.5	13.7	15.6	14.0	14.4
Total Payroll (\$000's)	\$275,622	\$186,653	\$127,918	\$240,441	\$1,228,155	\$2,058,789
<i><b>Hired On or After January 10, 2009</b></i>						
Count	132	69	424	409	4,562	5,596
Average age	31.6	35.5	40.9	43.4	41.0	40.9
Average service	1.5	1.8	1.7	1.6	1.7	1.7
Total Payroll (\$000's)	\$13,014	\$6,435	\$26,488	\$31,410	\$321,498	\$398,845
<i><b>Total Actives</b></i>						
Count	2,125	1,341	2,140	3,192	18,966	27,764
Average age	43.4	45.1	48.7	51.0	47.5	47.5
Average service	14.8	14.8	11.3	13.8	11.1	11.9
Total Payroll (\$000's)	\$288,636	\$193,088	\$154,406	\$271,851	\$1,549,653	\$2,457,633