File No. 180163 Committee Item No. 8
Board Item No. 24

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Linda Wong Date March 9, 2018
Completed by: Linda Wong Date March 19, 2018

[Findings of Fiscal Feasibility - Reservoir Community Partners, LLC - Development of Balboa Reservoir Site]

Resolution finding the proposed development of the Balboa Reservoir Site, an approximately 17-acre site located in the Balboa Park area, fiscally feasible under Administrative Code, Chapter 29.

WHEREAS, The San Francisco Public Utilities Commission (the "SFPUC" or "SFPUC Commission") has jurisdiction over the western half of the Balboa Reservoir, an approximately 17-acre property generally bounded by Riordan High School to the north, the Westwood Park neighborhood to the west, the Avalon Ocean Avenue apartments to the south, and City College of San Francisco's Ocean Campus, including the eastern half of the Balboa Reservoir, to the east (the "Site"); and

WHEREAS, In 2014, Mayor Ed Lee announced the Public Lands for Housing program and identified development of the Site as a critical opportunity to utilize public land to help address the City's housing crisis; and

WHEREAS, In April, 2015, the Board of Supervisors established the Balboa Reservoir Community Advisory Committee ("BRCAC") to formalize the community input process for the Site; and

WHEREAS, The BRCAC has advised the City on a detailed set of Development Principles & Parameters, which served as guiding principles for the selection of a developer partner to finance and construct a residential development at the Site; and

WHEREAS, In November 2015, the voters of San Francisco approved Proposition K, a measure authorizing certain housing developments on surplus public land, with 33% of the housing in each such development to be made permanently affordable to low and moderate-income households; and

WHEREAS, In November 2016, following nearly two years of community outreach, the SFPUC initiated a developer selection process by issuing a request for qualifications ("RFQ") to solicit developers interested in acquiring the Balboa Reservoir site to build mixed income housing and develop open space; and

WHEREAS, A RFQ evaluation panel comprised of City staff, a BRCAC community representative, and a City College representative evaluated the RFQ responses and recommended three top-scoring teams in March 2017; the three top-scoring teams were subsequently invited to respond to a request for proposals ("RFP") in June of 2017; and

WHEREAS, The City invited community members to attend, view and comment on the three developer proposals at a public workshop at the City College Phelan Avenue campus, a meeting of the BRCAC, and through the SFPUC website; and

WHEREAS, An RFP Panel comprised of City staff, a BRCAC community representative, and a City College representative selected a joint venture between AvalonBay Communities and BRIDGE Housing Corporation, working with Mission Housing Development Corporation, Pacific Union Development Company, and Habitat for Humanity of Greater San Francisco, as the development team for the Site, and recommended its selection to the SFPUC General Manager in August 2017; and

WHEREAS, On November 14, 2017, by Resolution No. 17-0225, the SFPUC Commission authorized the SFPUC's General Manager to execute an Exclusive Negotiating Agreement (the "ENA") between the SFPUC and Reservoir Community Partners, LLC, a Delaware limited liability company (the "Developer"), a joint venture of AvalonBay Communities and Bridge Housing Corporation, for a proposed housing development project at the Site (the "Project"), and Developer and the SFPUC have now executed the ENA; and

WHEREAS, The Developer is conducting comprehensive community outreach, including engagement with the BRCAC, City College of San Francisco, and local neighborhood groups, to receive public feedback as refines its Project proposal; and

WHEREAS, The Developer has demonstrated its commitment to the Project by expending personnel and funding resources and engaging architectural, economic, legal, and other consultants to conduct due diligence on site conditions, infrastructure requirements, real estate market conditions and other key factors that will guide the refinement of the proposed concept plan; and

WHEREAS, The proposed Project would provide significant public benefits to the City and SFPUC including approximately 550 units of permanently affordable housing for low, moderate, and middle income households; approximately 4 acres of publicly accessible open space; new infrastructure that will provide access and utilities to the Project; additional community-serving amenities including a childcare center and community room; new construction and permanent jobs, including a robust commitment to local hiring; and revenue to the SFPUC; and

WHEREAS, The City and the Developer have outlined the proposed development program, land use plan and a summary of general terms for future negotiations regarding development of the Site and the final Project approval documents (the "Development Overview"); and

WHEREAS, The Development Overview reflects the parties' current understanding of the Project and is consistent with the Project as proposed by the Developer and shared publicly during the RFP process; it will be refined through the environmental review process and by future City and community feedback; and

WHEREAS, The City commissioned a third-party consultant to produce a fiscal feasibility analysis (the "Fiscal Analysis") to provide the Board of Supervisors with information for its consideration in evaluating the fiscal feasibility of the Project in accordance with San Francisco Administrative Code, Chapter 29; and

WHEREAS, The Development Overview is intended to provide the Board of Supervisors with a general description of the Project; the Development Overview is not itself a binding agreement that commits the City, including the SFPUC, or the Developer to proceed with the approval or implementation of the Project; rather, the Project will first undergo environmental review under San Francisco Administrative Code, Chapter 31 and the California Environmental Quality Act ("CEQA") and will be subject to public review in accordance with the processes of the City and other government agencies with approval rights over the Project before any binding agreements, entitlements or other regulatory approvals required for the Project will be considered; and

WHEREAS, The construction cost of the Project will exceed $25 million and more than $1 million in public funds may be used for predevelopment, planning, or construction of the Project, thus triggering review by the Board of Supervisors to determine the fiscal feasibility of the Project under Administrative Code, Section 29.1; and

WHEREAS, In accordance with Administrative Code, Section 29.3, SFPUC and Developer have submitted to the Board of Supervisors the Fiscal Analysis, which describes the Project's fiscal plan, along with the Development Overview, which provides a general description of the Project and the general purpose of the Project, copies of which are file with the Clerk of the Board of Supervisors in File No. 180163; and

WHEREAS, Pursuant to Administrative Code, Section 29.2, prior to submittal to the Planning Department of an environmental evaluation application ("Environmental Application") required under San Francisco Administrative Code, Chapter 31 and CEQA related to the Project, it is necessary for the SFPUC to procure from the Board of Supervisors a determination that the plan to undertake and implement the Project is fiscally feasible and responsible; and

WHEREAS, The Board of Supervisors has reviewed and considered the materials submitted as required by Administrative Code Section 29.3; now, therefore, be it

RESOLVED, That the Board of Supervisors finds that the plan to undertake and implement the Project is fiscally feasible and responsible as set forth in San Francisco Administrative Code, Chapter 29 ("Fiscal Feasibility Finding"); and, be it

FURTHER RESOLVED, That in making the Fiscal Feasibility Finding, the Board of Supervisors has reviewed and considered the general description of the Project, the general purpose of the Project, the fiscal plan and other information submitted to it, and has considered the direct and indirect financial benefits of the Project to the City of San Francisco, the cost of construction, the available funding for the Project, the long-term operating and maintenance costs of the Project, and the public debt for the Project; and, be it

FURTHER RESOLVED, That pursuant to San Francisco Administrative Code, Chapter 29, the Environmental Application may now be filed with the Planning Department and the Planning Department may now undertake environmental review of the Project as required by San Francisco Administrative Code, Chapter 31 and CEQA; and, be it

FURTHER RESOLVED, That Board of Supervisors' Fiscal Feasibility Finding does not commit the Board of Supervisors, the SFPUC or any other public agency with jurisdiction over any part of the Project to approve the terms of any transactions or grant any entitlements to Developer, nor does either the filing of the Development Overview or the Fiscal Feasibility Finding foreclose the possibility of considering alternatives to the Project or mitigation measures to reduce or avoid significant environmental impacts or preclude the City, after conducting appropriate environmental review under CEQA, from deciding not to grant entitlements or approve or implement the Project, and while the Development Overview identifies certain essential terms of a proposed transaction with the City through the SFPUC, it does not set forth all of the final, material terms and conditions of the transaction documents for the Project; and, be it

FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary actions committing the City to implement the Project, and the provisions of the Development Overview are not intended to and will not become contractually binding on the City, unless and until: (1) the Planning Commission has reviewed and considered environmental documentation prepared in compliance with San Francisco Administrative Code, Chapter 31 and CEQA for the Project and has determined that the environmental documentation complies with San Francisco Administrative Code, Chapter 31 and CEQA; (2) the SFPUC Commission has adopted appropriate CEQA findings in compliance with CEQA and has approved the terms of the final transaction documents for the Project; and (3) the Board of Supervisors has adopted appropriate CEQA findings in compliance with CEQA and approved a development agreement and the terms of the final purchase and sale agreement and any other property transfers for the Project.

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Item 8 File 18-0163	Department: Office of Economic and Workforce Development (OEWD)

EXECUTIVE SUMMARY

Legislative Objectives

The proposed resolution finds that the proposed development of the Balboa Reservoir project is fiscally feasible and responsible under Administrative Code Chapter 29. Approval of the proposed resolution would allow the City and SFPUC to refer the proposed project for environmental review under San Francisco Administrative Code Chapter 31 and the California Environmental Quality Act (CEQA). Referral to environmental review does not commit the City or the Board of Supervisors to final project approval.

Key Points

- The Balboa Reservoir is a 17-acre site adjacent to San Francisco City College owned by the San Francisco Public Utilities Commission (SFPUC). The site has not been used as a water reservoir and has been identified for residential development. SFPUC selected Reservoir Community Partners, consisting of AvalonBay and the non-profit Bridge Housing, to develop mixed-income housing on the site. The development is approximately 1,100 housing units, of which 50 percent would be market rate and 33 percent would be affordable to low- and moderate-income households, funded by developer equity and project revenues. The remaining 17 percent of housing units would be affordable housing, funded by City and other sources not yet identified.

Fiscal Impact

- The project is projected to generate annual General Fund revenue for the City of $4,059,000. In addition, the Balboa Reservoir project will generate $26,951,000 in one-time development impact and other fees, and $3,311,000 in sales tax and gross receipts revenues during construction. Based on our review of OEWD's analysis, our office has determined that the Balboa Reservoir Project meets the basic criteria for fiscal feasibility as required by Administrative Code Chapter 29

Policy Consideration

- Based on our understanding of the Balboa Reservoir Project, several issues should be taken into consideration by the Board of Supervisors as the project moves forward. These include the phasing of the market and affordable housing development; the timing and structure of the subsidy to be paid by Reservoir Community Partners to the 33 percent affordable housing development; the funding of the 17 percent additional affordability component; the estimate of future cash flows, rental, and costs; and ensuring affordability requirements are binding "into perpetuity"

Recommendations

- Request the Director of the Office of Economic and Workforce Development to include the following standard terms in negotiations of the final development agreement between the City and Community Reservoir Partners, which is subject to future Board of Supervisors approval:
  - Explicit and binding commitments for equitable phasing of market rate and affordable housing development.
  - If Reservoir Community Partners converts existing off-site housing to affordable units in order to expedite the development of affordable housing, (a) the total number of housing units developed on the Balboa Reservoir site cannot be less than 1,100, and (b) 33 percent affordability is assessed on all Balboa Reservoir and off-site housing units developed or converted as part of the project.
  - Provisions that any subsidy made by Reservoir Community Partners to the affordable housing development maximizes financing and minimizes delays, based on a rigorous independent financial assessment of the financing options, including grants, loans, and gap financing.
  - Preparation of a rigorous, independent cash flow analysis, consistent with OEWD policy, to ensure that land price paid to SFPUC and amount and timing of the subsidies made by Reservoir Community Partners to the 33 percent affordable housing development are maximized.
  - Provisions that future owners be bound 'into perpetuity' by the terms of the development agreement.
- Request MOHCD to report back to the Board of Supervisors early in the process of negotiations between the City and Reservoir Community Partners on (a) potential financing sources for the additional 17 percent affordable housing; (b) whether the City will own any land on which 100 percent affordable housing developments are constructed; and (c) conformance of the additional 17 percent affordable housing units to City policy and requirements.
- Approve the proposed resolution.

MANDATE STATEMENT

Administrative Code Chapter 29 requires the Board of Supervisors to conduct a fiscal feasibility analysis of any project (1) that has a total cost exceeding twenty-five million dollars ($25,000,000), and (2) where the City is expected to incur costs related to project development in excess of $1,000,000. Chapter 29 requires consideration of five factors: direct and indirect financial benefits to the City including the extent of applicable cost savings or new revenues, including tax revenues, generated by the proposed project; (2) cost of construction; (3) available funding for the project; (4) the long-term operating and maintenance cost of the project; and (5) debt load to be carried by the City or Department.

A determination by the Board of Supervisors that a project is fiscally feasible only finds that the proposed project merits further evaluation and environmental review; a determination of fiscal feasibility does not include a determination the project should be approved.

BACKGROUND

The Balboa Reservoir is a 17-acre site adjacent to San Francisco City College owned by the San Francisco Public Utilities Commission (SFPUC). The site has not been used as a water reservoir and is not identified by the SFPUC as needed to provide water storage in the future. The site has been identified for residential development, and in 2016, the SFPUC issued a Request for Qualifications (RFQ) to solicit developers' interest in acquiring the Balboa Reservoir site for mixed income housing development. The three top-scoring development teams responding to the RFQ were invited to submit proposals for acquisition and development of the site.[1]

Based on SFPUC's review of the proposals submitted by the three development teams, the SFPUC authorized an Exclusive Negotiation Agreement (ENA) in November 2017 with Reservoir Community Partners, LLC (Reservoir Community Partners), comprised of AvalonBay Communities (AvalonBay) and Bridge Housing Corporation (Bridge Housing). According to the resolution authorizing the ENA, nothing in the resolution or the ENA commits the SFPUC or the City to approving or implementing the Balboa Reservoir project.

SFPUC and Reservoir Community Partners prepared a Development Overview in February 2018, describing the current status of the Balboa Reservoir project.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution finds that the proposed development of the Balboa Reservoir project is fiscally feasible and responsible under Administrative Code Chapter 29. Approval of the proposed resolution would allow the City and SFPUC to refer the proposed project for environmental review under San Francisco Administrative Code Chapter 31 and the California Environmental Quality Act (CEQA). Referral to environmental review does not commit the City or the Board of Supervisors to final project approval. Nor does approval of the proposed

[1] The three development teams were (1) AvalonBay Communities and Bridge Housing Corporation as master co-developers with Mission Housing, Pacific Union Development Company, and Habitat for Humanity of Greater San Francisco, (2) Emerald Fund and Mercy Housing, and (3) Related California, Sares-Regis Group of Northern California, Tenderloin Neighborhood Corporation, and Curtis Development.

resolution commit the City or the SFPUC to any of the specific terms as outlined in the Development Overview. Final project approval is conditioned upon SFPUC and the Board of Supervisors adopting the CEQA findings and the final terms of the development agreement to be negotiated by the SFPUC, Mayor's Office of Housing and Community Development (MOHCD), and Office of Economic and Workforce Development (OEWD).

As described in the Development Overview, the SFPUC will sell the Balboa Reservoir site at fair market value to Reservoir Community Partners. Reservoir Community Partners will oversee all major aspects of project planning, financing, construction, and post-completion sale, leasing and ongoing maintenance operations. Reservoir Community Partners would divide the site into several separate parcels that would be sold to the various participants in the LLC agreement. These sites will correspond to the portions of the development dedicated to market-rate and affordable housing, respectively.

The price that Reservoir Community Partners will pay SFPUC to acquire the site will be informed by a cash flow analysis that takes into account the development's 33 percent affordability requirement, and by an independent appraisal and appraisal review conducted in accordance with the requirements set out in Administrative Code Chapter 23. According to Mr. Ken Rich, OEWD Director of Development, OEWD has contracted with an independent economic consultant to conduct revenue and cost analysis on behalf of the City.

The RFP for the development of the Balboa Reservoir site called for at least 50 percent of the total housing units to be permanently affordable, with at least (a) 18 percent of units to be affordable to low-income households with income up to 55 percent of area median income (AMI) for rental units and 80 percent of AMI for for-sale units; and (b) 15 percent of units to be affordable to moderate-income households up to 120 percent of AMI.[2] These provisions conform to the requirements of the voter-approved Proposition K passed in 2015 that at least 33 percent of the total housing units developed on surplus property sold by the City should be affordable with at least 15 percent of rental units affordable to people earning up to 55 percent of the area median income (AMI) and 18 percent affordable to people earning up to 120 percent of the AMI.

According to the Development Overview, Community Reservoir Partners will develop the market rate housing consisting of condominiums and rental units, with rental housing currently proposed to make up the majority – 87.8 percent - of market rate units. The affordable housing component will be developed by Bridge Housing Corporation, Mission Housing, and Habitat for Humanity. Affordable rental units will be developed by Bridge and Mission Housing. For-sale units will be developed by Habitat for Humanity. An additional 15 percent of rental units will be developed exclusively by Bridge Housing for households earning between 80 – 120 percent of AMI. Funding for the required affordable housing component is expected to be paid for with AvalonBay equity and revenues generated by the market-rate portion of the project. No City subsidy will be contributed to this portion of the project. The Development Overview further

[2] AMI in San Francisco in 2017 was $115,300 for a four-person household. 55 percent of AMI in 2017 for a four-person household was $63,400, and 120 percent of AMI in 2017 for a four-person household was $138,350.

states that Reservoir Community Partners and the City may decide to pursue additional non-City sources of financing such as non-competitive 4 percent federal Low Income Housing Tax Credit (LIHTC), tax exempt bonds, or other state or federal funds.

An additional 17 percent of units may be developed as both rental and for-sale affordable housing contingent upon the City accessing additional funding sources. These housing units, should funding be secured, would be targeted to households earning between 55-120 percent of AMI for rentals, and 105 percent of AMI in the case of for-sale units. These additional units would be developed by Bridge and Mission Housing (rental) and Habitat for Humanity (for sale). Possible funding sources for the additional affordable units are future voter approval of a Gross Receipt Tax, additional project-granted tax revenues (see below), state sources, and future voter approval of affordable housing bonds.

The Development Overview includes a provision stating that Reservoir Community Partners will work with City College to provide housing targeted towards faculty and students at City College. Such provision is contingent upon City College's ability to contribute resources to the project. The Development Overview further states that such contributions will not be used to lower the fair market value of the land when sold by SFPUC to Reservoir Community Partners subsequent to the conclusion of the final development agreement.

All income restrictions for affordable housing units will apply for the life of the Project.

FISCAL FEASIBILITY

Estimated Revenues Generated by the Balboa Reservoir Project

Annual Revenues

According to the February 9, 2018 "Balboa Reservoir Project Findings of Fiscal Responsibility and Feasibility", prepared by Berkson Associates for OEWD, total development cost and assessed value of the Balboa Reservoir project is estimated at $559,836,000. Due to the inclusion of property tax-exempt low income affordable units (units of households earning up to 80 percent of AMI), the net taxable assessed value is estimated at $471,805,000.

Total projected annual General Fund revenue that will be realized by the City is $4,059,000.[3] After subtraction of the 20 percent Charter-mandated baseline, annual discretionary General Fund is $3,247,200. Annual General Fund revenues of $4,059,000 consist of $2,682,000 in

[3] Local property taxes are apportioned as 65 percent to the City's General Fund, 25 percent to State Educational Revenue Fund (ERAF), and 10 percent to BART, City College of San Francisco, and the Bay Area Air Quality Management District. General Fund revenues of $4,059,000 generated by the Balboa Reservoir project do not include $1,053,000 allocated to mandated property tax set asides for the Children's Fund, Library Preservation Fund, or Open Space Fund; San Francisco Municipal Transportation Agency (SFMTA) 80 percent share of parking tax share; and the share of sales tax allocated to public safety, and the San Francisco County Transportation Authority.

property tax, $567,000 in Property Tax in Lieu of VLF, $391,000 in property transfer taxes, and $419,000 in sales tax, parking tax, and gross receipts tax.

One-time Revenues

According to the Berkson report, the Balboa Reservoir project will generate $26,951,000 in one-time development impact and other fees, including community infrastructure, childcare, transportation, and school district fees, and $3,311,000 in sales tax and gross receipts revenues during construction.

Estimated Annual Costs to the City

Total estimated annual costs to the City of providing additional police and fire services, and road maintenance to the project sum to $1,538,000. In addition, $1,053,000 of General Fund revenue is allocated to mandated set-asides for the Children's Fund, Library Fund, and Open Space Acquisition Fund; San Francisco Municipal Transportation Agency (SFMTA) parking tax share, public safety sales tax share, and San Francisco County Transportation Authority sales tax share.

Other Estimated Benefits

According to the Berkson report, other public benefits of the Balboa Reservoir project include short term construction jobs (estimated to be 2,800 job years), a small number of permanent jobs, and construction of approximately 1,100 units of housing.

Determination of Fiscal Feasibility

Based on our review of the Berkson report our office has determined that the Balboa Reservoir Project meets the basic criteria for fiscal feasibility as required by Administrative Code Chapter 29. As noted above, a determination by the Board of Supervisors that a project is fiscally feasible only finds that the proposed project merits further evaluation and environmental review; a determination of fiscal feasibility does not include a determination the project should be approved.

POLICY CONSIDERATION

Based on our reading of the Development Overview, several issues should be taken into consideration by the Board of Supervisors as the project moves forward.

Project Phasing

One, the Development Overview has language related to the phasing of the project. Consistent with standard City practice, to ensure that Reservoir Community Partners does not front load the market rate component of the project, while delaying the development of the affordable units, the Board of Supervisors should request that OEWD include explicit and binding commitments for equitable phasing of market rate and affordable housing development in negotiations of the final development agreement between the City and Reservoir Community Partners.

Maximizing Onsite Market Rate and Affordable Housing

Two, as written the project has language that would allow Reservoir Community Partners to fulfill portions of the affordable housing component through conversion of nearby off-site housing owed by AvalonBay if doing so would accelerate the availability of affordable housing (p 5). Reservoir Community Partners could potentially seek to use conversion of offsite vacant units in existing properties owned by AvalonBay to fulfill the 33 percent affordable requirement intended by Proposition K. This could potentially result either in reducing (a) the project's net contribution to expanding the City's total housing stock if off-site units are not replaced one-for-one with units onsite; and (b) the total percentage of affordable units below the 33 percent of the project as a whole, when the off-site units are included in the total housing count.

For example, Reservoir Community Partners has proposed that a total of 1,100 units will be made available on-site, of which 363 would be required to be affordable as per the terms of Proposition K (2015). If Reservoir Community Partners provides 100 of these units through conversion of off-site vacant housing units, the net addition of on-site units would reduce by 100 units the overall project contribution to the City's total housing stock unless they are replaced by an equivalent number of on-site units. Moreover, if off-site units are used to free up on-site units and are replaced with market rate units, the net result is of the 1,210 total on-site and off-site units, only 30 percent of this total would be affordable to households earning between 55 percent and 120 percent of AMI, which is not the intention of Proposition K.

Given the City's chronic housing crisis, we recommend that the final development agreement between the City and Reservoir Community Partners contain provisions to maximize both the feasible number of affordable units as a share of total units, *and* the total number of new units. Therefore, the Board of Supervisors should request OEWD to include in negotiations an expectation that if Reservoir Community Partners converts existing off-site housing to affordable units in order to expedite the availability of affordable housing, (a) the total number of housing units developed on the Balboa Reservoir site cannot be less than 1,100, and (b) 33 percent affordability is assessed on the sum total of all Balboa Reservoir and off-site housing units developed or converted as part of the project.

Uncertainty in How the Market Rate Units will subsidize the Affordable Housing Portion of the Balboa Reservoir Project

Third at this stage in the process the structure of the subsidy to fund the 33 percent affordable housing development is not known. The subsidy could potentially be provided by the market-rate portion of the project as a grant, a loan, or gap funding.[4] The Development Overview states the baseline 33 percent affordability requirement will be paid for by AvalonBay equity contributions and through subsidies provided by the market rate portion of the proposed development.

[4] Gap funding could mean that the affordable housing developer – Bridge Housing, Mission Housing, or Habitat for Humanity – finances the affordable housing development through loans and other sources, and applies rents from the affordable housing units to the loan payments; and that the market-rate portion of the project funds the gap between the affordable housing rents applied to the loan payments and the total loan payments.

Potential options for the subsidy to the affordable housing development include: (a) Reservoir Community Partners providing the subsidy as an upfront lump sum grant in which they waive all future financial interest; (b) the affordable housing developers being responsible for accessing construction loans and permanent financing, with Reservoir Community Partners subsidizing a portion of interest and principal payments through gap funding; or (c) this subsidy will taking the form of a loan by Reservoir Community Partners to be paid back out of expected future revenues generated by the affordable housing development.

Outright contribution of equity through a grant from Reservoir Community Partners would be the most advantageous option from the vantage point of reducing the total cost of the affordable housing development. This option will be the most expensive from the vantage point of estimating the return to Reservoir Community Partners on the market rate development. Pursuing the second option – e.g. having Reservoir Community Partners offset a share of the cost of debt repayment through redirection of some portion of the rents of the market rate units - has the benefit of reducing long-term financing costs. Conversely, the use of debt, as opposed to upfront equity commitment, will increase the overall development costs of the affordable housing component. Moreover, this option exposures affordable housing developers to risks in the form of higher future funding costs (rising interest rates), and the risk of construction delays due to the time required to secure long-term permanent finance.

If the subsidy is structured as a loan made by Reservoir Community Partners to be repaid out of future revenues, this option would only qualify as a subsidy if the loan is made at well below prevailing market interest rates. Lending against future revenues allows Reservoir Community Partners to recapture a portion of the future cash flows generated by the affordable housing units, and should thus be treated as a component of profit. This fact should be incorporated into any final estimation of the costs and returns on the market rate portion of the proposed development.

Finally, differences in how Reservoir Community Partners allocates the timing and structure of the subsidy (see (a), (b), and (c) above) can give rise to very different estimates of the net rate of return to AvalonBay and overall project profitability. These estimates are what are typically used to assess the viability of requiring new developments to meet City-mandated affordability requirements. They will also be used to estimate the fair market value of the site that will be paid to the SFPUC. The Board of Supervisors should therefore request that OEWD conduct a rigorous independent assessment to ensure the final development agreement is structured to insure inclusion of the maximum possible share of affordable housing units.

Uncertain Financing for Affordable Housing Not Financed by Reservoir Community Partners

Fourth, the development of the additional 17 percent affordable housing does not have identified financing sources. Potential sources identified in the Development Overview for the additional 17 percent affordable housing units include future voter approval of gross receipts taxes and state housing bond ballot measures, General Fund revenues generated by the project, State grants or loans. BRIDGE Housing, Mission Housing, and Habitat for Humanity would be responsible to develop the additional 17 percent affordable housing units.

Also, ownership of the land on which the additional 17 percent of affordable housing would be built has not been defined. The Mayor's Office of Housing and Community Development (MOHCD) could potentially own the land and enter into long term ground leases with affordable housing developers, which is the current practice of MOHCD. The Board of Supervisors should request MOHCD to report back to the Board of Supervisors early in the process of negotiations between the City and Reservoir Community Partners on (a) potential financing sources for the additional 17 percent affordable housing; (b) whether the City will own any land on which 100 percent affordable housing developments are constructed; and (c) conformance of the additional 17 percent affordable housing units to City policy and requirements.

Potential Underestimation of Project Income and Overestimation of Project Costs

Fifth, the cash flow analysis developed as part of the development agreement between the City and Reservoir Community Partners will be used to inform the land price paid to SFPUC, and the amount and timing of the subsidies made by Reservoir Community Partners to the 33 percent affordable housing development. If project income is underestimated or project costs are overestimated, the financial return to the project could be underestimated, resulting in a lower purchase price paid to SFPUC, or lower or delayed subsidy payments. Therefore, OEWD needs a rigorous, independent cash flow analysis, which according to Mr. Rich, is consistent with OEWD's policies.

AvalonBay's Financial Viability

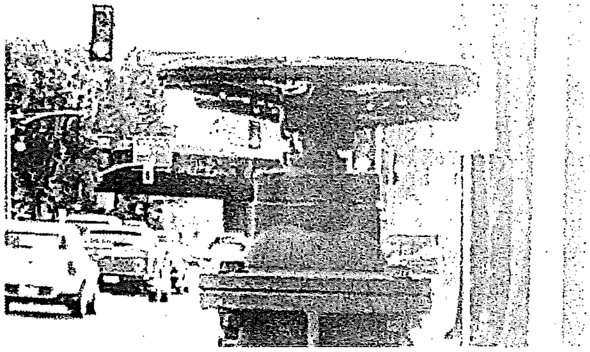
Sixth, based on our review of the online financial reports and SEC filings of AvalonBay, AvalonBay is well capitalized, has a low debt-to-equity ratio, and relatively stable cash flow, indicating that AvalonBay is financial viable. However, given the potential that AvalonBay could sell its position in the Balboa Reservoir project, the Board of Supervisors should request OEWD to include in negotiations of the development agreement between the City and Reservoir Community Partners a requirement that future owners be bound into perpetuity by the terms of the development agreement.

RECOMMENDATIONS

- Request the Director of the Office of Economic and Workforce Development to include the following standard terms in negotiations of the final development agreement between the City and Community Reservoir Partners, which is subject to future Board of Supervisors approval:
  - Explicit and binding commitments for equitable phasing of market rate and affordable housing development.
  - If Reservoir Community Partners converts existing off-site housing to affordable units in order to expedite the development of affordable housing, (a) the total number of housing units developed on the Balboa Reservoir site cannot be less than 1,100, and (b) 33 percent affordability is assessed on all Balboa Reservoir and off-site housing units developed or converted as part of the project.

- Provisions that any subsidy made by Reservoir Community Partners to the affordable housing development maximizes financing and minimizes delays, based on a rigorous independent financial assessment of the financing options, including grants, loans, and gap financing.
- Preparation of a rigorous, independent cash flow analysis, consistent with OEWD policy, to ensure that land price paid to SFPUC and amount and timing of the subsidies made by Reservoir Community Partners to the 33 percent affordable housing development are maximized.
- Provisions that future owners be bound 'into perpetuity' by the terms of the development agreement.

- Request MOHCD to report back to the Board of Supervisors early in the process of negotiations between the City and Reservoir Community Partners on (a) potential financing sources for the additional 17 percent affordable housing; (b) whether the City will own any land on which 100 percent affordable housing developments are constructed; and (c) conformance of the additional 17 percent affordable housing units to City policy and requirements.
- Approve the proposed resolution.



Berkson Associates

Urban Economics
Policy Forensics & Forecasting
Planning & Policy Analysis

REPORT

BALBOA RESERVOIR PROJECT

FINDINGS OF FISCAL RESPONSIBILITY AND FEASIBILITY

Prepared for the City and County of San Francisco

Prepared by Berkson Associates

February 9, 2018

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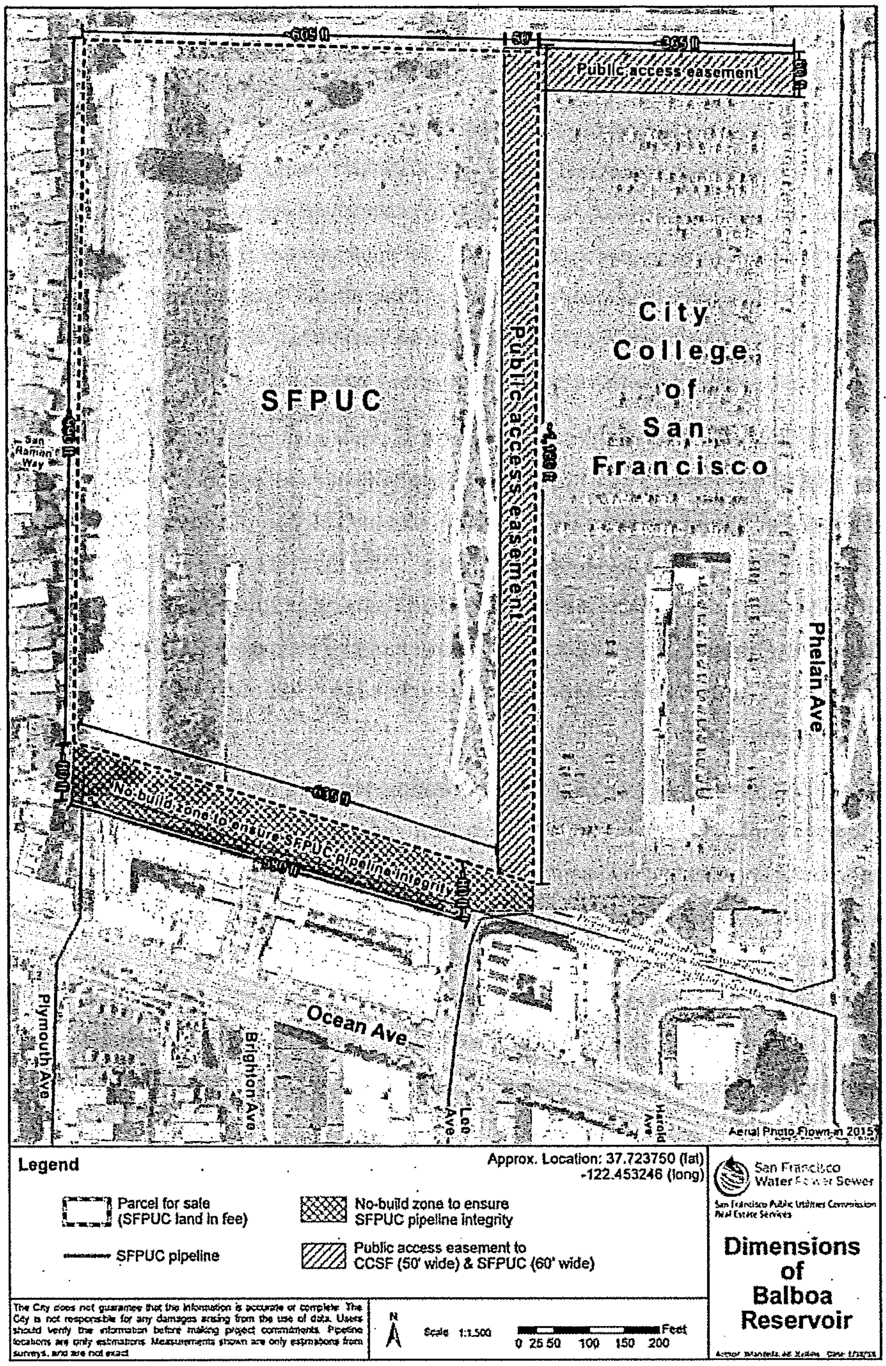
EXECUTIVE SUMMARY

Chapter 29 of the City's Administrative Code requires that the Board of Supervisors make findings of fiscal feasibility for certain development projects before the City's Planning Department may begin California Environmental Quality Act ("CEQA") review of those proposed projects. Chapter 29 requires consideration of five factors: (1) direct and indirect financial benefits of the project, including, to the extent applicable, cost savings and/or new revenues, including tax revenues generated by the proposed project; (2) the cost of construction; (3) available funding for the project; (4) the long term operating and maintenance cost of the project; and (5) debt load to be carried by the City department or agency.

This report provides information for the Board's consideration in evaluating the fiscal feasibility of a proposed development (the "Project") at the 17-acre Balboa Reservoir parcel shown in **Figure 1**. The City and County of San Francisco ("City), under the jurisdiction of the San Francisco Public Utilities Commission ("SFPUC"), owns the parcel ("Site"). The City has entered into exclusive negotiations with a team of developers led by BRIDGE Housing Corporation and AvalonBay Communities (the "Development Team") to create a mixed-income housing project (the "Project") at the Site. The Development Team would purchase the Site and build a mix of apartments, condos and townhouses.

Up to half of the units will be affordable to a range of low, moderate, and middle-income households occupying apartments and the condo units. The first 33 percent of units will be affordable units funded by value created by the Project; the additional affordable units, or up to 17 percent of total units, will be funded by public sources that could potentially include tax credits and other state sources, project-generated sources, future bonds, or the proposed gross receipts tax increase. For the purpose of the current analysis, a scenario consisting of 1,100 units, consistent with the Development Team's initial proposal, is evaluated; it is anticipated that subsequent environmental analysis will consider a range of alternatives.

Figure 1 Balboa Reservoir Project Areas



All dollar amounts are expressed in terms of 2017 purchasing power, unless otherwise noted. Information and assumptions are based on data available as of February 2018. Actual numbers may change depending on Project implementation and future economic and fiscal conditions.

FISCAL BENEFITS

The proposed Balboa Reservoir Project, if approved, will create approximately $4 million in new, annual ongoing general tax revenues to the City. After deducting required baseline allocations, and preliminary estimates of direct service costs described in **Chapter 3**, the Project as proposed will generate about $1.7 million annually to the City, in addition to about $1 million in other dedicated and restricted revenues. The fiscal results are largely proportional to the number of units, assuming the mix of affordable units remains constant. A reduction in the number of units would reduce the magnitude of the potential benefits, but the net impact on the City General Fund would remain positive.

The Project will generate an additional $400,000 annually to various other City funds (children's' fund, libraries, open space), and $600,000 annually to other restricted uses including SFMTA (parking taxes), public safety (sales taxes), and San Francisco Transportation Authority (sales taxes).

Additional one-time general revenues, including construction-related sales tax and construction gross receipts tax, total $3.3 million.

Based on standard fee rates, development impact fees total an estimated $23 million, although the City may agree to credit some of these fees back to the Project in consideration of public-serving improvements that the Project provides in kind. In addition, certain development fees, including childcare fees and bicycle facility in-lieu fees, could be offset by facilities constructed onsite, according to the City's standard impact fee policy. No affordable housing or jobs housing linkage fees are assumed due to the provision of affordable housing onsite.

The new general revenues will fund direct services needed by the Project, including police and fire/EMS services, and maintenance of roads dedicated to the City. Other services, including maintenance and security of parks and open space, will be funded directly by tenants of the Project. The estimated $1.7 million in net City general revenues, after deducting service costs and Charter-mandated baseline allocations of general revenues, will be available to the City to fund improved or expanded Citywide infrastructure, services and affordable housing. **Chapter 3** further describes fiscal revenue and expenditure estimates.

ECONOMIC BENEFITS

The Project will provide a range of direct and indirect economic benefits to the City. These benefits include a range of economic benefits such as new jobs, economic activity, and increased public and private expenditures as described in **Chapter 5** and summarized below:

- Over $560 million of construction activity and approximately 2,800 construction-related job-years during development, in addition to indirect and induced jobs.
- Approximately 1,100 new residential units, including up to 550 permanently affordable units. This housing is critical to economic growth in San Francisco and the region.

The Project will also create a small number of permanent non-construction jobs onsite related to parking facilities, landscape maintenance, and various services associated with the residential units.

DIRECT FINANCIAL BENEFITS TO THE SFPUC

The SFPUC, which has exclusive jurisdiction over the Site, will benefit financially from the sale of the Site. The land sale price will be negotiated to reflect the final development and public benefits program. The SFPUC may also realize increased revenues by providing power to the Project's residents.

NEW PUBLIC FACILITIES

The Project will construct parks and open spaces available to the general public. The Project also includes a childcare center that will be accessible by the public as well as the Project's residents.

OTHER BENEFITS

The Project may fall within the Ocean Avenue Community Benefits District (CBD), which assesses property owners to provide funding for a range of services within the neighborhood, including maintenance and cleaning of public rights of way, sidewalk operations and public safety, and District identity and streetscape improvements. Parcels within the CBD pay for and receive these services as participants in the CBD. The CBD's applicability and associated tax rate will be determined prior to project approvals.

1. THE PROJECT & COSTS OF CONSTRUCTION

The Project will be constructed in two phases with Site preparation and construction planned to begin as early as 2021, Phase 1 units leased and sold as early as 2023, and Phase 2 units leased and sold by 2025, according to current plans. The Project and its development costs total at least $560 million, as described below. The Development Team will be responsible for planning, construction, marketing and operating the Project. The Development Team will reimburse the City for its costs incurred during the Project planning and environmental review process, including City staff costs. **Chapter 2** describes sources of funding to pay for development costs.

PROJECT DESCRIPTION

The Balboa Reservoir Site is an approximately 17-acre parcel that the City owns under the SFPUC's jurisdiction. The Site is located in the central southern portion of San Francisco, bounded by City College of San Francisco's Ocean Campus to the east, Riordan High School to the north, the Westwood Park neighborhood to the west, and the Avalon Ocean Avenue apartments to the south.

Plans for the Site's development envision a mixed-income housing Project. The Development Team would purchase the Site and build a mix of apartments, condos and townhouses.

Residential – This fiscal analysis assumes a scenario consisting of 1,100 total residential units. This scenario is based on the Development Team's response to the SFPUC Request for Proposals; environmental analysis will evaluate a range of units that may differ from the scenario in this report, and the Project's final unit count may also differ accordingly.

Affordable Housing – The Project proposes 50 percent of total units to be affordable, including 18 percent affordable to low-income households,[1] and 15 percent affordable to moderate-income households[2], for a subtotal of 33 percent affordable housing units. An additional 17 percent of units are proposed to be affordable to a combination of low, moderate, and middle-income households.

Parking – The fiscal analysis evaluates 1,010 parking spaces. Of the total spaces, 500 will be constructed in a parking garage and shared with the City College community.

[1] Low-income rents would not exceed 55% of Area Median Income (AMI), and low-income for-sale prices would not exceed 80% of AMI.

[2] Moderate-income rents and sales prices would not exceed 120% of AMI.

CONSTRUCTION COSTS AND ASSESSED VALUE

Table 1 summarizes development costs totaling at least $560 million,[3] which will be phased through buildout by 2025 depending on future market conditions. Taxable assessed value is estimated based on development cost, with affordable rental housing exempted from property taxes if serving households who earn no more than 80% of AMI . These costs and values provide the basis for estimates of various fiscal tax revenues and economic impacts.

Table 1 Summary of Construction Costs and Assessed Value

Item	Development Cost
Residential Buildings (1)	
Townhouses (Market-rate)	$60,598,000
Condos (Affordable)	$15,360,000
Apartments (Market-rate)	$169,412,000
Apartments (Moderate)	$87,818,000
Apartments (Low-income)	$88,031,000
Subtotal, Residential Buildings	$421,219,000
Other	
Parking - shared (500 spaces)	$13,830,000
Infrastructure (2)	$38,000,000
Other Costs (3)	$86,787,000
Total	**$559,836,000**
(less) Property Tax-Exempt	
Low-income Rental Units (up to 80% AMI)	($88,031,000)
Net Taxable Assessed Value	**$471,805,000**

(1) Includes building hard costs, residential parking, and site development. Site acquisition and community benefits are to be negotiated and are not included.
(2) Master infrastructure includes utilities, roads, grading, parks and open space.
(3) "Other Costs" include soft costs (eg legal, design, finance, furnishings and fixtures). Permits & Fees not included for purposes of A.V. estimates. *2/9/18*

[3] Hard and soft development costs; land costs, community benefits and other mitigations are to be negotiated and are not estimated.

2. AVAILABLE FUNDING FOR THE PROJECT

As described in the prior chapter, development costs are anticipated to total $560 million or more over the course of Project buildout. Several financing mechanisms and sources will assure funding of these costs and development of the Project.

HORIZONTAL & VERTICAL DEVELOPMENT OF THE SITE

The Development Team will be responsible for funding all horizontal Site improvements, infrastructure and public facilities needed to serve the Project, and vertical building construction with the exception of a portion of the affordable housing, as described in the section that follows. In addition to Developer equity and private financing, Project-based sources of funding and/or reimbursement could include (but may not be not limited to) the following:

- **Net sales proceeds and lease revenues** -- Revenues generated by the Project will help to fund improvements and repay private sources of investment and debt.
- **Mello-Roos Community Facilities District (CFD)** -- Bond proceeds secured by CFD special taxes may help to fund infrastructure costs. CFD special taxes not required for CFD debt service may fund horizontal Site development costs on a "pay-as-you-go" basis.
- **State sources –** No direct City subsidy will be used to build the 33% of the Project's total housing units that must paid for by the Project. However, the Developer may access non-competitive state funding such as 4% tax credits and tax-exempt bonds

FUNDING OF AFFORDABLE HOUSING

As described above, 33% of the Project's total housing units will be affordable housing paid for by the Project, such as with Developer equity or revenues generated by the market-rate portion of the Project, or non-competitive state sources. This baseline 33% rate is based on Proposition K (2015), which set the expectation that housing on property sold by the City will have no less than this amount of affordable housing.

Up to an additional 17% of the Project's total housing units will be affordable housing paid for with non-Project funds. The Development Team's initial proposal estimated that a subsidy of approximately $26 million would be required to provide approximately 187 additional affordable housing units, although this cost is subject to change as a result of changes in construction costs, availability of state funding, the low income housing tax credit market, and the Project's unit count or affordable housing program.

Funding sources for this additional affordable housing could potentially include:

- **Gross Receipts Tax.** In June, 2018, San Francisco voters will consider a ballot measure that would raise funds for affordable housing by increasing the gross receipts tax rate for commercial space. If this measure is approved, the Project would be eligible to utilize a portion of the new affordable housing funds.
- **Project-Generated Sources.** As determined by fiscal feasibility analysis, the Project will generate net new General Fund revenue of approximately $1.7 million. A portion of this revenue could be reinvested back into the Project; the mechanism for this reinvestment could be an infrastructure financing district, an affordable housing investment plan pursuant to AB 1598, or a direct transfer from the City.
- **State Sources.** The Project could apply for one of several funding sources administered at the state level, such as the California's Affordable Housing and Sustainable Communities program and certain low income housing tax credit programs.
- **Bond Revenue.** In November, 2018, California voters will consider a $4 billion state affordable housing bond. In addition, local affordable housing bonds are likely to be proposed in San Francisco in upcoming years; most recently, in 2015, San Francisco voters approved a $310 million affordable housing bond.

OTHER MAINTENANCE FUNDING

In addition to the public tax revenues generated to fund public services and road maintenance, as described in the **Chapter 3** fiscal analysis, CFD special taxes (or HOA fees) will be paid by property owners to fund a range of public services including onsite parks and open space maintenance and operation.

3. FISCAL ANALYSIS: INFRASTRUCTURE MAINTENANCE & PUBLIC SERVICES

Development of the Project will create new public infrastructure including streets, parks and open space that will require ongoing maintenance. **Table 2** summarizes total annual general revenues created by the Project, and net revenues available after funding the Project's service costs. The fiscal results are largely proportional to the number of units, assuming the mix of affordable units remains constant. A reduction in the number of units would reduce the magnitude of the potential benefits and an increase in the number of units would increase their magnitude, but in either case the net impact on the City General Fund would remain positive.

Table 2 Estimated Annual Net General Revenues and Expenditures

Item	Annual Amount
Annual General Revenue	
Property Taxes (1)	$2,682,000
Property Tax in Lieu of VLF	$567,000
Property Transfer Tax	391,000
Sales Tax	261,000
Parking Tax (City 20% share)	95,000
Gross Receipts Tax	63,000
Subtotal, General Revenue	**$4,059,000**
(less) 20% Charter Mandated Baseline	($811,800)
Revenues to General Fund above Baseline	**$3,247,200**
Public Services Expenditures	
Parks and Open Space	*Project's taxes or fees*
Roads (maintenance, street cleaning)	76,000
Police (2)	855,000
Fire (2)	607,000
Subtotal, Services	**$1,538,000**
NET Annual General Revenues	**$1,709,200**
Annual Other Dedicated and Restricted Revenue	
Property Tax to Other SF Funds (1)	$413,000
Parking Tax (MTA 80% share)	$380,000
Public Safety Sales Tax	$130,000
SF Cnty Transportation Auth'y Sales Tax	$130,000
Subtotal	**$1,053,000**
TOTAL, Net General + Other SF Revenues	**$2,762,200**
Other Revenues	
Property Tax to State Education Rev. Fund (ERAF)	**$1,195,000**

(1) Property tax to General Fund at 57%. Other SF funds include the Childrens' Fund, Library Fund, and Open Space Acquisition.
(2) Police and Fire costs based on Citywide avg. cost per resident and per job.
2/9/18

As noted in the prior **Table 2**, certain service costs will be funded through special taxes or assessments paid by new development and managed by a master homeowners association (HOA). Other required public services, including additional police, fire and emergency medical services (EMS), as well as the maintenance of any new roads that are built by the Project and transferred to the City, will be funded by increased General Fund revenues from new development. MUNI/transportation services may also be affected and will be offset by a combination of service charges, local, regional and State funds.

Table 3 summarizes development impact fees and other one-time revenues during construction. The impact fee revenue will be dedicated and legally required to fund infrastructure and facilities targeted by each respective fee. Credits may be provided against certain fees to the extent that the Project builds qualifying infrastructure and public facilities onsite, for example, bicycle parking and childcare facilities. The City may also agree to credit some of these fees back to the Project in consideration of public-serving improvements that the Project provides in kind. Certain impact fee revenues may be used Citywide to address needs created by new development. No affordable housing in-lieu fees or jobs housing linkage fees are assumed due to the Project providing affordable units equal to 50 percent of total units.

Table 3 Estimated Impact Fees and One-Time Revenues

Item	Total Amount
City Development Impact Fees (1)	
Balboa Park Community Infrastructure	$9,371,000
Jobs Housing Linkage (2)	na
Affordable Housing (3)	provided onsite
Child Care (4)	$2,308,000
Bicycle Parking In-lieu	provided onsite
Transportation Sustainability Fee	$11,315,000
	$22,994,000
Other Fees	
San Francisco Unified School District	**$3,957,000**
Other One-Time Revenues	
Construction Sales Tax (1% Gen'l Fund)	$1,419,000
Gross Receipts Tax During Construction	$1,892,000
Total: Other One-Time Revenues	**$3,311,000**

(1) Impact fee rates as of Jan. 1, 2018. Refer to Table A-3 for additional detail.
(2) Linkage fee (commercial uses only) assumed offset by Project's affordable housing.
(3) Affordable housing will be provided on site.
(4) Child Care impact fee may be waived in consideration for the Project's on-site childcare center. *2/9/18*

MAINTENANCE AND SERVICE COSTS

Actual costs will depend on the level of future service demands, and Citywide needs by City departments at the time of development and occupancy.

Public Open Space

The Project will include at least 4.0 acres of public parks and open spaces. The parks consist of a large open space of approximately 2 acres, and at least 1.5 acres, along with "gateway" green spaces to serve as gathering places that unite the Site with the surrounding neighborhoods.

The Recreation and Parks Department (RPD) may express interest in assuming ownership and/or operations and maintenance responsibilities for the proposed large open space, subject to agreement between the Project developer and the City. The developer may engage in discussions with RPD about potentially entering into such an arrangement as part of the Development Agreement. However, absent such an arrangement, the Project will fund the parks and open spaces' ongoing operating costs, including administration, maintenance, and utility costs using CFD services special taxes (or HOA fees) paid by property owners. A master homeowners association would be responsible for managing maintenance activities, as well as the programming of recreation activities not otherwise provided by the City. Specific service needs and costs will be determined based on the programming of the parks.

Police

The Project Site is served by the SFPD's Ingleside Station. The addition of the Project's new residents would likely lead the Ingleside Police District to request additional staffing. Over the past several decades, the SFPD has kept staffing levels fairly constant and manages changing service needs within individual districts by re-allocating existing capacity. If needed to serve new residents associated with the Project, additional officers would most likely be reassigned from other SFPD districts and/or hired to fill vacancies created by retirements.[4] [5] For purposes of this analysis, the Project's police service cost is estimated using the City's current per capita service rate.

Fire and EMS

The San Francisco Fire Department (SFFD) deploys services from the closest station with available resources, supplemented by additional resources based on the nature of the call. SFFD

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[4] Carolyn Welch, San Francisco Police Department, telephone interview, December 22, 2017.

[5] Jack Hart, San Francisco Police Department, telephone interview, January 3, 2017.

anticipates that it will require additional resources to serve the Site and its vicinity as that area's population grows, but it has not yet determined the anticipated costs.[6] The costs in this report have been estimated based on Citywide averages.

SFMTA

Using the City's Transportation Demand Management (TDM) Ordinance as a guide, the Project will include a TDM program that encourages the use of sustainable modes of transportation for residents and visitors. This approach will increase demand for and revenues to local public transit service, which includes the J, K, and M MUNI light rail lines and the 8, 29, 43, 49, and 88X bus lines. The Project will also be required to pay the Transportation Sustainability Fee and/or provide equivalent in-kind transportation benefits, as well as provide transportation mitigation measures required as a result of the environmental review process. Specific impacts on transit services, costs, and cost recovery will be studied and determined by the final development program, TDM plan, and environmental review findings.

Department of Public Works (DPW)

The Project will create new rights of way to provide access into and out of the Site and circulation within it. These improvements may be accepted by the City, provided that they are designed to standards approved by applicable City agencies, in which case DPW would be responsible for cleaning and maintaining them. Based on the anticipated type and intensity of these proposed rights of way, DPW is estimating annual maintenance costs[7]. For purposes of the current analysis, a Citywide average cost per mile of road provides an estimated cost.

The Project may also include some smaller roads and access points that would remain private, in which case the City would not be responsible for their ongoing operation and maintenance. Instead, special taxes paid by owners of Project buildings, for example as participants in a services CFD, could fund their maintenance. The services budget would be sized to pay for ongoing maintenance of facilities as well as periodic "life cycle" costs for repair and replacement of facilities.

[6] Olivia Scanlon, San Francisco Fire Department, telephone interview, February 8, 2018.
[7] Bruce Robertson, Department of Public Works, correspondence with City Project staff.

PUBLIC REVENUES

New tax revenues from the Project will include ongoing annual revenues and one-time revenues, as summarized in the prior tables. The revenues represent direct, incremental benefits of the Project. These tax revenues will help fund public improvements and services within the Project and Citywide. The following sections describe key assumptions and methodologies employed to estimate each revenue.

Charter Mandated Baseline Requirements

The City Charter requires that a certain share of various General Fund revenues be allocated to specific programs. An estimated 20 percent of revenue is shown deducted from General Fund discretionary revenues generated by the Project (in addition to the share of parking revenues dedicated to MTA, shown separately). While these baseline amounts are shown as a deduction, they represent an increase in revenue as a result of the Project to various City programs whose costs aren't necessarily directly affected by the Project, resulting in a benefit to these services.

Property Taxes

Property tax at a rate of 1 percent of value will be collected from the land and improvements constructed by the Project.[8] The City receives up to $0.65 in its General Fund and special fund allocations, of every property or possessory interest tax dollar collected. The State's Education Revenue Augmentation Fund (ERAF) receives $0.25 of every property tax dollar collected.

The remaining $0.10 of every property tax dollar collected, beyond the City's $0.65 share and the $0.25 State ERAF share, is distributed directly to other local taxing entities, including the San Francisco Unified School District, City College of San Francisco, the Bay Area Rapid Transit District and the San Francisco Bay Area Air Quality Management District. These distributions will continue and will increase as a result of the Project.

Upon the sale of a parcel, building, or individual unit constructed at the Project, the taxable value will be assessed at the new transaction price. The County Assessor will determine the assessed values; the estimates shown in this analysis are preliminary and may change depending on future economic conditions and the exact type, amount and future value of development.

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[8] Ad valorem property taxes supporting general obligation bond debt in excess of this 1 percent amount and other assessments are excluded for purposes of this analysis. Such taxes require separate voter approval and proceeds are payable only for uses approved by the voters.

Certain properties, including non-profits providing low-income rental housing, are exempt from property tax.

It is likely that property taxes will also accrue during construction of infrastructure and individual buildings, depending on the timing of assessment and tax levy. These revenues have not been estimated.

Property Tax In-Lieu of Vehicle License Fees
In prior years, the State budget converted a significant portion of Motor Vehicle License Fee (VLF) subventions into property tax distributions; previously theses revenues were distributed by the State using a per-capita formula. Under the current formula, these distributions increase over time based on assessed value growth within a jurisdiction. Thus, these City revenues will increase proportionate to the increase in the assessed value added by the new development.

Sales Taxes
The City General Fund receives 1 percent of taxable sales. New residents will generate taxable sales to the City. In addition to the 1 percent sales tax received by every city and county in California, voter-approved local taxes dedicated to transportation purposes are collected. Two special districts, the San Francisco County Transportation Authority and the San Francisco Public Financing Authority (related to San Francisco Unified School District) also receive a portion of sales taxes (0.50 and 0.25 percent, respectively) in addition to the 1 percent local General Fund portion. The City also receives revenues from the State based on sales tax for the purpose of funding public safety-related expenditures.

Sales Taxes from Construction
During the construction phases of the Project, one-time revenues will be generated by sales taxes on construction materials and fixtures purchased in San Francisco. Sales tax will be allocated directly to the City and County of San Francisco in the same manner as described in the prior paragraph. Construction sales tax revenues may depend on the City's collection of revenues pursuant to a sub-permit issued by the State.

Transient Occupancy Tax (TOT)
Hotel Room Tax (also known as Transient Occupancy Tax or TOT) will be generated when hotel occupancies are enhanced by the residential uses envisioned for the Project, such as when friends and relatives come to San Francisco to visit Project residents but choose to stay at hotels. The City currently collects a 14 percent tax on room charges. However, given that no hotels are envisioned for the Project (out-of-town visitors to the Site will likely stay at hotels elsewhere in the City), the impact will not be direct and is excluded from this analysis.

Parking Tax
The City collects tax on parking charges at garages, lots, and parking spaces open to the public or dedicated to commercial users. The tax is 25 percent of the pre-tax parking charge. The revenue may be deposited to the General Fund and used for any purpose, however as a matter of City policy the SFMTA retains 80 percent of the parking tax revenue; the other 20 percent is available to the General Fund for allocation to special programs or purposes. This analysis assumes that parking spaces envisioned for the Project's 500-space shared parking garage will generate parking tax; no parking tax is assumed from the residential-only parking spaces. Off-site parking tax revenues that may be generated by visitors or new residents are not included.

Property Transfer Tax
The City collects a property transfer tax ranging from $2.50 on the first $500 of transferred value on transactions up to $250,000 to $15.00 per $500 on transactions greater than $25 million.

The fiscal analysis assumes that commercial apartment property sells once every ten to twenty years, or an average of about once every 15 years. For estimating purposes, it is assumed that sales are spread evenly over every year, although it is more likely that sales will be sporadic. An average tax rate has been applied to the average sales transactions to estimate the potential annual transfer tax to the City. Actual amounts will vary depending on economic factors and the applicability of the tax to specific transactions.

The for-sale units can re-sell independently of one another at a rate more frequent than rental buildings. This analysis conservatively assumes that the average condominium or townhouse will be sold to a new owner every ten years, on average.

Gross Receipts Tax
Commercial activity, including residential rental property, generates gross receipts taxes. Actual revenues from future gross receipt taxes will depend on a range of variables, including the amount of rental income. This analysis assumes the current gross receipts tax rate of 0.3% (applicable to revenues in the $2.5 million to $25 million range).

DEVELOPMENT IMPACT FEES

The Project will generate a number of one-time City impact fees including:

- **Balboa Park Community Infrastructure** (Planning Code Sec. 422) -- These fees "shall be used to design, engineer, acquire, improve, and develop pedestrian and streetscape improvements, bicycle infrastructure, transit, parks, plazas and open space, as defined in the

Balboa Park Community Improvements Program with the Plan Area. Funds may be used for childcare facilities that are not publicly owned or "publicly-accessible."[9]

- **Jobs Housing Linkage** (Planning Code Sec. 413)-- These fees apply only to commercial uses and are assumed to be offset by the affordable housing provided onsite.
- **Affordable Housing** (Planning Code Sec. 415) –All affordable housing will be provided on the Site, and therefore the Project will be exempt from the fees.
- **Child Care** (Planning Code Sec. 414, 414A) – A fee per square foot is charged to residential uses. It is likely that all or some portion of these fees will be offset and reduced by the value of childcare facilities constructed onsite.
- **Bicycle Parking In-lieu Fee** (Planning Code Sec. 430) -- This fee is assumed to be offset by facilities provided onsite.
- **Transit Sustainability Fee (TSF)** (Planning Code Sec. 411A) – This fee, effective December 25, 2015, replaced the Transit Impact Development Fee. It is a fee per square foot paid by residential and non-residential uses.

In addition to the impact fees charged by the City, utility connection and capacity charges will be collected based on utility consumption and other factors. Other fees will include school impact fees to be paid to the San Francisco Unified School District. The Project will also pay various permit and inspection fees to cover City costs typically associated with new development projects.

[9] San Francisco Planning Code, Article 4, Sec. 422.5(b)(1) Balboa Park Community Improvements Fund, Use of Funds.

4. DEBT LOAD TO BE CARRIED BY THE CITY AND THE SFPUC

No debt is anticipated to be incurred by the City or the SFPUC in connection with the Project. However, public financing or other non-Project sources will be required to achieve the target affordable housing rate of 50%, as described above. The City could potentially issue bonds in conjunction with several of these sources, subject to regulatory and/or voter approval, but a number of other financing options would allow the City to avoid issuing new debt.

5. BENEFITS TO THE CITY AND SFPUC

The Project will provide a range of direct and indirect benefits to the City and the SFPUC. These benefits include tax revenues that exceed service costs, as well as a range of other economic benefits such as new jobs, economic activity, and increased public and private expenditures.

FISCAL BENEFITS

As described in **Chapter 3**, the Project is anticipated to generate a net $1.7 million of annual general City tax revenues in excess of its estimated public service costs, in addition to about $1 million in other dedicated and restricted revenues. These revenues would be available for expansion of local and/or Citywide services and public facilities. Approximately 20 percent of revenues are allocated to "Baseline" costs, which represents a benefit to the City.

ECONOMIC BENEFITS TO THE CITY

New Permanent Jobs - The Project will create a small number of new jobs related to the parking facilities and services, childcare services at the childcare center, and landscape and other onsite maintenance services. The residential uses will also create janitorial and domestic service jobs. Because the Project is entirely residential, its economic "multiplier" effects are minimal.

Temporary Jobs - The construction of the Project will create short-term construction spending and construction jobs, estimated at 2,800 job-years.

New Housing Supply - Completion of approximately 1,100 residential units also will have the positive economic benefit of adding a significant amount to the City's total supply of housing. This provides increased access to housing for existing City residents, as well employees working within the City. Importantly, these approximately 1,100 units will include up to 550 units of affordable to low, moderate, and middle-income households, which are populations with acute housing needs in San Francisco.

DIRECT FINANCIAL BENEFITS TO THE CITY AND SFPUC

The Project will result in several direct financial benefits:

Proceeds from Property Sale -- The sale of the property currently owned by the City will generate net proceeds. The SFPUC will receive fair market value for the sale of the property.

Increased Sale of Public Power -- The SFPUC may provide electrical power to the Project's residents, generating net revenues to the SFPUC.

NEW PUBLIC FACILITIES

The Project will construct parks and open spaces, a shared parking garage, and a community room available to the general public. The Project also includes a childcare center that will be accessible by the public as well as the Project's residents. These facilities are expected to be utilized by the City College community and residents of surrounding neighborhoods.

OTHER BENEFITS

The Project may participate in the Ocean Avenue Community Benefits District (CBD) that provides funding for a range of services within the neighborhood, including maintenance and cleaning of public rights of way, sidewalk operations and public safety, and District identity and streetscape improvements. The CBD's applicability and associated tax rate will be determined prior to project approvals.

APPENDIX A: FISCAL ANALYSIS

Table of Contents
Balboa Reservoir

Table 1
Fiscal Results Summary, Ongoing Revenues and Expenditures
Balboa Reservoir

Item	Annual Amount
Annual General Revenue	
Property Taxes (1)	$2,682,000
Property Tax in Lieu of VLF	$567,000
Property Transfer Tax	391,000
Sales Tax	261,000
Parking Tax (City 20% share)	95,000
Gross Receipts Tax	63,000
Subtotal, General Revenue	**$4,059,000**
(less) 20% Charter Mandated Baseline	($811,800)
Revenues to General Fund above Baseline	**$3,247,200**
Public Services Expenditures	
Parks and Open Space	*Project's taxes or fees*
Roads (maintenance, street cleaning)	76,000
Police (2)	855,000
Fire (2)	607,000
Subtotal, Services	**$1,538,000**
NET Annual General Revenues	**$1,709,200**
Annual Other Dedicated and Restricted Revenue	
Property Tax to Other SF Funds (1)	$413,000
Parking Tax (MTA 80% share)	$380,000
Public Safety Sales Tax	$130,000
SF Cnty Transportation Auth'y Sales Tax	$130,000
Subtotal	**$1,053,000**
TOTAL, Net General + Other SF Revenues	**$2,762,200**
Other Revenues	
Property Tax to State Education Rev. Fund (ERAF)	**$1,195,000**

(1) Property tax to General Fund at 57%. Other SF funds include the Childrens' Fund, Library Fund, and Open Space Acquisition.
(2) Police and Fire costs based on Citywide avg. cost per resident and per job.
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Table 2
Fiscal Results Summary, One-Time Revenues
Balboa Reservoir

Item	Total Amount
City Development Impact Fees (1)	
Balboa Park Community Infrastructure	$9,371,000
Jobs Housing Linkage (2)	na
Affordable Housing (3)	provided onsite
Child Care (4)	$2,308,000
Bicycle Parking In-lieu	provided onsite
Transportation Sustainability Fee	$11,315,000
	$22,994,000
Other Fees	
San Francisco Unified School District	**$3,957,000**
Other One-Time Revenues	
Construction Sales Tax (1% Gen'l Fund)	$1,419,000
Gross Receipts Tax During Construction	$1,892,000
Total: Other One-Time Revenues	**$3,311,000**

(1) Impact fee rates as of Jan. 1, 2018. Refer to Table A-3 for additional detail.
(2) Linkage fee (commercial uses only) assumed offset by Project's affordable housing.
(3) Affordable housing will be provided on site.
(4) Child Care impact fee may be waived in consideration for the Project's on-site childcare center.

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Table A-1a
Project Description Summary
Balboa Reservoir

Item (1)		Units, Sq.Ft., or Spaces
Apartments		
Market Rate		483 units
Affordable		502 units
Total, Apts		985 units
Condos and Townhouses		
Market Rate Townhouses		67 units
Affordable Condos		48 units
Total, Condos and Townhouses		115 units
Total, Residential		units
Market Rate	50%	550 units
Affordable	50%	550 units
		1,100 units
Community Gathering Space		1,500 sq.ft.
Childcare Center (capacity for 100 children)		5,000 sq.ft.
Shared Garage		500 spaces
		175,000 sq.ft.

(1) Number of units and space are preliminary and for evaluation purposes only. Further analysis may consider different development program scenarios.

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Table A-1b
Project Description Summary -- Affordable Units
Balboa Reservoir

Housing Category	**% of Total**	**Units (1)**
Baseline Affordable Apts.		
Low-Income (Bridge/Mission <55% AMI)	16%	174
Moderate-Income (Bridge <120% AMI)	15%	165
Total Baseline Affordable		339
Baseline Affordable Condos		
Low-Income (Habitat <80% AMI)	2%	24
Total Baseline Affordable	**33%**	**363**
Additional Affordable Apts.		
Low-Income (Bridge <20% & <55% AMI)	15%	163
Additional Affordable Condos		
Moderate-Income (Habitat <105% AMI)	2%	24
Total Additional Affordable	**17%**	**187**
Total Affordable	**50%**	**550**
Market-Rate Apts		483
Market-Rate Townhouses		67
Total, Market Rate	**50%**	**550**
TOTAL UNITS	**100%**	**1,100**

(1) Number of units and space are preliminary and for evaluation purposes only; Further analysis may consider different development program scenarios.

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Table A-2
Population and Employment
Balboa Reservoir

Item	Assumptions		Total
Population	2.27	persons per unit (1)	2,497
Employment (FTEs)			
Residential (2)	27.9	units per FTE (2)	39
Parking	270	spaces per FTE (2)	2
Total			41
Construction (job-years) (5)	$559,836,000	Construction cost	2,754
TOTAL SERVICE POPULATION			
Residents			2,497
Employees (excluding construction jobs)			41
Total Service Population (Residents plus Employees)			2,538
CITYWIDE			
Residents (3)			874,200
Employees (4)			710,300
Service Population (Residents plus Employees)			1,584,500

(1) ABAG 2015 estimate (citywide); actual Project density will vary depending on unit size and mix.
(2) Residential jobs include building management, janitorial, cleaning/repair, childcare, and other domestic services. Factors based on comparable projects.
(3) Cal. Dept. of Finance, Rpt. E-1, 2017
(4) BLS QCEW State and County Map, 2016Q3.
(5) Construction job-years based on IMPLAN job factors.

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Table A-3
San Francisco City Development Impact Fee Estimate
Balboa Reservoir

Item			**Total Sq.Ft. (1)**	**Total Fees**
Residential	**Units**			
Market-Rate	550		605,000	
Moderate-Income	189		189,000	
Low-Income	361		342,950	
Total	1,100		1,136,950	
Other				
Childcare Facility	approximately		5,000	
Shared Parking (2)			175,000	
City Impact Fees (per gross building sq.ft.) (2)	**Fee Rate**			
Balboa Park Community Infrastructure				
Residential (3)	$11.32	/sq.ft.	794,000	$8,988,080
Non-Residential (3)	$2.13	/sq.ft.	180,000	$383,400
Jobs Housing Linkage (4)	na			na
Affordable Housing (5)	na			na
Child Care (6)	$2.03	/sq.ft.	1,136,950	$2,308,009
Bicycle Parking In-lieu Fee (7)	na			na
Transportation Sustainability Fee				
Residential (8)	$9.71	/sq.ft.	794,000	$7,709,740
Non-Residential (3)	$20.03	/sq.ft.	180,000	$3,605,400
Total				**$22,994,629**
Other Impact Fees (9)				
San Francisco Unified School District	$3.48	/sq.ft.	1,136,950	**$3,956,586**

(1) Residential fees assume approximately 950 to 1,100 sq.ft./unit. Mix of sizes will vary in final program.
(2) All impact fees are as of January 2018.
(3) Units affordable to a maximum 80% AMI exempt from Balboa Park Community Infrastructure Fee.
100% of non-residential assumed to be subject to TSF & Community Infrastructure Fee.
(4) Jobs Housing Linkage not applicable to residential.
(5) Plans anticipate affordable units sufficient to offset fee requirement.
(6) Child Care impact fee may be waived in consideration for the Project's on-site childcare facility.
(7) Bicycle facilities provided onsite, not subject to fee.
(8) Units affordable to a maximum 80% AMI exempt from Transportation Sustainability Fee (TSF).
(9) Additional utility fees and charges will be paid, depending on final Project design.

Sources: City of San Francisco, and Berkson Associates. *2/9/18*

Table A-4
Assessed Value Estimate
Balboa Reservoir

Item	Development Cost
Residential Buildings (1)	
Townhouses (Market-rate)	$60,598,000
Condos (Affordable)	$15,360,000
Apartments (Market-rate)	$169,412,000
Apartments (Moderate)	$87,818,000
Apartments (Low-income)	$88,031,000
Subtotal, Residential Buildings	$421,219,000
Other	
Parking - shared (500 spaces)	$13,830,000
Infrastructure (2)	$38,000,000
Other Costs (3)	$86,787,000
Total	**$559,836,000**
(less) Property Tax-Exempt	
Low-income Rental Units (up to 80% AMI)	($88,031,000)
Net Taxable Assessed Value	**$471,805,000**

(1) Includes building hard costs, residential parking, and site development. Site acquisition and community benefits are to be negotiated and are not included.
(2) Master infrastructure includes utilities, roads, grading, parks and open space.
(3) "Other Costs" include soft costs (eg legal, design, finance, furnishings and fixtures). Permits & Fees not included for purposes of A.V. estimates. *2/9/18*

Table A-5
Property Tax Estimate
Balboa Reservoir

Item	Assumptior	Total
Taxable Assessed Value (1)		**$471,805,000**
Gross Property Tax	1.0%	**$4,718,000**
Allocation of Tax		
General Fund	**56.84%**	**$2,682,000**
Childrens' Fund	3.75%	$177,000
Library Preservation Fund	2.50%	$118,000
Open Space Acquisition Fund	2.50%	$118,000
Subtotal, Other Funds	**8.75%**	**$413,000**
ERAF	25.33%	$1,195,000
SF Unified School District	7.70%	$363,000
Other	1.38%	$65,000
	34.41%	**$1,623,000**
Total, 1%	**100.00%**	**$4,718,000**
Other (bonds, debt, State loans, etc.)	**17.23%**	**$813,000**
TOTAL	**117.23%**	**$5,531,000**

Sources: City of San Francisco, and Berkson Associates *2/9/18*

Table A-6
Property Tax in Lieu of VLF Estimate
Balboa Reservoir

Item	Total
Citywide Total Assessed Value (1)	$231,000,000,000
Total Citywide Property Tax in Lieu of Vehicle License Fee (VLF) (2)	$233,970,000
Project Assessed Value	$559,836,000
Growth in Citywide AV due to Project	0.24%
TOTAL PROPERTY TAX IN LIEU OF VLF (3)	**$567,000**

(1) Based on the CCSF FY2017 total assessed value, Office of the Assessor-Controller, July 21, 2017.
(2) City and County of San Francisco Annual Appropriation Ordinance for Fiscal Year Ending June 30, 2018, page 127.

(3) Equals the increase in Citywide AV due to the Project multiplied by the current Citywide Property Tax In Lieu of VLF. No assumptions included about inflation and appreciation of Project or Citywide assessed values.

Sources: City of San Francisco, and Berkson Associates *2/9/18*

Table A-7
Property Transfer Tax
Balboa Reservoir

Item		Assumptions	Total
Annual Transfer Tax From Condo and Townhouses Sales			
Assessed Value (AV)	$75,958,000		
Annual Transactions	10.0%	*(avg. sale once/10 years)(4)*	$7,596,000
Transfer Tax From Condos and Townhouses	$3.40	/$500 (1)	$52,000
Market-Rate Apartments (5)			
Assessed Value (AV)	$169,400,000		
Avg. Sales Value	6.7%	*(avg.sale once/15 years)(3),(4)*	$11,293,000
Transfer Tax: Apartment Buildings (annual avg.)	$15.00	/$500 (2)	$339,000
TOTAL ONGOING TRANSFER TAX			**$391,000**

(1) Rates range from $2.50 per $500 of value for transactions up to $250k, $3.40 up to $1 million, to $3.75 per $500 of value for transactions from $1 million to $5 million; applies to sale of affordable and market-rate ownership units.

(2) Assumes rate applicable to sales > $25 million for market-rate apartment buildings.

(3) Actual sales will be periodic and for entire buildings; revenues have been averaged and spread annually for the purpose of this analysis.

(4) Turnover rates are estimated averages based on analysis of similar projects; actual % and value of sales will vary annually.

(5) No transactions assumed for low-income and moderate-rate apartments owned by non-profits.

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Table A-8
Sales Tax Estimates
Balboa Reservoir

Item	Low-Income Apts (<55% AMI) Assumptions	Low-Income Apts (<55% AMI) Total	Moderate-Income Apts (<120% AMI) Assumptions	Moderate-Income Apts (<120% AMI) Total	Low-Income Condos (<80% AMI) Assumptions	Low-Income Condos (<80% AMI) Total
Taxable Sales From New Residential Uses						
Sale Price						
Average Annual Rent or Housing Payment (1)						
Average Household Income	50% of AMI 2.27/hh	$47,700	110% of AMI 2.27/hh	$104,900	70% of AMI 2.27/hh	$66,700
Average HH Retail Expenditure (3)	27%	$12,900	27%	$28,300	27%	$18,000
New Households		337		165		24
Total New Retail Sales from Households		$4,347,000		$4,670,000		$432,000
New Taxable Retail Sales Captured in San Francisco (4)	80% of retail expend.	$3,477,600	80% of retail expend.	$3,736,000	80% of retail expend.	$345,600
Net New Sales Tax to GF From Residential Uses	1.0% tax rate	**$34,800**	1.0% tax rate	**$37,400**	1.0% tax rate	**$3,500**
TOTAL Sales Tax to General Fund (1%)		**$34,800**		**$37,400**		**$3,500**
Annual Sales Tax Allocation						
Sales Tax to the City General Fund	1.00% tax rate	**$34,800**	1.00% tax rate	**$37,400**	1.00% tax rate	**$3,500**
Other Sales Taxes						
Public Safety Sales Tax	0.50% tax rate	**$17,400**	0.50% tax rate	**$18,700**	0.50% tax rate	**$1,800**
San Francisco County Transportation Authority (6)	0.50% tax rate	**$17,400**	0.50% tax rate	**$18,700**	0.50% tax rate	**$1,800**
SF Public Financing Authority (Schools) (6)	0.25% tax rate	**$8,700**	0.25% tax rate	**$9,400**	0.25% tax rate	**$900**
One-Time Sales Taxes on Construction Materials and Supplies						
Total Development Cost						
Direct Construction Costs (exc. land, profit, soft costs, fees, etc.)						
Supply/Materials Portion of Construction Cost	60.00%					
San Francisco Capture of Taxable Sales	50.00%					
Sales Tax to San Francisco General Fund	1.0% tax rate					

(1) Incomes from "2017 MAXIMUM INCOME BY HOUSEHOLD SIZE derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco". Affordable rents adjusted for average household size of 2.27.

(2) Avg. market rate apartment rent based on average for comparable project (AxioMetrics 12/17 survey).
Estimated townhouse sale price from Berkson Associates, August 2017, avg. for new detached homes in San Francisco.

(3) Based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.

(4) Estimated portion of sales assumed to be captured within the City based on analyses prepared for comparable projects.

Source: Berkson Associates

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Table A-8
Sales Tax Estimates
Balboa Reservoir

Item	Moderate-Income Townhouses (<105% AMI) Assumptions	Total	Market-Rate Apts Assumptions	Total	Market-Rate Townhouses Assumptions	Total
Taxable Sales From New Residential Uses						
Sale Price					$1,500,000 (2)	
Average Annual Rent or Housing Payment (1)			$3,300 /unit (2)	$39,600	$7,300 per household	$87,600
Average Household Income	100% of AMI 2.27/hh	$95,400	30%	$132,000	30%	$292,000
Average HH Retail Expenditure (3)	27%	$25,800	27%	$35,600	27%	$78,800
New Households		24		483		67
Total New Retail Sales from Households		$619,000		$17,195,000		$5,280,000
New Taxable Retail Sales Captured in San Francisco (4)	80% of retail expen(	$495,200	80% of retail expen	$13,756,000	80% of retail expend.	$4,224,000
Net New Sales Tax to GF From Residential Uses	1.0% tax rate	**$5,000**	1.0% tax rate	**$137,600**	1.0% tax rate	**$42,200**
TOTAL Sales Tax to General Fund (1%)		**$5,000**		**$137,600**		**$42,200**
Annual Sales Tax Allocation						
Sales Tax to the City General Fund	1.00% tax rate	**$5,000**	1.00% tax rate	**$137,600**	1.00% tax rate	**$42,200**
Other Sales Taxes						
Public Safety Sales Tax	0.50% tax rate	**$2,500**	0.50% tax rate	**$68,800**	0.50% tax rate	**$21,100**
San Francisco County Transportation Authority (6)	0.50% tax rate	**$2,500**	0.50% tax rate	**$68,800**	0.50% tax rate	**$21,100**
SF Public Financing Authority (Schools) (6)	0.25% tax rate	**$1,300**	0.25% tax rate	**$34,400**	0.25% tax rate	**$10,600**

(1) Incomes from "2017 MAXIMUM INCOME BY HOUSEHOLD SIZE derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco". Affordable rents adjusted for average household size of 2.27.

(2) Avg. market rate apartment rent based on average for comparable project (AxioMetrics 12/17 survey). Estimated townhouse sale price from Berkson Associates, August 2017, avg. for new detached homes in San Francisco.

(3) Based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.

(4) Estimated portion of sales assumed to be captured within the City based on analyses prepared for comparable projects.

Source: Berkson Associates

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Table A-8
Sales Tax Estimates
Balboa Reservoir

Item	TOTAL
Taxable Sales From New Residential Uses	
Sale Price	na
Average Annual Rent or Housing Payment (1)	na
Average Household Income	na
Average HH Retail Expenditure (3)	na
New Households	1,100
Total New Retail Sales from Households	
New Taxable Retail Sales Captured in San Francisco (4)	
Net New Sales Tax to GF From Residential Uses	**$260,500**
TOTAL Sales Tax to General Fund (1%)	**$260,500**
Annual Sales Tax Allocation	
Sales Tax to the City General Fund	**$260,500**
Other Sales Taxes	
Public Safety Sales Tax	**$130,300**
San Francisco County Transportation Authority (6)	**$130,300**
SF Public Financing Authority (Schools) (6)	**$65,300**
One-Time Sales Taxes on Construction Materials and	
Total Development Cost	$559,836,000
Direct Construction Costs (exc. land, profit, soft costs, fees)	$473,049,000
Supply/Materials Portion of Construction Cost	$283,829,000
San Francisco Capture of Taxable Sales	$141,914,500
Sales Tax to San Francisco General Fund	**$1,419,000**

(1) Incomes from "2017 MAXIMUM INCOME BY HOUSEHOLD SIZE derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco". Affordable rents adjusted for average household size of 2.27.

(2) Avg. market rate apartment rent based on average for comparable project (AxioMetrics 12/17 survey). Estimated townhouse sale price from Berkson Associates, August 2017, avg. for new detached homes in San Francisco.

(3) Based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.

(4) Estimated portion of sales assumed to be captured within the City based on analyses prepared for comparable projects.

Source: Berkson Associates

Table A-9
Parking Tax
Balboa Reservoir

Item	Assumption		Total
Garage Revenue (2)			$1,900,000
Spaces (shared garage) (1)			500
Parking Revenues			
Annual Total (2)	$3,800	per year/space	$1,900,000
San Francisco Parking Tax (3)	25%	of revenue	**$475,000**
Parking Tax Allocation to General Fund/Special Programs	*20%*	*of tax proceeds*	$95,000
Parking Tax Allocation to Municipal Transp. Fund	*80%*	*of tax proceeds*	$380,000

(1) Shared spaces will be a mix of residents and City College parking.
(2) Based on estimated revenue from parking garage; actual hourly and daily revenue will vary depending on occupancy rates, turnover during the day, and long-term parking rates vs. hourly rates.
(3) 80 percent is transferred to the San Francisco Municipal Transportation Agency for public transit as mandated by Charter Section 16.110.

Source: Berkson Associates *2/9/18*

Table A-10
Gross Receipts Tax Estimates
Balboa Reservoir

Item	Total Gross Receipts	Gross Revenue Tier (1) up to $1m	$1m - $2.5m	$2.5m - $25m	$25m+	Gross Receipts Tax
Business Income						
Subtotal	na					na
Rental Income (2)						
Parking	$1,900,000	*0.285%*	*0.285%*	*0.300%*	*0.300%*	$5,700
Residential	$19,127,000	*0.285%*	*0.285%*	*0.300%*	*0.300%*	$57,381
Subtotal	$21,027,000					$63,081
Total Gross Receipts	**$21,027,000**					**$63,081**
Project Construction						
Total Development Value (3)	$559,836,000					
Direct Construction Cost (4)	$473,049,000	*0.300%*	*0.350%*	*0.400%*	*0.450%*	**$1,892,196**

(1) This analysis applies highlighted tax rate in tier for each use.
(2) See tables referenced in Table A-11.
(3) Based on total development cost.
(4) Direct construction costs exclude soft costs, community benefits and land.

Source: Berkson Associates 2/9/18

Table A-11
Rental Income for Gross Receipts Tax Estimates
Balboa Reservoir

Item	Gross Sq.Ft. Units, or Space	Annual Avg. Rent	Total
Parking (excludes Gross Receipts Tax) (1)	500 spaces		$1,900,000
Market-Rate Apartments (2)	483 units	$39,600	$19,126,800
TOTAL			$21,026,800

(1) Refer to Table A-9 for additional parking detail.
(2) See Table A-8 for estimated market-rate apartment rents.

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Table A-12
Estimated City Services Costs
Balboa Reservoir

Item	City Total Budget	Cost per Service Pop. (1) or Mile	Factor		Total Cost
Citywide Service Population (1)			1,584,500	service pop.	
Project Service Population (1)			2,538	service pop.	
Citywide DPW Miles of Road (4)			981	miles	
Miles of Road in Project (estimated)			0.66	miles	
Fire Department (2)	$378,948,000	$239	2,538	service pop.	$607,000
Police Department (3)	$533,899,000	$337	2,538	service pop.	$855,000
Roads (4)	$112,200,000	$114,373	0.66	miles	$75,815
TOTAL					$1,462,000

(1) Service Population equals jobs plus residents (see Table A-2).
(2) Total fire budget (FY17-18 Adopted) excludes "Administration & Support Services", assuming no impact or additional administrative costs required due to Project.
(3) Total police budget (FY17-18 Adopted) excludes "Airport Police".
(4) Road costs (FY16-17) for $52.1 mill. street resurfacing capital expenditures and $60.1 mill. environmental services (pothole repair, sidewalks, graffiti, street sweeping, etc.).
Road miles from SFdata, https://data.sfgov.org/City-Infrastructure/Miles-Of-Streets/5s76-j52p/data

2/9/18

Errata Sheet for: Balboa Reservoir Project
Findings of Fiscal Responsibility and Feasibility
Prepared for the City and County of San Francisco
Prepared by Berkson Associates
February 9, 2018

Errata:

Page 5 Under "Project Description" heading, first paragraph, add: "The Sunnyside neighborhood is located to the northeast of the Site."

Table A-1b Under "Additional Affordable Apts" heading, strike "Low-Income (Bridge <20% & <55% AMI)" and replace with "Low and Moderate Income (Bridge <120% & <55% AMI)."

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DEVELOPMENT OVERVIEW FOR THE BALBOA RESERVOIR

BY

THE CITY AND COUNTY OF SAN FRANCISCO
ACTING BY AND THROUGH THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

AND

RESERVOIR COMMUNITY PARTNERS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

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Exhibits

OVERVIEW

This Development Overview describes the current status of the Balboa Reservoir project ("Project"), which will help to address San Francisco's housing crisis by creating a substantial amount of new mixed-income housing on publicly-owned land. The mandate to utilize public land for housing was affirmed by San Francisco voters in 2015, with the overwhelming approval of Proposition K. Accordingly, the Project's affordable housing program targets 50% of all new housing units to be permanently affordable housing to low, moderate, and middle-income people. This document describes this and all other anticipated major elements of the Project. It has been prepared to provide background to the Board of Supervisors in its consideration of the Project's fiscal feasibility.

INTRODUCTION

This Development Overview has been prepared jointly by The City and County of San Francisco ("City") and the development team selected to build the Project. The City, acting by and through its San Francisco Public Utilities Commission ("the SFPUC"), and the development team, Reservoir Community Partners, LLC, a Delaware limited liability company ("Developer"), a partnership of BRIDGE Housing Corporation and AvalonBay Communities, are parties to the Exclusive Negotiating Agreement dated as of December 8, 2017 (the "ENA"). The ENA sets forth the process and terms by which the parties will negotiate documents and seek approvals for the proposed development of the approximately 17-acre Balboa Reservoir property (the "Site").

Pursuant to Administrative Code Section 29.2, prior to submittal of an environmental evaluation application to the Planning Department related to the proposed Project, the Board of Supervisors must first determine that the plan to undertake and implement the Project is fiscally feasible and responsible. In connection with this determination, the Board of Supervisors is being asked to review and consider the general purpose of the Project, its fiscal plan, the direct and indirect financial benefits of the Project to the City, the cost of construction, the available funding for the Project, the long-term operating and maintenance costs of the Project, and the public debt for the Project. This Development Overview has been prepared to provide the necessary background and context for this determination. It is a general description of the Project as currently proposed, and is not a binding agreement committing the City, including the SFPUC, or the Developer to proceed with any approval or implementation of the Project.

PROJECT BACKGROUND

The Balboa Reservoir property (the "Site") is an approximately 17-acre parcel that the City and County of San Francisco (the "City") owns under the jurisdiction of the San Francisco Public Utilities Commission ("SFPUC"). Although constructed with water storage in mind, the Site has never been utilized as a reservoir and is not identified by the SFPUC as needed to provide water storage in the future. Currently, City College of San

Francisco ("City College") utilizes the Site as surface parking serving its Ocean Campus, which borders the Site to its west, under a revocable license granted by the SFPUC.

In 2014, Mayor Ed Lee announced the Public Lands for Housing program and identified the Site as a critical opportunity to utilize public land to help address the City's housing crisis. The effort to create housing at the Balboa Reservoir Site was established with three primary objectives:

1. Under the City's Public Lands for Housing Program, create a mixed-income housing project that maximizes the amount of affordable housing for low, moderate, and middle-income San Franciscans, while enhancing the communities around it;

2. Provide the SFPUC's water utility ratepayers with fair market value for this utility asset, as required by the Charter and applicable law; and

3. Develop the Site with sensitivity to surrounding neighborhoods and in a way that enhances the quality of life and opportunities for those who live, work, study, and visit in the surrounding area.

In April, 2015, the Board of Supervisors established the Balboa Reservoir Community Advisory Committee ("BRCAC") to formalize the community input process for the Site (San Francisco Administrative Code Chapter 5, Article XVII). The BRCAC has advised the City on a detailed set of Development Principles & Parameters, which served as guiding principles for the selection of a developer partner to finance and construct the project at the Site.

The competitive selection process, overseen by an evaluation panel comprised of representatives of relevant public agencies, the BRCAC, and City College, is documented in detail at www.sfwater.org/balboa. It formally concluded on December 8, 2017, when the SFPUC executed an exclusive negotiating agreement with the selected Developer, Reservoir Community Partners, LLC, which is a partnership between BRIDGE Housing Corporation and AvalonBay Communities, Inc. Reservoir Community Partners, LLC, is collaborating with three additional development organizations, Mission Housing Development Corporation, Habitat for Humanity of Greater San Francisco, and Pacific Union Development Company, which will provide support in the areas of community engagement, affordable housing development, shared parking development, and general strategic expertise.

The public outreach process, including meetings of the BRCAC, has remained ongoing since the selection of the Developer. It will continue to shape the Project as the Developer moves forward with the refinement and technical evaluation of its preliminary development proposal, which was submitted, shared publicly, and evaluated during the selection process. This Development Overview describes the key elements of that proposed Project as understood and agreed upon by the Developer and SFPUC management, as well as by the Planning Department and the Office of Economic and Workforce Development, which the SFPUC has enlisted to provide technical and project management support. This Development Overview is consistent with the community-driven Development

Principles & Parameters and draws directly from that document and as well as from the Developer's initial proposal.

This Development Overview serves as the basis for preliminary analysis of the Project, beginning with any fiscal analysis conducted in conjunction with Administrative Code Section 29.2, as described above. Provided that the Board of Supervisors finds the Project to be fiscally feasible and responsible, the Developer may subsequently submit an environmental evaluation application to the Planning Department, commencing environmental review of the Project under the California Environmental Quality Act ("CEQA"). Once the environmental review process is complete and the final CEQA document is certified, the Project may seek regulatory and transaction approvals from the Board of Supervisors, with approval and recommendation, as applicable, from the SFPUC Commission and the Planning Commission.

While environmental review is underway, the Developer will continue to refine the Project, receiving continued feedback from the City, the environmental review process, and community stakeholders. Refinements will be made in response to new information and stakeholder feedback received during the environmental review period and may impact the Project's cost and alignment with City and community policy goals. Any such refinements will therefore require mutual agreement and a clear rationale, underpinned by stakeholder consultation and/or cost-benefit analysis, as required.

Site Description	The Balboa Reservoir site (the "Site") is an approximately 17-acre parcel that the City owns under the jurisdiction of the San Francisco Public Utilities Commission ("SFPUC"). The Site is located in the central southern portion of San Francisco, bounded by City College of San Francisco's Ocean Campus to the east, Riordan High School to the north, the Westwood Park neighborhood to the west, and the Avalon Ocean Avenue apartments to the south. The Site's boundaries correspond generally with San Francisco Assessor's Block Number 3180, Lot Number 190. The SFPUC will retain an 80-foot wide portion of this parcel located along the southern edge of the Site in fee.
Development Principles & Parameters	The Balboa Reservoir Community Advisory Committee (CAC) was extensively involved in refining and endorsing a comprehensive set of Development Principles & Parameters for the development of the Balboa Reservoir. These Principles & Parameters provided programmatic and design direction to developers submitting proposals for the Balboa Reservoir during the developer selection process. Although not legally binding, the Principles & Parameters will continue to serve as guidelines for the design and negotiation of public benefits as the project moves forward, and any major deviations from them will be undertaken with input from City and community stakeholders. Principles & Parameters not explicitly restated in this Development Overview are assumed to apply.

Project Description	The Project is proposed to include the following major components:
	
	Housing
	
	- Approximately 1,100 units (though a range of alternative unit numbers can be studied in accordance with CEQA).
	- Townhomes at western edge of site.
	- Multi-family buildings that are tallest at the Site's eastern edge and step down toward the west.
	- Combination of rental and for-sale housing (mix to be determined during negotiation period).
	- Block sizes designed to maximize views and pedestrian connections
	- To encourage diversity of design and experience in buildings and public spaces, the project will utilize a number of qualified designers.
	- Varied unit types and floor plans to meet the widest range of potential resident needs.
	- Anticipated breakdown of housing developers:
	    o BRIDGE – Affordable rental housing for a range of income levels
	    o Mission Housing – Affordable low-income rental housing

	o Habitat for Humanity – Low and/or moderate-income housing o AvalonBay – Market-rate rental housing o To-be-determined townhome developer – Market-rate townhomes - Family Housing o 50% of total units will be two bedrooms or larger, including a substantial number of three-bedroom units. o Units targeted to families will be designed with family friendly features such as ample storage and access to outdoor space. o In the buildings identified to be geared toward families, common areas will include family friendly features, examples of which may include a community room, child-friendly outdoor space, easily accessible pickup and drop-off areas (consistent with the Circulation features described below), and storage for strollers and car seats. - City College Housing o The Developer, the City, and City College will work together to identify opportunities to help create housing on the SFPUC-owned Balboa Reservoir Site that serves the City College community, provided that City College has the desire and ability participate in the process as well as to contribute appropriate resources. o The Developer, the City, and City College will work together to identify opportunities for Developer to help create City College-serving housing on City College property, subject to City College's collaboration. - The Developer will explore providing housing targeted to special populations, which could include seniors, physically and developmentally disabled adults, veterans, and/or the formerly homeless. - Affordable housing should generally be provided on-site, although some of the project's affordable housing may be provided elsewhere within 1/2 mile of the Site if: o Providing affordable housing within a high-quality existing building will accelerate the availability of affordable housing substantially faster than new construction; or o Housing is built in collaboration with a not-for-profit organization that controls nearby land, such as City College.

	Parks and Open Space • **Project Property** - No less than 4.0 acres of publicly accessible parks and open spaces, including a large open space of approximately 2.0 acres and no smaller than 1.5 acres. - Other open spaces may include "gateway" green spaces to serve as gathering places that unite the Site with the surrounding neighborhoods and City College, may be adjacent to the childcare center, and provide a variety passive and active recreational opportunities. - The Project will be responsible for the following roles regarding its parks and open space, unless some are assumed by the Recreation and Parks Department pursuant to an agreement between the City and the Developer: o Design and construction; o Ongoing budgeting, management, and oversight of ongoing park maintenance; o Funding of ongoing operation and maintenance; and o Activation, including coordinating a program of regular activities targeted to residents, CCSF, students, neighbors, and general public. • **SFPUC Retained Adjoining Property** - The SFPUC will retain an 80-foot-wide strip of property along the southern edge of the Site in fee. Two high-pressure water transmission pipelines exist within this SFPUC property, and a third pipeline is planned. The Project may include streets, sidewalks, and publicly accessible open space above the strip of land retained by the SFPUC, subject to the SFPUC's ability to install, maintain, operate, inspect, and repair its utility infrastructure and construct or install new utility infrastructure. - Once the SFPUC has approved any open space design, it will license the Developer to build and operate the improvements on its retained property. **Childcare Center** - At least one facility that serves children under the age of five. - Provided in Phase 1. - Operated by a local provider selected in consultation with the community.

	Community Room - At least 1,500 square feet, accommodating up to 100 occupants. - Available by reservation to local organizations and groups. - Near the eastern edge of the Site, convenient to CCSF. **Infrastructure** Any infrastructure that will be owned and maintained by the City must be built to standards approved by the Department of Public Works and the SFPUC. Such infrastructure may include roadway and streetscape elements (including street trees), water and wastewater utility infrastructure, stormwater infrastructure, and power utility infrastructure. Pursuant to Administrative Code Chapter 99, if the SFPUC determines that it is feasible for the SFPUC to provide power to the Site, the SFPUC will work with the Developer to provide temporary construction and permanent electric services pursuant to its Rules and Regulations for Electric Service.
Affordable Housing Subsidies	The Project's affordable housing program targets 50% of all new housing units to be permanently affordable to low, moderate, and middle-income households. This target reflects the direction given by the Balboa Reservoir CAC and other public stakeholders during the extensive community outreach process that occurred prior to the selection of the Developer. At least 18% of total units will be low-income units; at least 15% of total units will be moderate-income units, and up to an additional 17% of total units may be a combination of low, moderate, and/or middle-income affordable units paid for with non-Project funds (as discussed in greater detail below). The remaining portion of the Project's housing will be priced at market rate, allowing the Project to internally cross-subsidize a substantial portion of its affordable housing, freeing up City resources that would otherwise be needed for the Project to fund additional affordable housing elsewhere in San Francisco.

The Developer's initial proposal is for the following affordable housing program:

	Low-Income Apartments	Low-Income For-Sale	Moderate-Income Apartments	"Additional" Low, Moderate, and Middle-Income Apartments	"Additional" Moderate-Income For-Sale
Percent of Total Units	18%		15%	17%	
Maximum Income Level	55% of AMI	80% of AMI	80 - 120% of AMI	55 - 120% of AMI	105% of AMI
Anticipated Non-Profit Developer	BRIDGE Housing/ Mission Housing	Habitat for Humanity	BRIDGE Housing	BRIDGE Housing/ Mission Housing	Habitat for Humanity

This affordable housing program may evolve in response to Project negotiations and design refinements, but it will not exceed the following Area Median Income (AMI) levels, consistent with the Development Principles & Parameters: "Low-income" units will have an affordable rent set at up to 55% of Area Median Income (AMI) or an affordable purchase price set at up to 80% of AMI; "moderate-income" units will be affordable to households earning up to 120% of AMI; and "middle-income" units will be affordable to households earning up to 150% of AMI, provided that the corresponding housing prices are at least 15% below local market rate housing prices, as determined by a market study at the time of project approval.

These income restrictions will be recorded against the property and apply for the life of the Project. For purposes of this project, all references to AMI refer to San Francisco AMI levels as published by the Mayor's Office of Housing and Community Development ("MOHCD").

The Project will rely on two types of funding sources to provide the subsidies required for this affordable housing:

Project-Funded Affordable Housing. 33% of the Project's total housing units will be affordable housing paid for by the Project, such as with Developer equity or revenues generated by the market-rate portion of the Project. There will be no direct City subsidy used to build these units. However, the Developer may access, subject to City approval, other public funding sources such as 4% tax credits, tax exempt bonds, or other state or federal financing tools. This baseline 33% rate is based on Proposition K (2015), which set the expectation that housing on property sold by the City will have no less than this amount of affordable housing.

Additional Affordable Housing. Up to an additional 17% of the Project's total housing units will be affordable housing paid for with non-Project funds. The Developer's proposal estimated that the subsidy required for this affordable housing would be approximately $26 million to subsidize approximately 187 additional

	affordable units. The City and the Developer acknowledge that this cost is subject to potential increases due to factors including construction cost at the time of construction, availability to the project of state funding for low income and moderate income housing, and the low income housing tax credit market. This cost would also change if future feedback and negotiations resulted in changes to the Project's total unit count or the income levels served by this portion of the affordable housing. Funding sources for this additional affordable housing could potentially include: - **Gross Receipts Tax.** In June, 2018, San Francisco voters will consider a ballot measure that would raise funds for affordable housing by increasing the gross receipts tax rate for commercial space. If this measure is approved, the Project would be eligible to utilize a portion of the new affordable housing funds. - **Project-Generated Sources.** As determined by the fiscal feasibility analysis, the Project will generate net new General Fund revenue of approximately $1.7 million per year. A portion of this revenue could be reinvested back into the Project; the mechanism for this reinvestment could be an infrastructure financing district, an affordable housing investment plan pursuant to AB 1598, or a direct transfer from the City. - **State Sources.** The Project could apply for one of several funding sources administered at the state level, such as the California's Affordable Housing and Sustainable Communities program and certain low income housing tax credit programs. - **Bond Revenue.** In November, 2018, California voters will consider a $4 billion state affordable housing bond. In addition, local affordable housing bonds are likely to be proposed in San Francisco in upcoming years; most recently, in 2015, San Francisco voters approved a $310 million affordable housing bond. Due to rapidly changing market conditions and the parties' openness to negotiating with City College for the provision of faculty and/or student housing, the specific terms of the financing (amount, payment timing, etc.) for the Project's affordable housing will be determined through the development agreement negotiation process and finalized before the Project seeks final approvals from the Planning Commission, SFPUC Commission and Board of Supervisors.
Phasing	The Project may be built in multiple phases. Its phasing plan will include housing and public and community benefits. The required public benefits will be commensurate with the amount of market-rate housing in each phase.

City College Considerations & Collaboration	The parties will cooperate in good faith with City College to minimize negative impacts from development at the Balboa Reservoir Site on City College's educational mission and operational needs and to identify opportunities for the Project to also benefit City College. **Parking and Transportation** The Developer and the City recognize that it is critical to maintain access for City College's diverse community and acknowledge that while there are opportunities for the College to encourage non drive-alone access for its students, faculty, and staff, some amount of parking need will always remain. To this end, the Developer will work with City College so that the Project's removal of current surface parking does not compromise access to City College. The Developer's initial proposal is to provide parking accessible to City College in a 500-space shared parking garage, but additional analysis and coordination with City College will occur to determine whether this is the appropriate and feasible size. The Project will be built in phases, so the current surface parking capacity may be removed gradually, allowing time to adapt and try new parking and transportation strategies. The Developer will coordinate with City College around transportation demand management and pursue opportunities to work together to improve access to alternative modes of travel. **Housing** The Developer and the City recognize that the City College is greatly impacted by the current housing crisis, and that the College's ability to thrive and grow is impacted by the ability of its students, faculty, and staff to access affordable housing. The Developer will therefore work with City College to identify opportunities for the Project to include affordable housing for City College students, faculty, and/or staff, subject to City College's interest, capacity, and ability to participate in the process as well as to contribute appropriate funding. The Developer will work with City College to explore the potential to include City College housing on the Balboa Reservoir property and/or on adjacent City College-owned-property. The amount of City College housing created will be commensurate with City College's ability to contribute the required resources. There may be opportunities for the Project to provide some subsidy to City College-serving housing, subject to fair housing law, but additional financial and legal analysis is needed. Project-generated funds may not be used to subsidize City College-serving housing in such a way that would reduce the land price to the SFPUC. The terms of this housing collaboration with City College will be negotiated concurrently with the other Balboa Reservoir transaction documents. The overall

	project will not be delayed if a housing partnership with City College cannot be finalized within the same timeframe. **Performing Arts Education Center** The City and Developer will coordinate with City College to ensure that the development of the Site will not detrimentally effect the ability of City College to design, finance, and build a new Performing Arts Education Center on the "upper reservoir" property. The City and Developer will seek to collaborate with the College to determine ways that the Project and the proposed Performing Arts Education Center can work harmoniously together for the benefit of the College, the new residents of the Project, and the broader community. **Additional Opportunities and Considerations** Construction methods will be designed to mitigate access, noise, dust, and air quality impacts to City College as feasible. To the extent that City College expresses interest in relocating or expanding the City College Child Development Center to the Balboa Reservoir Site, the Developer will examine opportunities to accommodate this request within the childcare center serving the Project. The City and the Developer will communicate regularly with City College as the planning process moves forward.
Transportation Demand Management	Consistent with the objectives of Planning Code Section 169, the Project will include a transportation demand management (TDM) program that encourages the use of sustainable modes of transportation. The TDM program will include measures to support transit use, walking, and bicycling; prioritize pedestrian safety and access; and maximize car share availability and convenience for Site residents, visitors, and workers. The development will have a set performance target for vehicle trips, automobile mode share and/or other measures of transportation demand. The Developer or its successor(s) will monitor transportation performance on the Site, report annually on TDM according to City standards, and deploy measures to improve performance. The Project will have a Site-wide TDM program, managed by a TDM coordinator who will implement TDM measures, coordinate with City College and other neighbors, and monitor performance and adjust its TDM program to make sure that transportation performance targets are met.
Project Parking	The amount, type, and location of parking at the Project will be designed to address the needs of Balboa Reservoir residents and the City College community, while at the same time minimizing congestion and encouraging the use of alternative modes of travel. **Resident Parking** Resident-serving parking will be provided partially within residential buildings and partially in a shared parking garage. Parking spaces in multi-unit buildings and

	common or shared parking garages will be "unbundled," such that they are purchased or leased separately from residential units, and households opt into the lease or purchase of a parking space. Townhomes may have dedicated parking within private garages. The overall residential parking ratio will be no greater than 0.5 spaces per unit; the maximum ratio for family units (two bedrooms or more) is 1.0 in multi-family buildings and for student housing is 0.25. **Shared Parking** A shared-use garage will serve both the City College community and the residents of the new housing. The garage will be designed and operated so that the same spaces can be utilized by different users throughout the day, for example City College users during school hours and residential users during evenings and weekends.
Workforce Development	The Project will: - Comply with prevailing wage and apprenticeship program requirements, as described in Chapter 23 the Administrative Code; - Comply with the City's Local Hiring Policy, as described in Chapter 82 of the Administrative Code; - Include a Local Business Enterprise (LBE) utilization plan; and - Include a non-discrimination and affirmative action program.
Sustainability	The Project will include Site-wide guidelines for greenhouse gas emissions, water conservation and non-potable water use, stormwater management, and additional sustainability principles as applicable, and will include the following sustainability measures: **Energy** Buildings will be designed for energy efficiency, utilizing efficient fixtures, appliances, and passive design techniques. The Project will maximize to the extent feasible renewable energy generation and the use of renewable or greenhouse gas-free supplies, as well as explore opportunities for district energy and micro-grid systems that further enhance efficiencies while providing co-benefits for water conservation and resilience. All buildings will be designed in accordance with San Francisco Better Roofs requirements. **Water Systems** Guided by the principles of the SFPUC's OneWaterSF initiative, the Project will pursue synergies between water and wastewater infrastructure systems. Per Article 12C of the San Francisco Health Code, the Project will use available graywater, rainwater, and foundation drainage to meet toilet and urinal flushing demands. The Project may also collect, treat, and use blackwater and stormwater, although not

	required by Article 12C. Non-potable water reuse may take place at the district scale or within each building. Stormwater runoff will comply with the City's Stormwater Management Requirements. Streets and open spaces will be designed to create a coordinated network of greening and multi-use spaces suitable for stormwater management and infiltration. Rooftops and podiums may be utilized for stormwater management through the integration of stormwater controls and rainwater reuse. **Ecology** The Project's network of parks, open spaces, rooftops, and streetscape will provide a comprehensive network of ecological corridors and be landscaped primarily with plants that are drought tolerant, support biodiversity, and appropriate to the neighborhood micro-climate.
Ongoing Operation and Maintenance	As the property owner, the Developer or its successor(s) will be responsible for all ongoing operations and maintenance, with the exception of public infrastructure and facilities dedicated to the City. The Developer's responsibilities will include the programming and activation of public spaces, implementation of the TDM program (see Transportation Demand Management section), and implementation of the site-wide sustainability measures. Funds for the operations and maintenance of applicable infrastructure will be collected from the new property owners, most likely through the creation of a Community Facilities District ("CFD"), administered by a master homeowners association.
Community Outreach	Frequent community engagement is underway and will continue to occur throughout the pre-entitlement period and include: - **CAC Meetings.** The Balboa Reservoir Community Advisory Committee (CAC) will continue to serve as a regular forum for community engagement. At the CAC meetings, the Developer will present elements of the evolving project plan, answer questions from CAC and community members, and receive feedback. - **Special Events.** The Developer will plan occasional community events to engage community members in creative ways and reach people who do not regularly attend CAC and neighborhood association meetings. - **Community Group Meetings.** Upon request, the Developer and/or City will meet with community stakeholder groups, including but not limited to local neighborhood associations, to share project updates and discuss issues of concern. - **City College Outreach.** The parties will periodically brief the Board of Trustees on the project's progress and will attend any other committee and

	group meetings upon request, or at the direction of the CCSF administration or Board of Trustees. The parties will work to engage community stakeholders who have not regularly or actively participated to date, including but not limited to City College students. The development agreement will include a community outreach plan for the period following project approvals.
Entitlement and Transaction Documents	Once the environmental review process is complete and the CEQA document is certified, the parties will seek regulatory and transaction approvals of the following from the Board of Supervisors, with approval and recommendation, as applicable, from the SFPUC Commission and the Planning Commission: • Planning Code and Zoning Map amendments to create and map a Special Use District and enact Height and Bulk District reclassifications and create any necessary underlying zoning; • Design Standards and Guidelines governing the Project's physical form, to be incorporated by reference into the Planning Code amendments to create a Special Use District; • A Purchase and Sale Agreement ("PSA") setting forth the land transaction terms; • A Development Agreement vesting the project's entitlements and memorializing the Developer's development rights and responsibilities, including its obligations around affordable housing and other public benefits; and • Additional plan documents (e.g., an infrastructure plan) to be incorporated into the DA, as deemed appropriate. The City and the SFPUC will not take any discretionary action to give any approval that will have the effect of committing the SFPUC or City to the development of a Project until environmental review for the Project as required by CEQA has been completed in accordance with CEQA and San Francisco Administrative Code Chapter 31.
Land Valuation	**Fair Market Value.** After the Project receives approval of the Rezoning, Height and Bulk District Reclassification, Purchase and Sale Agreement (PSA), and Development Agreement (DA) the Developer will purchase the property for fair market value from the SFPUC in fee in one transaction, unless an alternative closing schedule is agreed to by the SFPUC General Manager in his sole discretion. The closing period will be tolled in the event of a referendum or a lawsuit challenging the Project Approvals (as defined in the Development Agreement) until such referendum is defeated or until final resolution of any litigation in the City's favor. The calculation of fair market value will take into account the timing of land transfer and certain non-housing public benefits that are reflected in the Project entitlements

	and that are described in the Development Principles & Parameters attached to the RFP, and the "Project Funded Affordable Housing" described above. The "Additional Affordable Housing," also described above, will not be considered a Project cost and therefore will not impact the land valuation. **Valuation Methodology.** The City and the Developer will perform financial modeling to project the Project's cash flows and understand the relative feasibility of various potential development programs. A third-party real estate finance consultant will facilitate this iterative analysis, which will conclude once the City and the Developer agree upon a program that maximizes public benefits without compromising financial feasibility, as indicated by the model. The model iteration associated with this preferred development program will help to inform an associated land price. The Developer will pay fair market value for the Site, as confirmed by an appraisal and appraisal review consistent with Chapter 23 of the Administrative Code.
Additional Sources and Uses	**Community Facilities District.** The Project may create a Mello-Roos Community Facilities District ("CFD") and use the special taxes collected for ongoing operations and maintenance or to finance infrastructure development through the issuance of bonds. The City will cooperate with the Developer's efforts to establish such a CFD. **Additional Sources.** The Developer will pursue additional outside sources of funding to improve the project's feasibility and ability to support a robust public benefits package without compromising land value to SFPUC ratepayers. These sources will include, but not be limited to, four percent low income housing tax credits, associated tax exempt bonds, and other state and federal grants and subsidies as approved by the City.
Environmental Review	Nothing in this Development Overview commits the City to approve the proposed Project. The City will not take any discretionary actions that will have the effect of committing it to the development of the Project until environmental review as required by the California Environmental Quality Act, Cal. Pub. Res. Code Section 21000 *et seq.* ("CEQA") has been completed in accordance with CEQA and SF Admin. Code Chapter 31. If the Project is found to cause potential significant environmental impacts, the City retains sole discretion to require additional environmental analysis, if necessary, and to: (a) modify the Project as the City determines may be necessary to comply with CEQA; (b) select feasible alternatives to the Project to avoid significant environmental impacts of the proposed Project; (c) require the implementation of specific mitigation measures to address environmental impacts of the Project identified; (d) reject the Project as proposed due to unavoidable significant environmental impacts of the Project; and (e) balance the benefits of the Project against any significant environmental impacts before final approval of the Project upon a finding that the economic, legal, social, technological or other benefits of the Project outweigh unavoidable significant environmental impacts of the Project.

Exhibit A

Site Location

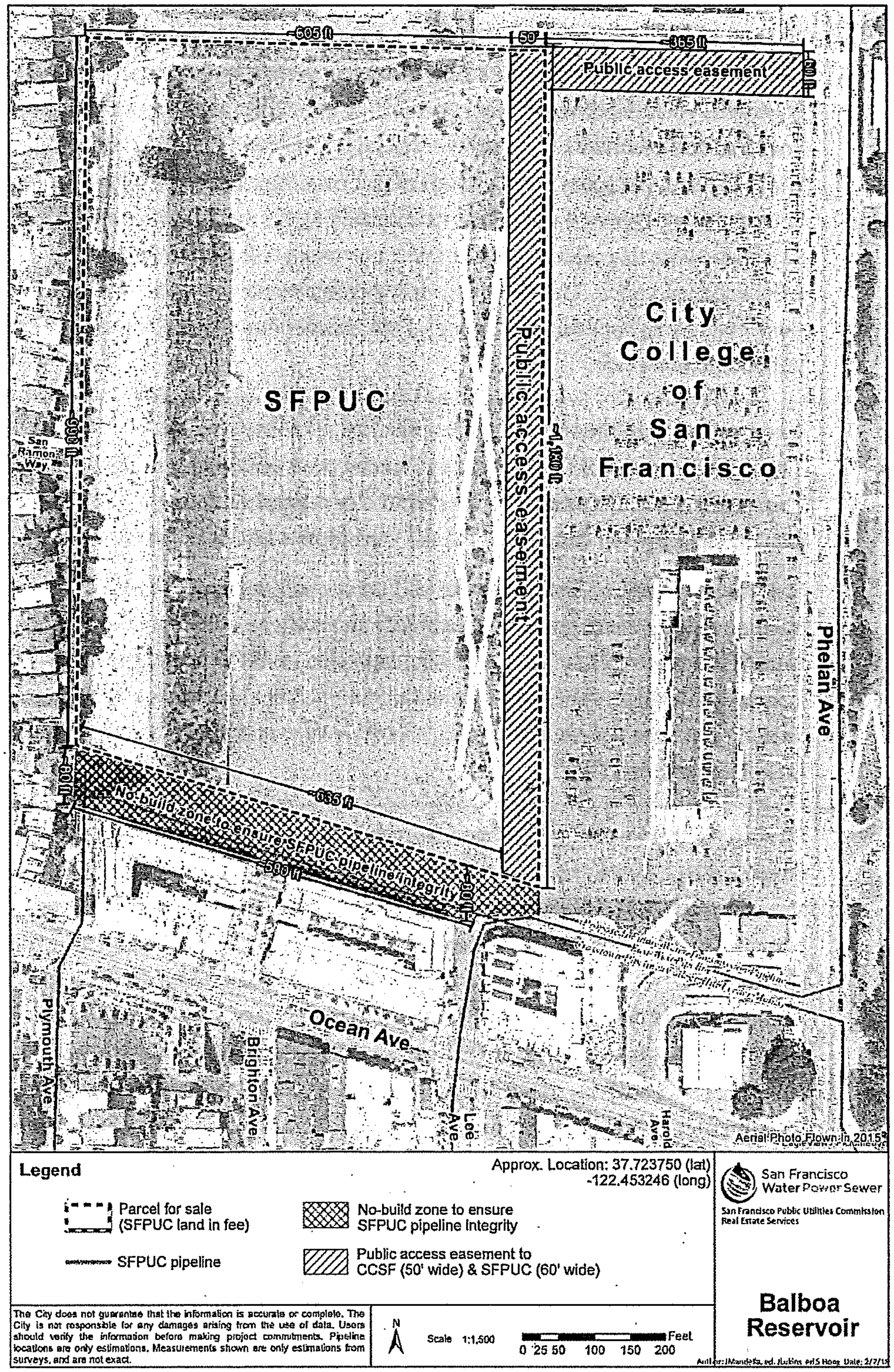

Exhibit B

Preliminary Site Plan

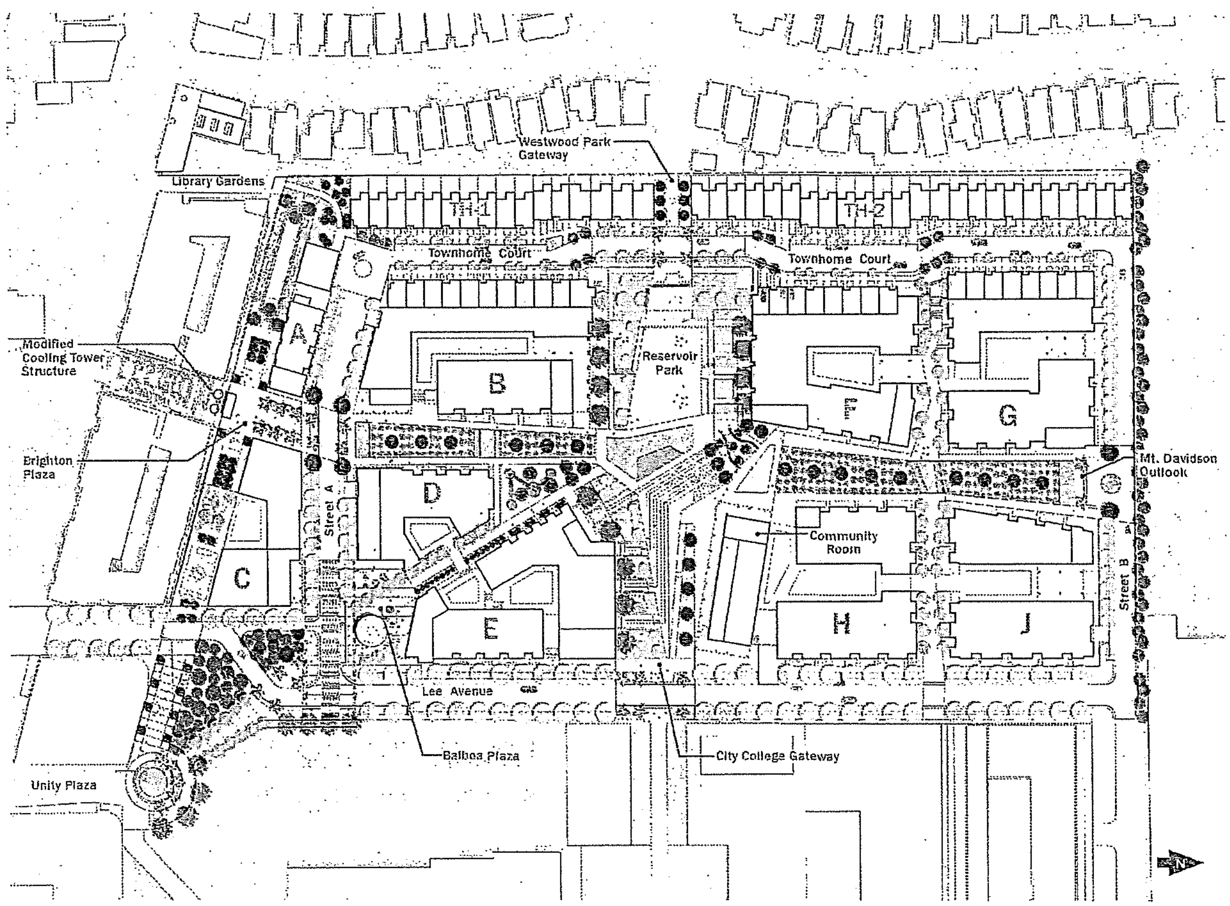

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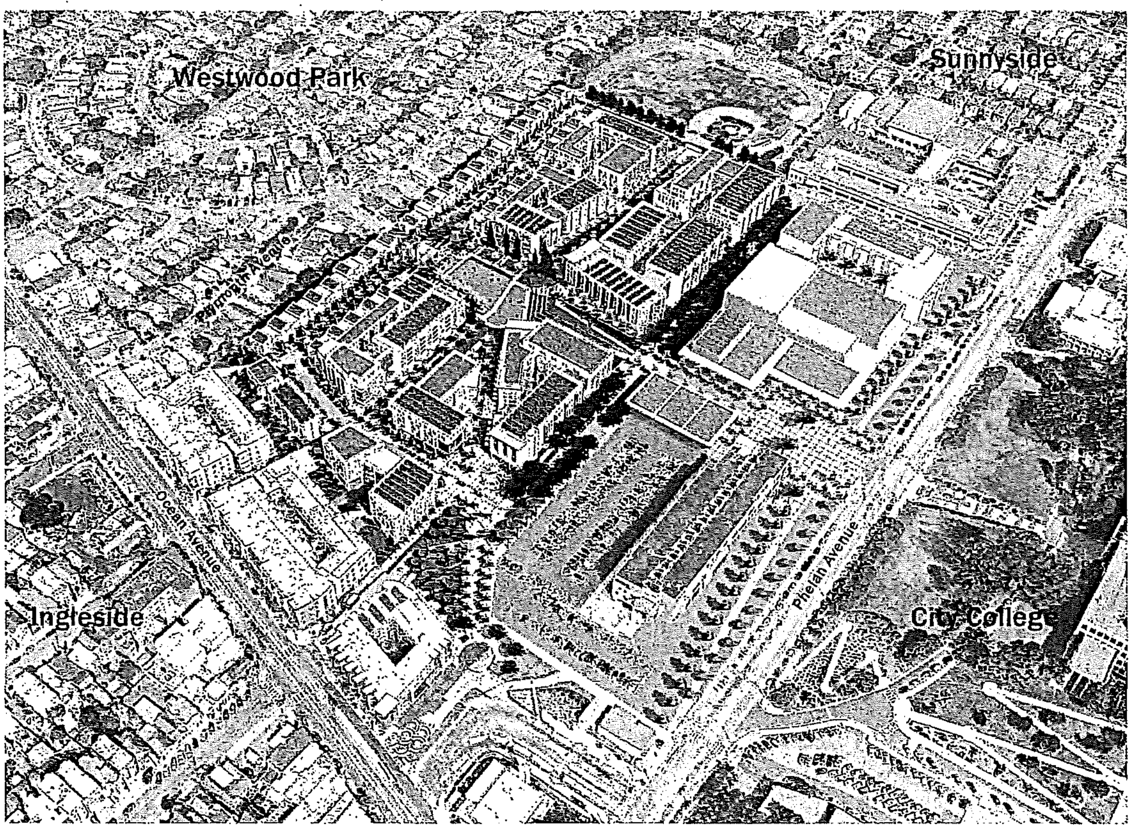
Exhibit B

Preliminary Site Plan



Balboa Reservoir from Southeast

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 17-0225

WHEREAS, The City and County of San Francisco (City) owns approximately 17 acres of real property under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC) near Phelan Avenue and Ocean Avenue, commonly known as the Balboa Reservoir; and

WHEREAS, The SFPUC partially completed the Balboa Reservoir in 1957 but has never used the site for water storage purposes; and

WHEREAS, In 2012, after a series of land transfers between various public agencies, the original Balboa Reservoir was reconfigured from the SFPUC's original land holdings into its current configuration, and the SFPUC has jurisdiction over approximately 17 acres west of City College of San Francisco (City College)'s property; and

WHEREAS, In late 2014, the Mayor's Office of Economic and Workforce Development (OEWD), the San Francisco Planning Department (Planning) and the SFPUC initiated a study of the Balboa Reservoir site for potential residential development under the City's Public Land for Housing Program, which seeks to address the City's issues regarding affordable housing; and

WHEREAS, On March 31, 2015, via Board of Supervisor's Ordinance 45-15, the Board of Supervisors established the Balboa Reservoir Community Advisory Committee (BRCAC) to advise the Board of Supervisors, the Mayor, and City Departments regarding any proposed development under the Public Land for Housing Program at the Balboa Reservoir; and

WHEREAS, On November 10, 2016, following nearly two years of community outreach, the SFPUC initiated a developer selection process by issuing a request for qualifications (RFQ) to solicit developers interested in acquiring the Balboa Reservoir site to build mixed income housing and develop open space. A RFQ evaluation panel comprised of City staff and community and City College representatives evaluated the RFQ responses and recommended three top-scoring teams to the SFPUC General Manager. The three top-scoring teams were subsequently invited to respond to a request for proposals (RFP); and

WHEREAS, On March 9, 2017, the City announced the three finalist development teams for the RFP: (i) a collaboration between AvalonBay Communities (AvalonBay) and Bridge Housing Corporation (Bridge Housing) as master co-developers, with Mission Housing, Pacific Union Development Company, and Habitat for Humanity of Greater San Francisco, (ii) a collaboration between the Emerald Fund and Mercy Housing, and (iii) a collaboration between Related California, Sares-Regis Group of Northern California, Tenderloin Neighborhood Development Corporation, and Curtis Development. The three development teams were invited to submit their development proposals by June 2, 2017; and

WHEREAS, The City invited community members to attend, view and comment on the three developer proposals at (i) a public workshop on June 10, 2017 at the City College Phelan Avenue campus, (ii) a meeting of the BRCAC on June 15, 2017; and (iii) through the SFPUC website. Through this community participation process, the City received public comments from 127 parties and transmitted all such public comments to the three developer teams, who each were required to respond and explain how the team would consider and address the comments if it were the City-selected developer team; and

WHEREAS, A RFP Panel comprising of City staff, a BRCAC community representative and a representative were tasked with reviewing, discussing, interviewing and ultimately selecting a developer to recommend to the SFPUC General Manager; and

WHEREAS, The selected developer teams for the RFP were asked to submit their final proposals by June 2, 2017 and present their proposals to the community on June 10, 2017; and

WHEREAS, The City announced the conclusion of the Balboa Reservoir selection process with the selection of AvalonBay Communities and Bridge Housing with Mission Housing, Pacific Union Development Company, and Habitat for Humanity of Greater San Francisco as the developer on August 23, 2017; and

WHEREAS, The terms and conditions of the transaction documents for the transfer of the site and development of a project will be negotiated during the term of the ENA. All project approval actions, including approval of the transaction documents by the SFPUC, City's Board of Supervisors (Board) and Mayor, and other applicable City agencies are subject to environmental review through the California Environmental Quality Act, Cal. Pub. Res. Code Section 21000 *et seq.* (CEQA), the CEQA Guidelines, 15 Cal. Code Regs. Section 15000 *et seq*, and San Francisco's Environmental Quality Regulations, codified at San Francisco Administrative Code Chapter 31. In approving the ENA, the SFPUC is not approving development of the Balboa Reservoir site. In order to comply with CEQA and give decision-makers and the public the opportunity to be aware of the environmental consequences of any contemplated actions with respect to the project and to fully participate in the CEQA process, the SFPUC retains the absolute and sole discretion to (i) structure and modify the project as the SFPUC determines may be necessary to comply with CEQA, (ii) select other feasible alternatives to the project to avoid significant environmental impacts, (iii) adopt feasible mitigation measures to reduce or avoid significant impacts of the project, (iv) balance the benefits of the project against any significant environmental impacts before final approval by the SFPUC or City if such significant impacts cannot otherwise be avoided, and/or (v) determine not to proceed with the project due to unavoidable significant impacts; and

WHEREAS, The City, through the SFPUC, now desires to enter into the Exclusive Negotiation Agreement (ENA), with Reservoir Community Partners, LLC, a Delaware limited liability company representing a joint venture comprised of AvalonBay Communities and Bridge Housing; now, therefore, be it

RESOLVED, That nothing in this resolution or the ENA commits, or shall be deemed to commit, the SFPUC or City to approve or implement a project as defined under CEQA. The SFPUC and City will not approve any transaction documents or take any other discretionary actions that will have the effect of committing the SFPUC or City to the development of a project until environmental review for the project as required by CEQA has been completed in accordance with CEQA and SF Admin. Code Chapter 31. Accordingly, the references to "the project" (or the like) in this resolution mean a proposed project subject to future environmental review and consideration by City, the SFPUC and other public agencies. The SFPUC intends through exclusive negotiations to identify the actions and activities that would be necessary to develop the site to facilitate meaningful environmental review. No transaction documents or other discretionary actions will be approved and become binding on the SFPUC and City unless and until (1) City, acting as the lead agency under CEQA, has determined that the environmental documentation it has prepared for the project complies with CEQA; and (2) City has reviewed and considered the environmental documentation and adopted appropriate CEQA findings in compliance with CEQA. The SFPUC retains absolute and sole discretion to: (a) modify the project as the SFPUC determines may be necessary to comply with CEQA; (b) select feasible alternatives to the project to avoid significant environmental impacts of the proposed project; (c) require the implementation of specific mitigation measures to address environmental impacts of the project; (d) reject the project due to unavoidable significant environmental impacts of the project; and (e) balance the benefits of the project against any significant environmental impacts before final approval of the project upon a finding that the economic, legal, social, technological or other benefits of the project outweigh unavoidable significant environmental impacts of the project; and, be it

FURTHER RESOLVED, That this Commission approves the terms and conditions of the ENA and authorizes the General Manager to negotiate and execute the ENA in substantially the form on file with the SFPUC Commission Secretary; and, be it

FURTHER RESOLVED, That this Commission hereby authorizes the SFPUC General Manager to enter into any amendments or modifications to the ENA, including without limitation, the exhibits, that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City; are necessary or advisable to effectuate the purposes and intent of the ENA or this resolution; and are in compliance with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of November 14, 2017.

Alonna Hood

Secretary, Public Utilities Commission

Wong, Linda (BOS)

From: Madeline Mueller <mmueller@ccsf.edu>
Sent: Thursday, March 08, 2018 1:28 PM
To: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Norma.Yee@sfgov.org
Subject: BOS Budget and Finance Committee March 15, 2018 Meeting Regarding Balboa Reservoir Proposed Development Fiscal Feasibility

The value of the arts to enhance our quality of life is obvious and irrefutable. However, sometimes we need to be reminded of the fiscal value of the arts. In contemplating the transfer of the publicly-owned 17 acres now called the Balboa Reservoir to a private housing developer, priority should be given to the completion of the Performing Arts Education Center (PAEC) on the adjacent City College property, which would both finally complete the campus as required and also serve as an auditorium space for the people of San Francisco. This would be the only community auditorium between downtown San Francisco and San Mateo.

Currently an identically-designed auditorium with three performing stages exists in Folsom, California, where former State Chancellor Brice Harris constucted his Performing Arts Center (while at the same time he inappropriately stopped the completion of CCSF's three-stage building which was shovel-ready in 2011). Recent press releases from Folsom indicate that their Performing Arts Center is generating approximately $15 million annually for the Folsom community. Certainly such a facility at City College of San Francisco would generate at least that amount for its community!

However, an auditorium needs to provide for an audience attending events. These events would most likely be in the evenings or on weekends, and parking (for potentially up to 1200 people attending a festival) needs to be considered now and not later. The current plans of the private developers for large numbers of market rate housing make no reference to the real needs of the PAEC. Their bottom line of bringing in perhaps 3 to 4 million dollars to the City is only a fraction of what the property could generate for the coffers of San Francisco. It would be better instead to first ask City College for its plans for the 17 acres. The College is anticipating major bond requests soon and even before doing so has indicated that it can pursue public-private partnerships for capital projects.

And of course there are some very generous potential patrons in San Francisco who would no doubt be approachable for major donations towards a Performing Arts Center, particularly if they were given naming rights to a building that has already won national awards and was designed by an architectural firm voted by American architectural firms as the best in the nation in 2016!

Moreover, before being temporarily derailed during the last five years by what is now (after two court judgements) known to be illegal takeover attempts by an accrediting agency and the state, City College of San Francisco was on an excellent capital projects' trajectory: The Wellness Center built in 2008 has 156,000 square feet of program space, the Multi-Use Building built in 2010 has 102,000 square feet and the Chinatown/ North Beach Center built in 2011 includes a 14-story and a five story building. These projects were all fully funded (and in the case of the MUB, even built under budget!). No doubt some private developers assert that public entities "can't get the job done" which is not true, as the record of CCSF's major building achievements shows.

The current private developers' plans for the 17 acres called the Balboa Reservoir are not fiscally feasible at this time for the City. If allowed to proceed, the planned development will actually cause San Francisco to lose money! The plans should, at the very least, be put on hold until:

1) the Performing Arts Education Center is fully completed and in operation;

2) a parking and transportation research study is done by City College concerning student and staff needs (and NOT another bogus 'research' by the developers and/or their joined-at-the-hip allies, the city planners);

3) a new Facilities Master Plan for City College (which may include some fully-affordable faculty, staff and student housing such as is currently available at San Mateo Community College) is fully approved by all college constituents in cooperation with the city and surrounding neighborhoods, businesses and institutions;

4) plans for transferring, per state code, public land (the Balboa Reservoir) to a public entity (City College) are seriously and substantially discussed.

5) the legal question concerning the use of public land for private development has been resolved.

Madeline Mueller
Music Department Chair
City College of San Francisco
Ph: 415 239-3641

Wong, Linda (BOS)

From: aj <ajahjah@att.net>
Sent: Tuesday, February 27, 2018 1:53 PM
To: BalResCACChair@gmail.com; Michael Ahrens; bd@brigittedavila.com; rmuehlbauer@live.com; hnchung@yahoo.com; tsaiweilee@hotmail.com; cgodinez@lwhs.org; jon.winston.brcac@outlook.com; Shanahan, Thomas (ECN); BRCAC (ECN)
Cc: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS); Low, Jen (BOS); Maybaum, Erica (BOS); Rita Evans; Jennifer Heggie; Monica Collins; Bob Byrne; Ray Kutz; Steve Martinpinto; Amy O'Hair; andrew@ohair-sherman.com; Ken Hollenbeck; Francine Lofrano; Anita Theoharis; MP Klier; Joe Koman; Anne Chen; Laura Frey; Caryl Ito; Adrienne GO; Ravi Krishnaswamy; Michael Adams; Harry Bernstein; Vicki Legion; Madeline Mueller; Lenny Carlson; Muriel Parenteu; Christine Hanson; Wynd Kaufmyn; Tomasita Medal; Win-Mon Kyi; Lalo Gonzalez; Andrea Del Pilar Olivos; Cynthia Diaz; Donna Hayes; Wendolyn Aragon; Allan Fisher; Leslie Simon; Rodger Scott
Subject: Fw: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst
Attachments: 2018-2-26 REQUEST BUDGET ANALYST.docx

BRCAC--

The Berkson Report is one-sided and biased. Please call for an independent evaluation, pursuant to Administrative Code 29.4 (b), of the fiscal responsibility of the permanent privatization of public lands:

SEC. 29.4. BOARD OF SUPERVISORS PROCEDURES FOR DETERMINATION.

(a) The Board of Supervisors, in accordance with its rules of order, shall refer the proposed resolution and information to the Board committee responsible for review of fiscal measures, such as appropriation ordinances, bond issues, taxes, fees and other revenue measures.

(b) In evaluating the fiscal feasibility of the proposed project, the Board may request assistance from the Budget Analyst or the Controller. The Project Sponsor may submit additional information to the Board. Based upon the criteria set forth in Section 29.2, the Board shall determine whether the project is fiscally feasible and responsible. The Board shall act by resolution by a majority vote of all its members.

--aj

----- Forwarded Message -----
From: aj <ajahjah@att.net>
To: "Board.of.Supervisors@sfgov.org" <Board.of.Supervisors@sfgov.org>; "linda.wong@sfgov.org" <linda.wong@sfgov.org>; "erica.major@sfgov.org" <erica.major@sfgov.org>; "Malia.Cohen@sfgov.org" <Malia.Cohen@sfgov.org>; Fewer Sandra (BOS) <sandra.fewer@sfgov.org>; "Catherine.Stefani@sfgov.org" <Catherine.Stefani@sfgov.org>; Jeff Sheehy <jeff.sheehy@sfgov.org>; Norman Yee <norman.yee@sfgov.org>; Low Jen (BOS) <jen.low@sfgov.org>; Erica Maybaum <erica.maybaum@sfgov.org>
Cc: BRCAC (ECN) <brcac@sfgov.org>
Sent: Monday, February 26, 2018 3:46 PM
Subject: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

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

Attached is a a request that the Budget & Legislative Analyst Division be tasked with conducting an independent, objective analysis of the the fiscal responsibility of the Balboa Reservoir Project:

REQUEST FOR OBJECTIVE, INDEPENDENT EVALUATION BY BUDGET & LEGISLATIVE ANALYST DIVISION/HARVEY ROSE ON THE FISCAL RESPONSIBILITY AND FEASIBILITY OF BALBOA RESERVOIR PROJECT

A "Findings of Fiscal Responsibility & Feasibility" Report for the Balboa Reservoir Project will be presented to the Board for BOS approval soon.

The Findings of Fiscal Responsibility & Feasibility Report is authored by Berkson Associates and sponsored by OEWD-Planning Dept-PUC.

The findings of the Berkson Report--just as how the Reservoir CAC process had been orchestrated and stage-managed to arrive at a predetermined conclusion-- is one-sided and biased.

The purpose of Administrative Code 29's requirement for Findings of Fiscal Responsibility and Feasibility is to protect the people's assets. Yet OEWD-Planning-PUC has, throughout the CAC public engagement process, avoided addressing the fundamental issue of privatization of a 17.4 acre publicly-owned asset.

Thus, an independent and objective evaluation of the Project's fiscal responsibility needs to be performed by the BOS Budget & Legislative Analyst Division.

DECEPTIVE AND MISLEADING ADVERTISING

Under consumer protection laws, deceptive and misleading advertising is discouraged. However, as government agencies, consumer protection laws do not apply to OEWD-Planning-PUC. The City & County's Balboa Reservoir Team has taken advantage of its exemption from consumer protection laws to portray the Reservoir Project in a deceptive and misleading manner.

Have you ever gone to a sale that was promoted as "up to 75% off" only to discover that almost all items were only 10% off with only a few items that were 75% off? The Reservoir Team and the Berkson Report uses a similar technique. The Reservoir Project has been promoted as "up to 50% affordable" to give the public the impression that the Project will provide 50% affordable housing. This portrayal of the Project is deceptive and misleading. "50% affordable" is a ceiling. Instead, an objective and accurate description would be:

- At least 33% affordable, up to a maximum of 50% affordable
- At least 50% market-rate, up to a maximum of 67% market rate

Another egregiously deceptive portrayal of the Reservoir Project is the misuse of the term "permanently affordable." The Reservoir Project has shamelessly characterized it to be "permanently affordable". Yet "permanently affordable" has been twisted to mean affordable "for the useful life of the building." This is Orwellian distortion of language.

ANALYSIS OF HARMS

The Budget & Legislative Analyst Division should be tasked by the Board to conduct an objective and independent analysis of the fiscal responsibility of the Reservoir Project. The Budget & Legislative Analyst should perform an objective evaluation of fiscal harms, as well as possible benefits of the Reservoir Project.

An objective analysis might find that the financial harms to the neighborhoods and its schools, and the permanent loss of 17.4 acres of public land would not be justified by 367 affordable units (and *maybe* up to an additional 187 units--to be paid for with unsourced public funding) whose affordability would only last, not forever, which is the common meaning of "permanent"—but for possibly only 55 years.
In my 2/23/2018 "Critique of Fiscal Feasibility and Responsibility of Reservoir Project" submission to the Budget & Finance Committee, I pointed out the following:

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The Berkson Associates' Findings of Fiscal Responsibility and Feasibility fails to address the fundamental question of the privatization of public assets.

*The fiscal responsibility/**irresponsibility** of allowing the permanent transfer of 17.4 acres of prime real estate to private interests is totally ignored by the Balboa Reservoir Project Team and Berkson Associates.*

THE AFFORDABLE HOUSING SCAM
The Berkson Report follows the Balboa Reservoir Team's (Planning Dept-OEWD-PUC) misrepresentation of the Reservoir Project as being about "affordable housing" when in fact it is not. What is presented as an affordable housing project is in fact a transfer of public property to private for-profit interests.

*"Up to 50% affordable" is bandied about as if 50% affordable will actually be achieved. There is **no binding commitment to 50%.** "50%" is mainly PR.*

The actual commitment:
1) 33% affordable;
2) at least 50% market-rate;
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AFFORDABLE FOR WHOM AND FOR HOW LONG?
For Whom:
Middle-income has been redefined from 120% ($97K) AMI to 150% ($121K). In reality, the Balboa Reservoir Project will be affordable mainly for the well-to-do (67%). Only 33% of the units will be for regular people

For How Long:
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5. Other than words, TDM and wishful thinking, there is no provision for increased or improved MUNI service to accommodate this project. In fact, the Reservoir Project will worsen MUNI reliability.

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The community had raised the issues of the Reservoir Project's adverse impacts to the surrounding neighborhoods and school early and often. Yet the Reservoir Project's Development Parameters, in the main, reflect the views of the Reservoir Project Team (Planning Dept, OEWD) with no substantive incorporation of input from the public. The Reservoir CAC process was orchestrated and managed from above by Planning Dept and OEWD. Incorporation of public input into the Development Parameters was minimal. The CAC process was essentially just going through the motions.

Submitted by:
Alvin Ja
District 7 resident

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From:	aj <ajahjah@att.net>
Sent:	Monday, February 26, 2018 3:47 PM
To:	Board of Supervisors, (BOS); Wong, Linda (BOS); Major, Erica (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS); Low, Jen (BOS); Maybaum, Erica (BOS)
Cc:	BRCAC (ECN)
Subject:	Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst
Attachments:	2018-2-26 REQUEST BUDGET ANALYST.docx

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The Findings of Fiscal Responsibility & Feasibility Report is authored by Berkson Associates and sponsored by OEWD-Planning Dept-PUC.

The findings of the Berkson Report--just as how the Reservoir CAC process had been orchestrated and stage-managed to arrive at a predetermined conclusion--is one-sided and biased.

The purpose of Administrative Code 29's requirement for Findings of Fiscal Responsibility and Feasibility is to protect the people's assets. Yet OEWD-Planning-PUC has, throughout the CAC public engagement process, avoided addressing the fundamental issue of privatization of a 17.4 acre publicly-owned asset.

Thus, an independent and objective evaluation of the Project's fiscal responsibility needs to be performed by the BOS Budget & Legislative Analyst Division.

DECEPTIVE AND MISLEADING ADVERTISING

Under consumer protection laws, deceptive and misleading advertising is discouraged. However, as government agencies, consumer protection laws do not apply to OEWD-Planning-PUC. The City & County's Balboa Reservoir Team has taken advantage of its exemption from consumer protection laws to portray the Reservoir Project in a deceptive and misleading manner.

Have you ever gone to a sale that was promoted as "up to 75% off" only to discover that almost all items were only 10% off with only a few items that were 75% off? The Reservoir Team and the Berkson Report uses a similar technique. The Reservoir Project has been promoted as "up to 50% affordable" to give the public the impression that the Project will provide 50% affordable housing. This portrayal of the Project is deceptive and misleading. "50% affordable" is a ceiling. Instead, an objective and accurate description would be:

- At least 33% affordable, up to a maximum of 50% affordable
- At least 50% market-rate, up to a maximum of 67% market rate

Another egregiously deceptive portrayal of the Reservoir Project is the misuse of the term "permanently affordable." The Reservoir Project has shamelessly characterized it to be "permanently affordable". Yet "permanently affordable" has been twisted to mean affordable "for the useful life of the building." This is Orwellian distortion of language.

ANALYSIS OF HARMS

The Budget & Legislative Analyst Division should be tasked by the Board to conduct an objective and independent analysis of the fiscal responsibility of the Reservoir Project. The Budget & Legislative Analyst should perform an objective evaluation of fiscal harms, as well as possible benefits of the Reservoir Project.

An objective analysis might find that the financial harms to the neighborhoods and its schools, and the permanent loss of 17.4 acres of public land would not be justified by 367 affordable units (and *maybe* up to an additional 187 units--to be paid for with unsourced public funding) whose affordability would only last, not forever, which is the common meaning of "permanent"—but for possibly only 55 years.

In my 2/23/2018 "Critique of Fiscal Feasibility and Responsibility of Reservoir Project" submission to the Budget & Finance Committee, I pointed out the following:

> *PRIVATIZATION OF PUBLIC ASSETS IS FISCALLY IRRESPONSIBLE*
> *The Berkson Associates' Findings of Fiscal Responsibility and Feasibility fails to address the fundamental question of the privatization of public assets.*
>
> *The fiscal responsibility/**irresponsibility** of allowing the permanent transfer of 17.4 acres of prime real estate to private interests is totally ignored by the Balboa Reservoir Project Team and Berkson Associates.*

THE AFFORDABLE HOUSING SCAM
The Berkson Report follows the Balboa Reservoir Team's (Planning Dept-OEWD-PUC) misrepresentation of the Reservoir Project as being about "affordable housing" when in fact it is not. What is presented as an affordable housing project is in fact a transfer of public property to private for-profit interests.

*"Up to 50% affordable" is bandied about as if 50% affordable will actually be achieved. There is **no binding commitment to 50%**. "50%" is mainly PR.*

The actual commitment:
1) 33% affordable;
2) at least 50% market-rate;
*3) possibly an aspirational 17% "additional affordable" to those of 150% Area Median Income **PAID FOR WITH PUBLIC FUNDS—NOT BY THE DEVELOPERS!** If public funds are unavailable, this "additional 17% affordable" would go to market-rate housing for up to **67% unaffordable housing.***

AFFORDABLE FOR WHOM AND FOR HOW LONG?
For Whom:
Middle-income has been redefined from 120% ($97K) AMI to 150% ($121K). In reality, the Balboa Reservoir Project will be affordable mainly for the well-to-do (67%). Only 33% of the units will be for regular people

For How Long:
"Permanently affordable" is actually defined as "throughout the useful life of the buildings in which those units are located." Balboa Reservoir Project's "permanently affordable" is a limited-time only condition. Read the fine print!

PURPORTED BENEFITS, BUT HOW ABOUT HARMS?
The Berkson Report talks about potential benefits such as $1.7 million annual general revenue, childcare, open space, "up to" 50% affordable, 500 shared parking spaces with City College.

Yet the Berkson Report fails to talk about the harms that could outweigh its purported benefits:
*1. Permanent ceding of a valuable 17.4 acre public asset to a private, for-profit REIT (Real Estate Investment Trust) in exchange for 33% affordable housing which in reality WILL **NOT** BE PERMANENTLY AFFORDABLE.*
2. Harm to the broad Bay Area community's access to educational by its elimination of 1,000 existing student parking spaces and influx of over 2,000 new residents into an area with geographically-constrained infrastructure.
3. City College had added new parking structures into its Facilities Master Plan to make up for the impending loss of student parking in the PUC Reservoir. The costs of new campus parking is not accounted for in the Berkson Report. This major financial harm needs to be taken into consideration.

4. Harm to City College stakeholders in that the proposed 500 space shared parking will cost substantially more than the existing parking--whose students are in large proportion low-income.
5. Other than words, TDM and wishful thinking, there is no provision for increased or improved MUNI service to accommodate this project. In fact, the Reservoir Project will worsen MUNI reliability.

PUBLIC INPUT: GOING THROUGH THE MOTIONS
The community had raised the issues of the Reservoir Project's adverse impacts to the surrounding neighborhoods and school early and often. Yet the Reservoir Project's Development Parameters, in the main, reflect the views of the Reservoir Project Team (Planning Dept, OEWD) with no substantive incorporation of input from the public. The Reservoir CAC process was orchestrated and managed from above by Planning Dept and OEWD. Incorporation of public input into the Development Parameters was minimal. The CAC process was essentially just going through the motions.

Submitted by:

Alvin Ja
District 7 resident

FCN180163

Wong, Linda (BOS)

'rom: Christine Hanson <chrissibhanson@gmail.com>
͜ent: Friday, February 23, 2018 12:44 AM
To: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)
Subject: Fiscal feasibility of the Balboa Reservoir Project

Dear Members of the Budget and Finance Committee,

When considering the financial feasibility of the Balboa Reservoir Project on the west side of the Ocean Campus of City College, please question what the legal budget of the development will be. How would the project be affected by legal actions or ballot measures taken against it? Though you may have been assured by City staff at SF Planning, or the Developers themselves that there has been, or will surely be broad public input, this has not been the case. The public input that has run contrary to the requirements of the development has been minimized or completely ignored. Many people who will be affected by this development have had little or no say. In addition, many of the stakeholders are not really aware of how their lives will be affected.

Consider the many issues raised by the Balboa Reservoir CAC prior to their yearly report to the Board of Supervisors about issues that have gone unanswered. Here are some quotes from that November 14, 2016 meeting:

> *Rita Evans. "Sunnyside. One thing I did note is that there is really no documenting or discussion that there are a number of things that neighbors and others asked for. It's not reflected in the revised principles and parameters and there has been no explanation for why those things were not changed in response to neighbor's requests."*
>
> *Michael Ahrens, CAC Member "You have received an almost unanimous survey of the Westwood Park area in which we voiced our comments and none of that is in this report".*
>
> *Robert Muehlbauer, CAC Member "When looking over this document it looks like a decent historical record of what we've been doing here for the last year. But in collapsing all of the comments we've heard it's missing some meat in terms of an analysis of issues."*

Consider that at the very first of the Balboa Reservoir CAC meetings where the discussion of transportation issues was "allowed", one of CAC members specifically asked about data on parking for evening students. She was reassured by SF Planning that "all aspects would be studied". Many months later a TDM was presented that specifically omitted any parking data taken during evening class time.

At the Traffic Commission meeting where the Balboa Reservoir Area TDM faced final approval, Jeremy Shaw listed examples of public outreach for that TDM report. But if you look at the dates he presented, four of the meetings occurred before the draft TDM even existed! There was only one meeting where the Balboa Reservoir CAC was able to comment on the actual TDM report. The now approved TDM report advises the installation of parking meters along Phelan Avenue which would remove another 100 spots, and also require permits for the neighborhoods surrounding the school. These measures would presumably be instituted at the same time the school would lose the lower parking lot to the developer. This will strand those students, faculty and staff who must commute by auto. And this is the only City College campus adjacent to a freeway. This will also be a greater issue for those City residents who do not live directly near the campus. The Supervisors in the other districts do not appear to have fully recognized the importance of this to their own constituents, and instead issues around City College parking have been directed toward Supervisors Yee and Safai--Supervisors whose constituents can walk to Ocean Campus.

City College's Chancellor Rocha, at the recent Bond Oversight Committee meeting stated that the school was in preliminary negotiations with Avalon Bay regarding building 300 to 500 housing units on either the lower or upper reservoir. He could not specify how many of those potential units would be affordable on a City College teacher's salary. At the same meeting he spoke of postponing the building of the CCSF Performing Arts Center until the passage of a new 2020 bond. This would be the third time the school approached the voters for money for a Performing Arts Center. The Balboa Reservoir development, incidentally, is on schedule to complete its CEQA requirements in 2019.

At a recent meeting of the Transportation Commission, Supervisor Cohen described Avalon Bay as "a difficult developer", and mentioned that they had had problems with them before. City College's Community did not participate in their selection and the CCSF administrator who did attend selection meetings was put on involuntary leave and retired shortly thereafter. Yet the school may soon be committed to some sort of development of housing that may or may not be affordable to teachers, and that building could take place before construction of the Performing Arts Center which the school and Community have been looking forward to for 30 years.

Please consider these things and ask those who are presenting the fiscal plan for this development what funding is set aside in their budget for lawsuits and ballot measures that may be generated by a frustrated Community. Scrutinize their answer because when the implications of the proposed development finally become crystal clear to a greater number of people, there may be multiple lawsuits.

Sincerely,
Christine Hanson

Wong, Linda (BOS)

From: Leslie Simon <lsimon@ccsf.edu>
Sent: Wednesday, February 21, 2018 10:49 PM
To: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)

Subject: Balboa Reservoir and the Future of City College of San Francisco

Dear Members of the Budget and Finance Committee,

As an instructor at City College of San Francisco since 1975, I am deeply concerned about the proposed Avalon Bridge development in the Balboa Reservoir on the west side of the College.

As you decide on the financial feasibility of the project, please consider the damage it will do to the College if it goes forward before the question of sufficient parking for students is resolved. The current parking study is inadequate, and if the project is allowed to go forward without a reliable study and adequate parking plan, enrollment at the College will plummet.

Why is parking so important at City College? Working class students with more than one job and families are often dependent on their cars to enroll in classes at the Ocean Campus. Public transit does not meet their needs.

With Free City and the resolution of the unjust accreditation threat, enrollment is being restored to healthy numbers. If Avalon Bridge goes forward without **first addressing student parking,** our once again healthy enrollment will deteriorate. Without strong enrollment, the College's budget suffers. Just as important, an entire generation of students will lose their opportunity to receive a college education.

The City depends on a healthy City College. Please refer to former Supervisor Eric Mar's commissioned report from the Budget Analyst, early in the accreditation crisis, which estimated the monetary value of the College to the City at over $300 million.

Your job on March 1 is to decide whether or not the Avalon Bridge proposal is fiscally feasible. Until the developers can prove that their project will not damage enrollment at the College, it must be delayed. Right now, their plan for shared parking between residents, in the proposed development, and students makes little sense. Not all residents leave their parking spots free during the day. Many students need parking for night classes. Shared parking might sound good on paper but would be a nightmare in reality. There needs to be a better plan before this project goes forward.

We appreciated support from the Board of Supervisors during the accreditation crisis. Please continue to prioritize the needs of the College and the students it serves so well. Please do not allow one of the iconic institutions of our City to fail during your watch.

Thank you very much for your attention and kind consideration.

Sincerely,
Leslie Simon

Leslie Simon
Interdisciplinary Studies Instructor
City College of San Francisco
50 Phelan Avenue, SF 94112
Mailbox: Mission
Office: Mission 264
Voice: 415-920-6023
www.ccsf.edu/groundswell
fridakahloway.wordpress.com

Please sign up for "Introduction to Museum Studies," IDST 3, for Spring 2018
https://www.ccsf.edu/Schedule/Spring/

Wong, Linda (BOS)

From: Steven Brown <sbfloral@aol.com>
Sent: Thursday, February 22, 2018 4:45 PM
To: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)

Dear Members of the Budget and Finance Committee,

As an instructor at City College of San Francisco since 1984 and a resident of San Francisco, I am deeply concerned about the proposed Avalon Bridge development in the Balboa Reservoir on the west side of the College.

As you decide on the financial feasibility of the project, please consider the damage it will do to the College if it goes forward before the question of sufficient parking for students is resolved. The current parking study is inadequate and flawed, and if the project is allowed to go forward without a reliable study and adequate parking plan, enrollment at the College will plummet.

Why is parking so important at City College? Working class students with more than one job and families are often dependent on their cars to enroll in classes at the Ocean Campus. Public transit does not meet their needs due to their busy schedules and varied needs.

With Free City and the resolution of the unjust accreditation threat, enrollment is being restored to healthy numbers. If Avalon Bridge goes forward without **first addressing student parking,** our recovering healthy enrollment will deteriorate. Without strong enrollment, the College's budget suffers. Just as important, an entire generation of students will lose their opportunity to receive a college education.

The City depends on a healthy City College. Please refer to former Supervisor Eric Mar's commissioned report from the Budget Analyst, early in the accreditation crisis, which estimated the monetary value of the College to the City at over $300 million.

Your job on March 1 is to decide whether or not the Avalon Bridge proposal is fiscally feasible. Until the developers can prove that their project will not damage enrollment at the College, it must be delayed. Right now, their plan for shared parking between residents, in the proposed development, and students makes little sense. Not all residents leave their parking spots free during the day. Many students need parking for night classes. Shared parking might sound good on paper but would be a nightmare in reality. There needs to be a better plan before this project goes forward.

We appreciated support from the Board of Supervisors during the accreditation crisis. Please continue to prioritize the needs of the College and the students it serves so well. Please do not allow one of the iconic institutions of our City to fail during your watch.

Thank you very much for your attention and consideration.

Steven W. Brown AIFD
City College of San Francisco
Environmental Horticulture/Floristry Department Chair

50 Phelan Ave.
San Francisco, CA 94112
415-239-3140
www.ccsf.edu

Wong, Linda (BOS)

From: Francine Lofrano <ftblote@sbcglobal.net>
Sent: Tuesday, February 20, 2018 6:18 PM
To: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)
Cc: Westwood Park Association
Subject: BOS Budget and Finance Committee March 1, 2018 Meeting Regarding Balboa Resevoir Proposed Development Fiscal Feasibiliy
Attachments: Budget & Finance Meeting Public Comments for 3-1-18.docx

Dear Clerk and Members of the Budget and Finance Committee,

Attached, I am submitting to you for the record, my written comments for the 3/1/18 Budget & Finance Committee meeting regarding the financial feasibility of the Balboa Reservoir Project.

If the Reservoir Project is allowed to go forward, CCSF and the surrounding neighborhoods of Westwood Park, Sunnyside and Ingleside will suffer irreparable damage. We stakeholders continue to speak publically against The Balboa Reservoir Development. Regrettably, we have been largely ignored by the developers and officials and trivialized by special interest activists and lobbyists.

I respectively ask that you please consider my attached comments which include the unanimously passed resolutions of the CCSF Facilities Commission and the CCSF Academic Senate before you vote.

Thank you very much for your consideration.

Sincerely,

Francine Lofrano
CCSF Alumni & Westwood Park Resident
(415) 334-3847
ftblote@sbcglobal.net

Written Comment submitted to the Budget & Finance Committee regarding Fiscal Feasibility of the Balboa Reservoir on the Agenda for 3/1/2018:

I'm a native San Franciscan, 30-year resident of neighboring Westwood Park and a CCSF alumni. While attending City College, I was single, living on my own and a student worker on campus. Upon graduating from City College, I was able to enter into a licensed profession. My CCSF education also became a building block for future career opportunities thus I'm an advocate for the continued viability of City College. I would like to make the following points concerning the fiscal feasibility of the Balboa Reservoir Development.

- At the 12/14/2017 CCSF Board of Trustees meeting, Underground Marketing noted that since their Free City ad campaign, CCSF **enrollment for Fall 2017 was up 11%!** Enrollment is forecasted to continue to increase hence the need for parking is even more critical to CCSF. The Balboa Reservoir Development combined with the CCSF Performing Arts Center, will result in the loss of 2000 parking spaces. The loss of so many parking spaces combined with increased enrollment and 1100-1300 proposed housing units with multiple people per unit (**who undoubtedly will have cars**) will overwhelm the entire area with traffic, congestion and a dramatic increased need for parking. With the loss of parking, CCSF enrollment will be jeopardized thus threatening the fiscal impact on the City. This dilemma needs careful and prudent analysis to determine the true fiscal impact and feasibility of the Balboa Reservoir Development. Certainly, the loss of parking study recently commissioned by the CCSF Facilities Commission needs to be completed and disseminated. Unless and until proper parking analysis is done, any findings of fiscal feasibility by the BOS will be woefully lacking in basis and obviously premature.

- Finally, please consider that two important advisory committees to the CCSF Board of Trustees (CCSF Facilities Commission and CCSF Academic Senate) felt that parking, the Balboa Reservoir Development and the sale of public land important and impactful enough to unanimously pass resolutions against the Balboa Reservoir Development, rejecting the Nelson-Nygaard Transportation Demand Management Framework and advocating that public lands must stay in public hands:

RESOLUTION - CCSF FACILITIES COMMITTEE
November 27, 2017 – Passed unanimously

BE IT RESOLVED THAT:
The Facilities Committee, a sub-committee of the participatory Governance Council of City College of San Francisco, recommends that any loss of student, faculty, staff or community (BART riders, neighboring schools and businesses, etc.) parking caused by the Balboa Reservoir Project be replaced with an appropriate parking structure paid for in full (100%) by the Balboa Reservoir Project if it is allowed to proceed, AND

BE IT FURTHER RESOLVED THAT:
The Facilities Committee rejects the Nelson-Nygaard Transportation Demand Management Framework that has been incorporated by the hired Facilities Master Plan consultants in its entirety into the FMP currently being presented, AND

BE IT FURTHER RESOLVED THAT:
The Facilities Committee recommends that the agencies and representatives of the City of San Francisco and City College be required to discuss policies and procedures, and make decisions in an open process that allows all affected constituencies to have a meaningful voice in this vital issue, AND

BE IT FINALLY RESOLVED THAT:
The Facilities Committee ask the CCSF Board of Trustees to re-examine the entire concept of the Balboa Reservoir Project because of its public significance, and the grave and permanent damage that would be done to City College of San Francisco and the larger community that surrounds it, especially when there are clear and demonstrable alternatives to such development.

RESOLUTION - CCSF ACADEMIC SENATE
December 6, 2017 – Passed unanimously

Resolution 2017.12.06.04 Public Land Must Stay in Public Hands

Whereas, the San Francisco Public Utilities Commission (PUC), the San Francisco Planning Department, and the Office of Economic and Workforce Development plan to build a private housing development on public land (the Balboa Reservoir) currently owned by the PUC with which City College of San Francisco (CCSF) has used, improved, and leased for decades; and

Whereas, this development's planning process has involved pressure exerted on CCSF administration and has routinely ignored input from tens of thousands of San Franciscans who use the Reservoir in order to take CCSF classes and improve their lives thereby; and

Whereas, this development's planning process began when all of CCSF's resources were directed at the accreditation crisis, a crisis that is now essentially over; and

Whereas, San Francisco public agencies must abide by both the spirit and the letter of State Surplus Land Statute 54222, which requires that any local agency disposing of surplus land shall send, prior to disposing of that property, a written offer to sell or lease the property...to any school district in whose jurisdiction the land is located; therefore be it

Resolved, the CCSF Academic Senate ask the SF PUC to offer in writing to sell or lease this public property to the City College of San Francisco, as it has considered doing in the past; and be it further

Resolved, that the CCSF Academic Senate ask the Board of Trustees and administration to advocate vigorously for this written offer, as is best for the College's future, for the tens of thousands of future CCSF students, and for the principle of public land for the public good. Moved: Thomas Kennedy; Seconded: Verónica Feliu MCU, Abstentions: None. Not present: Jacques Arceneaux, Monica Bosson, Kimiyoshi Inomata, Danyelle Marshall, Shiela McFarland, Pablo Rodriguez, Marc Santamaria

Thank you for your consideration.

Francine Lofrano

Wong, Linda (BOS)

From: Anita Theoharis <atheoharis@sbcglobal.net>
Sent: Tuesday, February 20, 2018 6:21 PM
To: Francine Lofrano; Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)
Cc: Westwood Park Association
Subject: Re: BOS Budget and Finance Committee March 1, 2018 Meeting Regarding Balboa Resevoir Proposed Development Fiscal Feasibiliy

Hadn't read this until a minute ago when I suggested clerk of board be included. Of course, Francine already thought of this. Thanks, Francine. I don't see the attachment.
Anita

From: Francine Lofrano <ftblote@sbcglobal.net>
To: "Linda.Wong@sfgov.org" <Linda.Wong@sfgov.org>; "Malia.Cohen@sfgov.org" <Malia.Cohen@sfgov.org>; "Sandra.Fewer@sfgov.org" <Sandra.Fewer@sfgov.org>; "Catherine.Stefani@sfgov.org" <Catherine.Stefani@sfgov.org>; "Jeff.Sheehy@sfgov.org" <Jeff.Sheehy@sfgov.org>; "Norman.Yee@sfgov.org" <Norman.Yee@sfgov.org>
Cc: Westwood Park Association <board@westwoodpark.com>
Sent: Tuesday, February 20, 2018 6:17 PM
Subject: BOS Budget and Finance Committee March 1, 2018 Meeting Regarding Balboa Resevoir Proposed Development Fiscal Feasibiliy

Dear Clerk and Members of the Budget and Finance Committee,

Attached, I am submitting to you for the record, my written comments for the 3/1/18 Budget & Finance Committee meeting regarding the financial feasibility of the Balboa Reservoir Project.

If the Reservoir Project is allowed to go forward, CCSF and the surrounding neighborhoods of Westwood Park, Sunnyside and Ingleside will suffer irreparable damage. We stakeholders continue to speak publically against The Balboa Reservoir Development. Regrettably, we have been largely ignored by the developers and officials and trivialized by special interest activists and lobbyists.

I respectively ask that you please consider my attached comments which include the unanimously passed resolutions of the CCSF Facilities Commission and the CCSF Academic Senate before you vote.

Thank you very much for your consideration.

Sincerely,

Francine Lofrano
CCSF Alumni & Westwood Park Resident
(415) 334-3847
ftblote@sbcglobal.net

Wong, Linda (BOS)

From: Michael Ahrens <mikeahrens5@gmail.com>
Sent: Tuesday, February 20, 2018 8:41 PM
To: Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS); Wong, Linda (BOS); Cohen, Malia (BOS)
Cc: board@westwoodpark.com

Subject: March 1, Budget & Finance Committee Meeting- Balboa Reservoir & Chapter 29 Fiscal Feasibility Analysis - Comment of Michael Ahrens

>>> Dear Clerk and Members of the Budget and Finance committee:

>>>

>>> I am a member of the Balboa Reservoir Citizens Advisory Committee which has reviewed matters relating to proposed development of 17 acres on the Balboa Reservoir. ("Balboa Reservoir Project"). I am also a resident of Westwood Park, and a member of the Westwood Park Association Board of Directors ("WPA").

>>>

>>> I understand that your March 1 meeting will consider the fiscal feasibility of the Balboa Reservoir Project. I understand that under Chapter 29 of the City's Administrative Code the project cannot proceed unless the Board of Supervisors determines that the project is fiscally feasible.

>>>

>>> I have reviewed the February 12, 2018 letter of WPA to Thomas Shanahan which constitutes the comments of WPA and was submitted to the Budget Committee earlier today by the President of the WPA, Anita Theoharis. ("WPA Letter") I have also reviewed the comments of Francine Lofrano and her attachments submitted earlier today. ("Lofrano Comment"). Until a resolution is reached on solving the problem caused by the elimination of 2,000 City College of San Francisco ("CCSF") parking spaces the fiscal damage to the City caused by the Balboa Reservoir Project cannot be determined. A reliable analysis of the damage the Balboa Reservoir Project will do to CCSF is needed since any loss of value of CCSF is a loss in the value that CCSF gives to the City.

>>>

>>> As a resident of San Francisco I appreciate the value that CCSF gives to the City. In the September, 2013, report of the Budget and Legislative Analyst attached to the WPA letter, the City found that value to be over $300 million. In 2013 when the Legislative Analyst determined that the economic value CCSF gives to the City exceeded $311 million, CCSF was in a crisis. Since that time the crisis has been resolved. Since that time the City has increased financial support to CCSF, the City has voted to pay for tuition at CCSF, enrollment has substantially increased, and it is projected that enrollment will continue to increase. With all of those positive factors, it would be surprising if the value that CCSF gives to the City does not now exceed $400 million or much more.

>>>

>>> The Facilities Committee of CCSF has voted to support a parking study to determine how to best protect CCSF. Until such a study is done CCSF cannot determine what alternative will protect CCSF. The Facilities Committee consists of 20 of the core individuals that make CCSF so valuable. It consists of 8 faculty members, 5 administrators, 4 staff members, and three students. This is the core of CCSF that knows how CCSF can be helped and how CCSF can be damaged.

>>

>>> On November 27, 2017 a resolution was unanimously passed by the Facilities Committee of CCSF which urged that CCSF "re-examine the entire concept of the Balboa Reservoir Project because of its public significance, and the GRAVE AND PERMANENT DAMAGE that would be done to City College of San Francisco...." (See resolution attached to Lofrano Comment; emphasis added). A fiscal analysis of benefits and damages to the City cannot be done until the DAMAGE done by the Balboa Reservoir Project to CCSF is accurately measured. The unanimous resolution of the CCSF Facilities Committee that GRAVE AND PERMANENT DAMAGE will be done cannot be ignored.

>>

>>> The lead developer of the Balboa Reservoir Project is AvalonBay Communities ("Avalon"). Avalon and the City have said in many public meetings that if a resolution is not reached on alternative parking, then the Balboa Reservoir Project cannot continue. Those statements conclusively show that the Balboa Reservoir must be put on hold until the

resolution of that parking alternative is determined. Until that resolution is reached there is no way that this committee can value the the grave and permanent damage the project will do to CCSF. Without valuing that damage the committee cannot value the decrease in the $300 million+ fiscal value that CCSF gives to the City.
>>>
>>> The legislative intent of Chapter 29 which requires Board of Supervisors' analysis of fiscal feasibility is clear: It is designed to prevent a loss of substantial money on substantial projects that may never be completed. The admission by Avalon and the City that if they do not do a "deal" with CCSF on the parking alternatives there will be no Project is telling. It is an admission that the City may pursue the project for another year or two, spend millions of dollars on environmental studies, and then there may be no project if a deal is not reached with CCSF. This is just the type of action that Chapter 29 was designed to prevent. The Board of Supervisors should not allow further spending by the City on the Balboa Reservoir Project until CCSF and Avalon reach a deal on how CCSF will be protected with respect to the loss of parking. Until that happens a valid fiscal analysis is not possible since the fiscal damage to the City on account of the damage to CCSF cannot be determined. Without that valid analysis, the Balboa Reservoir Project cannot proceed under Chapter 29 of the Administrative Code.
>>>
>>>
>>>
>>> Sent from my iPad

Wong, Linda (BOS)

From: Lennis Carlson <lcarlson@ccsf.edu>
Sent: Monday, February 19, 2018 7:00 PM
To: Wong, Linda (BOS); Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS)
Subject: Balboa Reservoir and the Future of City College of San Francisco

Dear Members of the Budget and Finance Committee,

I am writing to you because of your upcoming decision on the financial feasibility of the Balboa Reservoir Project on the west side of the Ocean Campus of City College. I am a full-time tenured instructor in the Music Department and have been employed by the San Francisco Community College District since 1996.

There is no way the development of the Balboa Reservoir and City College can co-exist. This is not hyperbole. If the Reservoir Project is allowed to go forward, CCSF will either shut down entirely, or be so diminished in size, scope and quality that it will be totally incapable of fulfilling its vital role as the leading community college in the Bay Area.

During the now-resolved accreditation crisis (2012-2017) perpetuated by the disgraced ACCJC, former supervisor Eric Mar conducted a study about the value of CCSF to the city of San Francisco. That figure totaled **$300,000,000**. The value of CCSF extends back to its beginning in 1935. It has provided education, training and a springboard to a better life for literally millions of people. It is also a social and cultural center for the community.

Please take Supervisor Mar's figure into account as you consider the value of what Avalon Bay and others are planning to do with the Balboa Reservoir. Many constituents have spoken out against the Reservoir Project: students who have jobs and families who must drive to school; various CCSF faculty members, some of whom must teach at several other schools to make a living; and people who live in the surrounding neighborhoods (Westwood Park, Sunnyside, Ingleside) whose lives and safety would be profoundly disrupted by the Reservoir Project.

Please consider the needs and voices of these constituents before you vote. Think about the true costs -- not just the financial -- and what it would mean to not have City College as part of the community any more.

Thank you very much for your attention.

Sincerely,

Lenny Carlson
Instructor, Music Department
(415) 452-5392
lcarlson@ccsf.edu

Wong, Linda (BOS)

From:	Anita Theoharis <atheoharis@sbcglobal.net>
Sent:	Tuesday, February 20, 2018 2:35 PM
To:	Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Yee, Norman (BOS); Wong, Linda (BOS)
Cc:	Westwood Park Association; Michael Ahrens
Subject:	March 1, 2018 BOS Budget and Finance Committee Meeting - Balboa Resevoir Proposed Development Fiscal Feasibiliy Under Section 29 of the Administrative Code
Attachments:	SF BRCAC 2_12_18 WPA Submission.pdf

Dear Supervisors and Clerk of the Board Ms. Wong:

Attached find the formal comments of the Westwood Park Association contained in letter from me dated February 12, 2018 to Mr. Thomas Shanahan regarding the fiscal feasibility of the proposed Balboa Reservoir Development under Chapter 29 of the Administrative Code.

Please ensure that these comments are made a part of the record for the above referenced hearing.

Thank you for your kind consideration.

Sincerely,

Anita Theoharis
President
Westwood Park Association

Attachment: as noted.

WESTWOOD PARK

February 12, 2018

Via Electronic Mail to thomas.shanahan@sfgov.org

Mr. Thomas Shanahan
City and County of San Francisco
Office of Economic and Work Force Development
1 Carlton B. Goodlett Place, Room 488
San Francisco, CA 94102-4653

Re: BRCAC Meeting February 12, 2018
Fiscal Feasibility of Balboa Development under Chapter 29 City Administrative Code

Dear Mr. Shanahan:

We have reviewed the materials that you sent to members of the CAC on Friday, February 9, 2018 in connection with the above referenced Balboa CAC meeting.

We understand that the CAC meeting will involve the eventual presentation to the Board of Supervisors ("BOS") in connection with their review of the fiscal feasibility of the Balboa Reservoir Project as required by the City's Administrative Code, Chapter 29. We have reviewed the Administrative Draft Report of Berkson Associates dated February 9, 2018 ("Berkson Report"). Please accept these comments at the February 12, 2018 CAC meeting as comments of the Westwood Park Association and include them in the minutes of the meeting.

As we will set forth in these comments, we feel that a true review of the fiscal feasibility of the project must take into consideration the adverse fiscal impact of the project on the very valuable financial benefits that City College of San Francisco ("CCSF") admittedly gives to the City every year.

As the Berkson Report correctly notes, Chapter 29 of the SF Administrative Code requires that this project receive approval from the BOS of the fiscal feasibility of the project. The code mandates that the first of five things the BOS much consider is the "direct and indirect financial benefits of the project to the city...."

The Berkson Report concludes that the project will generate net positive tax revenue of $1.7million a year for the city. It also concludes that an addition $1 million will be generated for other city funds and for other uses in the city. Hence it concludes that there will be a positive fiscal impact on the city of $2.7 million a year.

However, the report fails to analyze the negative impact that the project will have on CCSF. The city itself has previously performed a budget analysis on financial impact of

City College on San Francisco. In a detailed report to the BOS, dated September 16, 2013, commissioned by Supervisor Eric Mar, the conclusion was that the financial benefits of CCSF to the city exceeded $311 mm. These financial benefits are certainly the type of "direct and indirect financial benefits" which the BOS must review under Chapter 29 of the Administrative Code. Hence if this project has a severe negative impact on CCSF, that negative impact could easily dwarf the $2.7 million a year of fiscal benefits. A copy of the report, prepared by the Budget and Legislative Analyst, which is an independent body, is attached to this letter as Exhibit "A". ("2013 Report")

We also attach a discussion of the 2013 Report by KQED as Exhibit "B." In that article they report that since City College could lose its accreditation "city officials are questioning its economic impact on the city. The answer appears to be at least $311 million."

The 2013 Report and the KQED article correctly summarize that CCSF provides tremendous financial value to the City that exceeds $311 million. The fact that CCSF provides enormous "financial benefits" to the City has been recognized by the City itself and by the voters in the City. First, the City has agreed to fund $5.4 million per year to pay for student tuition. Second, the voters of the City have time after time voted to support CCSF by financial support, with the latest support coming in November of 2016 with the passage of Proposition B with more than 80% of the voters supporting that proposition. By agreeing to pay over $5 million a year for CCSF tuition and funding other CCSF expenses under Proposition B, the City itself and its voters recognize the financial benefits of CCSF to the city.

To conduct a true analysis of the financial benefit or detriment that the Balboa Reservoir project will have on San Francisco, the BOS needs more information than is included in the Berkson Report. The project, when combined with the Performing Arts Center, will result in the loss of 2,000 parking spaces. These parking spaces on the reservoir have been continuously used for over 40 years by CCSF. A study was just commissioned by the Facilities Committee of CCSF to determine what impact loss of these parking spaces will have on the college and what alternatives are available. To date that study has not been completed. Until that report is completed, the parties will not be able to address a solution to the lost parking spaces. The CCSF Board of Trustees has recently hired a marketing firm to attempt to increase the enrollments at CCSF. In fact, those enrollments are increasing. If the parking loss is not addressed and solved, there is a significant risk of loss of students, decreased enrollment, and a decrease in the financial value given by CCSF to the City.

The Developer and the City have promised that they will negotiate with City College to solve alternative parking needs. But, nothing has been concluded and the only thing that has been proposed is 500 parking spaces to be shared by the residents of 1100 units and possibly 1300 units with City College. It does not take an expert report to determine that such shared parking will not replace the 2,000 lost parking spaces that were available solely to CCSF. Until there is a deal that purports to solve this problem, development cannot proceed under the terms of Chapter 29 of the Administrative Code. Without knowing what solution will be reached to the loss of parking there is no way that the BOS can analyze the possible negative impact on student enrollment and the decrease in financial value CCSF gives to the City every year. If enrollment decreases the $300 million of value that CCSF gives to the City could be substantially diluted. The loss of financial benefits to the City by reduced enrollment or even a closing of CCSF could be staggering, clearly exceeding the $2.7 million a year in benefits reported by Berkson Associates.

We therefore submit that any finding by the BOS of fiscal feasibility is premature until (a) the parking study is completed to the satisfaction of CCSF; and, (b) a deal is completed between CCSF, the Developers and the City to provide alternative parking as needed by CCSF students, staff, and employees. Only when these steps are taken can an accurate study be made of the financial impact of the Balboa project on the $300 million of value that CCSF gives to the City as determined in the 2013 Report. Only then can the true fiscal feasibility of the Balboa project be measured as is required by Chapter 29 of the Administrative Code.

Very truly yours,

Anita Theoharis

Anita Theoharis
President

Attachments: Exhibit "A" and Exhibit "B" as noted.

cc: Mr. Ken Rich
Ms. Emily Lesk
Mr. Jeremy Shaw
Supervisor Norman Yee
Ms. Jen Low

Westwood Park Board of Directors:
Ms. Anita Theoharis, President
Ms. Anne Chen, Vice President
Mr. Joe Koman, Treasurer
Ms. Francine Lofrano, Secretary
Mr. Mike Ahrens, Member-at-Large
Mr. Ravi Krisnaswamy, Member-at-Large

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST
1390 Market Street, Suite 1150, San Francisco, CA 94102
(415) 552-9292 FAX (415) 252-0461

Policy Analysis Report

To: Supervisor Eric Mar
From: Budget and Legislative Analyst
Re: Evaluation of the Impact of the Potential Closure of San Francisco City College
Date: September 16, 2013

Summary of Requested Action

Your office requested the assistance of the Budget and Legislative Analyst examining the economic impact the potential closure of San Francisco City College (CCSF), including the impact on (1) 2,500 CCSF faculty and staff losing work; (2) education, particularly low-income youth; (3) non-credit courses with particular emphasis on adult education, English as a Second Language (ESL), General Educational Development (GED), and citizenship courses; (4) and loss of training and certificate programs.

Our evaluation was limited to the impact of the potential closure of CCSF, and did not evaluate the alternatives, such as reduced programs or merger with other institutions. To address your questions, we obtained CCSF budget documents and financial statements, and data from the California Community Colleges Chancellor's Office, U.S. Department of Labor, U.S. Census Bureau; and surveyed other public and private colleges to (1) develop a profile of CCSF students, programs, and course completion or graduation, (2) identify availability and costs of alternative colleges and programs, (3) estimate wages of students completing CCSF programs, (4) estimate the impact on local employers, and (5) evaluate the impact on faculty and staff. We did not conduct a formal economic impact analysis, which would have measured economic growth (output or value added) and associated changes in jobs and income.

Executive Summary

CCSF had nearly 80,000 students in academic year 2012-2013. In the Spring of 2013, 56,300 students enrolled at CCSF, of whom approximately 30,700, or 55 percent, were enrolled in for-credit courses, for which credits can be transferred to California State University or the University of California, and approximately 25,600, or 45 percent, were enrolled in non-credit courses. Younger students are more likely to be enrolled in for-credit courses full-time or nearly full-time while older students are more likely to be enrolled in non-credit courses, especially English as a Second Language (ESL) and basic skills courses. Approximately one-third of CCSF students receive some form of financial aid.

CCSF students would have limited options for attending other programs in the event of CCSF closing.

Many CCSF students may not have sufficient credits or meet the minimum qualifications to transfer to a California State University in the event of CCSF closing. Only approximately 1,400 CCSF students transfer each year to the University of California or California State University system. CCSF students would also have limited opportunities to transfer to other Bay Area community colleges, which are smaller than CCSF, further away from San Francisco and are not likely to be able to fully absorb the large number of CCSF students.

CCSF students who are able to transfer to other schools in the event of CCSF closing will incur higher costs.

CCSF students able to transfer to the California State University system in the event of CCSF closing would pay $10,000 more for 60 semester units (the number of required units for the first two years of college or four semesters). CCSF students, who currently pay $46 per semester units, would pay tuition ranging from $395 to $765 per semester unit to attend comparable two-year programs at private for-profit or non-profit colleges.

CCSF students who do not speak English or lack a high school diploma may end up earning lower wages if they are not able to complete a CCSF or comparable program.

According to the U.S. Department of Labor, workers without a high school diploma or who do not speak English earn lower wages than other workers.

In Spring 2013, more than 5,000 CCSF students did not have a high school diploma. If these students were not able to obtain a high school diploma through CCSF or other programs, each student would lose estimated annual earnings of $8,840 compared to earnings if they obtained a high school diploma, according to U.S. Bureau of Labor Statistics estimates.

In Spring 2013, 16,000 CCSF students enrolled in the ESL program. If these students were not able to attend other ESL programs through non-profit providers or other programs, the Budget and Legislative Analyst estimates that each non-English speaking student would earn an estimated $13,500 less per year than a worker who speaks English well, based on a U.S. Census Bureau study.

Local employers would lose an important source of skilled employees.

In the 2011-2012 academic year, the most recent year for which data was available, 2,272 CCSF students completed associate degree, certificate or other programs in which they attained job skills required by San Francisco and other local employers. The number of new and replacement jobs required by San Francisco and other local employers in that year exceeded the number of San Francisco, San Mateo, and Marin community college graduates for 41 of 52 programs, indicating that there were more job openings than graduates of the majority of these programs at CCSF and other local community colleges. For example, 87 CCSF students completed a licensed vocational nurse program, which equated to 75 percent of local employers' annual job demand.

However, for some popular programs, such as culinary arts and emergency medical technician/paramedic, the number of CCSF graduates exceeded local job demand.

The average median wage for jobs for which CCSF graduates of these programs qualified is $59,800, which is $11,100 more than the average median wage of $48,700 for jobs that require only a high school education.

Up to 2,457 CCSF employees would lose their jobs if CCSF were to close.

CCSF had 2,457 positions in the FY 2012-13 budget, of which 1,691 were administrative, tenure or tenure-track, and temporary and part-time faculty; and 766 were classified (miscellaneous) employees. Closure of CCSF would result in the lay-off of these positions and the loss of salaries and benefits of $169 million.

Faculty and professional staff may have difficulty finding comparable positions in the Bay Area because job openings for faculty and professional positions are greatly outstripped by the number of qualified candidates. For example, CCSF hired less than 3 percent of the applicants for full time, tenure-track and part time or temporary faculty and professional positions in 2010 and 2011.

While many non-faculty, or classified, employees would be able to remain employed by filling City jobs, they could displace less senior City staff under provisions of the California Education Code and the City's Civil Service System. CCSF has at least 24 job classes that correspond to City classification and for which incumbents would have the right to transfer, promote, or bump into City jobs. The number of positions in these classifications that would have "bumping rights" for City and County of San Francisco jobs is not available from CCSF.

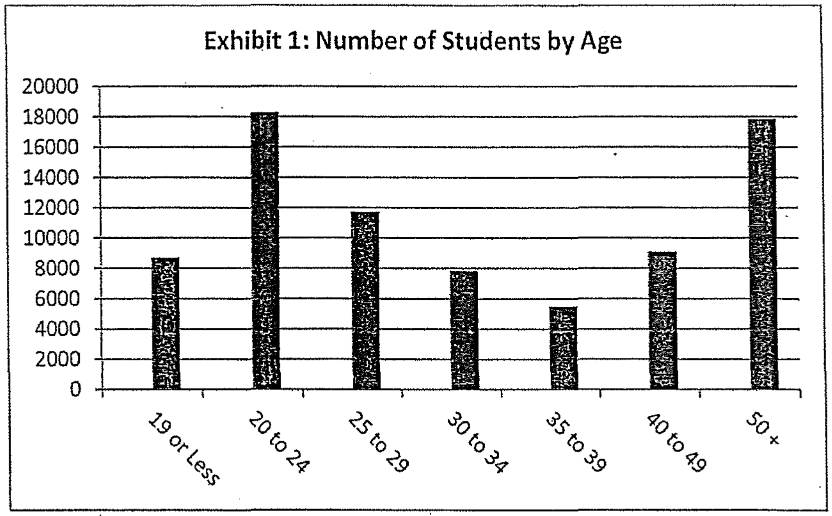
Potential Loss of Accreditation

In their June meeting, the Western Association of Schools and Colleges' Accrediting Commission for Community and Junior Colleges acted to terminate the San Francisco Community College's (CCSF) accreditation as of July 31, 2014[1]. The Commission's act to terminate accreditation followed a one-year period in which CCSF was required to implement recommendations to correct previously-identified deficiencies. The Commission found that CCSF had only implemented two of 14 recommendations (see Appendix I, attached to this report). Because the decision to terminate CCSF's accreditation is subject to appeal, whether CCSF will lose accreditation is not yet known. Several outcomes for CCSF are possible, including closure, reductions in programs, or merger with other institutions.

Nearly 80,000 Students Would be Affected by CCSF's Loss of Accreditation

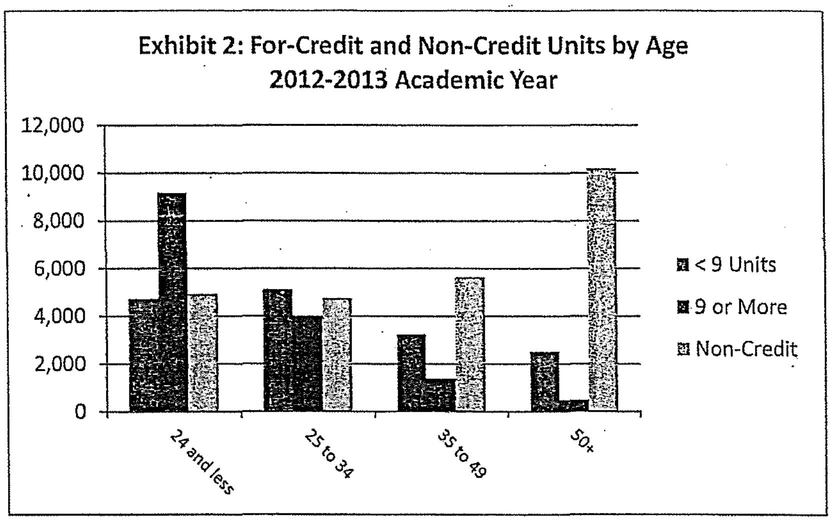
79,198 students were enrolled in CCSF in academic year 2012-2013. The largest group of students was 20 to 24 years of age and 50 years or older, as shown in Exhibit 1 below.

[1] The Western Association of Schools and Colleges is a non-profit organization authorized by the U.S. Department of Education to accredit community colleges and associate degree-granting institutions in the western United States. Accreditation is a voluntary system but lack of accreditation impacts students' credits on transfer to other colleges and access to financial aid.



Source: California Community Colleges Chancellor's Office

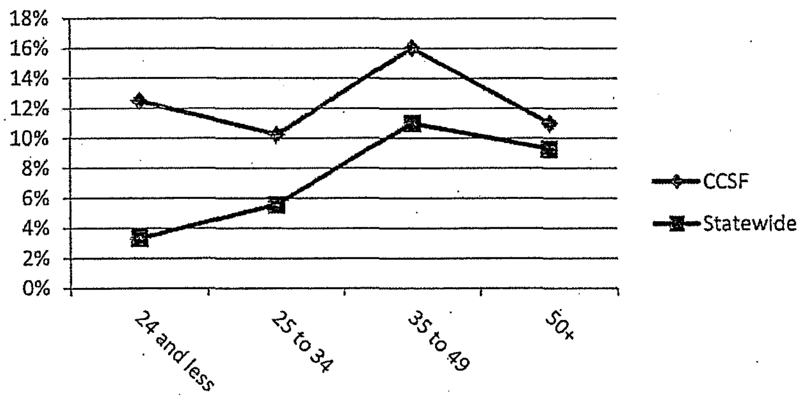
In the Spring 2013 semester, 56,300 students enrolled at CCSF, of whom approximately 30,700, or 55 percent, were enrolled in for-credit courses, for which credits can be transferred to California State University or the University of California or other four-year programs. Younger students are more likely to be enrolled in for-credit courses full-time or nearly full-time while older students are more likely to be enrolled in non-credit courses, as shown in Exhibit 2 below.



Source: California Community Colleges Chancellor's Office

Community college enrollment declined statewide in academic year 2012-2013 compared to academic year 2011-2012, but CCSF's decline in enrollment was higher than the statewide average. CCSF student enrollment declined by 12 percent in the 2012-2013 academic year compared to the statewide average decline of 5 percent. As shown in Exhibit 3 below, CCSF's enrollment decline was highest for students 35 to 49 years but varied most significantly from the statewide average for students 24 years and younger.

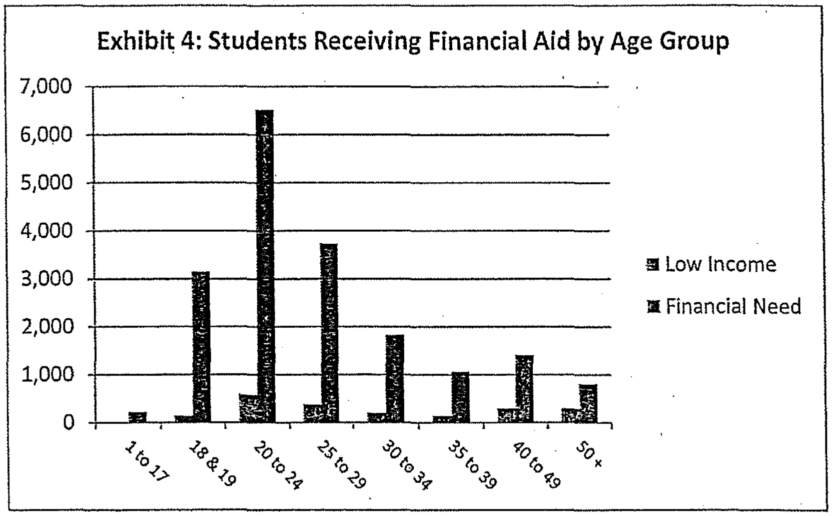
Exhibit 3: CCSF and Statewide Decline in Student Enrollment 2012-2013 Academic Year



Source: California Community Colleges Chancellor's Office

One-third of CCSF students receive some form of financial aid.[2] 3 percent of students received financial aid based on low family income of approximately 150 percent or less of the federal poverty level. 30 percent of students received financial aid based on federal guidelines for financial need that includes an assessment of family income and assets, family size, the number of family members attending college, and other criteria. As shown in Exhibit 4 below, the largest number of students receiving financial aid were 20 to 24 years of age, consistent with the larger number of enrolled students in that age group.

[2] The California Community Colleges Chancellor's Office's most recent financial aid report is for the 2011-2012 academic year. Financial aid includes fee waivers, federal and state grants, loans and work study. Because students qualify for more than one type of financial aid, the Budget and Legislative Analyst estimated the number of students qualifying for financial aid based on the number of students receiving fee waivers, on the assumption that all students qualifying for grants, loans, and work study would also qualify for fee waivers. 20,382 of 61,820 students (33 percent) received fee waivers in the 2011-2012 academic year, of whom 2,077 were low income (3 percent) and 18,731 demonstrated financial need (30 percent).



Source: California Community Colleges Chancellor's Office

CCSF Students Have Limited Options for Attending Other Colleges or Programs

According to the California Community Colleges Acting Chancellor, the majority of students entering the California Community Colleges are not prepared to complete college-level course work; and an important function of the community colleges is to help students develop basic skills in reading, writing, mathematics, and English as a Second Language.[3]

Many CCSF students enroll in courses that prepare them for the two-year associate degree or for transfer to a four-year college program. CCSF course enrollment in Spring 2013 was more than 145,000, of which 56 percent was enrollment in courses with transferable credits to the California State University or University of California system, as shown in Exhibit 5 below.[4]

[3] Basic Skills Accountability Report, 2012 Board of Governors, California Community Colleges, September 2012.

[4] Because students enroll in more than one course, course enrollment exceeds the number of students. 56,301 students were enrolled in Spring 2013, of which 25,607 enrolled in non-credit courses and 30,694 enrolled in for-credit courses. One-half (15,064) of the students enrolled in for-credit courses were enrolled for more than 9 units.

Exhibit 5: Distribution of Enrollment by Credit and Non-credit Courses, Spring 2013

	Enrollment Spring 2013	Percent of Total
Transferable Credits	81,292	56%
Non-Transferable Credits	4,624	3%
Total Enrollment in For-Credit Courses	85,916	59%
Total Enrollment in Non-Credit Courses	59,623	41%
Total Enrollment	**145,539**	**100%**

Source: California Community Colleges Chancellor's Office

Students who were enrolled in for-credit courses with transferable credits frequently enrolled in general education courses (science, math, history, social science, humanities, English, and writing) required for two-year associate degrees or four-year bachelor degrees. Students who were enrolled in non-credit courses most often enrolled in in English as a Second Language (ESL) and basic academic support and skills building, as shown in Exhibit 6 below.

Exhibit 6: Distribution of Enrollment by Course, Spring 2013

	Total Course Enrollment	
Course	**Transferable Credits**	**Non-Credit**
Natural Sciences and Mathematics	15,537	0
History, Social Sciences, Humanities	10,908	0
English and Writing	6,894	84
Physical Education	6,797	138
Health and Medical Careers	5,368	4,977
Film, Television, Radio, Applied Design and Arts	5,244	229
ESL, Foreign Languages, Sign Language	5,039	26,597
Communication and Information Technology	4,943	5,537
Music, Art, Film, Theater	4,851	1,439
Accounting, Finance, and Business	3,448	1,092
Education and Child Development	2,417	5,873
Ethnic and Women's Studies	2,185	0
Aviation, Automotive and Engineering	1,696	152
Police and Fire	1,534	0
Academic Guidance, Tutoring, Work Experience	1,426	12,647
Culinary and Hospitality	1,218	79
Paraprofessional (Library, Paralegal, Recreation)	524	0
Landscape Architecture, Horticulture, Floral	488	0
Geography and Environmental Studies	469	0
Skilled Trades	306	779
Total Enrollment	**81,292**	**59,623**

Source: California Community Colleges Chancellor's Office

Many students may not be able to transfer to a four-year university in the event of CCSF closing

While many CCSF students enroll in courses that can be transferred to the California State University, University of California or other four year colleges, if CCSF were to lose accreditation, these students may not have sufficient credits or meet the minimum qualifications to transfer to a State University. Only approximately 1,400 CCSF students transfer each year to the University of California or California State University system.

Students who do qualify for transfer may not be able to find a place in a local State University or in a program provided by a local State University. San Jose State University is "impacted", meaning it has more qualified student applications than available spaces. San Francisco State University and California State University East Bay have available spaces but several programs are impacted. As shown in Exhibit 7 below, 10.5 percent of CCSF student enrollment in Spring 2013 were in programs that they could not access at San Francisco State University or California State University East Bay because these programs are either impacted or not offered.

Exhibit 7: CCSF Program Availability at SF State University and California State University East Bay, Spring 2013

Program	San Francisco State University	California State University East Bay	CCSF Spring 2013 Enrollment
Apparel Design & Merchandising	Impacted	Not offered	1,077
Business	Open	Impacted	3,448
Child Development	Impacted	Open	2,292
Environmental Studies	Impacted	Open	33
Food & Nutrition	Impacted	Not offered	257
Graphic design	Impacted	Open	939
Nursing	Impacted	Impacted	472
Total CCSF Enrollment in Select Credit Courses			8,518
Total CCSF Enrollment in All Credit Courses			81,292
Percent Select to All Credit Courses			10.5%

Source: California State University Website
Note: "Impacted" means that there are more qualified student applications than available spaces.

Other Bay Area community colleges may not have capacity to absorb CCSF students

CCSF students who are not qualified to enter the California State University or who want an associate degree or two-year technical/professional program offered by community colleges could potentially transfer to other community colleges in the Bay Area. However, community colleges in other Bay Area counties are smaller than CCSF and may have difficulty absorbing all CCSF students. CCSF's student population of 79,198 is 28 percent of the combined student populations of eight community college districts in the Bay Area, as shown in Exhibit 8 below.

Exhibit 8: Number of Students at Bay Area Community College Districts 2012-2013 Academic Year

Community College District	Location	Student Count 2012-2013 Academic Year
Chabot-Las Positas	Alameda County	29,619
Contra Costa	Contra Costa County	51,802
Foothill	Santa Clara County	64,564
Marin	Marin County	11,005
Ohlone	Alameda County	16,220
Peralta[5]	Alameda County	54,521
San Mateo	San Mateo County	41,038
Solano	Solano County	12,865
Total Eight Community College Districts		281,634
San Francisco Community College District		79,198
Percent San Francisco Compared to Eight College Districts		28%

Source: California Community Colleges Chancellor's Office

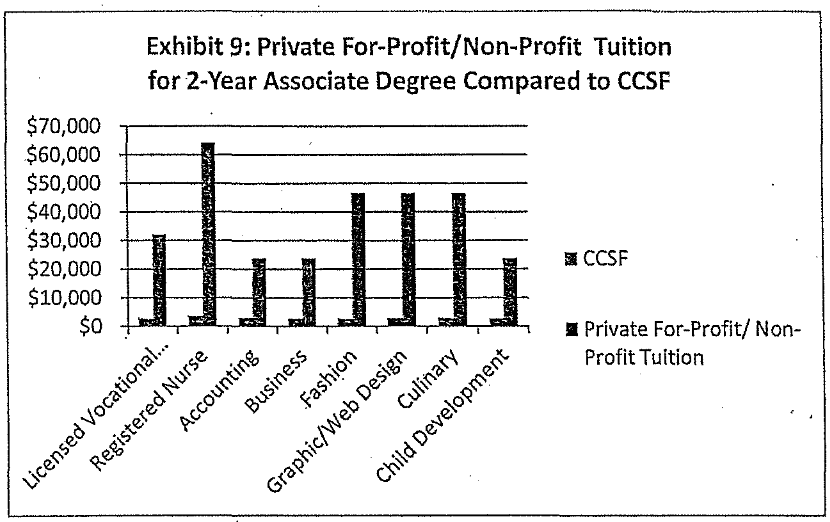
The other community colleges also may not offer specific programs offered by CCSF or have insufficient program capacity to absorb CCSF students. For example, in the 2011-2012 academic year, 77 CCSF students received an associate of science degree in nursing. Of the Bay Area community colleges, Foothill College does not offer a registered nursing program in the 2013-2014 academic year, and other community colleges have more applicants than available spaces, resulting in wait lists for nursing programs.

[5] The student count for Peralta Community College District, which includes Berkeley City College, College of Alameda, Merritt College, and Laney College, is for the 2011-2012 academic year. According to the Peralta Community College District website, the four colleges were recently removed from "warning" status by the Accrediting Commission for Community and Junior Colleges and are now fully accredited.

Students transferring to other programs would incur higher costs

CCSF students able to transfer to a State University would pay $10,000 more for 60 semester units (the number of required units for the first two years of college or four semesters). A CCSF student pays a fee of $46 per unit or $2,760 for 60 units. A San Francisco State University Student pays $3,225 per semester or $12,900 for four semesters.

Many programs offered by CCSF are also offered by for-profit and non-profit private colleges in the Bay Area but at a greater cost to the student. CCSF charges fees of $46 per semester unit, which is significantly less than fees ranging from $395 to $765 per semester unit charged by private non-profit and for-profit colleges. Exhibit 9 below compares CCSF fees for some two-year associate degree programs to tuition charged by some private Bay Area colleges for comparable associate degree programs.[6]



Source: Budget and Legislative Analyst Survey

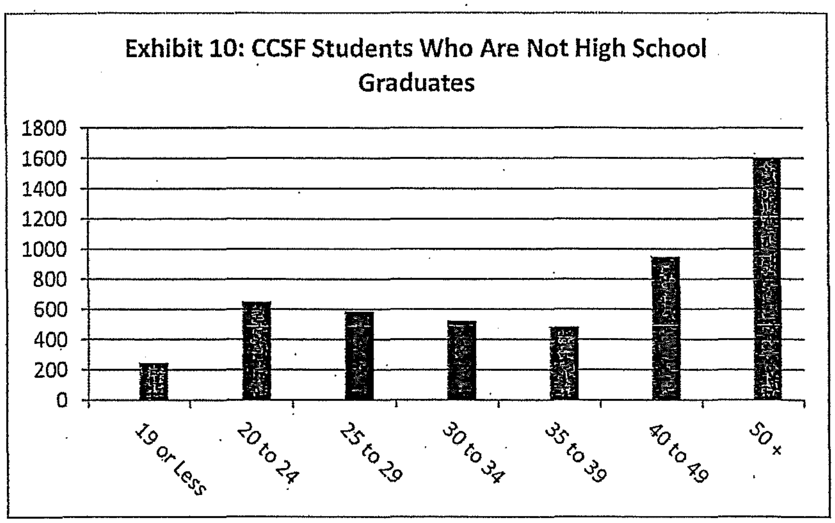
While financial aid is available to students attending these private schools, students would need to incur a much higher level of student loan debt to pay for tuition and other costs while completing their program.

[6] The private colleges include one non-profit, Academy of Art University, and three for-profit schools, Art Institute of San Francisco, University of Phoenix, and Unitek College (in Fremont).

CCSF Students Enrolled in ESL or Basic Education Courses Would Encounter Lower Earnings

According to the U.S. Department of Labor, workers without a high school diploma or who do not speak English earn lower wages than other workers.

In Spring 2013, more than 5,000 CCSF students did not have a high school diploma, many of whom were over the age of 40, as shown in Exhibit 10. If these students were not able to obtain a high school diploma through CCSF or other programs, each student would lose estimated annual earnings of $8,840 compared to earnings if they obtained a high school diploma, according to the U.S. Bureau of Labor Statistics.[7] The estimated life time loss in earnings for younger students would be $265,200.



Source: California Community Colleges Chancellor's Office

In Spring 2013, CCSF offered 453 non-credit ESL courses free of charge, with enrollment of 27,688. The non-credit ESL courses are designed to help immigrant students develop their general ability to understand, speak, read and write English. CCSF also provides citizen preparation to prepare immigrant students with sufficient knowledge of English and other information to pass the citizenship exam. ESL courses made up nearly one-half of total enrollment in non-credit

[7] "Usual Weekly Earnings of Wage and Salary Workers, Second Quarter 2013", Bureau of Labor Statistics, U.S. Department of Labor Statistics, July 18, 2013

courses. The estimated number of unduplicated CCSF students enrolled in ESL courses in Spring 2013 was approximately 16,000.[8]

According to a U.S. Census Bureau report, individuals who do not speak English, or who speak English poorly, are more likely to be unemployed or employed only part time, and have lower earnings. The U.S. Census Bureau estimated that workers who do not speak English have wages that are approximately 40 percent lower than workers who speak English well.[9] Based on 2000 Census data, the Budget and Legislative Analyst estimates that a worker who does not speak English earns an estimated $13,500 less per year than a worker who speaks English well for younger workers, the inability to speak English results in estimated lifetime loss in earnings of $400,000.

CCSF Closure Would Impact the City of San Francisco and San Francisco Employers

Closing CCSF would impact the San Francisco economy through loss of federal and state funds and skilled employees.

In Fiscal Year 2011-12, CCSF received $188 million in federal and state revenues, including grants and aid to students, which would be lost if CCSF were to lose accreditation or close. These revenues make up more than 61 percent of total CCSF revenues, as shown in Exhibit 11 below.

[8] Provided by G. Keech, Chair, CCSF ESL Department.
[9] "How Does Ability to Speak English Affect Earnings", Jennifer Cheeseman Day and Hyon B. Shin, Population Division, U.S. Census Bureau.

Exhibit 11: CCSF Revenue, Fiscal Year 2011-12

Local revenue	
Tuition and fees (less scholarships and allowances)	$23,897,097
Local operating grants and revenues	10,168,624
Property and sales taxes	93,269,500
Investment income, fund transfers, other	8,072,551
Interest expense on capital-related debt	(16,667,918)
Total	$118,739,854
Federal and state revenue	
Federal grants	$25,031,273
State grants	9,782,001
State apportionment	100,683,565
State taxes	12,669,493
Pell grants	36,890,315
State capital grants	2,981,828
Total	$188,038,475
Total revenue	**$306,778,329**

Source: Audited Financial Statement, Year Ending June 30, 2012

CCSF graduates are part of San Francisco's skilled workforce

In the 2011-2012 academic year, 2,272 CCSF students completed associate degree, certificate, or other programs in which they attained job skills required by San Francisco employers[10]. The number of new and replacement jobs required by employers each year exceeded the number of San Francisco, San Mateo and Marin community college graduates for 41 of 52 programs, as shown in Attachment II to this report, indicating that most graduates of these programs qualified for jobs for which there were more job openings than graduates. For example, in the 2011-2012 academic year, 14 CCSF students completed a program in lodging management, which met 50 percent of employers' annual demand; 28 CCSF students completed a program in restaurant and food service management which

[10] The annual number of new or replacement jobs required by employers is based on U.S. Department of Labor projections for San Francisco, San Mateo and Marin counties for the ten year period from 2010 through 2020. The community college programs are based on standard program codes and graduate information reported by the California Community College Chancellor's Office. In most instances, the Department of Labor's job classifications directly matched CCSF programs (such as lodging management, registered nursing, multimedia and animation, and other job classifications). In some instances, the Budget and Legislative Analyst matched several job classifications to a specific CCSF program (property manager, appraiser, broker and agent to "real estate"; travel agents and tour guides to "travel and tourism"; chefs and head cooks to "culinary arts", etc.). In other instances, the Budget and Legislative Analyst estimated the job classifications based on educational level and years of experience reported by the Department of Labor for specific job classifications (loan interviewers and loan officers to "banking and finance"; bookkeeping, accounting, and auditing to "accounting", database administrator, network and systems administrator, support specialist to "computer information systems, infrastructure and support, web administration").

met 17 percent of employers' annual demand; and 87 CCSF students completed a licensed vocational nurse program, which met 75 percent of employers' annual demand.

The number of CCSF, San Mateo and Marin community college graduates in several popular programs exceeded job demand as shown in Attachment II. CCSF graduates exceeded the number of annual jobs for child development administration, culinary arts, emergency medical technician/paramedic, health information technology and coding (medical records), electronics and electric technology, and library technician. The combined number of CCSF and the College of San Mateo graduates exceeded job demand in four programs: automotive technology, community health worker, fashion design, and fire technology. In some instances, such as the program for electrocardiography, the program provided job skills that may be combined with other job classifications, even if the number of program graduates exceeded the number of jobs.

In total the market value of the new and replacement jobs, in which CCSF graduates attained skills that matched employers' demand, is approximately $123 million per year, as shown in Attachment II.[11] The average median wage for these jobs for which CCSF graduates qualify is $59,800, which is $11,100 more than the average median wage of $48,700 for jobs that require only a high school education.[12]

Up to 2,457 CCSF Employees Would Lose their Jobs if CCSF Were to Close

CCSF had 2,457 employees as of Fall 2012,[13] of which 1,691 were administrative, tenure or tenure-track and temporary or part-time faculty; and 766 were classified (miscellaneous) employees. From Fall 2009 through Fall 2012, the number of employees decreased by 11.7 percent, as shown in Exhibit 12 below.

[11] The estimated market value equals the median wage reported by the U.S. Department of Labor times the number of CCSF graduates who graduated from programs with corresponding job skills, up to 100 percent of the annual number of jobs.
[12] Estimates are based on the average of U.S. Department of Labor projections of the San Francisco, San Mateo and Marin counties' median wage for all jobs requiring high school education.
[13] The California Community Colleges Chancellor's Office most recent employment data is for Fall 2012.

Exhibit 12: Change in the Number of CCSF Employees
Fall 2009 through Fall 2012

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Change	Percent
Administrator	52	43	40	42	(10)	(19.2%)
Full Time Professional/Faculty	757	793	810	754	(3)	(0.4%)
Part Time Professional/Faculty	1,092	1,030	1,004	895	(197)	(18.0%)
Total Certificate	1,901	1,866	1,854	1,691	(210)	(11.0%)
Total Classified (Miscellaneous)	880	831	813	766	(114)	(13.0%)
Total Employees	**2,781**	**2,697**	**2,667**	**2,457**	**(324)**	**(11.7%)**

Source: California Community Colleges Chancellor's Office

CCSF expenditures for salaries and benefits have decreased by 4.8 percent from FY 2009-10 to FY 2012-13. The highest percentage decrease in salaries has been for administrative and permanent miscellaneous staff. Because of the growing cost of benefits, decreased staffing and salaries have been offset by increases in expenditures for benefits.

Exhibit 13: CCSF Salary and Benefits Expenditures
FY 2012-2013

	FY 2009-10 Actual	FY 2010-11 Actual	FY2011-12 Actual (estimated)	FY 2012-13 Budget	Change FY 2009-10 to FY 2012-13	Percent
Certificate Salaries						
Administrators	$6,978,406	$5,131,893	$5,254,015	$4,537,708	($2,440,698)	(35.0%)
Faculty	74,765,351	73,718,981	71,485,745	69,779,765	(4,985,586)	(6.7%)
Librarians	1,716,526	1,738,582	1,822,518	1,578,773	(137,753)	(8.0%)
Counselors	6,371,618	6,764,862	7,066,013	6,688,395	316,777	5.0%
Other	6,827,417	6,622,544	6,688,962	6,497,625	(329,792)	(4.8%)
Total Certificate	**96,659,318**	**93,976,862**	**92,317,253**	**89,082,266**	**(7,577,052)**	**(7.8%)**
Classified Salaries						
Regular Salaries	34,101,364	32,927,117	31,968,215	30,007,471	(4,093,893)	(12.0%)
Instructional Aides	2,919,379	2,939,309	2,864,258	2,678,887	(240,492)	(8.2%)
Interns, Work Study, Other	2,637,690	2,960,333	2,785,449	2,722,014	84,324	3.2%
Governing Board	41,757	41,439	41,439	42,000	243	0.6%
Overtime and Lead Pay	181,183	197,483	175,264	180,024	(1,159)	(0.6%)
Total Classified	**39,881,373**	**39,065,681**	**37,834,625**	**35,630,396**	**(4,250,977)**	**(10.7%)**
Total Salaries	136,540,691	133,042,543	130,151,878	124,712,662	(11,828,029)	(8.7%)
Total Benefits	41,657,003	43,103,045	44,669,453	44,886,175	3,229,172	7.8%
Total Salaries/Benefits	**$178,197,694**	**$176,145,588**	**$174,821,331**	**$169,598,837**	**($8,598,857)**	**(4.8%)**

Source: CCSF Budget Documents

Closure of CCSF would result in the lay-off of up to 2,457 positions and loss of salaries and benefits of $169 million. CCSF staff who have been laid off may have difficulty finding comparable positions. Other community colleges in the surrounding counties may have difficulty absorbing the CCSF staff; none of the eight community college districts in surrounding counties are as large as CCSF and competition for community college positions is high. For example, CCSF hired only 6 percent of the qualified applicants for full or part time faculty and professional positions in 2010 and 2011, as shown in Exhibit 14 below.

Exhibit 14: Number and Percent of Qualified Applicants for CCSF Faculty and Professional Positions Who Are Hired 2010 and 2011

Program	Number of Qualified Applicants	Number Hired	Percent Hired
Art and Music	110	3	3%
Business/Computers	57	5	9%
Counselor/Coordinator	174	10	6%
Dental and Nursing	18	5	28%
Education	24	2	8%
Engineering and Technical	21	2	10%
English	215	15	7%
Other Academic	21	2	10%
Other Professional	49	3	6%
Science and Math	243	15	6%
Social Science	200	6	3%
Total	**1,132**	68	6%

Source: CCSF Hiring Data Report, Fall 2010, Spring 2011, Fall 2011

Classified CCSF staff who are laid off have bumping rights to City jobs

California Education Code Section 88137 provides that CCSF classified employees are employed pursuant to the terms of the City's Charter and the Charter provisions establishing the Civil Service Commission. According to the Civil Service Commission, CCSF employees in job classes that are shared with the City may transfer, promote, and, if laid off may displace or "bump", into City positions.

CCSF has at least 24 existing classifications that correspond to City classifications and for which incumbents would have the right to transfer, promote or bump into City jobs, as shown in Exhibit 16 below.

Exhibit 16: CCSF Classifications that would have Bumping Rights to City and County of San Francisco Classifications

Class	Title
1021	IS Administrator I
1022	IS Administrator II
1220	Payroll Clerk
1227	Testing Technician
1402	Junior Clerk
1404	Clerk
1406	Senior Clerk
1408	Principal Clerk
1424	Clerk Typist
1426	Senior Clerk Typist
1446	Secretary II
1630	Account Clerk
1632	Senior Account Clerk
1760	Offset Machine Operator
1762	Senior Offset Machine Operator
1822	Administrative Analyst
1840	Junior Management Assistant
1844	Senior Management Assistant
2708	Custodian
3616	Library Technical Assistant I
3618	Library Technical Assistant II
7334	Senior Stationary Engineer
8204	Institutional Police Officer
9702	Employment Training Specialist

Individuals in these classifications may transfer or promote into City jobs, even without lay off, but in addition, laid-off CCSF employees in these classifications may displace existing City staff if they are more senior. The actual impact on City employees would depend on the number of vacant City positions in these classifications that could be filled by CCSF employees, and if sufficient vacant positions are not available, the number of CCSF employees in these classifications that are more senior than and would chose to displace City employees.

		Summary of Recommendations	CCSF Follow Up to Recommendations	Commission's Letter
1	Mission Statement	Establish a prescribed process and timeline to regularly review mission statement and revise as necessary	Partial	
2	Planning	Develop a strategy for fully implementing its existing planning process to look at each campus and site; examine revenues and expenses, and systematically address instructional program planning, staffing requirements, student and library services (including facilities needs and competing priorities)	Partial	
3	Assessing Effectiveness	Fully implement model for program review for all courses, programs, and support services; and advance framework for defining and assessing student learning outcomes (develop and report performance metrics including non-credit students)	Complete	Nearly Resolved
4	Student Learning Outcomes	Identify student learning outcomes by course, program, general education, certificate and degree levels; implement student learning assessments and evaluate results to improve learning	Complete	
5	Student Support Services	Assess and improve effectiveness of support services	Partial	
6	Human Resources	Evaluation of faculty and other staff who support students, including how staff effectiveness in bringing about learning outcomes	Complete	Fully Addressed
7	Human Resources	Assess adequacy of number of qualified classified staff and administrators and the appropriateness of their preparation and experience	Partial	
8	Physical Resources	Incorporate facility maintenance costs into long-term planning and budgets and allocate resources	Partial	
9	Technology Resources	Develop plan for equipment maintenance, upgrade and replacement	Complete	Fully Addressed
10	Financial Planning	Use mission statement to inform allocation of resources (match expenditures to revenues; increase reserves)	Partial	
11	Financial Integrity	Provide accurate and timely reporting of financial information	Partial	
12	Governance	Engage external services on developing leadership and governance	Partial	
13	Governance	Evaluate and improve college's governance structure	Partial	
14	Effective Board Organization	Act in a manner consistent with policies and by-laws; implement plan for board effectiveness	Partial	

Course	Median Wage	Community College Graduates 2011-2012				Annual Job Growth and Replacement in San Francisco, San Mateo and Marin Counties		
		CCSF	Marin	San Mateo	Total	Number of Jobs	Percent of Community College Graduates Compared to Number of Jobs	Market Value of Jobs Potentially Filled by CCSF Graduates
Accounting	$47,611	69	10	179	258	332	78%	3,285,159
Criminal Justice	$77,755	70	6	90	166	220	75%	5,442,850
Medical Assisting	$41,247	50	30	62	92	112	82%	2,062,350
Alcohol and Substance Abuse	$37,107	25	0	15	15	23	65%	927,675
Graphic Design, Web Design, Commercial Art	$66,082	78	1	22	101	273	37%	5,154,396
Architectural and Other Drafting	$59,777	17	2	3	22	34	65%	1,016,209
Automotive Technology	$48,391	76	9	272	357	239	149%	3,677,716
Aviation Airframe and Powerplant Mechanics	$56,209	3		0	3	102	3%	168,627
Banking and Finance	$82,498	7			7	86	8%	577,484
Biotechnology and Biomedical Instrumentation	$68,263	66		8	74	120	62%	4,505,358
Business and Commerce	$76,319	64	17	111	192	603	32%	4,884,416
Child Development and Preschool Education	$28,748	168	2	150	320	399	80%	4,829,587
Child Development Administration	$53,215	50			50	17	294%	904,655
Construction Management	$115,950	19		7	26	86	30%	2,203,050
Community Health Care Worker	$39,580	80		9	89	87	102%	3,443,460
IT Infrastructure/Support/Administration	$67,945	202	1	21	224	334	67%	13,724,818
Culinary Arts	$51,177	115		0	115	54	213%	2,763,558
Dental Assistant	$48,102	13	18	35	66	85	78%	625,326
Educational Aide	$32,760	7			7	203	3%	229,320
Electrocardiography	$53,491	53			53	5	1060%	267,455
Electronics and Electric Technology	$68,293	20		33	53	18	294%	1,229,274
Emergency Medical Services/Paramedic	$45,495	71		68	139	25	556%	1,137,375
Environmental Control Technology	$52,947	3		3	6	34	18%	158,841
Fashion Design	$68,046	12		25	37	14	264%	952,644
Marketing, including Fashion Merchandising	$68,747	28		6	34	111	31%	1,924,916
Film Production	$67,803	4		0	4	34	12%	271,212

Course	Median Wage	Community College Graduates 2011-2012				Annual Job Growth and Replacement in San Francisco, San Mateo and Marin Counties		
		CCSF	Marin	San Mateo	Total	Number of Jobs	Percent of Community College Graduates Compared to Number of Jobs	Market Value of Jobs Potentially Filled by CCSF Graduates
Fire Technology	$72,540	64		43	107	103	104%	7,471,620
Floristry	$29,847	3		5	8	13	62%	89,541
Forensics	$73,262	16		0	16	30	53%	1,172,192
Health Information Technology and Coding	$46,956	114		15	129	26	496%	1,220,856
Home Health Aide and Other Health Occupations	$28,589	53			53	441	12%	1,515,217
Interior Design and Merchandising	$68,303	6	1	42	49	84	58%	409,818
Landscape Design and Maintenance	$51,958	11	3	1	15	24	63%	571,538
Library Technician	$55,241	30			30	27	111%	1,491,507
Licensed Vocational Nurse	$62,507	87			87	116	75%	5,438,109
Lodging Management	$63,847	14			14	28	50%	893,858
Management Development and Supervisors	$72,728	20			20	437	5%	1,454,560
Motorcycle Repair		26			26			0
Multimedia and Animation	$72,261	32	8	16	56	176	32%	2,312,352
Office Technology	$60,762	240		49	289	364	79%	14,582,880
Paralegal	$69,887	7		53	60	106	57%	489,209
Pharmacy Technology	$41,189	25			25	82	30%	1,029,725
Plumbing, Pipefitting, Steamfitting	$54,134	7		29	36	115	31%	378,938
Printing and Lithography	$46,586	10			10	24	42%	465,860
Radiation Therapy Technician		6			6			0
Radiologic Technician	$83,295	20		7	27	35	77%	1,665,900
Radio and Television	$49,813	39		3	42	97	43%	1,942,707
Real Estate	$78,521	16	1	5	22	173	13%	1,256,336
Registered Nursing	$112,801	77	40	57	174	599	29%	8,685,677
Restaurant and Food Service Management	$57,443	28			28	169	17%	1,608,404
Retail Stores Operations and Management	$41,765	1		17	18	360	5%	41,765
Travel and Tourism	$33,692	25			25	37	68%	842,300
Total		**2,272**	**149**	**1,461**	**3,882**	**7,204**		**123,398,600**

EXHIBIT B

San Francisco Measures Value of CCSF

By KQED News Staff (https://ww2.kqed.org/news/author/kqed/)
SEPTEMBER 19, 2013

SHARE

By Sara Bloomberg

With the deadline for City College of San Francisco to lose its accreditation less than 10 months out, city officials are questioning its economic impact on the city.

San Francisco City Supervisors Eric Mar, Mark Farrell and John Avalos at a hearing Wednesday on the economic impact of CCSF. (Sara Bloomberg / KQED)

The answer appears to be at least $311 million.

At a Budget and Finance Committee hearing on Wednesday, Supervisor Eric Mar called an evaluation (http://www.sfbos.org/Modules/ShowDocument.aspx?documentid=46531) he had requested on the college's economic impact "groundbreaking."

"I think this report is groundbreaking because it quantifies a huge economic impact to the city and county of San Francisco and so many families and people of San Francisco, young and old, that have improved their lives" by taking classes there, Mar said. CCSF is the largest community college in the state, with 80,000 students enrolled in the 2012-2013 academic year.

Severin Campbell, a representative of the city's Budget and Legislative Analyst office, presented the findings of the report, which breaks down the economic impact into two main categories: grant funding and jobs.

The school received $188 million in state and federal grants in the 2011-12 fiscal year, and the market value of the jobs attained by City College graduates during the same period was $123 million, according to the report.

For our complete coverage of the possible closure of City College, see here (http://ww2.kqed.org/news/tag/city-college-of-san-francisco/).

Additionally, more than 2,400 faculty, administrative and classified jobs would be lost if the school were to close, Campbell said. She added that some of the classified workers would be eligible to work for the city, but faculty positions at other educational institutions in the Bay Area would be harder to find.

But even these numbers don't account for the fallout that the accreditation process has had on the school, in addition to several years of state-level budget cuts, said Alisa Messer, president of the faculty union AFT Local 2121.

"The report doesn't fully capture what has happened in the last year or so since the accreditation challenges really came to the forefront. There are at least 150 less faculty at City College of San Francisco compared to [last] fall."

The analyst's office also determined that students would incur higher costs if forced to transfer to a private, for-profit two-year program elsewhere. Many similar programs at other Bay Area community colleges are full.

Additionally, City College graduates get better paying jobs and earn about $11,000 more annually than those with only a high school diploma, and non-English speakers make about $13,500 less per year than other workers who speak English well, according to the report. Students in non-credit classes, including English as a Second Language courses, make up about half of all enrollment at the college.

In addition to job training and preparing to transfer to a four-year university, many San Franciscans take classes to pick up an extra skill.

"I went back [to school at City College] to learn the languages that my students spoke," retired high school teacher Hene Kelly said, "so I could be a better teacher."

For others, the school provides a way to overcome poverty and other disadvantaged situations, Supervisor Mar said.

"City College is part of the city's economic ladder that allows some level of mobility" for people who are locked into poverty, he said. "To lose City College would be like kicking the ladder out from under the most vulnerable populations."

EXPLORE: EDUCATION (HTTPS://WW2.KQED.ORG/NEWS/CATEGORY/EDUCATION/), NEWS (HTTPS://WW2.KQED.ORG/NEWS/CATEGORY/NEWS/), CITY COLLEGE OF SAN FRANCISCO (HTTPS://WW2.KQED.ORG/NEWS/TAG/CITY-COLLEGE-OF-SAN-FRANCISCO/), SAN FRANCISCO (HTTPS://WW2.KQED.ORG/NEWS/TAG/SAN-FRANCISCO/)

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2 Comments (https://ww2.kqed.org/news/2013/09/19/san-francisco-measures-value-of-ccsf/#disqus_thread)

Wong, Linda (BOS)

From: Allan Fisher <afisher800@gmail.com>
Sent: Thursday, March 15, 2018 8:57 AM
To: Wong, Linda (BOS); Yee, Norman (BOS); Fewer, Sandra (BOS); Cohen, Malia (BOS); Sheehy, Jeff (BOS); Catherine.Stafani@sfgov.org
Subject: Reservoir Housing Project

Dear Supervisors:

I am writing to urge you to oppose the privatization of the lower Balboa Reservoir, which has been in use for parking at City College since 1958. Not one single inch of public land should go for building luxury housing. This development would deal a major body blow to efforts to rebuild City College enrollment after five bruising years.

We are well aware that the developers present the project as "up to 50% affordable housing," similar to the sucker linen sales that we see advertised. The devil is in the details, and commitments to actual affordable units are impossible to read in the AvalonBay proposal, as it is riddled with loopholes, aspirational goals, and slippery phrases such as "up to 50% affordable..."

In 2016 SF had record housing construction of 5,046 units. Of this number, only 120 were affordable to most residents of the Excelsior/Ingleside/OMI, using the guideline proposed by Communities United for Health and Justice of an annual income of $60,000. This shocking statistic reveals that the developer's strategy of "using luxury housing to cross-subsidize affordable housing" is empty. Continuing to build majority luxury housing is a recipe for the displacement of most of our neighbors, children and grandchildren from housing. (Source: Planning Department's Housing Inventory Report.)

We know that the developers walk with very heavy footsteps. We observe that they essentially control the Planning Department and the OEWD, producing reports and recommendations to grease the skids for the Manhattanization of SF. We urge you to stand up in a principled way for City College, for public education, and for the public good.

Many of us are advocating for a multi-purpose Education Commons on that land, which would include the Performing Arts Education Center (long overdue), faculty/staff housing for City College and SFUSD personnel, and full replacement parking in a parking structure similar to those at SF State and UCSF.

Sincerely,

Allan and Ana Fisher

--

Allan Fisher
afisher800@gmail.com
415-954-2763

Wong, Linda (BOS)

From: Vicki Legion <activistsf@gmail.com>
Sent: Thursday, March 15, 2018 8:35 AM
To: Fewer, Sandra (BOS); Stefani, Catherine (BOS); Yee, Norman (BOS); Sheehy, Jeff (BOS); Cohen, Malia (BOS); Wong, Linda (BOS)
Subject: Balboa Reservoir: Fiscal feasibility--- we strongly urge you to oppose the privatization of public land for mainly-luxury housing construction

Dear Supervisors:

I am writing to urge you to oppose the privatization of the lower Balboa Reservoir, which has been in use for parking at City College since 1958. Not one single inch of public land should go for building luxury housing. This development would deal a major body blow to efforts to rebuild City College enrollment after five bruising years.

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Wong, Linda (BOS)

From: Harry Bernstein <riquerique@yahoo.com>
Sent: Thursday, March 15, 2018 3:07 AM
To: Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Wong, Linda (BOS)
Subject: March 15 agenda, item 8, Findings of Fiscal Feasibility--Development of Balboa Reservoir Site

Members of the Budget and Finance Sub-committee

You have a number of issues before you at this week's meeting, but for those in the neighborhoods around the Balboa Reservoir and City College, few issues are more important than item 8 on your agenda--a consideration of the Feasibility and Fiscal Responsibility of the Balboa Reservoir Project. I apologize for this submission arriving so late, even though I've been thinking about it for quite some time.

Ms. Christine Hanson recently submitted a statement to you about this project and I would like to quote a portion of it:

> Section 29.4(c) of the Administrative Code provides that if the Board does not have enough valid evidence to support a finding of fiscal feasibility AND responsibility it should continue the meeting until enough evidence is supplied to the committee to support that finding. The Berkson report, in light of the potential damage to City College and recent historical record of previous financial damage to the school due to lowered enrollment, MUST quantify and present the fiscal ramifications of the stated parking plan...

=======

It is my understanding that the Berkson Report estimates that the City could anticipate receiving close to $2 million dollars from the project after subtracting the costs. However, the report did an inadequate job of detailing fiscal responsibility, weighing the losses that may result from the development should it be allowed to continue as initially proposed by the Avalon Bay team.

Potential losses such as these come immediately to mind:

•• Parking, access and congestion have always been serious issues for the neighboring communities of Westwood Park and Sunnyside. The addition of perhaps 1100 housing units without incorporating a reasonable plan of improvements to infrastructure and transit options is a recipe for disaster. Without replacement of the 1500-2000 parking spaces that will be lost to the Project, City College of San Francisco, which the Budget Analyst has determined provides more than $300,000,000 of economic value to the City, the College would inevitably be impacted, even as it is in the midst of its first growth period since the accreditation crisis began in 2012. Losses to the College represent financial losses to the City which are not considered by the Berkson Report.

•• Along a similar line, there have been public proposals that the lost parking could be replaced with a parking structure, and proposals sometimes include artist sketches, or more elaborate drawings, occasionally including such a facility on hypothetical Project maps on land currently owned by the College (on the Upper Balboa Reservoir). Such a facility is believed to be unusually costly and cannot be paid for with State funds, since it is an ancillary use of the land and not related directly to College operations. I heard of one estimate for a parking facility in the neighborhood of about $50 million. Since that facility would be mitigating an existing use by the College going back to at least 1958, when the PUC first issued a permit to the College--an image is available on request--it seems reasonable that this expense, in the millions of dollars, should be calculated along with the benefits that the developer offers optimistically in its estimate.

•• The incalculable value of approximately 17 acres of public land that is proposed for transfer to a private entity. (In the past the land has been appraised at a value of roughly $12 million, but this estimate may be out of date.)

As I along with others have said, the claims for net benefits to the City should the development be allowed to proceed is incomplete. Your colleague, Supervisor Yee is undoubtedly aware of this yet remains a sponsor of the Project nevertheless. He is certainly familiar with another project in his own district which was canceled just this month because it was not fiscally feasible. (Only recently did he come out against this project and the City consequently withdrew its support.) This was a 150-unit affordable housing development for seniors in the Forest Hill neighborhood--a project with its share of supporters as well as opponents.

Since it appears that the proponents of the Balboa Reservoir project are unable or unwilling to provide an objective and independent evaluation of the proposed project, I urge you to reach out to the Board's Budget and Legislative Analyst, Its director, Mr Severin Campbell, informed me in a private communication that

"for policy questions that are not linked to legislation, we can prepare reports at the request of an individual member of the Board of Supervisors."

It seems reasonable that any of the Sub-committee members, if not all of you, could make such a request. I know that a similar idea has already been expressed by other parties:

"The Board may continue its consideration of the proposal in order to receive more information from the Budget Analyst or the Controller or to further consider the proposal." This statement pertains to Chapter 29 of the City's Administrative Code, referred to above. It exists partly to prevent the City from spending money unwisely on proposed projects that are not fiscally responsible.

In the meantime, rather than advancing this project out of collegial duty, you would do better to continue the matter until it can be fairly and honestly evaluated by those most qualified to carry out that task.

Thank you for your consideration.

Harry Bernstein

Wong, Linda (BOS)

From: Christine Hanson <chrissibhanson@gmail.com>
Sent: Thursday, March 15, 2018 1:09 AM
To: Cohen, Malia (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Wong, Linda (BOS)
Cc: Alvin Ja; Harry Bernstein; Madeline Mueller; L. Tomasita Medal; Michael Ahrens; Michael Adams
Subject: Fiscal Responsibility of the Balboa Reservoir Project

Dear Budget and Finance Sub-Committee Members,

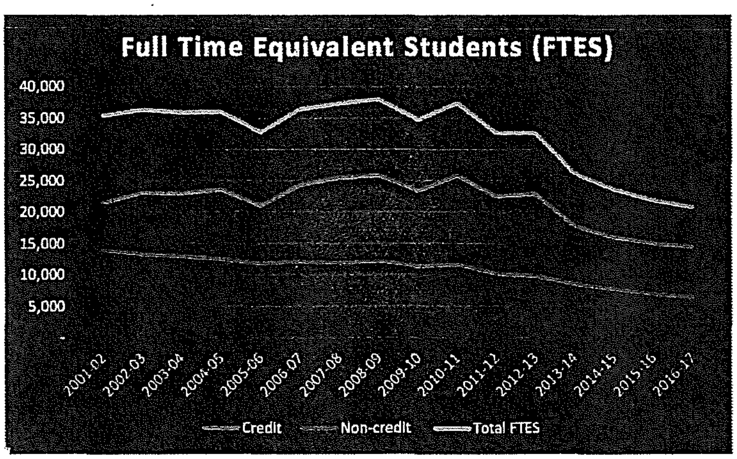
After more than three years of a tightly controlled public "outreach" process NO plan exists that would protect City College from a loss of parking. In fact the approved Transportation Demand Management report seeks to further reduce parking availability. Some students cannot fit school and work into the same schedule without commuting by auto and they will be forced to quit school.

It's not difficult to imagine what the cost to City College will be if it suffers a significant drop in enrollment due to the development in the lower Balboa Reservoir. A simple web search for "Leno bill CCSF" or "fiscal cliff CCSF" will turn up a quantity of articles that pertain to the loss of funding to the school that occurred during the accreditation crisis (links to a sample of these articles are included below).

In its first year alone the Leno bill provided $26 million in state stabilization funding to City College. Ironically this $26 million is the same amount of money that the Berkson Report claims will be raised by fees paid to the City for the new development.

According to the KQED article: "City College of San Francisco Enrollment Plunges After Threatened Accreditation Loss" enrollment was "down 14.9 percent compared to the same time last year". The graph below, from City College's 2016-17 Budget, shows the enrollment crisis drop over these years.

FTES & Funding Summary



In light of this historical near miss for City College, why hasn't the Berkson Report addressed potential damages to the school within the context of the new development? According to

Administrative Code, Chapter 29, which sets the criteria for studying a potential reduction of revenues of $200,000 or more, this report flunks as far as City College is concerned.

Ocean Campus is the only City College campus located next to a freeway and it is attended by a greater number of students than attend the other City College locations. Though the public has requested on multiple occasions, parking data for the evening classes, zero data has been collected for this time period. Yet the ongoing design is for 500 spaces of parking to be shared between the new residents and City College students.

The Berkson Report builds on this lack of data and reports expected revenue from these 500 "shared" parking spots of $1.9 million. This anticipated profit includes the City's 25% parking tax, but the report states that this tax will not be levied upon the new residents, it would be paid solely by the "commercial" use of the parking—in other words, the City College students.

A survey done by City College students of 100 users of the College's parking lot (chosen at random) showed that 30% of those students holding parking permits were also receiving financial aid. This means that a good portion of the parking revenue cited will come directly from the school.

The Berkson report states that the Balboa Reservoir development will create few new permanent jobs. The accreditation crisis however, has gouged City College's staffing—550 jobs have been lost at the school since 2010—439 of those jobs belonged to teachers (data from California Community College Datamart). This is a direct result of lowered enrollment. When enrollment drops, classes are cancelled and teachers lose their jobs. The Berkson report ignores this potential loss.

Section 29.4(c) of the Administrative Code provides that if the Board does not have enough valid evidence to support a finding of fiscal feasibility AND responsibility it should continue the meeting until enough evidence is supplied to the committee to support that finding. The Berkson report, in light of the potential damage to City College and recent historical record of previous financial damage to the school due to lowered enrollment, MUST quantify and present the fiscal ramifications of the stated parking plan.

Sincerely,

Christine Hanson

http://articles.latimes.com/2014/feb/10/local/la-me-ln-city-college-of-san- francisco-20140210

http://www.sfexaminer.com/ccsf-reduces-class-offerings-fiscal-cliff-looms/

https://www.kqed.org/news/104635/city-college-of-san-francisco-enrollment- plunges-after-accreditation-loss

Wong, Linda (BOS)

From: Monica Collins <lizzy2k@gmail.com>
Sent: Tuesday, March 13, 2018 8:57 PM
To: Wong, Linda (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Cohen, Malia (BOS); Monica Collins; fightbacksaveccsf13@googlegroups.com
Subject: City College Parking Lot and Development

Dear Gentlepersons/ Supervisors:

I am a long time City College staffer in Financial Aid office, recently retired. I served at the Ocean campus for about 15 years and another 9 years at other campuses. I was privileged to assist many thousands of students. Though so many of CCSF's students come from humble beginnings financially, this wonderful school is a tremendous conduit for both vocational and academic students. (In fact, I was both of these, studying basic electricity then a number of math classes in preparation for becoming an electrician in the 1980's. And prior, lower division in preparation for university. Afterwards, other classes including a number of foreign language classes.)

As for the students, they come from all points. Diversity makes our city and our college special. Social integration is a great function of CCSF not only for ESL students, but for those in search of training and education. Other than our many immigrant students, who learn how to make friends of all backgrounds at CCSF- and this socialization is so vital!- I served many Americans of modest means. Some had very challenging or difficult or even violent backgrounds. I assisted people who had been homeless, who lived in battered women's shelters, who were in recovery. Their current challenges typically included being parents, holding jobs, and having to commute.

Very often I would serve a student such as a 32 year old single mom, with a little one in day care and a 7 year old in elementary school, in different locations. She would have to have a job to pay the rent. Nor could she afford the kinds of rents charged in San Francisco or most nearby communities. There are no buses to serve Sandra, my student here. BART was never configured to serve most communities, which would be impractical anyway, with Sandra's crazy schedule. Even so, BART tickets are quite costly, even for people not as poor as Sandra is. She dreams of becoming a nurse, first an LVN, then ultimately hopes to get her RN either at CCSF or at university, and she will want to get her Bachelor's in Science.

Now for a more hopeful and happier success story: the number of CCSF graduates and transfer students working in countless industries in SF and nearby. I know of no nurseries without many fans of Horticulture, fans of our Steven Brown, all of them. Hotel & Restaurant Dept gives our city many hospitality employees. Day care. Dental assisting. Fire and police trainees and cadets. There are so many. But many also do go to university. It's my pleasure to be greeted constantly by smiling, waving CCSF grads. "Hi City College! (Of course they don't remember my name!) I'm Janie! Do you remember my face? These grads are now happy tax payers. Welfare and poverty and struggles with low income and underemployment are behind them. They contribute hugely to San Francisco's economy.

Insofar as housing, everyone wants affordable housing. As far as privately financed, for profit housing developments on public land, the very idea seems morally compromised. What students or even teachers could afford $4,000 for a ONE BEDROOM apartment such that Avalon Bay is building, and has built 3 blocks away on Ocean, over the Whole Foods Store?

OMI is a district that is hyperdeveloped in this decade. Traffic is a nightmare 7 days a week, with left and right lane turners holding everyone up, never mind the double parkers dashing into stores. What worries me about this sort of development is first of all inflation, as dollar store items are now going for six dollars or more at gadget stores. This is because commercial rents are zooming along with the rents on new or unoccupied residential units. Perhaps worse is the foreclosures in OMI now, a result of mostly opportunistic loans. SF had an ethnic cleansing problem in the 1960's in the Fillmore. The homes of working class people were seized by eminent domain and razed. A few were spared and some others were moved out of town. Also sent out of town, the residents. A lively jazz district was virtually destroyed. It was admitted that redevelopment was partly an

effort to get rid of these people. There is a reason James Baldwin the author, called redevelopment the "Negro Removal Act".
As a longtime 94112 resident, we completely lack the infrastructure to support thousands of new residents in this ultra dense development. There are two always crowded and already inadequate grocery stores, one is very tiny, the Safeway, the other quite costly, the Whole Foods, also very busy. City services will be stretched thin and transit is already at the breaking point. The proposed 500 parking spaces for the residents of the proposed towers would be "shared" with CCSF students. First of all the much larger lot is usually full during classes, more than double that number of spaces. Secondly, Phelan is one lane in either direction and congested all the time during school, 6 days a week. Thirdly, we want LESS driving, how can we tell residents of the proposed new housing development THEY MUST DRIVE TO WORK so CCSF students can park there? Fourthly, faculty need to drive. You don't carry 30 pounds of teaching materials and papers on transit then walk over a kilometer on foot.
Our precious diversity is what makes us special. Not just postcard scenes. Please do the right thing and vote to support our wonderful students and their parking lot. It is not beautiful, but I know what makes it vital to our wonderful students, future workers in our wonderful city.
Many thanks for reading this long, involved letter, and please consider supporting this parking lot, not for profit development!
Respectfully submitted,
Monica Collins, long time Sunnyside resident

Wong, Linda (BOS)

From: dthalford@aol.com
Sent: Wednesday, March 14, 2018 3:28 PM
To: Wong, Linda (BOS)
Subject: Balboa Reservoir Development - Fiscal Feasibility

Dear Ms. Wong

The Balboa Reservoir has been used by City College of San Francisco for years. This is the only land with parking available to the thousands of students, teachers and staff who drive from throughout the City and surrounding areas. Removing 2,000 parking spaces will decrease CCSF's enrollment by thousands of students who have no other way of getting to school and cause faculty layoffs. According to one study, this could reduce the economic benefit of CCSF to the City by hundreds of millions of dollars. It will also jeopardize the construction of the CCSF Performing Arts Education Center, twice approved by the voters of San Francisco in 2001 and 2005.

The City and Avalon Corp. have said many times that their project can't continue unless alternative parking is found. So far, that hasn't happened. And still they're pushing for the project to go forward.

CCSF's own Facilities Committee - an official part of the college's shared governance structure with members from all constituencies - unanimously passed a resolution urging that CCSF "re-examine the entire concept of the Balboa Reservoir Project because of its public significance, and the grave and permanent damage that would be done to City College of San Francisco...."
The Facilities Committee further recommended a parking study to determine how to best protect CCSF. Even AvalonBay, the lead developer of the Balboa Reservoir Project, and the City have stated publicly that the project cannot continue unless a resolution is reached on alternative parking.

Not one inch of public land should go to private interests!

Yours truly,
Daniel Halford, ESL Instructor, CCSF
2302 Geary Blvd., #3, San Francisco, CA 94115 (Home)
dthalford@aol.com

Wong, Linda (BOS)

From: Amanda C Simons <asimons@ccsf.edu>
Sent: Monday, March 12, 2018 5:24 PM
Subject: VOTE NO: Balboa Reservoir Development - Fiscal Feasibility

Hello,

I am writing to you about "Balboa Reservoir Development - Fiscal Feasibility", which will be discussed this Thursday, March 15 at 10:00am.

As an ESL Teacher at CCSF and someone who has benefitted from taking CCSF classes, I want to say that allowing this land to become luxury condos is a terrible mistake. It's only a greedy move that adds another heart-breaking roadblock to all the ways that CCSF has struggled to be the source of education and equity for the community that it is. If education is the great equalizer and having better access to it is a way to improve our community and show how forward thinking SF is, it would be a terrible mistake and an embarrassing reflection on the city and its values if we instead let this land become luxury condos.

Please do the right thing and work against this measure. I thank you for your time.

Amanda Simons
ESL Instructor
City College San Francisco

Wong, Linda (BOS)

From: Monica Collins <lizzy2k@gmail.com>
Sent: Monday, March 12, 2018 7:00 PM
To: Sandy Ahrens
Cc: Madeline Mueller; Aj; Cohen, Malia (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Fewer, Sandra (BOS); Wong, Linda (BOS); Yee, Norman (BOS); Low, Jen (BOS); Maybaum, Erica (BOS); Rita Evans; Jennifer Heggie; Bob Byrne; Ray Kutz; Lisa Spinali; Amy O'Hair; Andrew Sherman; Ken Hollenbeck; Francine Lofrano; Anita Theoharis; MP Klier; Joe Koman; Anne Chen; Laura Frey; Caryl Ito; Adrienne GO; Ravi Krishnaswamy; Michael Adams; Harry Bernstein; Vicki Legion; MrLC4music; Muriel Parenteau; Christine Hanson; Wendy Kaufmyn; L Tomasita Medal; Win-Mon Kyi; Lalo Gonzalez; Andrea del Pilar Olivos; Cynthia Diaz; Donna Hayes; Wendolyn Aragon; Allan Fisher; Leslie Simon; Rodger Scott; Michael Ahrens
Subject: Re: March 15 Budget & Finance Meeting- Request to supplement Record

thank you all
was able to speak at city hall today, not that I was one of the more compelling speakers by far
some were pretty much heart breaking
later on in the meeting, YIMBY and SFBARF arrived, I did not stay for that
speakers were limited to one minute and a 30 second warning was very distracting
Supv Peskin was vociferous in his support of our cause
he displayed a map you may have seen, in which ABAG fingers our city for hyper development, and the entire city being "transit rich" (HA!) is colored in
the rest of the bay area, just a line around it, and our city is solid.

On Sun, Mar 11, 2018 at 9:38 PM, Sandy Ahrens <sandyahrens5@gmail.com> wrote:

To Linda Wong, Clerk to Budget & Finance Committee:

I hereby request that the reply of Madeline Mueller to the Comments of "AJ" be part of the official record and sent to the Budget & Finance Committee.

These comments are comments of a professor at City College who has taught our students since 1965. They are comments of a senior member of the Facilities Committee of City College, which committee voted on a UNANIMOUS vote of all 24 members of the committee consisting of faculty, staff and students that the Balboa Reservoir Project will "Gravely Damage" City College. The words "Grave Damage" are the words of the Facilities Committee unanimous resolution. They are the comments of a respected member of City College faculty that parking is crucial for her students, and replacing 2,000 spaces with "shared parking" with the new residents of 1,100 units will not work. They are the comments of a faculty member that clearly sees that no solution has been presented to the Supervisors to show how from a fiscal standpoint the city will not be damaged by the damages to City College from the proposed development.

As the Westwood Park letter signed by President Anita Theoharis set forth, a financial analysis is not complete until it takes into consideration not only the BENEFITS to the City, but also the FISCAL DETRIMENTS to the City from the project. The 2013 report attached to that letter prepared by the City's own Budget Analyst indicates an annual value to the city from City college of $311 million. Until a complete analysis is made of the damage to the city from this development, the Supervisors do not have any factual basis on which to conclude that the Balboa project is fiscally feasible or responsible.

Until a "deal" is done on alternative parking between Avalon and City College no one knows how to value the "Grave Damage" that is being done to City College.

We all know the City needs more housing. But, not at a cost that will fiscally damage the city. At the present state of the record we have Berkson report saying that maybe $2.7 million or at most $4mm a year of fiscal benefits will accrue to the City. But, we also have the City's own Budget Analyst saying that the annual benefits to the City of City College is $311 million. So, the damage to the City will dwarf the small benefits of this ill advised development on the doorsteps of City College that could severely damage that college that the City says it supports. Does it?

What is the solution?

The Administrative Code Chapter 29 that forms the basis of the hearing on March 15 on fiscal feasibility also provides the answer to the solution. Section 29.4(c) of that Administrative Code Section provides that if the Board of Supervisors does not have enough valid evidence to support a finding of fiscal feasibility and responsibility is should continue the meeting until enough evidence is supplied to the committee to support that finding:

"The Board may continue its consideration of the proposal in order to receive more information from the Budget Analyst...or to further consider the proposal."

Having a lack of information the Committee needs to continue this hearing to require the Developer Avalon and City College to strike a deal on parking to replace the 2,000 lost parking spaces. Once that deal is done, then the Sam eBudge Analyst who found a value to the city of $311mm + a year to the City can determine how much the City has to pay for parking, and how much that deal hurts City College and the City. Without that, the is no factual basis at all to support a finding of fiscal feasibility and responsibility.

And, more important, City College could be damaged and possibly destroyed by this development.

I also request that my email in response to the proposals filed be part of the record and sent to the Committee.

Thank you.

Mike Ahrens
Member of Balboa Reservoir Citizens Advisory Committee
Member of Westwood Park Board of Directors
Third Generation San Francisco Resident
Retired attorney having practiced 48 years in San Francisco

Sent from my iPad

On Mar 10, 2018, at 10:44 PM, Madeline Mueller <madelinenmueller@gmail.com> wrote:

> From Madeline Mueller
> Music Department Chair, City College
> CCSF Faculty member since1965
>
> Everyone receiving this email from AJ ----please read it again and very carefully!!
>
> In addition to his excellent presentation of the complex issues involved in the current potential transferring of land (used in some form since 1946 by City College to meet the needs of San Francisco) to a mostly for-profit private housing development, AJ writes a compelling case for how fiscally irresponsible such a transfer would be.

Does anyone seriously believe the developers' claim that the parking problem they will create can be solved by building a 500 parking place garage to be "shared " by thousands of new residents and thousands of City College and other community users ??

Or that City College will itself solve the problem by building a parking garage for 2,000 lost spaces ?
With what funding?
I have been a member of the College's Facilities Committee for decades and know that state funds would not be available. So the local taxpayers will be asked to pay $50 million or more via a local bond? Shouldn't that expense to San Francisco taxpayers therefore be subtracted from any "profits" to San Franciscans being claimed as potentially generated by the proposed housing development?

In addition, wouldn't it be much more
" fiscally responsible", as required by the Administrative Code Chapter 29, if everyone would acknowledge the emerging data which now indicate many thousands more empty livable units are currently a part of San Francisco's housing supply ?

Surely it is no secret that the crisis of housing in the Bay Area in general and throughout the peninsula and San Francisco in particular has been greatly exacerbated by those privateers and profiteers who create high rents and high 'market rates' based on hiding units; reducing the inventory of potential available housing in order to create demand at higher costs.
It is one of the oldest scams on the books!

A final observation: the main campus of City College is attended by many, many thousands of students each day. They come from every District in San Francisco and throughout the Bay Area.They jam-pack BART, Muni, buses, and at peak hours fill all the parking slots available to them. They enroll for certificates, degrees, and to improve their quality of life, as well as improve the quality of life in the communities where they live and work.
After 5 years of a State takeover which was legally proven to be inappropriate (at the very least!) and after 6 different Chancellors during those years, the College is just getting back on its collective feet. Students are enrolling in ever increasing numbers.

Now is not the time to compromise the recovery of this pivotally important San Francisco institution by fowarding the interests of the particular out of scope, suffocating, private housing development being recommended for advancement on the Balboa Reservoir.

It IS the time to say:"No, not now!"

Madeline Mueller

On Mar 10, 2018 5:33 PM, "aj" <ajahjah@att.net> wrote:
Budget & Finance Committee:

Before you vote on the proposed Resolution, please direct the Budget & Legislative Analyst Division to conduct an objective evaluation of:

- Fiscal Responsibility of privatization of public lands--not just feasibility-- of the Balboa Reservoir Project;
- Weighing harms against purported benefits
- Meaning of "affordabble in perpetuity."

--aj

All--

FYI, the 3/15/2018 @ 10 am Sub-Committee meeting material for Reservoir is here: City and County of San Francisco - File #: 180163

City and County of San Francisco - File #: 180163

By Granicus, Inc.

Title: Resolution finding the proposed development of the Balboa Reservoir Site, an approximately 17-acre site l...

It contains 6 attachments. Atttachment #6 is "Comm Rpt 031518" : https://sfgov.legistar.com/View.ashx?M=F&ID=5871704&GUID=43D49A7E-DC3A-44E6-ACD1-53432984A393

The "Comm Rpt 031518" contains the proposed Resolution. Directly following the Resolution is the Budget & Legislative Analyst Division's Report. The Report includes "Fiscal Impact" and "Recommendations."

> *Fiscal Impact*
> *• The project is projected to generate annual General Fund revenue for the City of $4,059,000. In addition, the Balboa Reservoir project will generate $26,951,000 in onetime development impact and other fees, and $3,311,000 in sales tax and gross receipts revenues during construction. Based on our review of OEWD's analysis, our office has determined that the Balboa Reservoir Project meets the basic criteria for fiscal feasibility as required by Administrative Code Chapter 29*

The Budget & Legislative Analyst Report concludes that the Reservoir Project is fiscally feasible. It does not address the issue of whether or not privatization of the Reservoir is fiscally RESPONSIBLE. (The Report does minimally note that "*Also, ownership of the land on which the additional 17 percent of affordable housing* [to be paid for with unsourced public funds--aj] *would be built has not been defined.*"

The issue of fiscal **responsibility**--not just feasibility--needs to be brought to the fore: How fiscally responsible is it to cede public property to privatization?

Unfortunately, because the Berkson Report and the Budget & Legislative Analyst Report focus solely on feasibility, without considering fiscal responsibility and without considering harms to schools and neighborhoods, the Budget & Legislative Analyst Report recommends approval of the proposed Resolution.

Also of note: The Budget Analyst Report puts the term "in perpetuity" in quotes. However the Budget Analyst Report does not expose the distorted and deceptive actual meaning of the Reservoir Project's use of the term "in perpetuity."

--aj

From: aj <ajahjah@att.net>
To: "BalResCACChair@gmail.com" <BalResCACChair@gmail.com>; Michael Ahrens <mikeahrens5@gmail.com>;
Sent: Tuesday, February 27, 2018 1:53 PM
Subject: Fw: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

BRCAC--

The Berkson Report is one-sided and biased. Please call for an independent evaluation, pursuant to Administrative Code 29.4 (b), of the fiscal responsibility of the permanent privatization of public lands:

> SEC. 29.4. BOARD OF SUPERVISORS PROCEDURES FOR DETERMINATION.
> (a) The Board of Supervisors, in accordance with its rules of order, shall refer the proposed resolution and information to the Board committee responsible for review of fiscal measures, such as appropriation ordinances, bond issues, taxes, fees and other revenue measures.
> (b) In evaluating the fiscal feasibility of the proposed project, the Board may request assistance from the Budget Analyst or the Controller. The Project Sponsor may submit additional information to the Board. Based upon the criteria set forth in Section 29.2, the Board shall determine whether the project is fiscally feasible and responsible. The Board shall act by resolution by a majority vote of all its members.

--aj

----- Forwarded Message -----
From: aj <ajahjah@att.net>
To: "Board.of.Supervisors@sfgov.org" <Board.of.Supervisors@sfgov.org>; "linda.wong@sfgov.org" <linda.wong@sfgov.org>;
Sent: Monday, February 26, 2018 3:46 PM
Subject: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

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

Attached is a a request that the Budget & Legislative Analyst Division be tasked with conducting an independent, objective analysis of the the fiscal responsibility of the Balboa Reservoir Project:

REQUEST FOR OBJECTIVE, INDEPENDENT EVALUATION BY BUDGET & LEGISLATIVE ANALYST DIVISION/HARVEY ROSE ON

THE FISCAL RESPONSIBILITY AND FEASIBILITY OF BALBOA RESERVOIR PROJECT

A "Findings of Fiscal Responsibility & Feasibility" Report for the Balboa Reservoir Project will be presented to the Board for BOS approval soon. The Findings of Fiscal Responsibility & Feasibility Report is authored by Berkson Associates and sponsored by OEWD-Planning Dept-PUC.
The findings of the Berkson Report--just as how the Reservoir CAC process had been orchestrated and stage-managed to arrive at a predetermined conclusion-- is one-sided and biased.
The purpose of Administrative Code 29's requirement for Findings of Fiscal Responsibility and Feasibility is to protect the people's assets. Yet OEWD-Planning-PUC has, throughout the CAC public engagement process, avoided addressing the fundamental issue of privatization of a 17.4 acre publicly-owned asset.
Thus, an independent and objective evaluation of the Project's fiscal responsibility needs to be performed by the BOS Budget & Legislative Analyst Division.
DECEPTIVE AND MISLEADING ADVERTISING
Under consumer protection laws, deceptive and misleading advertising is discouraged. However, as government agencies, consumer protection laws do not apply to OEWD-Planning-PUC. The City & County's Balboa Reservoir Team has taken advantage of its exemption from consumer protection laws to portray the Reservoir Project in a deceptive and misleading manner.
Have you ever gone to a sale that was promoted as "up to 75% off" only to discover that almost all items were only 10% off with only a few items that were 75% off? The Reservoir Team and the Berkson Report uses a similar technique. The Reservoir Project has been promoted as "up to 50% affordable" to give the public the impression that the Project will provide 50% affordable housing. This portrayal of the Project is deceptive and misleading. "50% affordable" is a ceiling. Instead, an objective and accurate description would be:

- At least 33% affordable, up to a maximum of 50% affordable
- At least 50% market-rate, up to a maximum of 67% market rate

Another egregiously deceptive portrayal of the Reservoir Project is the misuse of the term "permanently affordable." The Reservoir Project has shamelessly characterized it to be "permanently affordable". Yet "permanently affordable" has been twisted to mean affordable "for the useful life of the building." This is Orwellian distortion of language.
ANALYSIS OF HARMS
The Budget & Legislative Analyst Division should be tasked by the Board to conduct an objective and independent analysis of the fiscal

responsibility of the Reservoir Project. The Budget & Legislative Analyst should perform an objective evaluation of fiscal harms, as well as possible benefits of the Reservoir Project.

An objective analysis might find that the financial harms to the neighborhoods and its schools, and the permanent loss of 17.4 acres of public land would not be justified by 367 affordable units (and *maybe* up to an additional 187 units--to be paid for with unsourced public funding) whose affordability would only last, not forever, which is the common meaning of "permanent"—but for possibly only 55 years.

In my 2/23/2018 "Critique of Fiscal Feasibility and Responsibility of Reservoir Project" submission to the Budget & Finance Committee, I pointed out the following:

> *PRIVATIZATION OF PUBLIC ASSETS IS FISCALLY IRRESPONSIBLE*
> *The Berkson Associates' Findings of Fiscal Responsibility and Feasibility fails to address the fundamental question of the privatization of public assets.*
>
> *The fiscal responsibility/**irresponsibility** of allowing the permanent transfer of 17.4 acres of prime real estate to private interests is totally ignored by the Balboa Reservoir Project Team and Berkson Associates.*
>
> *THE AFFORDABLE HOUSING SCAM*
> *The Berkson Report follows the Balboa Reservoir Team's (Planning Dept-OEWD-PUC) misrepresentation of the Reservoir Project as being about "affordable housing" when in fact it is not. What is presented as an affordable housing project is in fact a transfer of public property to private for-profit interests.*
>
> *"Up to 50% affordable" is bandied about as if 50% affordable will actually be achieved. There is **no binding commitment to 50%**. "50%" is mainly PR.*
>
> *The actual commitment:*
> *1) 33% affordable;*
> *2) at least 50% market-rate;*
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PURPORTED BENEFITS, BUT HOW ABOUT HARMS?
The Berkson Report talks about potential benefits such as $1.7 million annual general revenue, childcare, open space, "up to" 50% affordable, 500 shared parking spaces with City College.

Yet the Berkson Report fails to talk about the harms that could outweigh its purported benefits:
1. Permanent ceding of a valuable 17.4 acre public asset to a private, for-profit REIT (Real Estate Investment Trust) in exchange for 33% affordable housing which in reality WILL ***NOT*** *BE PERMANENTLY AFFORDABLE.*
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PUBLIC INPUT: GOING THROUGH THE MOTIONS
The community had raised the issues of the Reservoir Project's adverse impacts to the surrounding neighborhoods and school early and often. Yet the Reservoir Project's Development Parameters, in the main, reflect the views of the Reservoir Project Team (Planning Dept, OEWD) with no substantive incorporation of input from the public. The Reservoir CAC process was orchestrated and managed from above by Planning Dept and OEWD. Incorporation of public input into the Development Parameters was minimal. The CAC process was essentially just going through the motions.

Submitted by:
Alvin Ja
District 7 resident

Wong, Linda (BOS)

From: William Maynez <wmaynez@ccsf.edu>
Sent: Tuesday, March 13, 2018 12:52 PM
To: Wong, Linda (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Yee, Norman (BOS); Sheehy, Jeff (BOS); Cohen, Malia (BOS)
Subject: "Balboa Reservoir Development - Fiscal Feasibility."

Honorable Supervisors et al,

My name is **Will Maynez**. Though now retired from City College, I have served for 22 years as a steward of **Diego Rivera's** ***Pan American Unity*** mural at the College.

San Francisco's 22' high by 74' long world class art treasure was created by the renowned Mexican artist at the 1940 Golden Gate International Exposition on Treasure Island, which celebrated the completion of the Golden Gate and Bay Bridges. The mural's godfather was architect **Timothy Pflueger**, an Expo commissioner, one of the founders of SFMOMA, and Diego's friend.

A life-long Mission resident, he was a San Francisco *Visionary*, who constructed **450 Sutter**, the neo-Mayan motif medical building and **140 New Montgomery**, the *Pacific Telephone & Telegraph* building (now Yelp headquarters). He designed the look & feel of the **Bay Bridge's** western span, and the ***Paramount*** and ***Castro*** Theaters.

As he started building City College (for which he planned a *major theater*) he had the foresight to cover his initial project, the **Science Building,** in terra cotta cladding to protect it from the corrosive, salt air coming up the Alemany Gap from Ocean Beach. Short-sighted people balked at the up-front cost. As is so often the case with visionaries, Pflueger has been proven right and the Science Building still shines on the hill. We need Visionaries now. It is shortsighted to box the College in so that we are prevented from utilizing the adjacent land.

The mural will be the featured work in **SFMOMA's** blockbuster 2020 show on Rivera's muralism. This loan of the mural is a synergistic collaboration between two great San Francisco institutions, both founded in 1935. Especially today, *Pan American Unity* embraces a theme which resonates in our City.

Upon return from this multi-year loan, we will install this masterpiece in a new **Performing Arts and Education Center** on the Balboa Reservoir. It is imperative the Center design is not compromised by lack of surrounding parking space. We must insure that this mural, which could last **hundreds of years**, has an appropriate permanent home to showcase it for future generations of San Franciscans.

I invite the Board members, as stewards of our City, to come visit our mural treasure to see what the stakes are.

Sincerely,
Will Maynez

William Maynez
Diego Rivera Mural Project
City College of San Francisco
50 Phelan Ave, m/s S-4
S.F., CA 94112

"There is a pool of good. No matter where you put in your drop, the whole pool rises."

Wong, Linda (BOS)

From:	Madeline Mueller <madelinenmueller@gmail.com>
Sent:	Saturday, March 10, 2018 10:45 PM
To:	Aj
Cc:	Cohen, Malia (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Fewer, Sandra (BOS); Wong, Linda (BOS); Yee, Norman (BOS); Low, Jen (BOS); Maybaum, Erica (BOS); Rita Evans; Jennifer Heggie; Monica Collins; Bob Byrne; Ray Kutz; Lisa Spinali; Amy O'Hair; andrew@ohair-sherman.com; Ken Hollenbeck; Francine Lofrano; Anita Theoharis; MP Klier; Joe Koman; Anne Chen; Laura Frey; Caryl Ito; Adrienne GO; Ravi Krishnaswamy; Michael Adams; Harry Bernstein; Vicki Legion; Michael Ahrens; MrLC4music; Muriel Parenteau; Christine Hanson; Wendy Kaufmyn; L Tomasita Medal; Win-Mon Kyi; Lalo Gonzalez; Andrea del Pilar Olivos; Cynthia Diaz; Donna Hayes; Wendolyn Aragon; Allan Fisher; Leslie Simon; Rodger Scott
Subject:	Re: 10 am 3/15/2018 meeting of Budget & Finance Sub-Committee How about fiscal RESPONSIBILITY?

From Madeline Mueller
Music Department Chair, City College
CCSF Faculty member since1965

Everyone receiving this email from AJ ----please read it again and very carefully!!

In addition to his excellent presentation of the complex issues involved in the current potential transferring of land (used in some form since 1946 by City College to meet the needs of San Francisco) to a mostly for-profit private housing development, AJ writes a compelling case for how fiscally irresponsible such a transfer would be.

Does anyone seriously believe the developers' claim that the parking problem they will create can be solved by building a 500 parking place garage to be "shared " by thousands of new residents and thousands of City College and other community users ??

Or that City College will itself solve the problem by building a parking garage for 2,000 lost spaces ?
With what funding?
I have been a member of the College's Facilities Committee for decades and know that state funds would not be available. So the local taxpayers will be asked to pay $50 million or more via a local bond? Shouldn't that expense to San Francisco taxpayers therefore be subtracted from any "profits" to San Franciscans being claimed as potentially generated by the proposed housing development?

In addition, wouldn't it be much more
" fiscally responsible", as required by the Administrative Code Chapter 29, if everyone would acknowledge the emerging data which now indicate many thousands more empty livable units are currently a part of San Francisco's housing supply ?

Surely it is no secret that the crisis of housing in the Bay Area in general and throughout the peninsula and San Francisco in particular has been greatly exacerbated by those privateers and profiteers who create high rents and high 'market rates' based on hiding units; reducing the inventory of potential available housing in order to create demand at higher costs.
It is one of the oldest scams on the books!

A final observation: the main campus of City College is attended by many, many thousands of students each day. They come from every District in San Francisco and throughout the Bay Area.They jam-pack BART, Muni, buses, and at peak hours fill all the parking slots available to them. They enroll for certificates, degrees, and to improve their quality of life, as well as improve the quality of life in the communities where they live and work.

After 5 years of a State takeover which was legally proven to be inappropriate (at the very least!) and after 6 different Chancellors during those years, the College is just getting back on its collective feet. Students are enrolling in ever increasing numbers.

Now is not the time to compromise the recovery of this pivotally important San Francisco institution by fowarding the interests of the particular out of scope, suffocating, private housing development being recommended for advancement on the Balboa Reservoir.

It IS the time to say:"No, not now!"

Madeline Mueller

On Mar 10, 2018 5:33 PM, "aj" <ajahjah@att.net> wrote:

Budget & Finance Committee:

Before you vote on the proposed Resolution, please direct the Budget & Legislative Analyst Division to conduct an objective evaluation of:

- Fiscal Responsibility of privatization of public lands--not just feasibility-- of the Balboa Reservoir Project;
- Weighing harms against purported benefits
- Meaning of "affordabble in perpetuity."

--aj

All--

FYI, the 3/15/2018 @ 10 am Sub-Committee meeting material for Reservoir is here: City and County of San Francisco - File #: 180163

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By Granicus, Inc.
Title: Resolution finding the proposed development of the Balboa Reservoir Site, an approximately 17-acre site l...

It contains 6 attachments. Atttachment #6 is "Comm Rpt 031518" : https://sfgov.legistar.com/View.ashx?M=F&ID=5871704&GUID=43D49A7E-DC3A-44E6-ACD1-53432984A393

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> *Fiscal Impact*
> • *The project is projected to generate annual General Fund revenue for the City of $4,059,000. In addition, the Balboa Reservoir project will generate $26,951,000 in onetime development impact and other fees, and $3,311,000 in sales tax and gross receipts revenues during construction. Based on our review of OEWD's analysis, our office has determined that the Balboa Reservoir Project meets the basic criteria for fiscal feasibility as required by Administrative Code Chapter 29*

The Budget & Legislative Analyst Report concludes that the Reservoir Project is fiscally feasible. It does not address the issue of whether or not privatization of the Reservoir is fiscally RESPONSIBLE. (The Report does minimally note that "*Also, ownership of the land on which the additional 17 percent of affordable housing* [to be paid for with unsourced public funds--aj] *would be built has not been defined.*"

The issue of fiscal **responsibility**--not just feasibility--needs to be brought to the fore: How fiscally responsible is it to cede public property to privatization?

Unfortunately, because the Berkson Report and the Budget & Legislative Analyst Report focus solely on feasibility, without considering fiscal responsibility and without considering harms to schools and neighborhoods, the Budget & Legislative Analyst Report recommends approval of the proposed Resolution.

Also of note: The Budget Analyst Report puts the term "in perpetuity" in quotes. However the Budget Analyst Report does not expose the distorted and deceptive actual meaning of the Reservoir Project's use of the term "in perpetuity."

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From: aj <ajahjah@att.net>
To: "BalResCACChair@gmail.com" <BalResCACChair@gmail.com>; Michael Ahrens <mikeahrens5@gmail.com>;
Sent: Tuesday, February 27, 2018 1:53 PM
Subject: Fw: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

BRCAC--

The Berkson Report is one-sided and biased. Please call for an independent evaluation, pursuant to Administrative Code 29.4 (b), of the fiscal responsibility of the permanent privatization of public lands:

> SEC. 29.4. BOARD OF SUPERVISORS PROCEDURES FOR DETERMINATION.
> (a) The Board of Supervisors, in accordance with its rules of order, shall refer the proposed resolution and information to the Board committee responsible for review of fiscal measures, such as appropriation ordinances, bond issues, taxes, fees and other revenue measures.
> (b) In evaluating the fiscal feasibility of the proposed project, the Board may request assistance from the Budget Analyst or the Controller. The Project Sponsor may submit additional information to the Board. Based upon the criteria set forth in Section 29.2, the Board shall determine whether the project is fiscally feasible and responsible. The Board shall act by resolution by a majority vote of all its members.

--aj

----- Forwarded Message -----
From: aj <ajahjah@att.net>
To: "Board.of.Supervisors@sfgov.org" <Board.of.Supervisors@sfgov.org>; "linda.wong@sfgov.org" <linda.wong@sfgov.org>;
Sent: Monday, February 26, 2018 3:46 PM
Subject: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

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

Attached is a a request that the Budget & Legislative Analyst Division be tasked with conducting an independent, objective analysis of the the fiscal responsibility of the Balboa Reservoir Project:

REQUEST FOR OBJECTIVE, INDEPENDENT EVALUATION BY BUDGET & LEGISLATIVE ANALYST DIVISION/HARVEY ROSE ON THE FISCAL RESPONSIBILITY AND FEASIBILITY OF BALBOA RESERVOIR PROJECT

A "Findings of Fiscal Responsibility & Feasibility" Report for the Balboa Reservoir Project will be presented to the Board for BOS approval soon.
The Findings of Fiscal Responsibility & Feasibility Report is authored by Berkson Associates and sponsored by OEWD-Planning Dept-PUC.
The findings of the Berkson Report--just as how the Reservoir CAC process had been orchestrated and stage-managed to arrive at a predetermined conclusion-- is one-sided and biased.
The purpose of Administrative Code 29's requirement for Findings of Fiscal Responsibility and Feasibility is to protect the people's assets. Yet OEWD-Planning-PUC has, throughout the CAC public engagement process, avoided addressing the fundamental issue of privatization of a 17.4 acre publicly-owned asset.
Thus, an independent and objective evaluation of the Project's fiscal responsibility needs to be performed by the BOS Budget & Legislative Analyst Division.
DECEPTIVE AND MISLEADING ADVERTISING
Under consumer protection laws, deceptive and misleading advertising is discouraged. However, as government agencies, consumer protection laws do not apply to OEWD-Planning-PUC. The City & County's Balboa Reservoir Team has taken advantage of its exemption from consumer protection laws to portray the Reservoir Project in a deceptive and misleading manner.
Have you ever gone to a sale that was promoted as "up to 75% off" only to discover that almost all items were only 10% off with only a few items that were 75% off? The Reservoir Team and the Berkson Report uses a similar technique. The Reservoir Project has been promoted as "up to 50% affordable" to give the public the impression that the Project will provide 50% affordable housing. This portrayal of the Project is deceptive and misleading. "50% affordable" is a ceiling. Instead, an objective and accurate description would be:

- At least 33% affordable, up to a maximum of 50% affordable
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Another egregiously deceptive portrayal of the Reservoir Project is the misuse of the term "permanently affordable." The Reservoir Project has shamelessly characterized it to be "permanently affordable". Yet "permanently affordable" has been twisted to mean affordable "for the useful life of the building." This is Orwellian distortion of language.

ANALYSIS OF HARMS

The Budget & Legislative Analyst Division should be tasked by the Board to conduct an objective and independent analysis of the fiscal responsibility of the Reservoir Project. The Budget & Legislative Analyst should perform an objective evaluation of fiscal harms, as well as possible benefits of the Reservoir Project.

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The Berkson Report talks about potential benefits such as $1.7 million annual general revenue, childcare, open space, "up to" 50% affordable, 500 shared parking spaces with City College.

Yet the Berkson Report fails to talk about the harms that could outweigh its purported benefits:
1. Permanent ceding of a valuable 17.4 acre public asset to a private, for-profit REIT (Real Estate Investment Trust) in exchange for 33% affordable housing which in reality WILL ***NOT*** *BE PERMANENTLY AFFORDABLE.*
2. Harm to the broad Bay Area community's access to educational by its elimination of 1,000 existing student parking spaces and influx of over 2,000 new residents into an area with geographically-constrained infrastructure.
3. City College had added new parking structures into its Facilities Master Plan to make up for the impending loss of student parking in the PUC Reservoir. The costs of new campus parking is not accounted for in the Berkson Report. This major financial harm needs to be taken into consideration.
4. Harm to City College stakeholders in that the proposed 500 space shared parking will cost substantially more than the existing parking--whose students are in large proportion low-income.
5. Other than words, TDM and wishful thinking, there is no provision for increased or improved MUNI service to accommodate this project. In fact, the Reservoir Project will worsen MUNI reliability.

PUBLIC INPUT: GOING THROUGH THE MOTIONS
The community had raised the issues of the Reservoir Project's adverse impacts to the surrounding neighborhoods and school early and often. Yet the Reservoir Project's Development Parameters, in the main, reflect the views of the Reservoir Project Team (Planning Dept, OEWD) with no substantive incorporation of input from the public. The Reservoir CAC process was orchestrated and managed from above by Planning Dept and OEWD. Incorporation of public input into the Development Parameters was minimal. The CAC process was essentially just going through the motions.

Submitted by:
Alvin Ja
District 7 resident

Wong, Linda (BOS)

From:	Sandy Ahrens <sandyahrens5@gmail.com>
Sent:	Sunday, March 11, 2018 9:39 PM
To:	Madeline Mueller
Cc:	Aj; Cohen, Malia (BOS); Stefani, Catherine (BOS); Sheehy, Jeff (BOS); Fewer, Sandra (BOS); Wong, Linda (BOS); Yee, Norman (BOS); Low, Jen (BOS); Maybaum, Erica (BOS); Rita Evans; Jennifer Heggie; Monica Collins; Bob Byrne; Ray Kutz; Lisa Spinali; Amy O'Hair; andrew@ohair-sherman.com; Ken Hollenbeck; Francine Lofrano; Anita Theoharis; MP Klier; Joe Koman; Anne Chen; Laura Frey; Caryl Ito; Adrienne GO; Ravi Krishnaswamy; Michael Adams; Harry Bernstein; Vicki Legion; MrLC4music; Muriel Parenteau; Christine Hanson; Wendy Kaufmyn; L Tomasita Medal; Win-Mon Kyi; Lalo Gonzalez; Andrea del Pilar Olivos; Cynthia Diaz; Donna Hayes; Wendolyn Aragon; Allan Fisher; Leslie Simon; Rodger Scott; mikeahrens5@gmail.com
Subject:	March 15 Budget & Finance Meeting- Request to supplement Record

To Linda Wong, Clerk to Budget & Finance Committee:

I hereby request that the reply of Madeline Mueller to the Comments of "AJ" be part of the official record and sent to the Budget & Finance Committee.

These comments are comments of a professor at City College who has taught our students since 1965. They are comments of a senior member of the Facilities Committee of City College, which committee voted on a UNANIMOUS vote of all 24 members of the committee consisting of faculty, staff and students that the Balboa Reservoir Project will "Gravely Damage" City College. The words "Grave Damage" are the words of the Facilities Committee unanimous resolution. They are the comments of a respected member of City College faculty that parking is crucial for her students, and replacing 2,000 spaces with "shared parking" with the new residents of 1,100 units will not work. They are the comments of a faculty member that clearly sees that no solution has been presented to the Supervisors to show how from a fiscal standpoint the city will not be damaged by the damages to City College from the proposed development.

As the Westwood Park letter signed by President Anita Theoharis set forth, a financial analysis is not complete until it takes into consideration not only the BENEFITS to the City, but also the FISCAL DETRIMENTS to the City from the project. The 2013 report attached to that letter prepared by the City's own Budget Analyst indicates an annual value to the city from City college of $311 million. Until a complete analysis is made of the damage to the city from this development, the Supervisors do not have any factual basis on which to conclude that the Balboa project is fiscally feasible or responsible.

Until a "deal" is done on alternative parking between Avalon and City College no one knows how to value the "Grave Damage" that is being done to City College.

We all know the City needs more housing. But, not at a cost that will fiscally damage the city. At the present state of the record we have Berkson report saying that maybe $2.7 million or at most $4mm a year of fiscal benefits will accrue to the City. But, we also have the City's own Budget Analyst saying that the annual benefits to the City of City College is $311 million. So, the damage to the City will dwarf the small benefits of this ill advised development on the doorsteps of City College that could severely damage that college that the City says it supports. Does it?

What is the solution?

The Administrative Code Chapter 29 that forms the basis of the hearing on March 15 on fiscal feasibility also provides the answer to the solution. Section 29.4(c) of that Administrative Code Section provides that if the

Board of Supervisors does not have enough valid evidence to support a finding of fiscal feasibility and responsibility is should continue the meeting until enough evidence is supplied to the committee to support that finding:

"The Board may continue its consideration of the proposal in order to receive more information from the Budget Analyst...or to further consider the proposal."

Having a lack of information the Committee needs to continue this hearing to require the Developer Avalon and City College to strike a deal on parking to replace the 2,000 lost parking spaces. Once that deal is done, then the Sam eBudge Analyst who found a value to the city of $311mm + a year to the City can determine how much the City has to pay for parking, and how much that deal hurts City College and the City. Without that, the is no factual basis at all to support a finding of fiscal feasibility and responsibility.

And, more important, City College could be damaged and possibly destroyed by this development.

I also request that my email in response to the proposals filed be part of the record and sent to the Committee.

Thank you.

Mike Ahrens
Member of Balboa Reservoir Citizens Advisory Committee
Member of Westwood Park Board of Directors
Third Generation San Francisco Resident
Retired attorney having practiced 48 years in San Francisco

Sent from my iPad

On Mar 10, 2018, at 10:44 PM, Madeline Mueller <madelinenmueller@gmail.com> wrote:

> From Madeline Mueller
> Music Department Chair, City College
> CCSF Faculty member since1965
>
> Everyone receiving this email from AJ ----please read it again and very carefully!!
>
> In addition to his excellent presentation of the complex issues involved in the current potential transferring of land (used in some form since 1946 by City College to meet the needs of San Francisco) to a mostly for-profit private housing development, AJ writes a compelling case for how fiscally irresponsible such a transfer would be.
>
> Does anyone seriously believe the developers' claim that the parking problem they will create can be solved by building a 500 parking place garage to be "shared " by thousands of new residents and thousands of City College and other community users ??
>
> Or that City College will itself solve the problem by building a parking garage for 2,000 lost spaces ?
> With what funding?
> I have been a member of the College's Facilities Committee for decades and know that state funds would not be available. So the local taxpayers will be asked to pay $50 million or more via a local bond? Shouldn't that expense to San Francisco taxpayers therefore be subtracted

from any "profits" to San Franciscans being claimed as potentially generated by the proposed housing development?

In addition, wouldn't it be much more " fiscally responsible", as required by the Administrative Code Chapter 29, if everyone would acknowledge the emerging data which now indicate many thousands more empty livable units are currently a part of San Francisco's housing supply ?

Surely it is no secret that the crisis of housing in the Bay Area in general and throughout the peninsula and San Francisco in particular has been greatly exacerbated by those privateers and profiteers who create high rents and high 'market rates' based on hiding units; reducing the inventory of potential available housing in order to create demand at higher costs.
It is one of the oldest scams on the books!

A final observation: the main campus of City College is attended by many, many thousands of students each day. They come from every District in San Francisco and throughout the Bay Area.They jam-pack BART, Muni, buses, and at peak hours fill all the parking slots available to them. They enroll for certificates, degrees, and to improve their quality of life, as well as improve the quality of life in the communities where they live and work.
After 5 years of a State takeover which was legally proven to be inappropriate (at the very least!) and after 6 different Chancellors during those years, the College is just getting back on its collective feet. Students are enrolling in ever increasing numbers.

Now is not the time to compromise the recovery of this pivotally important San Francisco institution by fowarding the interests of the particular out of scope, suffocating, private housing development being recommended for advancement on the Balboa Reservoir..

It IS the time to say:"No, not now!"

Madeline Mueller

On Mar 10, 2018 5:33 PM, "aj" <ajahjah@att.net> wrote:

Budget & Finance Committee:

Before you vote on the proposed Resolution, please direct the Budget & Legislative Analyst Division to conduct an objective evaluation of:

- Fiscal Responsibility of privatization of public lands--not just feasibility-- of the Balboa Reservoir Project;
- Weighing harms against purported benefits
- Meaning of "affordabble in perpetuity."

--aj

All--

FYI, the 3/15/2018 @ 10 am Sub-Committee meeting material for Reservoir is here: City and County of San Francisco - File #: 180163

City and County of San Francisco - File #: 180163

By Granicus, Inc.

Title: Resolution finding the proposed development of the Balboa Reservoir Site, an approximately 17-acre site l...

It contains 6 attachments. Atttachment #6 is "Comm Rpt 031518" : https://sfgov.legistar.com/View.ashx?M=F&ID=5871704&GUID=43D49A7E-DC3A-44E6-ACD1-53432984A393

The "Comm Rpt 031518" contains the proposed Resolution. Directly following the Resolution is the Budget & Legislative Analyst Division's Report. The Report includes "Fiscal Impact" and "Recommendations."

> *Fiscal Impact*
>
> • *The project is projected to generate annual General Fund revenue for the City of $4,059,000. In addition, the Balboa Reservoir project will generate $26,951,000 in onetime development impact and other fees, and $3,311,000 in sales tax and gross receipts revenues during construction. Based on our review of OEWD's analysis, our office has determined that the Balboa Reservoir Project meets the basic criteria for fiscal feasibility as required by Administrative Code Chapter 29*

The Budget & Legislative Analyst Report concludes that the Reservoir Project is fiscally feasible. It does not address the issue of whether or not privatization of the Reservoir is fiscally RESPONSIBLE. (The Report does minimally note that "*Also, ownership of the land on which the additional 17 percent of affordable housing* [to be paid for with unsourced public funds--aj] *would be built has not been defined.*"

The issue of fiscal **responsibility**--not just feasibility--needs to be brought to the fore: How fiscally responsible is it to cede public property to privatization?

Unfortunately, because the Berkson Report and the Budget & Legislative Analyst Report focus solely on feasibility, without considering fiscal responsibility and without considering harms to schools and neighborhoods, the Budget & Legislative Analyst Report recommends approval of the proposed Resolution.

Also of note: The Budget Analyst Report puts the term "in perpetuity" in quotes. However the Budget Analyst Report does not expose the distorted and deceptive actual meaning of the Reservoir Project's use of the term "in perpetuity."

--aj

From: aj <ajahjah@att.net>
To: "BalResCACChair@gmail.com" <BalResCACChair@gmail.com>; Michael Ahrens <mikeahrens5@gmail.com>;
Sent: Tuesday, February 27, 2018 1:53 PM
Subject: Fw: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

BRCAC--

The Berkson Report is one-sided and biased. Please call for an independent evaluation, pursuant to Administrative Code 29.4 (b), of the fiscal responsibility of the permanent privatization of public lands:

> SEC. 29.4. BOARD OF SUPERVISORS PROCEDURES FOR DETERMINATION.
> (a) The Board of Supervisors, in accordance with its rules of order, shall refer the proposed resolution and information to the Board committee responsible for review of fiscal measures, such as appropriation ordinances, bond issues, taxes, fees and other revenue measures.
> (b) In evaluating the fiscal feasibility of the proposed project, the Board may request assistance from the Budget Analyst or the Controller. The Project Sponsor may submit additional information to the Board. Based upon the criteria set forth in Section 29.2, the Board shall determine whether the project is fiscally feasible and responsible. The Board shall act by resolution by a majority vote of all its members.

--aj

----- Forwarded Message -----
From: aj <ajahjah@att.net>
To: "Board.of.Supervisors@sfgov.org" <Board.of.Supervisors@sfgov.org>; "linda.wong@sfgov.org" <linda.wong@sfgov.org>;
Sent: Monday, February 26, 2018 3:46 PM
Subject: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

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

Attached is a a request that the Budget & Legislative Analyst Division be tasked with conducting an independent, objective analysis of the the fiscal responsibility of the Balboa Reservoir Project:

REQUEST FOR OBJECTIVE, INDEPENDENT EVALUATION BY BUDGET & LEGISLATIVE ANALYST DIVISION/HARVEY ROSE ON THE FISCAL RESPONSIBILITY AND FEASIBILITY OF BALBOA RESERVOIR PROJECT

A "Findings of Fiscal Responsibility & Feasibility" Report for the Balboa Reservoir Project will be presented to the Board for BOS approval soon. The Findings of Fiscal Responsibility & Feasibility Report is authored by Berkson Associates and sponsored by OEWD-Planning Dept-PUC.

The findings of the Berkson Report--just as how the Reservoir CAC process had been orchestrated and stage-managed to arrive at a predetermined conclusion-- is one-sided and biased.

The purpose of Administrative Code 29's requirement for Findings of Fiscal Responsibility and Feasibility is to protect the people's assets. Yet OEWD-Planning-PUC has, throughout the CAC public engagement process, avoided addressing the fundamental issue of privatization of a 17.4 acre publicly-owned asset.

Thus, an independent and objective evaluation of the Project's fiscal responsibility needs to be performed by the BOS Budget & Legislative Analyst Division.

DECEPTIVE AND MISLEADING ADVERTISING

Under consumer protection laws, deceptive and misleading advertising is discouraged. However, as government agencies, consumer protection laws do not apply to OEWD-Planning-PUC. The City & County's Balboa Reservoir Team has taken advantage of its exemption from consumer protection laws to portray the Reservoir Project in a deceptive and misleading manner.

Have you ever gone to a sale that was promoted as "up to 75% off" only to discover that almost all items were only 10% off with only a few items that were 75% off? The Reservoir Team and the Berkson Report uses a similar technique. The Reservoir Project has been promoted as "up to 50% affordable" to give the public the impression that the Project will provide 50% affordable housing. This portrayal of the Project is deceptive and misleading. "50% affordable" is a ceiling. Instead, an objective and accurate description would be:

- At least 33% affordable, up to a maximum of 50% affordable
- At least 50% market-rate, up to a maximum of 67% market rate

Another egregiously deceptive portrayal of the Reservoir Project is the misuse of the term "permanently affordable." The Reservoir Project has shamelessly characterized it to be "permanently affordable". Yet "permanently affordable" has been twisted to mean affordable "for the useful life of the building." This is Orwellian distortion of language.

ANALYSIS OF HARMS

The Budget & Legislative Analyst Division should be tasked by the Board to conduct an objective and independent analysis of the fiscal responsibility of the Reservoir Project. The Budget & Legislative Analyst should perform an objective evaluation of fiscal harms, as well as possible benefits of the Reservoir Project.

An objective analysis might find that the financial harms to the neighborhoods and its schools, and the permanent loss of 17.4 acres of public land would not be justified by 367 affordable units (and *maybe* up to an additional 187 units--to be paid for with unsourced public funding)

whose affordability would only last, not forever, which is the common meaning of "permanent"—but for possibly only 55 years.
In my 2/23/2018 "Critique of Fiscal Feasibility and Responsibility of Reservoir Project" submission to the Budget & Finance Committee, I pointed out the following:

> *PRIVATIZATION OF PUBLIC ASSETS IS FISCALLY IRRESPONSIBLE*
> *The Berkson Associates' Findings of Fiscal Responsibility and Feasibility fails to address the fundamental question of the privatization of public assets.*
>
> *The fiscal responsibility/**irresponsibility** of allowing the permanent transfer of 17.4 acres of prime real estate to private interests is totally ignored by the Balboa Reservoir Project Team and Berkson Associates.*
>
> *THE AFFORDABLE HOUSING SCAM*
> *The Berkson Report follows the Balboa Reservoir Team's (Planning Dept-OEWD-PUC) misrepresentation of the Reservoir Project as being about "affordable housing" when in fact it is not. What is presented as an affordable housing project is in fact a transfer of public property to private for-profit interests.*
>
> *"Up to 50% affordable" is bandied about as if 50% affordable will actually be achieved. There is **no binding commitment to 50%.** "50%" is mainly PR.*
>
> *The actual commitment:*
> *1) 33% affordable;*
> *2) at least 50% market-rate;*
> *3) possibly an aspirational 17% "additional affordable" to those of 150% Area Median Income **PAID FOR WITH PUBLIC FUNDS—NOT BY THE DEVELOPERS!** If public funds are unavailable, this "additional 17% affordable" would go to market-rate housing for up to **67% unaffordable housing.***
>
> *AFFORDABLE FOR WHOM AND FOR HOW LONG?*
> *For Whom:*
> *Middle-income has been redefined from 120% ($97K) AMI to 150% ($121K). In reality, the Balboa Reservoir Project will be affordable mainly for the well-to-do (67%).. Only 33% of the units will be for regular people*
>
> *For How Long:*
> *"Permanently affordable" is actually defined as "throughout the useful life of the buildings in which those units are located." Balboa Reservoir Project's "permanently affordable" is a limited-time only condition. Read the fine print!*
>
> *PURPORTED BENEFITS, BUT HOW ABOUT HARMS?*
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*1. Permanent ceding of a valuable 17.4 acre public asset to a private, for-profit REIT (Real Estate Investment Trust) in exchange for 33% affordable housing which in reality WILL **NOT** BE PERMANENTLY AFFORDABLE.*
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3. City College had added new parking structures into its Facilities Master Plan to make up for the impending loss of student parking in the PUC Reservoir. The costs of new campus parking is not accounted for in the Berkson Report. This major financial harm needs to be taken into consideration.
4. Harm to City College stakeholders in that the proposed 500 space shared parking will cost substantially more than the existing parking--whose students are in large proportion low-income.
5. Other than words, TDM and wishful thinking, there is no provision for increased or improved MUNI service to accommodate this project. In fact, the Reservoir Project will worsen MUNI reliability.

PUBLIC INPUT: GOING THROUGH THE MOTIONS
The community had raised the issues of the Reservoir Project's adverse impacts to the surrounding neighborhoods and school early and often. Yet the Reservoir Project's Development Parameters, in the main, reflect the views of the Reservoir Project Team (Planning Dept, OEWD) with no substantive incorporation of input from the public. The Reservoir CAC process was orchestrated and managed from above by Planning Dept and OEWD. Incorporation of public input into the Development Parameters was minimal. The CAC process was essentially just going through the motions.

Submitted by:
Alvin Ja
District 7 resident

Wong, Linda (BOS)

From: ARMENUHI <ahovanes@comcast.net>
Sent: Sunday, March 11, 2018 9:40 PM
To: Wong, Linda (BOS)
Subject: Balboa reservoir development feasibility

The elimination of parking at CCSF due to the Balboa Reservoir Project will cause grave and permanent damage to CCSF and hence to San Francisco. This damage would affect the college's economic value to the city: such losses would exceed the modest benefits the developer claims for the project. Therefore, Chapter 29 of the Administrative Code requires that the project be halted until the parking situation is resolved.

The SF Mayor's Office has joined forces with real estate developer Avalon Corp. to build condos on public land, the Balboa Reservoir. This land has been used by City College of San Francisco, the crown jewel in the City's education system, for years. This is the only land with parking available to the thousands of students, teachers and staff who drive from throughout the City and surrounding areas.

NO PARKING, NO SCHOOL!
The loss of this land, the removal of thousands of parking spaces, and the construction of an oversized private housing complex on public land will destroy City College and the surrounding neighborhood. It will also jeopardize the construction of the CCSF Performing Arts Education Center, twice approved by the voters of San Francisco in 2001 and 2005.

I write as a faculty, student, as well as a long time neighbor of the CCSF community. I've lived in the Ingleside district for 30 years, and the last thing we need in our community is another giant luxury condo development. Parking has become severely impacted over the last few years of rampant gentrification in our neighborhood. Please do not contribute to the destruction of Ingleside, and the CCSF community.
Armen Hovhannes

Sent from Planet Earth

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Monday, March 12, 2018 8:46 AM
To: Wong, Linda (BOS)
Subject: FW: The "permanently affordable" deception

From: aj [mailto:ajahjah@att.net]
Sent: Monday, March 12, 2018 7:43 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Wong, Linda (BOS) <linda.wong@sfgov.org>
Cc: Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Sheehy, Jeff (BOS) <jeff.sheehy@sfgov.org>; Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; Low, Jen (BOS) <jen.low@sfgov.org>; Maybaum, Erica (BOS) <erica.maybaum@sfgov.org>; Rita Evans <rita.evans@berkeley.edu>; Jennifer Heggie <jdheggie@gmail.com>; Monica Collins <lizzy2k@gmail.com>; Bob Byrne <rbyrne6722@gmail.com>; Ray Kutz <ray.kutz@gmail.com>; Amy O'Hair <secretary.sunnyside@gmail.com>; andrew@ohair-sherman.com; Ken Hollenbeck <sunnyside.memberatlarge@gmail.com>; Francine Lofrano <ftblote@sbcglobal.net>; Anita Theoharis <atheoharis@sbcglobal.net>; MP Klier <maureen.klier@gmail.com>; Joe Koman <joekoman@att.net>; Anne Chen <achensfca@gmail.com>; Laura Frey <sfpollack@sbcglobal.net>; Caryl Ito <carylito@aol.com>; Adrienne GO <gumbo1368@yahoo.com>; Ravi Krishnaswamy <raviks.email@gmail.com>; Michael Adams <facilitato@aol.com>; Harry Bernstein <riquerique@yahoo.com>; Vicki Legion <activistsf@gmail.com>; Michael Ahrens <mikeahrens5@gmail.com>; MrLC4music <lenny.carlson@comcast.net>; Muriel Parenteau <muriel764@yahoo.com>; Christine Hanson <chrissibhanson@gmail.com>; Wendy Kaufmyn <wendypalestine@gmail.com>; L Tomasita Medal <t.medal@sbcglobal.net>; Win-Mon Kyi <kyiwinmon@gmail.com>; Lalo Gonzalez <lalo2235@gmail.com>; Andrea del Pilar Olivos <dreaolivos@gmail.com>; Cynthia Diaz <cynthiaxdiaz@gmail.com>; Donna Hayes <dhayes362@gmail.com>; Wendolyn Aragon <wendolyn.aragon@gmail.com>; Allan Fisher <afisher800@gmail.com>; Leslie Simon <simscha@sbcglobal.net>; Rodger Scott <xgtel@prodigy.net>; Madeline Mueller <madelinenmueller@gmail.com>; Steve Martinpinto <sunnyside.president@gmail.com>
Subject: The "permanently affordable" deception

Budget & Finance Committee, BOS:

It is imperative that everyone understands the false advertising involved in the Reservoir Project's misrepresentation of "permanently affordable."

The Balboa Reservoir Project misrepresents its 33% (not the deceptive and unfunded "up to 50%") affordable component to be affordable "in perpetuity."

This is how the Reservoir Project actually defines "in perpetuity" :

> *7.3 Housing Affordability in Perpetuity*
> *..."affordable throughout the "Life of the Project," ..."*

Here's an equivalent usage of "in perpetuity":

> We, as living creatures, are alive "in perpetuity" until we die.

The justifications for the Reservoir Project are based on many false premises, of which this is but one example.

--aj

FL#180163

Wong, Linda (BOS)

rom: Madeline Mueller <madelinenmueller@gmail.com>
Sent: Wednesday, March 28, 2018 1:48 AM
To: Wong, Linda (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Peskin, Aaron (BOS); Tang, Katy (BOS); Breed, London (BOS); Kim, Jane (BOS); Yee, Norman (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS)
Subject: Balboa Reservoir Project

Dear Clerk and members of the BOS,

Next Tuesday April 3rd you will be voting on an agenda item sent to you by your subcommittee on budget and finance concerning the continued consideration of a housing development project being proposed to be built on what is called the Balboa Reservoir.
I recommend that you postpone this item until a full review is done concerning the housing development's potential impact on the 27,000 or so students attending the main campus of City College of San Francisco, and in particular its impact on the completion of the required Performing Arts Education Center at that college site.

Although you are acting in order to meet the requirements of Chapter 29 of the San Francisco Administrative Code,
a Chapter titled: Findings of Fiscal Responsibility and Feasibility ---- if you read the transcript of the March 15th subcommittee's discussion and their vote to forward this project to you, you will find that the word "responsibility" was rarely if ever mentioned (!)

Yes, the fiscal feasibility of a housing development in District 7 was discussed and sent on to be discussed further, but the 'responsibility' that EVERY supervisor has to keep San Francisco's flag - ship Community College supported and protected was not given the appropriate (required? legal?) consideration.

From the beginning, this rush to take away land used by the College for the needs of students since 1946 has reeked of "alternative facts".
The College has in particular leased the so-called Reservoir (there has never been water there) since 1958 for College and community use. The College has completely lighted, paved, and maintained the land for decades. Yet, City Planning and the developers started their campaign for housing by falsely claiming that the land is underutilized and undeveloped. Alternative facts !!

The City Planners and the developers say that the College has been in agreement with them since 2014 when the then Chancellor and Mayor agreed to "fast track" taking away the leased parking lands from the College. No mention is made that the College was illegally under a State takeover at that time and had no elected Board in place to make any such "College agreements" (!)

And it gets worst----not only alternative facts, also alternative history.
Several citywide ballot measures during the late 1980s and early 1990s supported City College's use of the 'reservoir ' rather than a housing development (which was voted down). After those votes, the College gained legal control over half the land in order to have a place for the "soon to be built" (sigh---) Performing Arts Education Center., and the PUC promised parking rights in its half until water was put into what was considered an absolutely necessary reservoir for the safety of the neighborhood. At that point it was agreed that the College would always have air rights for the continued needs of students and the community.

What happened to those contractual agreements??

I have been a faculty member at CCSF since 1965 and have the documentation supporting the 'real facts'.

Please do the right thing and support all the many students from your districts who rely on City College to improve their quality of life. Postpone further actions moving forward with housing on the reservoir site until City College completes its own Facilities Master Plan update and in particular completes the promise made to SF voters via two bond measures to build the much needed and much anticipated Performing Arts Education Center.

Thank you,

Madeline Mueller
Music Department Chair Bakersfield La
City College of San Francisco
415-239-3641

File# 180163
C: B&F Committee members

BOARD OF SUPERVISORS

2018 MAR 12 AM 11:21

Save CCSF Coalition
www.saveccsf.org

We are all City College

San Francisco Board of Supervisors
City Hall
One Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Re: Fiscal Feasibility of the Balboa Reservoir Development

Dear Supervisors:

Attached for your review is a letter from the Westwood Park Association regarding the proposed Balboa Park Reservoir Development. A determination of whether this development is fiscally feasible and responsible, in accordance with Chapter 29 of the SF Administrative Code, will be considered by the Budget and Finance Sub-Committee at the Thursday, March 15, 2018 meeting.

Save CCSF Coalition joins the Westwood Park Association and many other community groups and individuals who oppose this development of public land for private interests that will do little to address the housing crisis in San Francisco for students and teachers. Furthermore, this project will have adverse effects on one of San Francisco's most valuable institutions. We urge you to postpone making a decision that the development is fiscally feasible and responsible pending further review.

As you will see from the attached information, the Balboa Reservoir Development will result in the elimination of thousands of parking spaces on which students, faculty, and staff depend. Without this parking, there will be a significant decline in CCSF enrollment, significantly impacting the financial stability of CCSF, and resulting in the loss of hundreds of millions of dollars. (See Att. A, pages 13 et. seq. for details)

It is imperative that the Budget & Finance Sub-Committee consider the economic impact of the Balboa Park Reservoir Development on CCSF, and hence the city of San Francisco, when considering if it fiscally feasible and responsible.

Thank you for your consideration.

Sincerely,

Wynd Kaufmyn

Wynd Kaufmyn on behalf of the Save CCSF Coalition

cc: Mayor Mark Farrell
Linda Wong, Clerk, Budget and Finance Committee

WESTWOOD PARK

February 12, 2018

Via Electronic Mail to thomas.shanahan@sfgov.org

Mr. Thomas Shanahan
City and County of San Francisco
Office of Economic and Work Force Development
1 Carlton B. Goodlett Place, Room 488
San Francisco, CA 94102-4653

Re: BRCAC Meeting February 12, 2018
Fiscal Feasibility of Balboa Development under Chapter 29 City Administrative Code

Dear Mr. Shanahan:

We have reviewed the materials that you sent to members of the CAC on Friday, February 9, 2018 in connection with the above referenced Balboa CAC meeting.

We understand that the CAC meeting will involve the eventual presentation to the Board of Supervisors ("BOS") in connection with their review of the fiscal feasibility of the Balboa Reservoir Project as required by the City's Administrative Code, Chapter 29. We have reviewed the Administrative Draft Report of Berkson Associates dated February 9, 2018 ("Berkson Report"). Please accept these comments at the February 12, 2018 CAC meeting as comments of the Westwood Park Association and include them in the minutes of the meeting.

As we will set forth in these comments, we feel that a true review of the fiscal feasibility of the project must take into consideration the adverse fiscal impact of the project on the very valuable financial benefits that City College of San Francisco ("CCSF") admittedly gives to the City every year.

As the Berkson Report correctly notes, Chapter 29 of the SF Administrative Code requires that this project receive approval from the BOS of the fiscal feasibility of the project. The code mandates that the first of five things the BOS much consider is the "direct and indirect financial benefits of the project to the city,..."

The Berkson Report concludes that the project will generate net positive tax revenue of $1.7million a year for the city. It also concludes that an addition $1 million will be generated for other city funds and for other uses in the city. Hence it concludes that there will be a positive fiscal impact on the city of $2.7 million a year.

However, the report fails to analyze the negative impact that the project will have on CCSF. The city itself has previously performed a budget analysis on financial impact of

City College on San Francisco. In a detailed report to the BOS, dated September 16, 2013, commissioned by Supervisor Eric Mar, the conclusion was that the financial benefits of CCSF to the city exceeded $311 mm. These financial benefits are certainly the type of "direct and indirect financial benefits" which the BOS must review under Chapter 29 of the Administrative Code. Hence if this project has a severe negative impact on CCSF, that negative impact could easily dwarf the $2.7 million a year of fiscal benefits. A copy of the report, prepared by the Budget and Legislative Analyst, which is an independent body, is attached to this letter as Exhibit "A". ("2013 Report")

We also attach a discussion of the 2013 Report by KQED as Exhibit "B." In that article they report that since City College could lose its accreditation "city officials are questioning its economic impact on the city. The answer appears to be at least $311 million."

The 2013 Report and the KQED article correctly summarize that CCSF provides tremendous financial value to the City that exceeds $311 million. The fact that CCSF provides enormous "financial benefits" to the City has been recognized by the City itself and by the voters in the City. First, the City has agreed to fund $5.4 million per year to pay for student tuition. Second, the voters of the City have time after time voted to support CCSF by financial support, with the latest support coming in November of 2016 with the passage of Proposition B with more than 80% of the voters supporting that proposition. By agreeing to pay over $5 million a year for CCSF tuition and funding other CCSF expenses under Proposition B, the City itself and its voters recognize the financial benefits of CCSF to the city.

To conduct a true analysis of the financial benefit or detriment that the Balboa Reservoir project will have on San Francisco, the BOS needs more information than is included in the Berkson Report. The project, when combined with the Performing Arts Center, will result in the loss of 2,000 parking spaces. These parking spaces on the reservoir have been continuously used for over 40 years by CCSF. A study was just commissioned by the Facilities Committee of CCSF to determine what impact loss of these parking spaces will have on the college and what alternatives are available. To date that study has not been completed. Until that report is completed, the parties will not be able to address a solution to the lost parking spaces. The CCSF Board of Trustees has recently hired a marketing firm to attempt to increase the enrollments at CCSF. In fact, those enrollments are increasing. If the parking loss is not addressed and solved, there is a significant risk of loss of students, decreased enrollment, and a decrease in the financial value given by CCSF to the City.

The Developer and the City have promised that they will negotiate with City College to solve alternative parking needs. But, nothing has been concluded and the only thing that has been proposed is 500 parking spaces to be shared by the residents of 1100 units and possibly 1300 units with City College. It does not take an expert report to determine that such shared parking will not replace the 2,000 lost parking spaces that were available solely to CCSF. Until there is a deal that purports to solve this problem, development cannot proceed under the terms of Chapter 29 of the Administrative Code. Without knowing what solution will be reached to the loss of parking there is no way that the BOS can analyze the possible negative impact on student enrollment and the decrease in financial value CCSF gives to the City every year. If enrollment decreases the $300 million of value that CCSF gives to the City could be substantially diluted. The loss of financial benefits to the City by reduced enrollment or even a closing of CCSF could be staggering, clearly exceeding the $2.7 million a year in benefits reported by Berkson Associates.

We therefore submit that any finding by the BOS of fiscal feasibility is premature until (a) the parking study is completed to the satisfaction of CCSF; and, (b) a deal is completed between CCSF, the Developers and the City to provide alternative parking as needed by CCSF students, staff, and employees. Only when these steps are taken can an accurate study be made of the financial impact of the Balboa project on the $300 million of value that CCSF gives to the City as determined in the 2013 Report. Only then can the true fiscal feasibility of the Balboa project be measured as is required by Chapter 29 of the Administrative Code.

Very truly yours,

Anita Theoharis

Anita Theoharis
President

Attachments: Exhibit "A" and Exhibit "B" as noted.

cc: Mr. Ken Rich
Ms. Emily Lesk
Mr. Jeremy Shaw
Supervisor Norman Yee
Ms. Jen Low

Westwood Park Board of Directors:
Ms. Anita Theoharis, President
Ms. Anne Chen, Vice President
Mr. Joe Koman, Treasurer
Ms. Francine Lofrano, Secretary
Mr. Mike Ahrens, Member-at-Large
Mr. Ravi Krisnaswamy, Member-at-Large

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST
1390 Market Street, Suite 1150, San Francisco, CA 94102
(415) 552-9292 FAX (415) 252-0461

Policy Analysis Report

To: Supervisor Eric Mar
From: Budget and Legislative Analyst
Re: Evaluation of the Impact of the Potential Closure of San Francisco City College
Date: September 16, 2013

Summary of Requested Action

Your office requested the assistance of the Budget and Legislative Analyst examining the economic impact the potential closure of San Francisco City College (CCSF), including the impact on (1) 2,500 CCSF faculty and staff losing work; (2) education, particularly low-income youth; (3) non-credit courses with particular emphasis on adult education, English as a Second Language (ESL), General Educational Development (GED), and citizenship courses; (4) and loss of training and certificate programs.

Our evaluation was limited to the impact of the potential closure of CCSF, and did not evaluate the alternatives, such as reduced programs or merger with other institutions. To address your questions, we obtained CCSF budget documents and financial statements, and data from the California Community Colleges Chancellor's Office, U.S. Department of Labor, U.S. Census Bureau; and surveyed other public and private colleges to (1) develop a profile of CCSF students, programs, and course completion or graduation, (2) identify availability and costs of alternative colleges and programs, (3) estimate wages of students completing CCSF programs, (4) estimate the impact on local employers, and (5) evaluate the impact on faculty and staff. We did not conduct a formal economic impact analysis, which would have measured economic growth (output or value added) and associated changes in jobs and income.

Executive Summary

CCSF had nearly 80,000 students in academic year 2012-2013. In the Spring of 2013, 56,300 students enrolled at CCSF, of whom approximately 30,700, or 55 percent, were enrolled in for-credit courses, for which credits can be transferred to California State University or the University of California, and approximately 25,600, or 45 percent, were enrolled in non-credit courses. Younger students are more likely to be enrolled in for-credit courses full-time or nearly full-time while older students are more likely to be enrolled in non-credit courses, especially English as a Second Language (ESL) and basic skills courses. Approximately one-third of CCSF students receive some form of financial aid.

CCSF students would have limited options for attending other programs in the event of CCSF closing.

Many CCSF students may not have sufficient credits or meet the minimum qualifications to transfer to a California State University in the event of CCSF closing. Only approximately 1,400 CCSF students transfer each year to the University of California or California State University system. CCSF students would also have limited opportunities to transfer to other Bay Area community colleges, which are smaller than CCSF, further away from San Francisco and are not likely to be able to fully absorb the large number of CCSF students.

CCSF students who are able to transfer to other schools in the event of CCSF closing will incur higher costs.

CCSF students able to transfer to the California State University system in the event of CCSF closing would pay $10,000 more for 60 semester units (the number of required units for the first two years of college or four semesters). CCSF students, who currently pay $46 per semester units, would pay tuition ranging from $395 to $765 per semester unit to attend comparable two-year programs at private for-profit or non-profit colleges.

CCSF students who do not speak English or lack a high school diploma may end up earning lower wages if they are not able to complete a CCSF or comparable program.

According to the U.S. Department of Labor, workers without a high school diploma or who do not speak English earn lower wages than other workers.

In Spring 2013, more than 5,000 CCSF students did not have a high school diploma. If these students were not able to obtain a high school diploma through CCSF or other programs, each student would lose estimated annual earnings of $8,840 compared to earnings if they obtained a high school diploma, according to U.S. Bureau of Labor Statistics estimates.

In Spring 2013, 16,000 CCSF students enrolled in the ESL program. If these students were not able to attend other ESL programs through non-profit providers or other programs, the Budget and Legislative Analyst estimates that each non-English speaking student would earn an estimated $13,500 less per year than a worker who speaks English well, based on a U.S. Census Bureau study.

Local employers would lose an important source of skilled employees.

In the 2011-2012 academic year, the most recent year for which data was available, 2,272 CCSF students completed associate degree, certificate or other programs in which they attained job skills required by San Francisco and other local employers. The number of new and replacement jobs required by San Francisco and other local employers in that year exceeded the number of San Francisco, San Mateo, and Marin community college graduates for 41 of 52 programs, indicating that there were more job openings than graduates of the majority of these programs at CCSF and other local community colleges. For example, 87 CCSF students completed a licensed vocational nurse program, which equated to 75 percent of local employers' annual job demand.

However, for some popular programs, such as culinary arts and emergency medical technician/paramedic, the number of CCSF graduates exceeded local job demand.

The average median wage for jobs for which CCSF graduates of these programs qualified is $59,800, which is $11,100 more than the average median wage of $48,700 for jobs that require only a high school education.

Up to 2,457 CCSF employees would lose their jobs if CCSF were to close.

CCSF had 2,457 positions in the FY 2012-13 budget, of which 1,691 were administrative, tenure or tenure-track, and temporary and part-time faculty; and 766 were classified (miscellaneous) employees. Closure of CCSF would result in the lay-off of these positions and the loss of salaries and benefits of $169 million.

Faculty and professional staff may have difficulty finding comparable positions in the Bay Area because job openings for faculty and professional positions are greatly outstripped by the number of qualified candidates. For example, CCSF hired less than 3 percent of the applicants for full time, tenure-track and part time or temporary faculty and professional positions in 2010 and 2011.

While many non-faculty, or classified, employees would be able to remain employed by filling City jobs, they could displace less senior City staff under provisions of the California Education Code and the City's Civil Service System. CCSF has at least 24 job classes that correspond to City classification and for which incumbents would have the right to transfer, promote, or bump into City jobs. The number of positions in these classifications that would have "bumping rights" for City and County of San Francisco jobs is not available from CCSF.

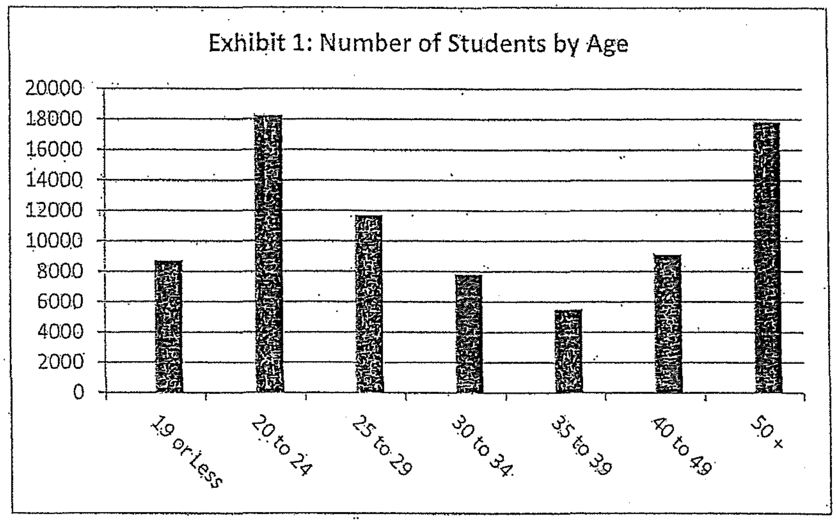
Potential Loss of Accreditation

In their June meeting, the Western Association of Schools and Colleges' Accrediting Commission for Community and Junior Colleges acted to terminate the San Francisco Community College's (CCSF) accreditation as of July 31, 2014[1]. The Commission's act to terminate accreditation followed a one-year period in which CCSF was required to implement recommendations to correct previously-identified deficiencies. The Commission found that CCSF had only implemented two of 14 recommendations (see Appendix I, attached to this report). Because the decision to terminate CCSF's accreditation is subject to appeal, whether CCSF will lose accreditation is not yet known. Several outcomes for CCSF are possible, including closure, reductions in programs, or merger with other institutions.

Nearly 80,000 Students Would be Affected by CCSF's Loss of Accreditation

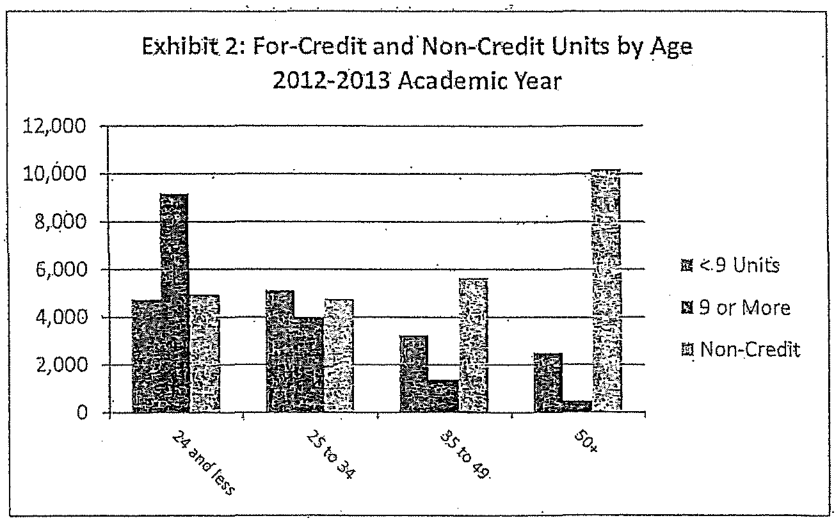
79,198 students were enrolled in CCSF in academic year 2012-2013. The largest group of students was 20 to 24 years of age and 50 years or older, as shown in Exhibit 1 below.

[1] The Western Association of Schools and Colleges is a non-profit organization authorized by the U.S. Department of Education to accredit community colleges and associate degree-granting institutions in the western United States. Accreditation is a voluntary system but lack of accreditation impacts students' credits on transfer to other colleges and access to financial aid.



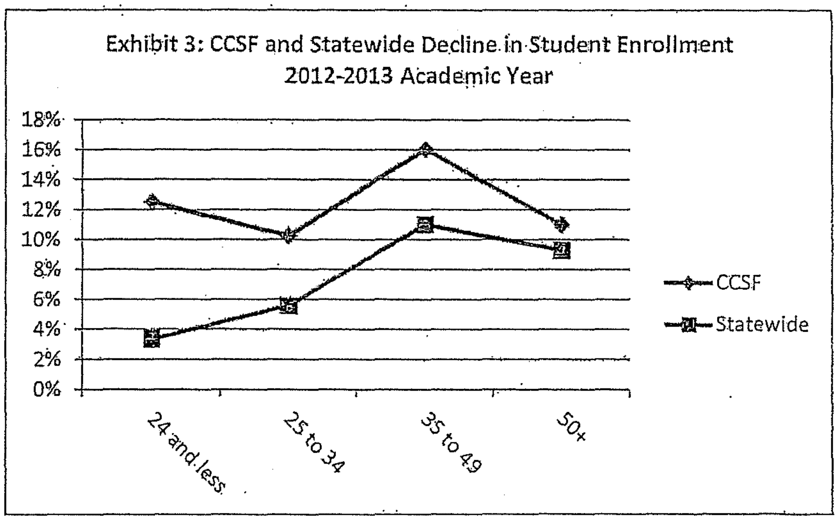
Source: California Community Colleges Chancellor's Office

In the Spring 2013 semester, 56,300 students enrolled at CCSF, of whom approximately 30,700, or 55 percent, were enrolled in for-credit courses, for which credits can be transferred to California State University or the University of California or other four-year programs. Younger students are more likely to be enrolled in for-credit courses full-time or nearly full-time while older students are more likely to be enrolled in non-credit courses, as shown in Exhibit 2 below.



Source: California Community Colleges Chancellor's Office

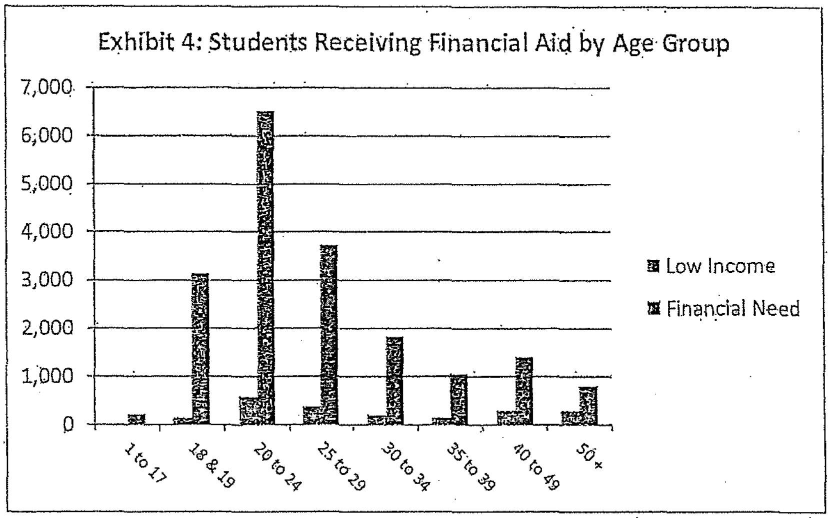
Community college enrollment declined statewide in academic year 2012-2013 compared to academic year 2011-2012, but CCSF's decline in enrollment was higher than the statewide average. CCSF student enrollment declined by 12 percent in the 2012-2013 academic year compared to the statewide average decline of 5 percent. As shown in Exhibit 3 below, CCSF's enrollment decline was highest for students 35 to 49 years but varied most significantly from the statewide average for students 24 years and younger.



Source: California Community Colleges Chancellor's Office

One-third of CCSF students receive some form of financial aid.[2] 3 percent of students received financial aid based on low family income of approximately 150 percent or less of the federal poverty level. 30 percent of students received financial aid based on federal guidelines for financial need that includes an assessment of family income and assets, family size, the number of family members attending college, and other criteria. As shown in Exhibit 4 below, the largest number of students receiving financial aid were 20 to 24 years of age, consistent with the larger number of enrolled students in that age group.

[2] The California Community Colleges Chancellor's Office's most recent financial aid report is for the 2011-2012 academic year. Financial aid includes fee waivers, federal and state grants, loans and work study. Because students qualify for more than one type of financial aid, the Budget and Legislative Analyst estimated the number of students qualifying for financial aid based on the number of students receiving fee waivers, on the assumption that all students qualifying for grants, loans, and work study would also qualify for fee waivers. 20,382 of 61,820 students (33 percent) received fee waivers in the 2011-2012 academic year, of whom 2,077 were low income (3 percent) and 18,731 demonstrated financial need (30 percent).



Source: California Community Colleges Chancellor's Office

CCSF Students Have Limited Options for Attending Other Colleges or Programs

According to the California Community Colleges Acting Chancellor, the majority of students entering the California Community Colleges are not prepared to complete college-level course work; and an important function of the community colleges is to help students develop basic skills in reading, writing, mathematics, and English as a Second Language.[3]

Many CCSF students enroll in courses that prepare them for the two-year associate degree or for transfer to a four-year college program. CCSF course enrollment in Spring 2013 was more than 145,000, of which 56 percent was enrollment in courses with transferable credits to the California State University or University of California system, as shown in Exhibit 5 below.[4]

[3] Basic Skills Accountability Report, 2012 Board of Governors, California Community Colleges, September 2012.

[4] Because students enroll in more than one course, course enrollment exceeds the number of students. 56,301 students were enrolled in Spring 2013, of which 25,607 enrolled in non-credit courses and 30,694 enrolled in for-credit courses. One-half (15,064) of the students enrolled in for-credit courses were enrolled for more than 9 units.

Exhibit 5: Distribution of Enrollment by Credit and Non-credit Courses, Spring 2013

	Enrollment Spring 2013	Percent of Total
Transferable Credits	81,292	56%
Non-Transferable Credits	4,624	3%
Total Enrollment in For-Credit Courses	85,916	59%
Total Enrollment in Non-Credit Courses	59,623	41%
Total Enrollment	145,539	100%

Source: California Community Colleges Chancellor's Office

Students who were enrolled in for-credit courses with transferable credits frequently enrolled in general education courses (science, math, history, social science, humanities, English, and writing) required for two-year associate degrees or four-year bachelor degrees. Students who were enrolled in non-credit courses most often enrolled in in English as a Second Language (ESL) and basic academic support and skills building, as shown in Exhibit 6 below.

Exhibit 6: Distribution of Enrollment by Course, Spring 2013

	Total Course Enrollment	
Course	**Transferable Credits**	**Non-Credit**
Natural Sciences and Mathematics	15,537	0
History, Social Sciences, Humanities	10,908	0
English and Writing	6,894	84
Physical Education	6,797	138
Health and Medical Careers	5,368	4,977
Film, Television, Radio, Applied Design and Arts	5,244	229
ESL, Foreign Languages, Sign Language	5,039	26,597
Communication and Information Technology	4,943	5,537
Music, Art, Film, Theater	4,851	1,439
Accounting, Finance, and Business	3,448	1,092
Education and Child Development	2,417	5,873
Ethnic and Women's Studies	2,185	0
Aviation, Automotive and Engineering	1,696	152
Police and Fire	1,534	0
Academic Guidance, Tutoring, Work Experience	1,426	12,647
Culinary and Hospitality	1,218	79
Paraprofessional (Library, Paralegal, Recreation)	524	0
Landscape Architecture, Horticulture, Floral	488	0
Geography and Environmental Studies	469	0
Skilled Trades	306	779
Total Enrollment	**81,292**	**59,623**

Source: California Community Colleges Chancellor's Office

Many students may not be able to transfer to a four-year university in the event of CCSF closing

While many CCSF students enroll in courses that can be transferred to the California State University, University of California or other four year colleges, if CCSF were to lose accreditation, these students may not have sufficient credits or meet the minimum qualifications to transfer to a State University. Only approximately 1,400 CCSF students transfer each year to the University of California or California State University system.

Students who do qualify for transfer may not be able to find a place in a local State University or in a program provided by a local State University. San Jose State University is "impacted", meaning it has more qualified student applications than available spaces. San Francisco State University and California State University East Bay have available spaces but several programs are impacted. As shown in Exhibit 7 below, 10.5 percent of CCSF student enrollment in Spring 2013 were in programs that they could not access at San Francisco State University or California State University East Bay because these programs are either impacted or not offered.

Exhibit 7: CCSF Program Availability at SF State University and California State University East Bay, Spring 2013

Program	San Francisco State University	California State University East Bay	CCSF Spring 2013 Enrollment
Apparel Design & Merchandising	Impacted	Not offered	1,077
Business	Open	Impacted	3,448
Child Development	Impacted	Open	2,292
Environmental Studies	Impacted	Open	33
Food & Nutrition	Impacted	Not offered	257
Graphic design	Impacted	Open	939
Nursing	Impacted	Impacted	472
Total CCSF Enrollment in Select Credit Courses			8,518
Total CCSF Enrollment in All Credit Courses			81,292
Percent Select to All Credit Courses			10.5%

Source: California State University Website.
Note: "Impacted" means that there are more qualified student applications than available spaces.

Other Bay Area community colleges may not have capacity to absorb CCSF students

CCSF students who are not qualified to enter the California State University or who want an associate degree or two-year technical/professional program offered by community colleges could potentially transfer to other community colleges in the Bay Area. However, community colleges in other Bay Area counties are smaller than CCSF and may have difficulty absorbing all CCSF students. CCSF's student population of 79,198 is 28 percent of the combined student populations of eight community college districts in the Bay Area, as shown in Exhibit 8 below.

Exhibit 8: Number of Students at Bay Area Community College Districts 2012-2013 Academic Year

Community College District	Location	Student Count 2012-2013 Academic Year
Chabot-Las Positas	Alameda County	29,619
Contra Costa	Contra Costa County	51,802
Foothill	Santa Clara County	64,564
Marin	Marin County	11,005
Ohlone	Alameda County	16,220
Peralta[5]	Alameda County	54,521
San Mateo	San Mateo County	41,038
Solano	Solano County	12,865
Total Eight Community College Districts		281,634
San Francisco Community College District		79,198
Percent San Francisco Compared to Eight College Districts		28%

Source: California Community Colleges Chancellor's Office

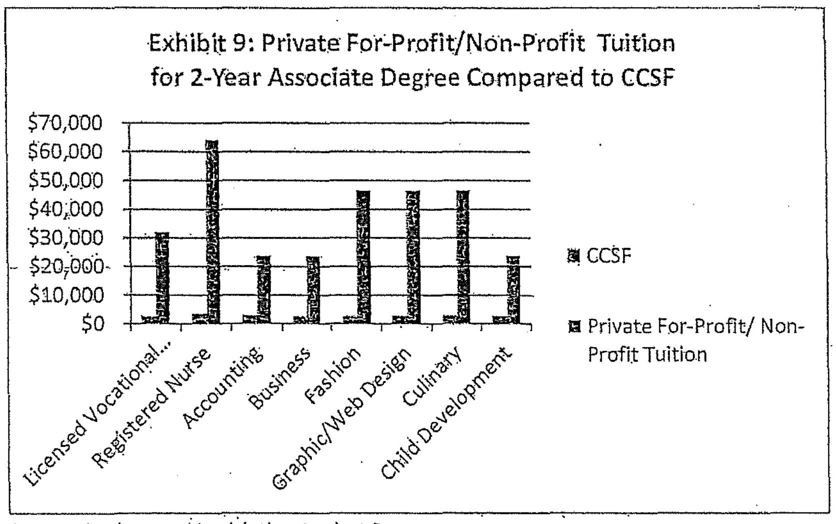
The other community colleges also may not offer specific programs offered by CCSF or have insufficient program capacity to absorb CCSF students. For example, in the 2011-2012 academic year, 77 CCSF students received an associate of science degree in nursing. Of the Bay Area community colleges, Foothill College does not offer a registered nursing program in the 2013-2014 academic year, and other community colleges have more applicants than available spaces, resulting in wait lists for nursing programs.

[5] The student count for Peralta Community College District, which includes Berkeley City College, College of Alameda, Merritt College, and Laney College, is for the 2011-2012 academic year. According to the Peralta Community College District website, the four colleges were recently removed from "warning" status by the Accrediting Commission for Community and Junior Colleges and are now fully accredited.

Students transferring to other programs would incur higher costs

CCSF students able to transfer to a State University would pay $10,000 more for 60 semester units (the number of required units for the first two years of college or four semesters). A CCSF student pays a fee of $46 per unit or $2,760 for 60 units. A San Francisco State University Student pays $3,225 per semester or $12,900 for four semesters.

Many programs offered by CCSF are also offered by for-profit and non-profit private colleges in the Bay Area but at a greater cost to the student. CCSF charges fees of $46 per semester unit, which is significantly less than fees ranging from $395 to $765 per semester unit charged by private non-profit and for-profit colleges. Exhibit 9 below compares CCSF fees for some two-year associate degree programs to tuition charged by some private Bay Area colleges for comparable associate degree programs.[6]



Source: Budget and Legislative Analyst Survey

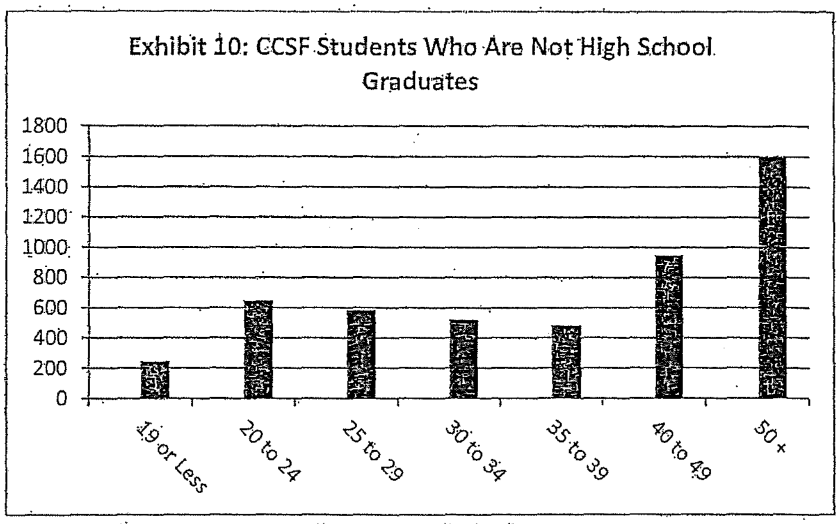
While financial aid is available to students attending these private schools, students would need to incur a much higher level of student loan debt to pay for tuition and other costs while completing their program.

[6] The private colleges include one non-profit, Academy of Art University, and three for-profit schools, Art Institute of San Francisco, University of Phoenix, and Unitek College (in Fremont).

CCSF Students Enrolled in ESL or Basic Education Courses Would Encounter Lower Earnings

According to the U.S. Department of Labor, workers without a high school diploma or who do not speak English earn lower wages than other workers.

In Spring 2013, more than 5,000 CCSF students did not have a high school diploma, many of whom were over the age of 40, as shown in Exhibit 10. If these students were not able to obtain a high school diploma through CCSF or other programs, each student would lose estimated annual earnings of $8,840 compared to earnings if they obtained a high school diploma, according to the U.S. Bureau of Labor Statistics.[7] The estimated life time loss in earnings for younger students would be $265,200.



Source: California Community Colleges Chancellor's Office

In Spring 2013, CCSF offered 453 non-credit ESL courses free of charge, with enrollment of 27,688. The non-credit ESL courses are designed to help immigrant students develop their general ability to understand, speak, read and write English. CCSF also provides citizen preparation to prepare immigrant students with sufficient knowledge of English and other information to pass the citizenship exam. ESL courses made up nearly one-half of total enrollment in non-credit

[7] "Usual Weekly Earnings of Wage and Salary Workers, Second Quarter 2013", Bureau of Labor Statistics, U.S. Department of Labor Statistics, July 18, 2013

courses. The estimated number of unduplicated CCSF students enrolled in ESL courses in Spring 2013 was approximately 16,000.[8]

According to a U.S. Census Bureau report, individuals who do not speak English, or who speak English poorly, are more likely to be unemployed or employed only part time, and have lower earnings. The U.S. Census Bureau estimated that workers who do not speak English have wages that are approximately 40 percent lower than workers who speak English well.[9] Based on 2000 Census data, the Budget and Legislative Analyst estimates that a worker who does not speak English earns an estimated $13,500 less per year than a worker who speaks English well for younger workers, the inability to speak English results in estimated lifetime loss in earnings of $400,000.

CCSF Closure Would Impact the City of San Francisco and San Francisco Employers

Closing CCSF would impact the San Francisco economy through loss of federal and state funds and skilled employees.

In Fiscal Year 2011-12, CCSF received $188 million in federal and state revenues, including grants and aid to students, which would be lost if CCSF were to lose accreditation or close. These revenues make up more than 61 percent of total CCSF revenues, as shown in Exhibit 11 below.

[8] Provided by G. Keech, Chair, CCSF ESL Department.
[9] "How Does Ability to Speak English Affect Earnings", Jennifer Cheeseman Day and Hyon B. Shin, Population Division, U.S. Census Bureau.

Exhibit 11: CCSF Revenue, Fiscal Year 2011-12

Local revenue	
Tuition and fees (less scholarships and allowances)	$23,897,097
Local operating grants and revenues	10,168,624
Property and sales taxes	93,269,500
Investment income, fund transfers, other	8,072,551
Interest expense on capital-related debt	(16,667,918)
Total	$118,739,854
Federal and state revenue	
Federal grants	$25,031,273
State grants	9,782,001
State apportionment	100,683,565
State taxes	12,669,493
Pell grants	36,890,315
State capital grants	2,981,828
Total	$188,038,475
Total revenue	$306,778,329

Source: Audited Financial Statement, Year Ending June 30, 2012

CCSF graduates are part of San Francisco's skilled workforce

In the 2011-2012 academic year, 2,272 CCSF students completed associate degree, certificate, or other programs in which they attained job skills required by San Francisco employers[10]. The number of new and replacement jobs required by employers each year exceeded the number of San Francisco, San Mateo and Marin community college graduates for 41 of 52 programs, as shown in Attachment II to this report, indicating that most graduates of these programs qualified for jobs for which there were more job openings than graduates. For example, in the 2011-2012 academic year, 14 CCSF students completed a program in lodging management, which met 50 percent of employers' annual demand; 28 CCSF students completed a program in restaurant and food service management which

[10] The annual number of new or replacement jobs required by employers is based on U.S. Department of Labor projections for San Francisco, San Mateo and Marin counties for the ten year period from 2010 through 2020. The community college programs are based on standard program codes and graduate information reported by the California Community College Chancellor's Office. In most instances, the Department of Labor's job classifications directly matched CCSF programs (such as lodging management, registered nursing, multimedia and animation, and other job classifications). In some instances, the Budget and Legislative Analyst matched several job classifications to a specific CCSF program (property manager, appraiser, broker and agent to "real estate"; travel agents and tour guides to "travel and tourism"; chefs and head cooks to "culinary arts", etc.). In other instances, the Budget and Legislative Analyst estimated the job classifications based on educational level and years of experience reported by the Department of Labor for specific job classifications (loan interviewers and loan officers to "banking and finance"; bookkeeping, accounting, and auditing to "accounting", database administrator, network and systems administrator, support specialist to "computer information systems, infrastructure and support, web administration").

met 17 percent of employers' annual demand; and 87 CCSF students completed a licensed vocational nurse program, which met 75 percent of employers' annual demand.

The number of CCSF, San Mateo and Marin community college graduates in several popular programs exceeded job demand as shown in Attachment II. CCSF graduates exceeded the number of annual jobs for child development administration, culinary arts, emergency medical technician/paramedic, health information technology and coding (medical records), electronics and electric technology, and library technician. The combined number of CCSF and the College of San Mateo graduates exceeded job demand in four programs: automotive technology, community health worker, fashion design, and fire technology. In some instances, such as the program for electrocardiography, the program provided job skills that may be combined with other job classifications, even if the number of program graduates exceeded the number of jobs.

In total the market value of the new and replacement jobs, in which CCSF graduates attained skills that matched employers' demand, is approximately $123 million per year, as shown in Attachment II.[11] The average median wage for these jobs for which CCSF graduates qualify is $59,800, which is $11,100 more than the average median wage of $48,700 for jobs that require only a high school education.[12]

Up to 2,457 CCSF Employees Would Lose their Jobs if CCSF Were to Close

CCSF had 2,457 employees as of Fall 2012,[13] of which 1,691 were administrative, tenure or tenure-track and temporary or part-time faculty; and 766 were classified (miscellaneous) employees. From Fall 2009 through Fall 2012, the number of employees decreased by 11.7 percent, as shown in Exhibit 12 below.

[11] The estimated market value equals the median wage reported by the U.S. Department of Labor times the number of CCSF graduates who graduated from programs with corresponding job skills, up to 100 percent of the annual number of jobs.
[12] Estimates are based on the average of U.S. Department of Labor projections of the San Francisco, San Mateo and Marin counties' median wage for all jobs requiring high school education.
[13] The California Community Colleges Chancellor's Office most recent employment data is for Fall 2012.

Exhibit 12: Change in the Number of CCSF Employees Fall 2009 through Fall 2012

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Change	Percent
Administrator	52	43	40	42	(10)	(19.2%)
Full Time Professional/Faculty	757	793	810	754	(3)	(0.4%)
Part Time Professional/Faculty	1,092	1,030	1,004	895	(197)	(18.0%)
Total Certificate	1,901	1,866	1,854	1,691	(210)	(11.0%)
Total Classified (Miscellaneous)	880	831	813	766	(114)	(13.0%)
Total Employees	2,781	2,697	2,667	2,457	(324)	(11.7%)

Source: California Community Colleges Chancellor's Office

CCSF expenditures for salaries and benefits have decreased by 4.8 percent from FY 2009-10 to FY 2012-13. The highest percentage decrease in salaries has been for administrative and permanent miscellaneous staff. Because of the growing cost of benefits, decreased staffing and salaries have been offset by increases in expenditures for benefits.

Exhibit 13: CCSF Salary and Benefits Expenditures FY 2012-2013

	FY 2009-10 Actual	FY 2010-11 Actual	FY2011-12 Actual (estimated)	FY 2012-13 Budget	Change FY 2009-10 to FY 2012-13	Percent
Certificate Salaries						
Administrators	$6,978,406	$5,131,893	$5,254,015	$4,537,708	($2,440,698)	(35.0%)
Faculty	74,765,351	73,718,981	71,485,745	69,779,765	(4,985,586)	(6.7%)
Librarians	1,716,526	1,738,582	1,822,518	1,578,773	(137,753)	(8.0%)
Counselors	6,371,618	6,764,862	7,066,013	6,688,395	316,777	5.0%
Other	6,827,417	6,622,544	6,688,962	6,497,625	(329,792)	(4.8%)
Total Certificate	96,659,318	93,976,862	92,317,253	89,082,266	(7,577,052)	(7.8%)
Classified Salaries						
Regular Salaries	34,101,364	32,927,117	31,968,215	30,007,471	(4,093,893)	(12.0%)
Instructional Aides	2,919,379	2,939,309	2,864,258	2,678,887	(240,492)	(8.2%)
Interns, Work Study, Other	2,637,690	2,960,333	2,785,449	2,722,014	84,324	3.2%
Governing Board	41,757	41,439	41,439	42,000	243	0.6%
Overtime and Lead Pay	181,183	197,483	175,264	180,024	(1,159)	(0.6%)
Total Classified	39,881,373	39,065,681	37,834,625	35,630,396	(4,250,977)	(10.7%)
Total Salaries	136,540,691	133,042,543	130,151,878	124,712,662	(11,828,029)	(8.7%)
Total Benefits	41,657,003	43,103,045	44,669,453	44,886,175	3,229,172	7.8%
Total Salaries/Benefits	$178,197,694	$176,145,588	$174,821,331	$169,598,837	($8,598,857)	(4.8%)

Source: CCSF Budget Documents

Closure of CCSF would result in the lay-off of up to 2,457 positions and loss of salaries and benefits of $169 million. CCSF staff who have been laid off may have difficulty finding comparable positions. Other community colleges in the surrounding counties may have difficulty absorbing the CCSF staff; none of the eight community college districts in surrounding counties are as large as CCSF and competition for community college positions is high. For example, CCSF hired only 6 percent of the qualified applicants for full or part time faculty and professional positions in 2010 and 2011, as shown in Exhibit 14 below.

Exhibit 14: Number and Percent of Qualified Applicants for CCSF Faculty and Professional Positions Who Are Hired
2010 and 2011

Program	Number of Qualified Applicants	Number Hired	Percent Hired
Art and Music	110	3	3%
Business/Computers	57	5	9%
Counselor/Coordinator	174	10	6%
Dental and Nursing	18	5	28%
Education	24	2	8%
Engineering and Technical	21	2	10%
English	215	15	7%
Other Academic	21	2	10%
Other Professional	49	3	6%
Science and Math	243	15	6%
Social Science	200	6	3%
Total	1,132	68	6%

Source: CCSF Hiring Data Report, Fall 2010, Spring 2011, Fall 2011

Classified CCSF staff who are laid off have bumping rights to City jobs

California Education Code Section 88137 provides that CCSF classified employees are employed pursuant to the terms of the City's Charter and the Charter provisions establishing the Civil Service Commission. According to the Civil Service Commission, CCSF employees in job classes that are shared with the City may transfer, promote, and, if laid off may displace or "bump", into City positions.

CCSF has at least 24 existing classifications that correspond to City classifications and for which incumbents would have the right to transfer, promote or bump into City jobs, as shown in Exhibit 16 below.

Exhibit 16: CCSF Classifications that would have Bumping Rights to City and County of San Francisco Classifications

Class	Title
1021	IS Administrator I
1022	IS Administrator II
1220	Payroll Clerk
1227	Testing Technician
1402	Junior Clerk
1404	Clerk
1406	Senior Clerk
1408	Principal Clerk
1424	Clerk Typist
1426	Senior Clerk Typist
1446	Secretary II
1630	Account Clerk
1632	Senior Account Clerk
1760	Offset Machine Operator
1762	Senior Offset Machine Operator
1822	Administrative Analyst
1840	Junior Management Assistant
1844	Senior Management Assistant
2708	Custodian
3616	Library Technical Assistant I
3618	Library Technical Assistant II
7334	Senior Stationary Engineer
8204	Institutional Police Officer
9702	Employment Training Specialist

Individuals in these classifications may transfer or promote into City jobs, even without lay off, but in addition, laid-off CCSF employees in these classifications may displace existing City staff if they are more senior. The actual impact on City employees would depend on the number of vacant City positions in these classifications that could be filled by CCSF employees, and if sufficient vacant positions are not available, the number of CCSF employees in these classifications that are more senior than and would chose to displace City employees.

Attachment I

		Summary of Recommendations	CCSF Follow Up to Recommendations	Commission's Letter
1	Mission Statement	Establish a prescribed process and timeline to regularly review mission statement and revise as necessary	Partial	
2	Planning	Develop a strategy for fully implementing its existing planning process to look at each campus and site; examine revenues and expenses, and systematically address instructional program planning, staffing requirements, student and library services (including facilities needs and competing priorities)	Partial	
3	Assessing Effectiveness	Fully implement model for program review for all courses, programs, and support services; and advance framework for defining and assessing student learning outcomes (develop and report performance metrics including non-credit students)	Complete	Nearly Resolved
4	Student Learning Outcomes	Identify student learning outcomes by course, program, general education, certificate and degree levels; implement student learning assessments and evaluate results to improve learning	Complete	
5	Student Support Services	Assess and improve effectiveness of support services	Partial	
6	Human Resources	Evaluation of faculty and other staff who support students, including how staff effectiveness in bringing about learning outcomes	Complete	Fully Addressed
7	Human Resources	Assess adequacy of number of qualified classified staff and administrators and the appropriateness of their preparation and experience	Partial	
8	Physical Resources	Incorporate facility maintenance costs into long-term planning and budgets and allocate resources	Partial	
9	Technology Resources	Develop plan for equipment maintenance, upgrade and replacement	Complete	Fully Addressed
10	Financial Planning	Use mission statement to inform allocation of resources (match expenditures to revenues; increase reserves)	Partial	
11	Financial Integrity	Provide accurate and timely reporting of financial information	Partial	
12	Governance	Engage external services on developing leadership and governance	Partial	
13	Governance	Evaluate and improve college's governance structure	Partial	
14	Effective Board Organization	Act in a manner consistent with policies and by-laws; implement plan for board effectiveness	Partial	

Course	Median Wage	Community College Graduates 2011-2012				Annual Job Growth and Replacement in San Francisco, San Mateo and Marin Counties		
		CCSF	Marin	San Mateo	Total	Number of Jobs	Percent of Community College Graduates Compared to Number of Jobs	Market Value of Jobs Potentially Filled by CCSF Graduates
Accounting	$47,611	69	10	179	258	332	78%	3,285,159
Criminal Justice	$77,755	70	6	90	166	220	75%	5,442,850
Medical Assisting	$41,247	50	30	62	92	112	82%	2,062,350
Alcohol and Substance Abuse	$37,107	25	0	15	15	23	65%	927,675
Graphic Design, Web Design, Commercial Art	$66,082	78	1	22	101	273	37%	5,154,396
Architectural and Other Drafting	$59,777	17	2	3	22	34	65%	1,016,209
Automotive Technology	$48,391	76	9	272	357	239	149%	3,677,716
Aviation Airframe and Powerplant Mechanics	$56,209	3		0	3	102	3%	168,627
Banking and Finance	$82,498	7			7	86	8%	577,484
Biotechnology and Biomedical Instrumentation	$68,263	66		8	74	120	62%	4,505,358
Business and Commerce	$76,319	64	17	111	192	603	32%	4,884,416
Child Development and Preschool Education	$28,748	168	2	150	320	399	80%	4,829,587
Child Development Administration	$53,215	50			50	17	294%	904,655
Construction Management	$115,950	19		7	26	86	30%	2,203,050
Community Health Care Worker	$39,580	80		9	89	87	102%	3,443,460
IT Infrastructure/Support/Administration	$67,945	202	1	21	224	334	67%	13,724,818
Culinary Arts	$51,177	115		0	115	54	213%	2,763,558
Dental Assistant	$48,102	13	18	35	66	85	78%	625,326
Educational Aide	$32,760	7			7	203	3%	229,320
Electrocardiography	$53,491	53			53	5	1060%	267,455
Electronics and Electric Technology	$68,293	20		33	53	18	294%	1,229,274
Emergency Medical Services/Paramedic	$45,495	71		68	139	25	556%	1,137,375
Environmental Control Technology	$52,947	3		3	6	34	18%	158,841
Fashion Design	$68,046	12		25	37	14	264%	952,644
Marketing, Including Fashion Merchandising	$68,747	28		6	34	111	31%	1,924,916
Film Production	$67,803	4		0	4	34	12%	271,212

Course	Median Wage	Community College Graduates 2011-2012				Annual Job Growth and Replacement in San Francisco, San Mateo and Marin Counties		
		CCSF	Marin	San Mateo	Total	Number of Jobs	Percent of Community College Graduates Compared to Number of Jobs	Market Value of Jobs Potentially Filled by CCSF Graduates
Fire Technology	$72,540	64		43	107	103	104%	7,471,620
Floristry	$29,847	3		5	8	13	62%	89,541
Forensics	$73,262	16		0	16	30	53%	1,172,192
Health Information Technology and Coding	$46,956	114		15	129	26	496%	1,220,856
Home Health Aide and Other Health Occupations	$28,589	53			53	441	12%	1,515,217
Interior Design and Merchandising	$68,303	6	1	42	49	84	58%	409,818
Landscape Design and Maintenance	$51,958	11	3	1	15	24	63%	571,538
Library Technician	$55,241	30			30	27	111%	1,491,507
Licensed Vocational Nurse	$62,507	87			87	116	75%	5,438,109
Lodging Management	$63,847	14			14	28	50%	893,858
Management Development and Supervisors	$72,728	20			20	437	5%	1,454,560
Motorcycle Repair		26			26			0
Multimedia and Animation	$72,261	32	8	16	56	176	32%	2,312,352
Office Technology	$60,762	240		49	289	364	79%	14,582,880
Paralegal	$69,887	7		53	60	106	57%	489,209
Pharmacy Technology	$41,189	25			25	82	30%	1,029,725
Plumbing, Pipefitting, Steamfitting	$54,134	7		29	36	115	31%	378,938
Printing and Lithography	$46,586	10			10	24	42%	465,860
Radiation Therapy Technician		6			6			0
Radiologic Technician	$83,295	20		7	27	35	77%	1,665,900
Radio and Television	$49,813	39		3	42	97	43%	1,942,707
Real Estate	$78,521	16	1	5	22	173	13%	1,256,336
Registered Nursing	$112,801	77	40	57	174	599	29%	8,685,677
Restaurant and Food Service Management	$57,443	28			28	169	17%	1,608,404
Retail Stores Operations and Management	$41,765	1		17	18	360	5%	41,765
Travel and Tourism	$33,692	25			25	37	68%	842,300
Total		2,272	149	1,461	3,882	7,204		123,398,600

EXHIBIT B

KQED News

NEWS FIX (HTTPS://WW2.KQED.ORG/NEWS/PROGRAMS/NEWS-FIX/)

San Francisco Measures Value of CCSF

By KQED News Staff (https://ww2.kqed.org/news/author/kqed/)
SEPTEMBER 19, 2013

SHARE

By Sara Bloomberg

With the deadline for City College of San Francisco to lose its accreditation less than 10 months out, city officials are questioning its economic impact on the city.

San Francisco City Supervisors Eric Mar, Mark Farrell and John Avalos at a hearing Wednesday on the economic impact of CCSF. (Sara Bloomberg / KQED)

The answer appears to be at least $311 million.

At a Budget and Finance Committee hearing on Wednesday, Supervisor Eric Mar called an evaluation (http://www.sfbos.org/Modules/ShowDocument.aspx?documentid=46531) he had requested on the college's economic impact "groundbreaking."

"I think this report is groundbreaking because it quantifies a huge economic impact to the city and county of San Francisco and so many families and people of San Francisco, young and old, that have improved their lives" by taking classes there, Mar said. CCSF is the largest community college in the state, with 80,000 students enrolled in the 2012-2013 academic year.

Severin Campbell, a representative of the city's Budget and Legislative Analyst office, presented the findings of the report, which breaks down the economic impact into two main categories: grant funding and jobs.

The school received $188 million in state and federal grants in the 2011-12 fiscal year, and the market value of the jobs attained by City College graduates during the same period was $123 million, according to the report.

For our complete coverage of the possible closure of City College, see here (http://ww2.kqed.org/news/tag/city-college-of-san-francisco/).

Additionally, more than 2,400 faculty, administrative and classified jobs would be lost if the school were to close, Campbell said. She added that some of the classified workers would be eligible to work for the city, but faculty positions at other educational institutions in the Bay Area would be harder to find.

But even these numbers don't account for the fallout that the accreditation process has had on the school, in addition to several years of state-level budget cuts, said Alisa Messer, president of the faculty union AFT Local 2121.

"The report doesn't fully capture what has happened in the last year or so since the accreditation challenges really came to the forefront. There are at least 150 less faculty at City College of San Francisco compared to [last] fall."

The analyst's office also determined that students would incur higher costs if forced to transfer to a private, for-profit two-year program elsewhere. Many similar programs at other Bay Area community colleges are full.

Additionally, City College graduates get better paying jobs and earn about $11,000 more annually than those with only a high school diploma, and non-English speakers make about $13,500 less per year than other workers who speak English well, according to the report. Students in non-credit classes, including English as a Second Language courses, make up about half of all enrollment at the college.

In addition to job training and preparing to transfer to a four-year university, many San Franciscans take classes to pick up an extra skill.

"I went back [to school at City College] to learn the languages that my students spoke," retired high school teacher Hene Kelly said, "so I could be a better teacher."

For others, the school provides a way to overcome poverty and other disadvantaged situations, Supervisor Mar said.

"City College is part of the city's economic ladder that allows some level of mobility" for people who are locked into poverty, he said. "To lose City College would be like kicking the ladder out from under the most vulnerable populations."

EXPLORE: EDUCATION (HTTPS://WW2.KQED.ORG/NEWS/CATEGORY/EDUCATION/), NEWS (HTTPS://WW2.KQED.ORG/NEWS/CATEGORY/NEWS/), CITY COLLEGE OF SAN FRANCISCO (HTTPS://WW2.KQED.ORG/NEWS/TAG/CITY-COLLEGE-OF-SAN-FRANCISCO/), SAN FRANCISCO (HTTPS://WW2.KQED.ORG/NEWS/TAG/SAN-FRANCISCO/)

File #180163 Received in Committee 3/15/18 [illegible]

Balboa Reservoir Project

Findings of Fiscal Feasibility (Administrative Code, Chapter 29)

Budget & Finance Sub-Committee March 15, 2018

2105

SAN FRANCISCO


SUNNYSIDE
Balboa Park
280
City College of San Francisco
Balboa Reservoir Public Site
WESTWOOD PARK
INGLESIDE

Findings of Fiscal Feasibility

- Administrative Code, Chapter 29:

  "Prior to submittal to the Planning Department of an environmental evaluation application" to begin the CEQA process, the project "shall seek and procure a Board of Supervisors determination that the plan for undertaking and implementing the project is fiscally feasible and responsible, as set forth in this Chapter 29."

2107

- Balboa Reservoir Resolution:
  - Findings of fiscal feasibility
  - Authorization to begin environmental review
  - Does not constitute project approval

Balboa Reservoir Project History

- **Nov. 2014** – Announced as Public Lands for Housing site
- **Nov. 2014** – June 2015 – Initial community outreach
- **April 2015** – CAC established (26 meetings to date)
- **Aug. 2015 – Sept. 2016** – Development Principles & Parameters established (16 CAC meetings)
- **Nov. 2016 – Aug. 2017** – Developer selection process

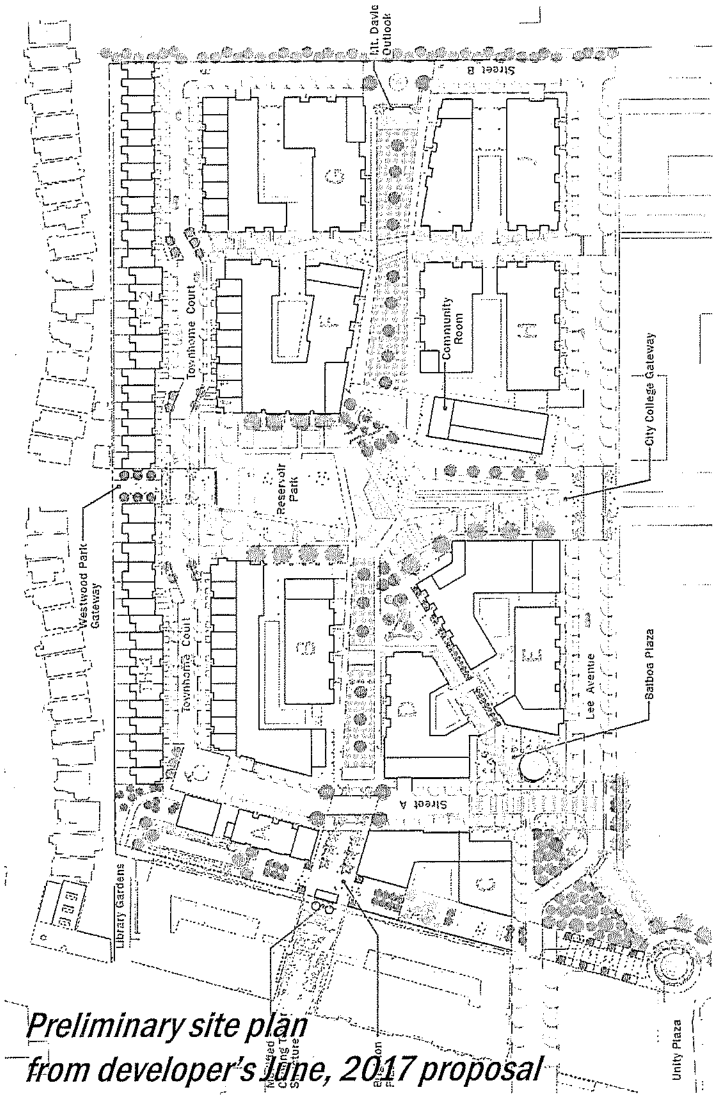
  Selected Development Team:

  BRIDGE Housing & AvalonBay Communities (master developers) with Mission Housing, Habitat for Humanity, Pacific Union Development Co.

- **Nov. 2017** – Exclusive negotiating agreement (ENA) between City (SFPUC) and development team

SAN FRANCISCO

Development Overview



Preliminary site plan from developer's June, 2017 proposal

- 1,100 housing units
- 50% permanently affordable housing
    - 18% low-income
    - 15% moderate-income
    - 17% low, moderate and middle (with public financing)
- At least 4 acres of open space
- City College collaboration, including:
    - Housing serving CCSFcommunity
    - Shared parking garage
- Transportation demand management and sustainability plans
- Childcare center and community room
- Workforce requirements including prevailing wage, apprenticeship, local hire, and LBE

2109

NEW TAX REVENUE TO THE CITY EACH YEAR

- **General Tax Revenue = $4 million**
  - Property tax *($2.7 million)*
  - Property tax in-lieu of VLF *($560,000)*
  - Property transfer tax *($390,000)*
  - Sales tax *($260,000)*
  - Parking tax (City share) *($100,000)*
  - Gross receipts tax *($60,000)*

2110

- **Other Dedicated Revenue to City = $1 million**
  - Property tax dedicated to specific use *($410,000)*
  - Parking tax (SFMTA share) *($380,000)*
  - Public safety sales tax *($130,000)*
  - SFCTA sales tax *($130,000)*
- **Education Funds (ERAF, SFUSD) = $1.6 million**

Fiscal Feasibility Report Findings

ESTIMATED CITY COSTS

- **City services provided to the project = $1.5 million**
  - Road Maintenance ($80,000)
  - Police ($850,000)
  - Fire Department ($610,000)

2111

Fiscal Feasibility Report Findings

COMPARISON OF REVENUES & COSTS

	Annual Amount
General Fund Revenue Collected	**$4,060,000**
Minus Public Service Expenditures	- $1,540,000
Road maintenance ($80,000)	
Police ($850,000)	
Fire ($610,000)	
Minus Set-Asides (MTA, libraries, children's services)	- $810,000
Unencumbered General Fund Revenue	**$1,710,000**
Other Dedicated Revenue	**$1,050,000**
Education Funds (ERAF, SFUSD)	**$1,560,000**

2112

ADDITIONAL ONE-TIME REVENUES

- **Impact Fees = $23 million**
  - Balboa Park Community Infrastructure Fee ($9.2 million)
  - Childcare Fee ($2.3 million)
  - Transportation Sustainability Fee ($11.3 million)
  - A portion of these fees may be credited if project provides certain "in-kind" public benefits
- **School Fees = $4 million**
- **Taxes During Construction = $3.3 million**
  - Sales tax ($1.4 million)
  - Gross receipts tax ($1.9 million)

2113

Fiscal Feasibility Report Findings

ADDITIONAL FISCAL & ECONOMIC BENEFITS

Job Creation

- **2,800 construction job-years**
  - Each job year is one year of full-time employment for one worker
- **41 permanent jobs on site**
  - Maintenance, property management, childcare services, parking operations

2114

Benefits to the SFPUC

- Revenue from land sale (benefits ratepayers)
- Opportunity to serve as power provider

Fiscal Feasibility Report Findings

HOUSING SUBSIDY COST

- First 33% affordable housing is developer's responsibility
- Public financing required for the additional 17% affordable housing (to get to 50% total)
- 17% of 1,100 housing units = 187 affordable homes
- Current subsidy estimate is $26 million (total, not annual)
- Potential public financing sources may include state sources, reinvestment of net tax revenues, future housing bonds, proposed gross receipts tax increase

NEXT STEPS

- April 2018 – Submit environmental evaluation application to Planning Department
- 2018
  - Technical studies and environmental analysis (includes parking and transportation)
  - Continued project feedback from CAC, community, CCSF
  - Refinement of design and development program
  - Begin negotiation of development agreement, purchase agreement
- 2019
  - Draft EIR, response to public comments, Final EIR
  - Conclude feedback, project refinement, and negotiation processes
  - Project approvals (Board of Supervisors, SFPUC Commission, Planning Commission)

AFFORDABLE HOUSING CONSIDERATIONS

Budget & Legislative Analyst Recommendations

- Standard Practices for Development Agreements
  - Build affordable housing commensurately with market rate housing
  - Rigorous financial modeling of cash flows, affordable housing cross subsidy
  - Permanent affordability restrictions
- Project-Specific Considerations for Adjacent Off-Site Housing

2117

REPORTING BACK TO THE BOARD OF SUPERVISORS

- Work with Supervisor Yee to determine timing and format
- Topics to include:
  - Affordable housing
    - Funding source for additional 17% affordability
    - Anticipated land ownership
    - Adherence to City requirements
  - City College collaboration
  - Shared parking garage
  - Transportation and parking analysis
  - Additional topics as directed

Print Form

RECEIVED
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or meeting date

Introduction Form

By a Member of the Board of Supervisors or Mayor

I hereby submit the following item for introduction (select only one):

- [x] 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- [ ] 2. Request for next printed agenda Without Reference to Committee.
- [ ] 3. Request for hearing on a subject matter at Committee.
- [ ] 4. Request for letter beginning :"Supervisor [ ] inquiries"
- [ ] 5. City Attorney Request.
- [ ] 6. Call File No. [ ] from Committee.
- [ ] 7. Budget Analyst request (attached written motion).
- [ ] 8. Substitute Legislation File No. [ ]
- [ ] 9. Reactivate File No. [ ]
- [ ] 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- [ ] Small Business Commission
- [ ] Youth Commission
- [ ] Ethics Commission
- [ ] Planning Commission
- [ ] Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Yee, Safai

Subject:

Fiscal Feasibility Findings – Reservoir Community Partners, LLC - Development of Balboa Reservoir Site - Fiscal Feasibility

The text is listed:

See attached.

Signature of Sponsoring Supervisor: Norman Yee

For Clerk's Use Only