File No. 190162

Petitions and Communications received from January 28, 2019, through February 4, 2019, for reference by the President to Committee considering related matters, or to be ordered filed by the Clerk on February 12, 2019.

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

From the Office of the Treasurer & Tax Collector, pursuant to California State Government Code, Section 53646, submitting the City and County of San Francisco Pooled Investment Report for the month of December 2018. Copy: Each Supervisor. (1)

From Chief William Scott, San Francisco Police Department, pursuant to Resolution No. 399-17, submitting the six-month SFPD Property Crime Unit report. Copy: Each Supervisor. (2)

From the Office of the Controller, submitting a report, entitled "Guidelines for Cost Categorization in Nonprofit Contracts and Grants - Version 1.2: January 2019." Copy: Each Supervisor. (3)

From Christina A. Varner, Deputy Director, San Francisco Rent Board, pursuant to Section 37.9E(j) of the Rent Ordinance, Chapter 37 of the San Francisco Administrative Code, submitting its third annual report regarding implementation of Section 37.9E ("Buyout Ordinance"). Copy: Each Supervisor. (4)

From San Francisco Public Utilities Commission, submitting a Request to Waive Ordinance 12B Compliance Certification at its Sunol Valley Water Treatment Plant. Copy: Each Supervisor. (5)

From San Francisco Public Utilities Commission, pursuant to Resolution No. 227-18, submitting their Quarter 2 Power Report. Copy: Each Supervisor. (6)

From the San Francisco Planning Department, submitting a Notice of Availability of and Intent to Adopt a Mitigated Negative Declaration in digital format for 915 Cayuga Avenue. Copy: Each Supervisor. (7)

From Craig D. Fair, Deputy Special Agent in Charge of the Federal Bureau of Investigation - San Francisco Division, addressing issues concerning FBI authorities. Copy: Each Supervisor. (8)

From Anand Singh, President of UNITE HERE, Local 2, submitting a letter and report regarding "How Marriott's Corporate Practices Fuel Growing Racial Inequality in America." Copy: Each Supervisor. (9)

From Andrew M. Zacks of Zacks, Freedman & Patterson, PC, regarding revising the definition of Tourist or Transient Use under the Hotel Conversion Ordinance. File No. 190049. Copy: Each Supervisor. (10)

From Susan Vaughan, regarding Uber, Lyft and Genentech shuttles operating in bus stops. 2 letters. Copy: Each Supervisor. (11)

From P. Meserve Platt, regarding proposal to expand the Clipper Cove Marina, Treasure Island. Copy: Each Supervisor. (12)

Ellen Lee Zhou, regarding conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses. File No. 190108. Copy: Each Supervisor. (13)

From Louis Gauci, regarding the torture and illegal dog and cat meat trade in Seoul, South Korea. Copy: Each Supervisor. (14)

From Tushar Karkhanis, regarding protecting consumers from PG&E liabilities. Copy: Each Supervisor. (15)

From Paola Horevicz Hurtado, ABC License Company, submitting a letter of continuance request for a Type 42 Liquor License for Museum of Ice Cream, located at 1 Grant Avenue. File No. 181025. Copy: Each Supervisor. (16)

From Patrick MacCartee, CEO of Tank18 Winery, regarding the issuance of a Type-20 Liquor License for Porky's Palace LLC, dba Tank18, located at 1345 Howard Street. File No. 181032. 38 letters. Copy: Each Supervisor. (17)

From Brian R. Zaik, regarding problems with SFMTA Muni Metro services. Copy: Each Supervisor. (18)

From Paula Leslie, CPMC VNC on call parking. Copy: Each Supervisor. (19)

From concerned citizens, regarding the SFMTA's revised rules for taxi medallions. File No. 190119. 22 Letters. Copy: Each Supervisor. (20)

All-

Please find the CCSF Pooled Investment Report for the month of December attached for your use.

Regards,

Ichieh Dion City and County of San Francisco 1 Dr. Carlton B. Goodlett Place, Room 140 San Francisco, CA 94102 415-554-5433

Office of the Treasurer & Tax Collector City and County of San Francisco



January 15, 2019

Tajel Shah, Chief Assistant Treasurer Robert L. Shaw, CFA, Chief Investment Officer

Investment Report for the month of December 2018

The Honorable London N. Breed Mayor of San Francisco City Hall, Room 200 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4638 The Honorable Board of Supervisors City and County of San Franicsco City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4638

Ladies and Gentlemen,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of December 31, 2018. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of December 2018 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Investment Earnings Statistics *

			Current Month		Prior Month				
(in	\$ million)	Fiscal YTD	December 2018	Fiscal YTD	November 2018				
Average Da	ily Balance	\$ 10,047	\$ 10,654	\$ 9,924	\$ 10,055				
Net Earning	IS	110.66	21.23	89.43	18.81				
Earned Inco	ome Yield	2.18%	2.35%	1.79%	2.20%				
CCSF Pooled Fund Statis	stics *								
(in \$ million)	% of	Book	Market	Wtd. Avg.	Wtd. Avg.				
Investment Type	Portfolio	Value	Value	Coupon	ΥTM	WAM			
U.S. Treasuries	9.03%	\$ 964.1	\$ 964.1	1.02%	2.10%	385			
Federal Agencies	48.36%	5,190.4	5,160.7	2.08%	2.17%	627			
State & Local Government									
Agency Obligations	1.30%	141.7	139.0	2.22%	1.96%	503			
Public Time Deposits	0.33%	35.2	35.2	2.49%	2.49%	142			
Negotiable CDs	18.50%	1,972.8	1,973.9	2.83%	2.83%	200			
Commercial Paper	9.44%	1,001.4	1,007.2	0.00%	2.75%	135			
Medium Term Notes	0.92%	98.3	98.2	2.39%	2.52%	134			
Money Market Funds	4.39%	468.7	468.7	2.22%	2.22%	1			
Supranationals	7.72%	825.6	824.1	3.53%	2.37%	574			
Totals	100.0%	\$ 10,698.2	\$ 10,671.2	1.94%	2.36%	440			

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Very truly yours,

José Cisneros Treasurer

cc: Treasury Oversight Committee: Aimee Brown, Kevin Kone, Reeta Madhavan, Eric Sandler Ben Rosenfield - Controller, Office of the Controller Tonia Lediju, Ph.D. - Chief Audit Executive, Office of the Controller Mayor's Office of Public Policy and Finance San Francisco County Transportation Authority San Francisco Public Library San Francisco Health Service System

Portfolio Summary Pooled Fund

As of December 31, 2018

(in \$ million)		Book	Market	Market/Book	Current %	Max. Policy	
Security Type	Par Value	Value	Value	Price	Allocation	Allocation	Compliant?
U.S. Treasuries	\$ 975.0	\$ 964.1	\$ 964.1	100.00	9.03%	100%	Yes
Federal Agencies	5,194.9	5,190.4	5,160.7	99.43	48.36%	100%	Yes
State & Local Government							
Agency Obligations	140.1	141.7	139.0	98.16	1.30%	20%	Yes
Public Time Deposits	35.2	35.2	35.2	100.00	0.33%	100%	Yes
Negotiable CDs	1,972.8	1,972.8	1,973.9	100.05	18.50%	30%	Yes
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes
Commercial Paper	1,018.0	1,001.4	1,007.2	100.58	9.44%	25%	Yes
Medium Term Notes	98.5	98.3	98.2	99.86	0.92%	25%	Yes
Repurchase Agreements	-	-	-	-	0.00%	10%	Yes
Reverse Repurchase/							
Securities Lending Agreements	-	-	-	-	0.00%	\$75mm	Yes
Money Market Funds - Government	468.7	468.7	468.7	100.00	4.39%	20%	Yes
LAIF	-	-	-	-	0.00%	\$50mm	Yes
Supranationals	829.5	825.6	824.1	99.83	7.72%	30%	Yes
TOTAL	\$ 10,732.7	\$ 10,698.2	\$ 10,671.2	99.75	100.00%	-	Yes

The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on both a par and market value basis, using the result with the lowest percentage of the overall portfolio value. Cash balances are included in the City's compliance calculations.

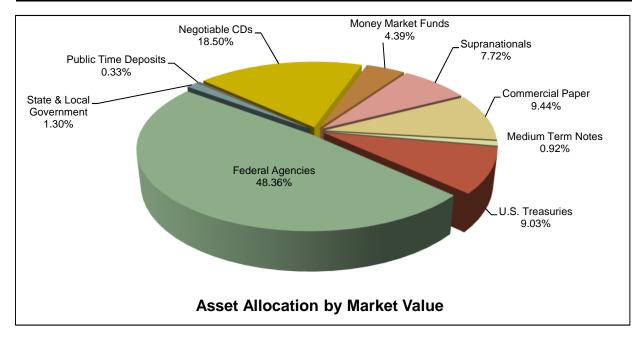
Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution. The full Investment Policy can be found at http://www.sftreasurer.org/, in the Reports & Plans section of the About menu.

Totals may not add due to rounding.

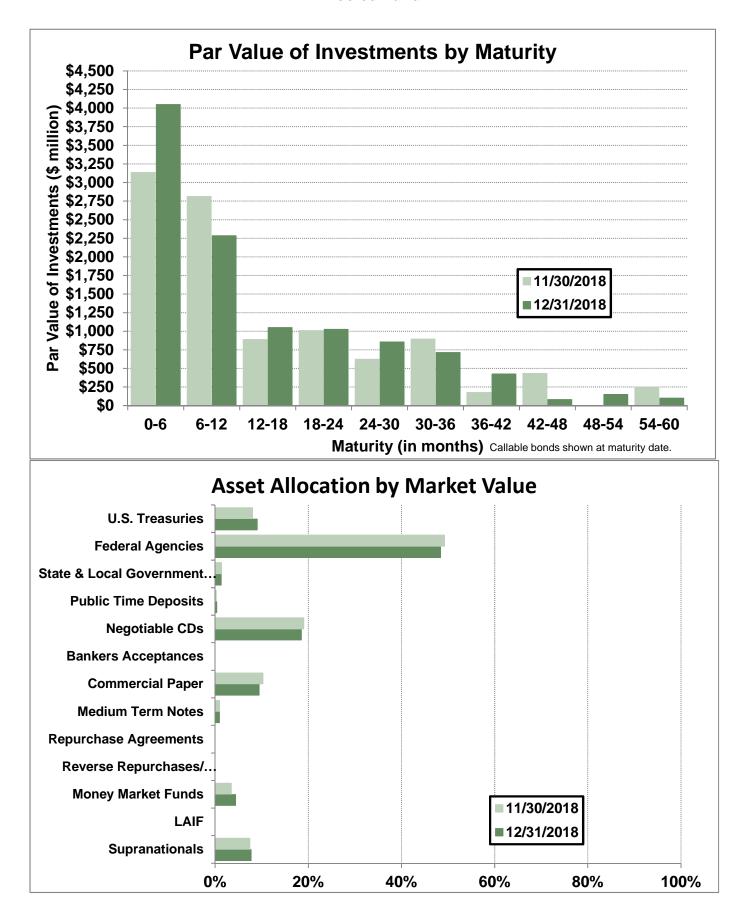
City and County of San Francisco Pooled Fund Portfolio Statistics

For the month ended December 31, 2018

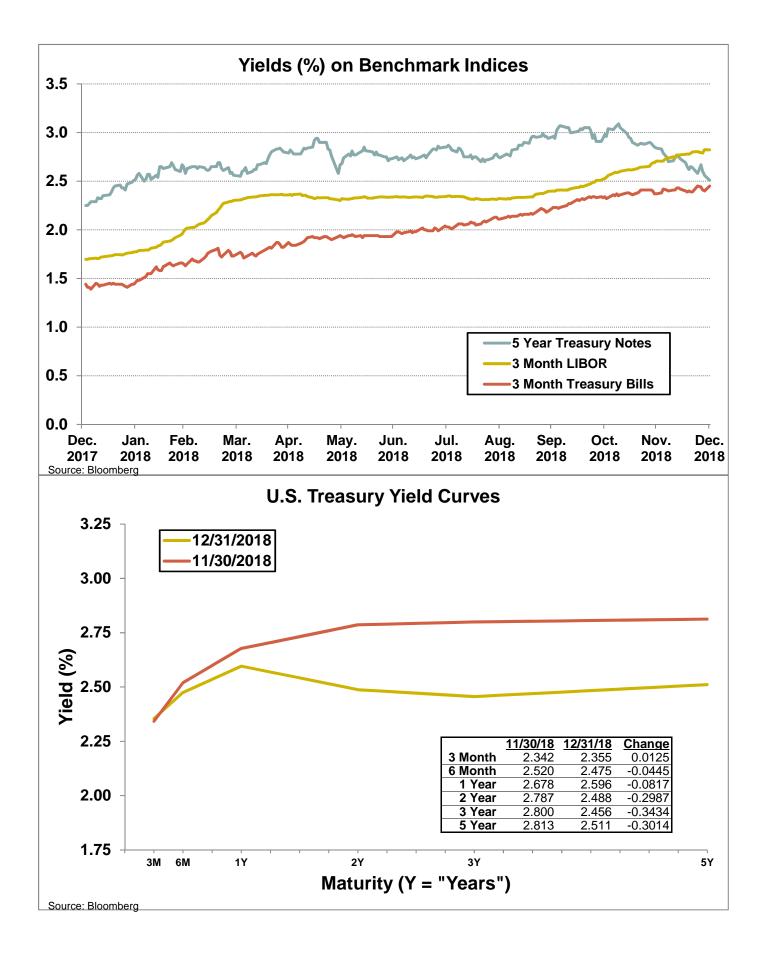
Average Da Net Earning Earned Inco Weighted A		\$10					
Investment Type	(\$ million)		Par Value		Book Value		Market Value
U.S. Treasuries	(¢	\$	975.0	\$	964.1	\$	964.1
Federal Agencies		Ŧ	5.194.9	Ŧ	5,190.4	Ŧ	5,160.7
State & Local Governmer	nt		-,		-,		-,
Agency Obligations			140.1		141.7		139.0
Public Time Deposits			35.2		35.2		35.2
Negotiable CDs			1,972.8		1,972.8		1,973.9
Commercial Paper			1,018.0		1,001.4		1,007.2
Medium Term Notes			98.5		98.3		98.2
Money Market Funds			468.7		468.7		468.7
Supranationals			829.5		825.6		824.1
Total		\$	10.732.7	\$	10.698.2	\$	10.671.2



Portfolio Analysis Pooled Fund



Yield Curves



As of December 31, 2018											
			Maturity				Amortized				
Type of Investment	CUSIP	Issuer Name	Settle Date Date	Coupon	Par Value	Book Value	Book Value	Market Value			
U.S. Treasuries	912796UJ6	TREASURY BILL	12/28/2018 01/15/2019	0.00 \$	50,000,000 \$	49,943,500 \$	49,956,056 \$	49,959,000			
U.S. Treasuries	912828N63	US TREASURY	06/25/2018 01/15/2019	1.13	15,000,000	14,914,453	14,994,129	14,993,850			
U.S. Treasuries	912828V56	US TREASURY	02/15/2018 01/31/2019	1.13	50,000,000	49,574,219	49,963,504	49,952,000			
U.S. Treasuries	912828P53	US TREASURY	04/12/2018 02/15/2019	0.75	50,000,000	49,437,500	49,918,083	49,903,000			
U.S. Treasuries	912796PT0	TREASURY BILL	03/01/2018 02/28/2019	0.00	50,000,000	48,978,778	49,837,278	49,811,500			
U.S. Treasuries	912828Q52	US TREASURY	05/10/2018 04/15/2019	0.88	50,000,000	49,371,094	49,807,629	49,780,500			
U.S. Treasuries	912828Q52	US TREASURY	06/07/2018 04/15/2019	0.88	50,000,000	49,394,531	49,798,177	49,780,500			
U.S. Treasuries	912828R44	US TREASURY	05/10/2018 05/15/2019	0.88	35,000,000	34,499,609	34,818,777	34,793,500			
U.S. Treasuries	912796QH5	TREASURY BILL	05/24/2018 05/23/2019	0.00	60,000,000	58,619,833	59,461,583	59,429,400			
U.S. Treasuries	912828XS4	US TREASURY	06/20/2017 05/31/2019	1.25	50,000,000	49,896,484	49,978,131	49,744,000			
U.S. Treasuries	912796QM4	TREASURY BILL	10/01/2018 06/20/2019	0.00	40,000,000	39,300,606	39,546,194	39,541,200			
U.S. Treasuries	912828T59	US TREASURY	05/18/2018 10/15/2019	1.00	25,000,000	24,492,188	24,717,005	24,684,500			
U.S. Treasuries	912828T59	US TREASURY	08/15/2018 10/15/2019	1.00	50,000,000	49,134,766	49,417,084	49,369,000			
U.S. Treasuries	9128283N8	US TREASURY	01/16/2018 12/31/2019	1.88	50,000,000	49,871,094	49,934,283	49,636,500			
U.S. Treasuries	912828XU9	US TREASURY	06/20/2017 06/15/2020	1.50	50,000,000	49,982,422	49,991,445	49,273,500			
U.S. Treasuries	912828XU9	US TREASURY	12/20/2018 06/15/2020	1.50	100,000,000	98,333,104	98,349,793	98,547,000			
U.S. Treasuries	912828S27	US TREASURY	08/15/2017 06/30/2021	1.13	25,000,000	24,519,531	24,690,666	24,196,250			
U.S. Treasuries	912828T67	US TREASURY	11/10/2016 10/31/2021	1.25	50,000,000	49,574,219	49,757,567	48,332,000			
U.S. Treasuries	912828U65	US TREASURY	12/13/2016 11/30/2021	1.75	100,000,000	99,312,500	99,596,525	97,984,000			
U.S. Treasuries	912828XW5	US TREASURY	08/15/2017 06/30/2022	1.75	25,000,000	24,977,539	24,983,899	24,394,500			
Subtotals	512020////5		00/13/2011 00/30/2022	0.90 \$	975,000,000 \$	964,127,970 \$	969,517,808 \$	964,105,700			
				•			, , ,	, , ,			
Federal Agencies	3133EGDM4	FEDERAL FARM CREDIT BANK	06/02/2016 01/02/2019	2.51 \$	25,000,000 \$	25,000,000 \$	25,000,000 \$	25,000,000			
Federal Agencies	3133EG2V6	FEDERAL FARM CREDIT BANK	01/03/2017 01/03/2019	2.40	25,000,000	25,000,000	25,000,000	25,000,250			
Federal Agencies	313384AJ8	FED HOME LN DISCOUNT NT	12/13/2018 01/09/2019	0.00	50,000,000	49,912,625	49,974,111	49,977,000			
Federal Agencies	3130AAE46	FEDERAL HOME LOAN BANK	04/04/2018 01/16/2019	1.25	8,270,000	8,214,426	8,267,095	8,265,865			
Federal Agencies	3134GAH23	FREDDIE MAC	01/17/2017 01/17/2019	2.00	25,000,000	25,000,000	25,000,000	24,997,000			
Federal Agencies	3130A8VZ3	FEDERAL HOME LOAN BANK	07/28/2016 01/25/2019	1.05	25,000,000	25,000,000	25,000,000	24,978,000			
Federal Agencies	3132X0EK3	FARMER MAC	01/25/2016 01/25/2019	2.59	25,000,000	25,000,000	25,000,000	25,004,250			
Federal Agencies	3134GAS39	FREDDIE MAC	02/01/2017 02/01/2019	2.00	25,000,000	25,000,000	25,000,000	24,993,500			
Federal Agencies	3132X0R94	FARMER MAC	04/05/2018 02/15/2019	2.14	25,000,000	25,000,000	25,000,000	24,998,750			
Federal Agencies	3133EGBU8	FEDERAL FARM CREDIT BANK	05/25/2016 02/25/2019	2.68	50,000,000	50,000,000	50,000,000	50,018,000			
Federal Agencies	3130AAXX1	FEDERAL HOME LOAN BANK	04/06/2018 03/18/2019	1.38	9,500,000	9,429,985	9,484,621	9,478,435			
Federal Agencies	3130AAXX1	FEDERAL HOME LOAN BANK	04/06/2018 03/18/2019	1.38	50,000,000	49,621,252	49,916,807	49,886,500			
Federal Agencies	3132X0ED9	FARMER MAC	01/19/2016 03/19/2019	2.87	40,000,000	40,000,000	40,000,000	40,020,400			
Federal Agencies	3133EJHG7	FEDERAL FARM CREDIT BANK	03/22/2018 03/22/2019	2.13	25,000,000	24,993,050	24,998,477	24,982,750			
Federal Agencies	3133EJHG7	FEDERAL FARM CREDIT BANK	03/22/2018 03/22/2019	2.13	25,000,000	24,993,050	24,998,477	24,982,750			
Federal Agencies	3134GBFR8	FREDDIE MAC	04/05/2017 04/05/2019	1.40	25,000,000	25,000,000	25,000,000	24,936,250			
Federal Agencies	3137EADZ9	FREDDIE MAC	05/10/2018 04/15/2019	1.13	19,979,000	19,765,424	19,913,671	19,904,478			
Federal Agencies	3133EF7L5	FEDERAL FARM CREDIT BANK	06/06/2018 05/16/2019	1.17	5,900,000	5,835,100	5,874,531	5,869,910			
Federal Agencies	3133EGAV7	FEDERAL FARM CREDIT BANK	12/05/2017 05/17/2019	1.17	50,350,000	49,861,605	50,224,201	50,103,789			
Federal Agencies	3136G3QP3	FANNIE MAE	05/24/2016 05/24/2019	1.25	10,000,000	10,000,000	10,000,000	9,950,200			
Federal Agencies	3130ABF92	FEDERAL HOME LOAN BANK	05/12/2017 05/28/2019	1.38	30,000,000	29,943,300	29,988,827	29,853,600			
Federal Agencies	3133EHLG6	FEDERAL FARM CREDIT BANK	05/30/2017 05/30/2019	1.32	27,000,000	26,983,800	26,996,693	26,867,160			
Federal Agencies	3130AEFB1	FEDERAL HOME LOAN BANK	06/06/2018 06/06/2019	2.25	12,450,000	12,439,169	12,445,371	12,431,948			
Federal Agencies	3133EHMR1	FEDERAL FARM CREDIT BANK	06/12/2017 06/12/2019	1.38	50,000,000	50,000,000	50,000,000	49,736,000			
Federal Agencies	313379EE5	FEDERAL HOME LOAN BANK	06/09/2017 06/14/2019	1.63	25,000,000	25,105,750	25,023,596	24,891,750			
Federal Agencies	313379EE5	FEDERAL HOME LOAN BANK	08/23/2017 06/14/2019	1.63	25,000,000	25,108,750	25,027,023	24,891,750			
Federal Agencies	313379EE5	FEDERAL HOME LOAN BANK	08/09/2017 06/14/2019	1.63	35,750,000	35,875,840	35,780,620	35,595,203			
· cuciai / geneics	510010220		00,00,2017 00,14,2019	1.00	00,100,000	00,010,040	00,100,020	00,000,200			

			Maturity				Amortized	
Type of Investment	CUSIP	Issuer Name	Settle Date Date	Coupon	Par Value	Book Value	Book Value	Market Value
Federal Agencies		FREDDIE MAC	06/14/2016 06/14/2019	1.28	50,000,000	50,000,000	50,000,000	49,711,000
Federal Agencies	3130AC7C2	FEDERAL HOME LOAN BANK	08/23/2017 07/01/2019	1.40	15,000,000	15,005,400	15,001,444	14,910,750
Federal Agencies	3133EGJX4	FEDERAL FARM CREDIT BANK	05/23/2018 07/05/2019	1.08	35,370,000	34,836,267	35,127,989	35,108,969
Federal Agencies	3134G9YR2	FREDDIE MAC	07/12/2016 07/12/2019	2.00	50,000,000	50,000,000	50,000,000	49,901,500
Federal Agencies	3130A8Y72	FEDERAL HOME LOAN BANK	04/19/2018 08/05/2019	0.88	5,000,000	4,905,088	4,956,658	4,948,850
Federal Agencies	3130A8Y72	FEDERAL HOME LOAN BANK	05/10/2018 08/05/2019	0.88	6,000,000	5,886,596	5,945,807	5,938,620
Federal Agencies	3130A8Y72	FEDERAL HOME LOAN BANK	04/19/2018 08/05/2019	0.88	24,000,000	23,545,680	23,792,530	23,754,480
Federal Agencies	3130A8Y72	FEDERAL HOME LOAN BANK	09/27/2018 08/05/2019	0.88	36,010,000	35,531,207	35,647,019	35,641,618
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	06/09/2016 08/09/2019	2.57	25,000,000	25,000,000	25,000,000	25,038,000
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	06/09/2016 08/09/2019	2.57	25,000,000	25,000,000	25,000,000	25,038,000
Federal Agencies	3134G94F1	FREDDIE MAC	08/15/2016 08/15/2019	1.50	25,000,000	25,000,000	25,000,000	24,833,000
Federal Agencies	3133EGX67	FEDERAL FARM CREDIT BANK	12/20/2016 08/20/2019	2.59	50,000,000	50,000,000	50,000,000	50,048,500
Federal Agencies	3135G0P23	FANNIE MAE	08/30/2016 08/23/2019	1.25	20,000,000	20,000,000	20,000,000	19,824,800
Federal Agencies	3136G3X59	FANNIE MAE	08/23/2016 08/23/2019	1.10	25,000,000	25,000,000	25,000,000	24,750,250
Federal Agencies	3134G9GS0	FREDDIE MAC	05/26/2016 08/26/2019	1.25	25,000,000	25,000,000	25,000,000	24,764,000
Federal Agencies	3134GAFY5	FREDDIE MAC	11/28/2017 08/28/2019	1.30	8,450,000	8,374,795	8,421,828	8,370,063
Federal Agencies	3134GAHR8	FREDDIE MAC	09/23/2016 09/23/2019	2.00	25,000,000	25,000,000	25,000,000	24,949,750
Federal Agencies	3135G0Q30	FANNIE MAE	10/21/2016 09/27/2019	1.18	50,000,000	50,000,000	50,000,000	49,457,000
Federal Agencies	3132X0KH3	FARMER MAC	10/06/2016 10/01/2019	2.41	50,000,000	50,000,000	50,000,000	50,062,000
Federal Agencies	3133EJF79	FEDERAL FARM CREDIT BANK	10/10/2018 10/10/2019	2.65	36,000,000	35,987,760	35,990,543	36,001,800
Federal Agencies	3133EGXK6	FEDERAL FARM CREDIT BANK	12/01/2017 10/11/2019	1.12	20,000,000	19,732,000	19,888,300	19,764,600
Federal Agencies	3134G8TG4	FREDDIE MAC	04/11/2016 10/11/2019	1.50	15,000,000	15,000,000	15,000,000	14,865,150
Federal Agencies	3130ACM92	FEDERAL HOME LOAN BANK	10/13/2017 10/21/2019	1.50	21,500,000	21,461,945	21,484,891	21,299,835
Federal Agencies	3136G0T68	FANNIE MAE	08/28/2017 10/24/2019	1.33	14,000,000	13,968,220	13,988,047	13,851,880
Federal Agencies	3134GBHT2	FREDDIE MAC	09/12/2017 10/25/2019	1.63	50,000,000	50,024,500	50,009,413	49,613,000
Federal Agencies	3136G4FJ7	FANNIE MAE	10/25/2016 10/25/2019	1.20	25,000,000	25,000,000	25,000,000	24,708,750
Federal Agencies	3136G4EZ2	FANNIE MAE	10/28/2016 10/30/2019	1.13	50,000,000	49,950,000	49,986,235	49,376,000
Federal Agencies	3134GAVL5	FREDDIE MAC	11/04/2016 11/04/2019	1.17	100,000,000	100,000,000	100,000,000	98,765,000
Federal Agencies	3133EJRU5	FEDERAL FARM CREDIT BANK	06/14/2018 11/14/2019	2.45	50,000,000	49,987,500	49,992,350	49,898,500
Federal Agencies	3136G3LV5	FANNIE MAE	05/26/2016 11/26/2019	1.35	8,950,000	8,950,000	8,950,000	8,846,091
Federal Agencies	3133EGN43	FEDERAL FARM CREDIT BANK	12/02/2016 12/02/2019	2.51	50,000,000	50,000,000	50,000,000	50,083,000
Federal Agencies	3130A0JR2	FEDERAL HOME LOAN BANK	12/15/2017 12/13/2019	2.38	11,360,000	11,464,888	11,409,851	11,331,373
Federal Agencies	3130A0JR2	FEDERAL HOME LOAN BANK	12/12/2017 12/13/2019	2.38	20,000,000	20,186,124	20,088,097	19,949,600
Federal Agencies	3130A0JR2	FEDERAL HOME LOAN BANK	12/15/2017 12/13/2019	2.38	40,000,000	40,369,200	40,175,471	39,899,200
Federal Agencies	3132X0PG0	FARMER MAC	02/10/2017 01/03/2020	2.42	50,000,000	50,000,000	50,000,000	50,044,500
Federal Agencies	3134G9VR5	FREDDIE MAC	07/06/2016 01/06/2020	1.50	25,000,000	25,000,000	25,000,000	24,850,500
Federal Agencies	3136G4KQ5	FANNIE MAE	11/17/2017 01/17/2020	1.65	1,000,000	996,070	998,107	990,310
Federal Agencies	3136G4KQ5	FANNIE MAE	11/17/2017 01/17/2020	1.65	31,295,000	31,172,011	31,235,760	30,991,751
Federal Agencies	3133EJLU1	FEDERAL FARM CREDIT BANK	04/24/2018 01/24/2020	2.42	25,000,000	24,996,500	24,997,878	24,950,000
Federal Agencies	3133EJLU1	FEDERAL FARM CREDIT BANK	04/24/2018 01/24/2020	2.42	25,000,000	24,995,700	24,997,393	24,950,000
Federal Agencies	3130ADN32	FEDERAL HOME LOAN BANK	02/09/2018 02/11/2020	2.13	50,000,000	49,908,500	49,949,250	49,766,000
Federal Agencies	313378J77	FEDERAL HOME LOAN BANK	05/17/2017 03/13/2020	1.88	15,710,000	15,843,849	15,766,733	15,575,680
Federal Agencies	3133EHZN6	FEDERAL FARM CREDIT BANK	09/20/2017 03/20/2020	1.45	20,000,000	19,979,400	19,989,971	19,742,600
Federal Agencies	3133EJHL6	FEDERAL FARM CREDIT BANK	03/27/2018 03/27/2020	2.38	50,000,000	49,964,000	49,977,789	49,907,500
Federal Agencies	3136G3TK1	FANNIE MAE	07/06/2016 04/06/2020	1.75	25,000,000	25,000,000	25,000,000	24,893,000
Federal Agencies	3134GBET5	FREDDIE MAC	05/22/2018 04/13/2020	1.80	10,000,000	9,839,400	9,891,386	9,902,900
Federal Agencies	3133EJG37	FEDERAL FARM CREDIT BANK	10/15/2018 04/15/2020	2.85	25,000,000	24,992,500	24,993,568	25,081,250
Federal Agencies	3136G4BL6	FANNIE MAE	10/17/2016 04/17/2020	1.25	15,000,000	15,000,000	15,000,000	14,760,000
Federal Agencies	3130AE2M1	FEDERAL HOME LOAN BANK FREDDIE MAC	04/20/2018 04/20/2020 04/19/2018 04/23/2020	2.50 2.50	50,000,000	50,000,000	50,000,000	49,906,000
Federal Agencies	SIS/EAEIVI/		04/19/2010 04/23/2020	2.50	35,000,000	34,992,300	34,994,992	34,951,350

			Maturity				Amortized	
Type of Investment	CUSIP	Issuer Name	Settle Date Date	<u>Coupon</u>	Par Value	Book Value	Book Value	Market Value
Federal Agencies	3130AE2U3	FEDERAL HOME LOAN BANK	04/24/2018 04/24/2020	2.51	50,000,000	50,000,000	50,000,000	49,907,500
Federal Agencies	3130AE2U3	FEDERAL HOME LOAN BANK	04/24/2018 04/24/2020	2.51	50,000,000	50,000,000	50,000,000	49,907,500
Federal Agencies	3134GBLY6	FREDDIE MAC	05/08/2017 05/08/2020	2.00	25,000,000	25,000,000	25,000,000	24,969,500
Federal Agencies	3134GBPB2	FREDDIE MAC	05/30/2017 05/22/2020	1.70	15,750,000	15,750,000	15,750,000	15,568,560
Federal Agencies	3133EHNK5	FEDERAL FARM CREDIT BANK	06/15/2017 06/15/2020	1.54	25,000,000	24,997,500	24,998,789	24,643,250
Federal Agencies	3133EHNK5	FEDERAL FARM CREDIT BANK	06/15/2017 06/15/2020	1.54	26,900,000	26,894,620	26,897,393	26,516,137
Federal Agencies	3134GBST0	FREDDIE MAC	06/22/2017 06/22/2020	1.65	14,675,000	14,675,000	14,675,000	14,482,464
Federal Agencies	3134GBTX0	FREDDIE MAC	06/29/2017 06/29/2020	1.75	50,000,000	49,990,000	49,995,027	49,338,000
Federal Agencies	3136G3TG0	FANNIE MAE	06/30/2016 06/30/2020	1.50	15,000,000	15,000,000	15,000,000	14,803,800
Federal Agencies	3134GB5M0	FREDDIE MAC	12/01/2017 07/01/2020	1.96	50,000,000	50,000,000	50,000,000	49,527,500
Federal Agencies	3133EHQB2	FEDERAL FARM CREDIT BANK	07/06/2017 07/06/2020	1.55	25,000,000	24,989,961	24,994,944	24,621,500
Federal Agencies	3130ABNV4	FEDERAL HOME LOAN BANK	07/13/2017 07/13/2020	1.75	50,000,000	50,000,000	50,000,000	49,330,500
Federal Agencies	3134GBXV9	FREDDIE MAC	07/13/2017 07/13/2020	1.85	50,000,000	50,000,000	50,000,000	49,435,500
Federal Agencies	3135G0T60	FANNIE MAE	08/01/2017 07/30/2020	1.50	50,000,000	49,848,500	49,920,234	49,173,500
Federal Agencies	3130ABZE9	FEDERAL HOME LOAN BANK	08/28/2017 08/28/2020	1.65	6,700,000	6,699,330	6,699,630	6,603,788
Federal Agencies	3130ABZN9	FEDERAL HOME LOAN BANK	08/28/2017 08/28/2020	1.80	25,000,000	25,000,000	25,000,000	24,660,250
Federal Agencies	3130ABZN9	FEDERAL HOME LOAN BANK	08/28/2017 08/28/2020	1.80	50,000,000	50,000,000	50,000,000	49,320,500
Federal Agencies	3130ADT93	FEDERAL HOME LOAN BANK	03/14/2018 09/14/2020	2.40	25,000,000	24,984,458	24,989,435	24,943,250
Federal Agencies	3133EJ3N7	FEDERAL FARM CREDIT BANK	12/21/2018 09/21/2020	2.77	25,000,000	24,990,750	24,990,909	25,072,500
Federal Agencies	3130ACE26	FEDERAL HOME LOAN BANK	09/08/2017 09/28/2020	1.38	18,000,000	17,942,220	17,967,072	17,636,040
Federal Agencies	3130ACE26	FEDERAL HOME LOAN BANK	09/08/2017 09/28/2020	1.38	30,000,000	29,903,700	29,945,119	29,393,400
Federal Agencies	3130ACK52	FEDERAL HOME LOAN BANK	03/12/2018 10/05/2020	1.70	25,530,000	25,035,101	25,190,746	25,155,475
Federal Agencies	3132X0KR1	FARMER MAC	11/02/2016 11/02/2020	2.55	25,000,000	25,000,000	25,000,000	25,089,250
Federal Agencies	3132X0ZF1	FARMER MAC	11/13/2017 11/09/2020	1.93	12,000,000	11,970,000	11,981,374	11,869,440
Federal Agencies	3133EJT90	FEDERAL FARM CREDIT BANK	11/16/2018 11/16/2020	2.95	50,000,000	49,947,835	49,951,117	50,308,000
Federal Agencies	3137EAEK1	FREDDIE MAC	11/15/2017 11/17/2020	1.88	50,000,000	49,952,000	49,970,011	49,377,500
Federal Agencies	3134GBX56	FREDDIE MAC	11/24/2017 11/24/2020	2.25	60,000,000	60,223,200	60,141,129	59,640,000
Federal Agencies	3134GBLR1	FREDDIE MAC	05/25/2017 11/25/2020	1.75	24,715,000	24,712,529	24,713,660	24,333,400
Federal Agencies	3133EHW58	FEDERAL FARM CREDIT BANK	11/27/2017 11/27/2020	1.90	25,000,000	24,992,629	24,995,319	24,681,250
Federal Agencies	3133EHW58	FEDERAL FARM CREDIT BANK	11/27/2017 11/27/2020	1.90	25,000,000	24,992,629	24,995,319	24,681,250
Federal Agencies	3130A3UQ5	FEDERAL HOME LOAN BANK	12/13/2017 12/11/2020	1.88	10,000,000	9,957,600	9,972,483	9,868,400
Federal Agencies	3132X0ZY0	FARMER MAC	12/15/2017 12/15/2020	2.05	12,750,000	12,741,458	12,744,435	12,628,110
Federal Agencies	3133EGX75	FEDERAL FARM CREDIT BANK	12/21/2016 12/21/2020	2.67	50,000,000	50,000,000	50,000,000	50,117,000
Federal Agencies	3133EFTX5	FEDERAL FARM CREDIT BANK	12/24/2015 12/24/2020	2.83	100,000,000	100,000,000	100,000,000	100,619,000
Federal Agencies	3133EG4T9	FEDERAL FARM CREDIT BANK	01/25/2017 01/25/2021	2.67	20,000,000	20,000,000	20,000,000	20,058,600
Federal Agencies	3133EG4T9	FEDERAL FARM CREDIT BANK	01/25/2017 01/25/2021	2.67	20,000,000	20,000,000	20,000,000	20,058,600
Federal Agencies	3130AC2K9	FEDERAL HOME LOAN BANK	09/20/2017 02/10/2021	1.87	50,200,000	50,189,960	50,193,752	49,415,374
Federal Agencies	3133EJCE7	FEDERAL FARM CREDIT BANK	04/16/2018 02/12/2021	2.35	50,000,000	49,673,710	49,755,835	49,785,500
Federal Agencies	3137EAEL9	FREDDIE MAC	02/16/2018 02/16/2021	2.38	22,000,000	21,941,920	21,958,825	21,923,660
Federal Agencies	3134GBD58	FREDDIE MAC	8/30/2017 2/26/2021	1.80	5,570,000	5,569,443	5,569,656	5,478,708
Federal Agencies	3130AAYP7	FEDERAL HOME LOAN BANK	8/11/2017 3/22/2021	2.20	8,585,000	8,593,327	8,590,120	8,585,601
Federal Agencies	3132X0Q53	FARMER MAC	3/29/2018 3/29/2021	2.60	6,350,000	6,343,079	6,344,834	6,357,112
Federal Agencies	3132X0Q53	FARMER MAC	3/29/2018 3/29/2021	2.60	20,450,000	20,427,710	20,433,363	20,472,904
Federal Agencies	3134GBJP8	FREDDIE MAC	11/16/2017 5/3/2021	1.89	22,000,000	21,874,600	21,915,375	21,653,940
Federal Agencies	3133EJNS4	FEDERAL FARM CREDIT BANK	5/22/2018 5/10/2021	2.70	17,700,000	17,653,095	17,662,788	17,753,100
Federal Agencies	3134GSNV3	FREDDIE MAC	6/14/2018 6/14/2021	2.80	50,000,000	49,992,500	49,993,875	50,015,000
Federal Agencies	3130ACVS0	FEDERAL HOME LOAN BANK	11/30/2017 6/15/2021	2.13	50,000,000	50,000,000	50,000,000	49,401,000
Federal Agencies	3130ACVS0	FEDERAL HOME LOAN BANK	11/30/2017 6/15/2021	2.13	50,000,000	50,000,000	50,000,000	49,401,000
Federal Agencies	3135G0U35	FANNIE MAE	6/25/2018 6/22/2021	2.75	25,000,000	24,994,250	24,995,250	25,140,250
Federal Agencies	3134GBJ60	FREDDIE MAC	9/29/2017 6/29/2021	1.90	50,000,000	50,000,000	50,000,000	49,188,500

				Maturity					Amortized		
Type of Investment	CUSIP	Issuer Name	Settle Date	Date	Coupon	Par Value	Book Val	Ie	Book Value		Market Value
Federal Agencies	3134G9H26	FREDDIE MAC	1/29/2018	6/30/2021	1.50	1,219,000	1,201,93		1,206,542		1,209,797
Federal Agencies	3134G9H26	FREDDIE MAC	1/25/2018	6/30/2021	1.50	3,917,000	3,869,99		3,882,798		3,887,427
Federal Agencies	3130ACQ98	FEDERAL HOME LOAN BANK	11/1/2017	7/1/2021	2.08	100,000,000	100,000,00		100,000,000		98,755,000
Federal Agencies	3134GBM25	FREDDIE MAC	10/2/2017	7/1/2021	1.92	50,000,000	50,000,00		50,000,000		49,209,000
Federal Agencies	3130ACF33	FEDERAL HOME LOAN BANK	9/18/2017	9/13/2021	1.88	25,000,000	24,927,50		24,950,903		24,470,500
Federal Agencies	3135G0Q89	FANNIE MAE	10/21/2016	10/7/2021	1.38	25,000,000	25,000,00		25,000,000		24,248,500
Federal Agencies	3133EJK24	FEDERAL FARM CREDIT BANK	10/19/2018		3.00	25,000,000	24,980,90		24,982,190		25,295,750
Federal Agencies	3130AFBE6	FEDERAL HOME LOAN BANK	10/30/2018		3.26	50,000,000	50,000,00		50,000,000		50,075,500
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	10/25/2016		1.38	14,500,000	14,500,00		14,500,000		14,027,155
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	10/25/2016		1.38	15,000,000	15,000,00		15,000,000		14,510,850
Federal Agencies	3133EJT74	FEDERAL FARM CREDIT BANK	11/15/2018		3.05	50,000,000	49,950,00		49,952,144		50,656,500
Federal Agencies	3130ACB60	FEDERAL HOME LOAN BANK		12/15/2021	2.00	50,000,000	50,000,00		50,000,000		48,882,000
Federal Agencies	3133EJ3B3	FEDERAL FARM CREDIT BANK	12/17/2018		2.00	25,000,000	24,974,25		24,974,602		48,882,000 25,151,500
Federal Agencies	3133EJ3B3	FEDERAL FARM CREDIT BANK	12/17/2018		2.80	25,000,000	24,974,23		24,974,602		25,151,500
5	3133EJ3B3	FEDERAL FARM CREDIT BANK			2.80	25,000,000	24,974,23				25,151,500
Federal Agencies	3134GSK38	FREDDIE MAC	12/17/2018 12/20/2018		2.80	25,000,000	24,964,25		24,964,739 25,000,000		25,151,500
Federal Agencies	3134GSK36	FREDDIE MAC			3.17	25,000,000					
Federal Agencies		-	12/20/2018			, ,	25,000,00		25,000,000		25,025,750
Federal Agencies	3134GSN27	FREDDIE MAC	12/21/2018		3.13	25,000,000	25,000,00		25,000,000		25,030,500
Federal Agencies	3134GSN43		12/21/2018		3.13	25,000,000	25,000,00		25,000,000		25,023,250
Federal Agencies	3135G0T45	FANNIE MAE	6/6/2017	4/5/2022	1.88	25,000,000	25,072,25		25,048,740		24,497,000
Federal Agencies	3134GBQG0		5/25/2017		2.18	50,000,000	50,000,00		50,000,000		49,236,000
Federal Agencies	3133EHLY7	FEDERAL FARM CREDIT BANK	6/6/2017	6/2/2022	1.88	50,000,000	50,059,25		50,040,584		48,730,500
Federal Agencies	3133EHLY7	FEDERAL FARM CREDIT BANK	6/9/2017	6/2/2022	1.88	50,000,000	49,997,50		49,998,285		48,730,500
Federal Agencies	3133EJRN1	FEDERAL FARM CREDIT BANK	6/13/2018	6/13/2022	3.00	25,000,000	24,957,50		24,963,376		25,025,000
Federal Agencies	3134GBF72	FREDDIE MAC	9/15/2017		2.01	50,000,000	50,000,00		50,000,000		48,861,500
Federal Agencies	3134GBN73	FREDDIE MAC	10/2/2017	7/1/2022	2.07	50,000,000	50,000,00		50,000,000		49,117,000
Federal Agencies	3134GBW99	FREDDIE MAC	11/1/2017	7/1/2022	2.24	100,000,000	100,000,00		100,000,000		98,688,000
Federal Agencies	3134GBXU1	FREDDIE MAC	7/27/2017	7/27/2022	2.25	31,575,000	31,575,00		31,575,000		31,004,440
Federal Agencies	3130AC7E8	FEDERAL HOME LOAN BANK	9/1/2017	9/1/2022	2.17	50,000,000	50,000,00		50,000,000		48,895,500
Federal Agencies	3134GSNN1	FREDDIE MAC	6/14/2018	6/14/2023	3.27	100,000,000	100,000,00		100,000,000		100,025,000
Federal Agencies	3134GSPD1	FREDDIE MAC	6/14/2018	6/14/2023	3.32	50,000,000	50,000,00		50,000,000		50,015,000
Federal Agencies	3134GSRZ0	FREDDIE MAC	7/26/2018	7/26/2023	3.35	50,000,000	50,000,00		50,000,000		50,005,500
Federal Agencies	3134GSUA1	FREDDIE MAC	8/16/2018	8/16/2023	3.38	50,000,000	50,000,00	0	50,000,000		50,012,500
Subtotals					2.08 \$	5,194,930,000	\$ 5,190,379,71	6\$	5,192,470,748	\$	5,160,726,787
State/Local Agencies	13063DAB4	CALIFORNIA ST	4/27/2017	4/1/2019	1.59 \$	23,000,000	\$ 23,000,00	¢ 0	23,000,000	\$	22,935,140
State/Local Agencies	13063CKL3	CALIFORNIA ST	10/27/2016	5/1/2019	2.25	4,750,000	4,879,05		4,766,907	Ψ	4,741,878
State/Local Agencies	91412GL60	UNIV OF CALIFORNIA CA REVENUE	6/30/2016	5/15/2019	1.23	2,000,000	2,000,00		2,000,000		1,989,420
State/Local Agencies	91412GL60 91412GSB2	UNIV OF CALIFORNIA CA REVENUE	10/5/2015	7/1/2019	1.23	4,180,000	4,214,44		4,184,567		4,161,441
State/Local Agencies	91412GSB2			7/1/2019	1.80	16,325,000	4,214,44				16,252,517
0	6055804W6		4/23/2015			, ,	, ,		16,343,079		
State/Local Agencies	977100CW4	MISSISSIPPI ST WISCONSIN ST GEN FUND ANNUAL		10/1/2019	6.09	8,500,000	10,217,5		8,789,075		8,707,315
State/Local Agencies				5/1/2020	1.45	18,000,000	18,000,00		18,000,000		17,655,120
State/Local Agencies	13063DGA0	CALIFORNIA ST DEPT OF WITH DES	4/25/2018	4/1/2021	2.80	33,000,000	33,001,32		33,001,011		32,970,960
State/Local Agencies	13066YTY5	CALIFORNIA ST DEPT OF WTR RES	2/6/2017	5/1/2021	1.71	28,556,228	28,073,05		28,290,092		27,891,439
State/Local Agencies	91412GF59	UNIV OF CALIFORNIA CA REVENUE	8/9/2016	5/15/2021	1.91	1,769,000	1,810,69		1,789,728	¢	1,739,033
Subtotals					2.22 \$	140,080,228	\$ 141,657,72	3\$	140,164,460	\$	139,044,262

				<u>Maturity</u>				Amortized	
Type of Investment	<u>CUSIP</u>	Issuer Name	Settle Date	<u>Date</u>	<u>Coupon</u>	Par Value	Book Value	Book Value	Market Value
Public Time Deposits	PP041QSK8	BRIDGE BANK	12/26/2018	3/26/2019	2.43 \$	10,000,000 \$	10,000,000 \$	10,000,000 \$	10,000,000
Public Time Deposits	PP9J42KU2	PREFERRED BANK LA CALIF	5/16/2018	5/16/2019	2.59	240,000	240,000	240,000	240,000
Public Time Deposits	PP9N2NML7	SAN FRANCISCO CREDIT UNION	12/5/2018	6/4/2019	2.43	10,000,000	10,000,000	10,000,000	10,000,000
Public Time Deposits	PP041MX54	BANK OF SAN FRANCISCO	12/11/2018	6/11/2019	2.58	5,000,000	5,000,000	5,000,000	5,000,000
Public Time Deposits	PP9N20S31	BRIDGE BANK	12/24/2018	6/24/2019	2.57	10,000,000	10,000,000	10,000,000	10,000,000
Subtotals					1.80 \$	35,240,000 \$	35,240,000 \$	35,240,000 \$	35,240,000
Negotiable CDs	06371EFH5	BANK OF MONTREAL CHICAGO	7/17/2017	1/17/2019	2.68 \$	50,000,000 \$	50,000,000 \$	50,000,000 \$	50,005,785
Negotiable CDs	06371EL21	BANK OF MONTREAL CHICAGO	1/29/2018	1/23/2019	2.75	25,000,000	25,000,000	25,000,000	25,005,302
Negotiable CDs	89114MBD8	TORONTO DOMINION BANK NY	8/14/2018	2/15/2019	2.43	15,000,000	15,000,000	15,000,000	14,999,757
Negotiable CDs	96121T7B8	WESTPAC BANKING CORP NY	3/5/2018	3/5/2019	2.71	50,000,000	50,000,000	50,000,000	50,025,554
Negotiable CDs	06427KSW8	BANK OF MONTREAL CHICAGO	3/9/2017	3/8/2019	3.05	27,838,000	27,838,000	27,838,000	27,870,124
Negotiable CDs	78012UCE3	ROYAL BANK OF CANADA NY	3/28/2018	4/1/2019	2.83	50,000,000	50,000,000	50,000,000	50,020,022
Negotiable CDs	06417GR42	BANK OF NOVA SCOTIA HOUSTON		4/3/2019	2.82	50,000,000	50,000,000	50,000,000	50,019,167
Negotiable CDs	06370RCZ0	BANK OF MONTREAL CHICAGO	7/6/2018	4/24/2019	2.60	50,000,000	50,000,000	50,000,000	49,983,620
Negotiable CDs	25215FDX9	DEXIA CREDIT LOCAL SA NY	8/9/2018	4/24/2019	2.57	50,000,000	50,000,000	50,000,000	49,979,990
Negotiable CDs	89113X3M4	TORONTO DOMINION BANK NY	6/20/2018	4/24/2019	2.65	50,000,000	50,000,000	50,000,000	49,990,873
Negotiable CDs	78012UGB5	ROYAL BANK OF CANADA NY	8/20/2018	4/29/2019	2.53	50,000,000	50,000,000	50,000,000	49,972,975
Negotiable CDs	89114MBQ9	TORONTO DOMINION BANK NY	8/16/2018	4/29/2019	2.56	50,000,000	50,000,000	50,000,000	49,977,717
Negotiable CDs	78012UDL6	ROYAL BANK OF CANADA NY	5/2/2018	5/1/2019	2.72	35,000,000	35,000,000	35,000,000	35,005,751
Negotiable CDs	78012UGF6	ROYAL BANK OF CANADA NY	8/23/2018	5/6/2019	2.55	25,000,000	25,000,000	25,000,000	24,987,466
Negotiable CDs	78012UDR3	ROYAL BANK OF CANADA NY	5/10/2018	5/13/2019	2.69	40,000,000	40,000,000	40,000,000	39,996,066
Negotiable CDs	78012UDV4	ROYAL BANK OF CANADA NY	5/23/2018	5/24/2019	2.66	25,000,000	25,000,000	25,000,000	24,994,677
Negotiable CDs	89113XX41	TORONTO DOMINION BANK NY	5/23/2018	5/24/2019	2.68	25,000,000	25,000,000	25,000,000	24,996,623
Negotiable CDs	78012UDX0	ROYAL BANK OF CANADA NY	6/4/2018	6/4/2019	2.65	50,000,000	50,000,000	50,000,000	49,995,040
Negotiable CDs	25215FDL5	DEXIA CREDIT LOCAL SA NY	6/7/2018	6/7/2019	2.66	40,000,000	40,000,000	40,000,000	39,998,786
Negotiable CDs	25215FDY7	DEXIA CREDIT LOCAL SA NY	8/10/2018	6/14/2019	2.62	50,000,000	50,000,000	50,000,000	49,982,389
Negotiable CDs	89114MAX5	TORONTO DOMINION BANK NY	8/13/2018	6/14/2019	2.61	50,000,000	50,000,000	50,000,000	49,980,281
Negotiable CDs	06370RHT9	BANK OF MONTREAL CHICAGO	9/7/2018	6/24/2019	2.64	40,000,000	40,000,000	40,000,000	39,989,919
Negotiable CDs	78012UGS8	ROYAL BANK OF CANADA NY	8/31/2018	6/24/2019	2.65	50,000,000	50,000,000	50,000,000	49,989,448
Negotiable CDs	06370RMN6	BANK OF MONTREAL CHICAGO	10/15/2018	7/1/2019	2.76	50,000,000	50,000,000	50,000,000	49,988,417
Negotiable CDs	25215FEF7	DEXIA CREDIT LOCAL SA NY	11/14/2018	7/1/2019	2.82	50,000,000	50,000,000	50,000,000	50,004,917
Negotiable CDs	89114MAY3	TORONTO DOMINION BANK NY	8/13/2018	7/1/2019	2.63	50,000,000	50,000,000	50,000,000	49,953,005
Negotiable CDs	89114MCE5	TORONTO DOMINION BANK NY	8/21/2018	7/1/2019	2.64	50,000,000	50,000,000	50,000,000	49,955,879
Negotiable CDs	89114MKR7	TORONTO DOMINION BANK NY	11/5/2018	7/1/2019	2.93	50,000,000	50,000,000	50,000,000	50,031,727
Negotiable CDs	63873NB67	NATIXIS NY BRANCH	12/19/2018	7/22/2019	2.98	25,000,000	25,000,000	25,000,000	25,025,985
Negotiable CDs	06370RSD2	BANK OF MONTREAL CHICAGO	12/19/2018	7/25/2019	2.88	50,000,000	50,000,000	50,000,000	50,024,591
Negotiable CDs	78012ULA1	ROYAL BANK OF CANADA NY	12/12/2018	8/30/2019	2.94	50,000,000	50,000,000	50,000,000	50,048,060
Negotiable CDs	78012UKW4	ROYAL BANK OF CANADA NY	12/7/2018	10/25/2019	3.01	50,000,000	50,000,000	50,000,000	50,054,271
Negotiable CDs	89114MPG6	TORONTO DOMINION BANK NY	12/6/2018		3.06	25,000,000	25,000,000	25,000,000	25,037,174
Negotiable CDs	89114MLP0	TORONTO DOMINION BANK NY		10/28/2019	3.08	50,000,000	50,000,000	50,000,000	50,080,522
Negotiable CDs	06370RNN5	BANK OF MONTREAL CHICAGO	11/6/2018	11/6/2019	3.10	50,000,000	50,000,000	50,000,000	50,090,928
Negotiable CDs	96130AAN8	WESTPAC BANKING CORP NY	11/8/2018	11/8/2019	3.10	50,000,000	50,000,000	50,000,000	50,091,710
Negotiable CDs	96130AAT5	WESTPAC BANKING CORP NY	11/14/2018		3.08	50,000,000	50,000,000	50,000,000	50,085,486
Negotiable CDs	89114MME4	TORONTO DOMINION BANK NY	11/19/2018		3.10	25,000,000	25,000,000	25,000,000	25,048,025
Negotiable CDs	78012UKB0	ROYAL BANK OF CANADA NY	11/26/2018		3.07	50,000,000	50,000,000	50,000,000	50,085,239
					0.01	00,000,000			00,000,200

Type of Investment OLSIP Issuer Name Stille Date Date Courson Part Value Book Value Market Value Negotiable CDs 68130A/E WESTFAC BANING CORP 3112/2018 312 506 50,000,000										
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Negotiable CDs 96130ABE7 VESTPAC BANK OF MONTREAL CHICAGO 12/7/2018 12/8/2019 3.06 50.000.000	0					-	, ,			, ,
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Commercial Paper 62479MU19 MUFG BANK LTD 11/13/2018 7/1/2019 0.00 50.000.000 49.070_417 49.268_458 49.276,000 Commercial Paper 62479MU19 MUFG BANK LTD NY 11/15/2018 7/1/2019 0.00 50.000,000 49.097,778 49.270,972 49.276,000 Commercial Paper 63873KU13 NATIXIS NY BRANCH 11/12/2018 7/1/2019 0.00 50.000,000 49.097,778 49.276,000 Commercial Paper 63873KU13 NATIXIS NY BRANCH 11/12/2018 7/1/2019 0.00 50.000,000 49.013,750 49.276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORPOR 11/16/2018 7/1/2019 0.00 50.000,000 49.147,069 49.285,66 49.276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/12/2018 7/1/2019 0.00 50.000,000 49.147,069 49.248,765 49.276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/12/2018 7/1/2019 0.00 50.000,000 29.348,400 69.2479MU24 49.	Commercial Paper	89233HTR5	TOYOTA MOTOR CREDIT CORP	10/15/2018	6/25/2019	0.00	50,000,000	49,054,764	49,346,181	49,321,875
Commercial Paper 62479MU19 MUFG BANK LTD NY 11/13/2018 7/1/2019 0.00 50.000,000 49.081.667 49.270.972 49.276,000 Commercial Paper 62479MU19 MUFG BANK LTD NY 11/19/2018 7/1/2019 0.00 50.000,000 49.081.667 49.270.972 49.276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORPORI 10/11/2018 7/1/2019 0.00 50.000,000 49.013,750 49.237.650 49.276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORP 11/16/2018 7/1/2019 0.00 50.000,000 49.147.669 49.288,569 49.276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORP 11/12/2018 7/1/2019 0.00 50.000,000 49.147.669 49.288,569 49.276,000 Commercial Paper 62479MU49 MUFG BANK LTD NY 11/26/2018 7/1/2019 0.00 50.000,000 39.284,667 39.39.4222 39.384,000 Commercial Paper 62479MU49 MUFG BANK LTD NY 11/27/2018 7/1/2019 0.00 50.000,000 49	Commercial Paper	62479MTS2	MUFG BANK LTD NY	11/6/2018	6/26/2019	0.00	50,000,000	49,075,222	49,298,444	49,318,000
Commercial Paper 62479MU19 MUFG BANK LTD NY 11/26/2018 7/1/2019 0.00 50,000,000 49,097,778 49,270,0972 49,276,000 Commercial Paper 63873KU13 NATIXIS NY BRANCH 11/26/2018 7/1/2019 0.00 50,000,000 24,567,507 24,639,257 24,638,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORPOR/ 10/11/2018 7/1/2019 0.00 50,000,000 49,013,750 49,276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORP 11/26/2018 7/1/2019 0.00 50,000,000 49,117,222 49,296,111 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/28/2018 7/1/2019 0.00 50,000,000 49,147,069 49,288,569 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/28/2018 7/1/2019 0.00 50,000,000 49,147,069 49,288,569 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/28/2018 7/1/2019 0.00 50,000,000 49,101,866 49,242,7		62479MU19	MUFG BANK LTD	11/13/2018	7/1/2019	0.00		49,070,417	49,268,458	49,276,000
Commercial Paper 62479MU19 MUFG BANK LTD NY 11/26/2018 7/1/2019 0.00 50,000,000 49,097,778 49,270,0972 49,276,000 Commercial Paper 63873KU13 NATIXIS NY BRANCH 11/26/2018 7/1/2019 0.00 50,000,000 24,567,507 24,639,257 24,638,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORPOR/ 10/11/2018 7/1/2019 0.00 50,000,000 49,013,750 49,276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORP 11/26/2018 7/1/2019 0.00 50,000,000 49,117,222 49,296,111 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/28/2018 7/1/2019 0.00 50,000,000 49,147,069 49,288,569 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/28/2018 7/1/2019 0.00 50,000,000 49,147,069 49,288,569 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/28/2018 7/1/2019 0.00 50,000,000 49,101,866 49,242,7	Commercial Paper	62479MU19	MUFG BANK LTD NY	11/15/2018	7/1/2019	0.00	50,000,000	49,081,667	49,270,972	49,276,000
Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORPOR/ 10/11/2018 7/1/2019 0.00 50,000,000 49,013,750 49,321,250 49,276,000 Commercial Paper 89233HU10 TOYOTA MOTOR CREDIT CORP 11/6/2018 7/1/2019 0.00 50,000,000 49,117,222 49,286,569 49,276,000 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/26/2018 7/8/2019 0.00 50,000,000 49,117,806 49,242,778 49,248,000 Commercial Paper 62479MUA9 MUFG BANK LTD NY 11/27/2018 7/10/2019 0.00 50,000,000 49,101,806 49,242,778 49,248,000 Commercial Paper 62479MUA9 MUFG BANK LTD NY 12/7/2018 7/12/2019 0.00 50,000,000 29,485,792 29,544,000 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/27/2018 7/22/2019 0.00 50,000,000 \$1,001,397,123 1,007,31,461 \$1,007,217,121 Medium Term Notes 89236TDN2 TOYOTA MOTOR CREDIT CORP 1/9/2017 1/9/2019 2.67 \$50,000,000 \$5		62479MU19	MUFG BANK LTD NY	11/19/2018	7/1/2019	0.00	50,000,000	49,097,778	49,270,972	49,276,000
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Commercial Paper Commercial Paper 62479MU84 62479MU84 MUFG BANK LTD NY 11/28/2018 11/27/2018 7/8/2019 7/8/2019 0.00 40,000,000 39,284,667 39,394,222 39,398,400 Commercial Paper 62479MU84 MUFG BANK LTD NY 11/27/2018 7/8/2019 0.00 50,000,000 49,101,806 49,242,778 49,248,000 Commercial Paper 63873KUNS NATIXIS NY BRANCH 12/11/2018 7/10/2019 0.00 50,000,000 49,195,611 49,180,778 49,192,000 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/27/2018 7/22/2019 0.00 40,000,000 39,335,844 39,351,733 39,347,200 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/27/2018 7/24/2019 0.00 40,000,000 \$1,001,397,123 \$1,007,331,461 \$1,007,217,121 Medium Term Notes 89236TDN2 TOYOTA MOTOR CREDIT CORP 1/9/2017 1/9/2019 2.67 \$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$60,005,000 \$60,005,000	Commercial Paper	89233HU10	TOYOTA MOTOR CREDIT CORP	11/16/2018	7/1/2019	0.00	50,000,000	49,117,222	49,296,111	49,276,000
Commercial Paper Commercial Paper 62479MU84 62479MUA9 MUFG BANK LTD NY 11/27/2018 7/8/2019 0.00 50,000,000 49,101,806 49,242,778 49,248,000 Commercial Paper Commercial Paper 63873KUN5 NATIXIS NY BRANCH 12/71/2018 7/10/2019 0.00 30,000,000 29,485,792 29,545,583 29,544,000 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/71/2018 7/12/2019 0.00 50,000,000 49,095,611 49,180,778 49,192,000 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/27/2018 7/22/2019 0.00 40,000,000 39,335,844 39,351,733 39,347,200 Subtotals TOYOTA MOTOR CREDIT CORP 1/9/2017 1/9/2019 2.67 \$ 50,000,000	Commercial Paper	89233HU10	TOYOTA MOTOR CREDIT CORP	11/26/2018	7/1/2019	0.00	50,000,000	49,147,069	49,288,569	49,276,000
Commercial Paper Commercial Paper 62479MU84 62479MUA9 MUFG BANK LTD NY 11/27/2018 7/8/2019 0.00 50,000,000 49,101,806 49,242,778 49,248,000 Commercial Paper Commercial Paper 63873KUN5 NATIXIS NY BRANCH 12/71/2018 7/10/2019 0.00 30,000,000 29,485,792 29,545,583 29,544,000 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/71/2018 7/10/2019 0.00 50,000,000 49,095,611 49,180,778 49,192,000 Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/27/2018 7/22/2019 0.00 40,000,000 39,335,844 39,351,733 39,347,200 Subtotals TOYOTA MOTOR CREDIT CORP 1/9/2017 1/9/2019 2.67 \$ 50,000,000	Commercial Paper	62479MU84	MUFG BANK LTD NY	11/28/2018	7/8/2019	0.00	40,000,000	39,284,667	39,394,222	39,398,400
Commercial Paper Commercial Paper 63873KUN5 62479MUQ4 NATIXIS NY BRANCH MUFG BANK LTD NY 12/11/2018 12/27/2018 7/22/2019 7/24/2019 0.00 50,000,000 49,095,611 49,180,778 49,192,000 Subtotals 0.00 1,018,000,000 39,335,844 39,351,733 39,347,200 Medium Term Notes Medium Term Notes 89236TDN2 037833AQ3 TOYOTA MOTOR CREDIT CORP 037833AQ3 1/9/2017 APPLE INC 1/9/2017 5/31/2018 1/9/2019 5/6/2019 2.67 \$ 50,000,000	Commercial Paper	62479MU84	MUFG BANK LTD NY	11/27/2018	7/8/2019	0.00	50,000,000		49,242,778	49,248,000
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Commercial Paper 62479MUQ4 MUFG BANK LTD NY 12/27/2018 7/24/2019 0.00 40,000,000 39,335,844 39,351,733 39,347,200 Subtotals 0.00 1,018,000,000 1,001,397,123 1,007,331,461 1,007,217,121 Medium Term Notes 89236TDN2 07833AQ3 TOYOTA MOTOR CREDIT CORP 1/9/2017 1/9/2019 2.67 50,000,000 \$50,										
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Medium Term Notes Medium Term Notes 89236TDN2 037833AQ3 742718EG0 TOYOTA MOTOR CREDIT CORP APPLE INC 1/9/2017 5/31/2018 1/9/2019 5/31/2018 2.67 \$ 50,000,000 \$ 50,0103,872 \$ 50,103,872 \$ 50,1	Subtotals					0.00 \$	1,018,000,000		\$ 1,007,331,461 \$	5 1,007,217,121
Medium Term Notes 037833AQ3 APPLE INC 5/31/2018 5/6/2019 2.10 18,813,000 18,765,779 18,795,639 18,771,988 Medium Term Notes 742718EG0 THE PROCTER & GAMBLE CO 6/20/2018 11/1/2019 1.90 9,650,000 9,557,071 9,593,386 9,576,564 Medium Term Notes 89236TEJ0 TOYOTA MOTOR CREDIT CORP 1/11/2018 1/10/2020 2.20 20,000,000 19,982,200 19,990,868 19,818,800 Subtotals 2.39 98,463,000 98,305,050 98,379,893 98,167,851 Money Market Funds 262006208 DREYFUS GOVERN CASH MGMT-I 12/31/2018 1/1/2019 2.21 50,103,872										
Medium Term Notes 037833AQ3 APPLE INC 5/31/2018 5/6/2019 2.10 18,813,000 18,765,779 18,795,639 18,771,988 Medium Term Notes 742718EG0 THE PROCTER & GAMBLE CO 6/20/2018 11/1/2019 1.90 9,650,000 9,557,071 9,593,386 9,576,564 Medium Term Notes 89236TEJ0 TOYOTA MOTOR CREDIT CORP 1/11/2018 1/10/2020 2.20 20,000,000 19,982,200 19,990,868 19,818,800 Subtotals 2.39 98,463,000 98,305,050 98,379,893 98,167,851 Money Market Funds 262006208 DREYFUS GOVERN CASH MGMT-I 12/31/2018 1/1/2019 2.21 \$50,103,872 \$50,103,872 \$50,103,872 \$0,922,390 9,292,390 <td>Medium Term Notes</td> <td></td> <td>TOYOTA MOTOR CREDIT CORP</td> <td></td> <td></td> <td>2.67 \$</td> <td>50,000,000</td> <td>50,000,000</td> <td>\$ 50,000,000 \$</td> <td>50,000,500</td>	Medium Term Notes		TOYOTA MOTOR CREDIT CORP			2.67 \$	50,000,000	50,000,000	\$ 50,000,000 \$	50,000,500
Medium Term Notes 742718EG0 89236TEJ0 THE PROCTER & GAMBLE CO TOYOTA MOTOR CREDIT CORP 6/20/2018 1/11/2018 11/1/2019 1/10/2020 1.90 2.20 9,650,000 2.00 9,557,071 9,593,386 9,576,564 Medium Term Notes 89236TEJ0 TOYOTA MOTOR CREDIT CORP 1/11/2018 1/10/2020 2.20 20,000,000 19,982,200 19,990,868 19,818,800 Subtotals 2.39 98,463,000 98,305,050 98,379,893 \$ 98,167,851 Money Market Funds 262006208 DREYFUS GOVERN CASH MGMT-I 12/31/2018 1/1/2019 2.21 \$ 50,103,872 \$		037833AQ3	APPLE INC	5/31/2018	5/6/2019	2.10	18,813,000	18,765,779	18,795,639	18,771,988
Medium Term Notes 89236TEJ0 TOYOTA MOTOR CREDIT CORP 1/11/2018 1/10/2020 2.20 20,000,000 19,982,200 19,990,868 19,818,800 Subtotals 2.39 98,463,000 98,305,050 98,379,893 98,167,851 Money Market Funds 262006208 DREYFUS GOVERN CASH MGMT-I 12/31/2018 1/1/2019 2.21 50,103,872 50,10	Medium Term Notes		THE PROCTER & GAMBLE CO	6/20/2018	11/1/2019	1.90	9,650,000		9,593,386	9,576,564
Money Market Funds 262006208 DREYFUS GOVERN CASH MGMT-I 12/31/2018 1/1/2019 2.21 \$ 50,103,872 \$	Medium Term Notes	89236TEJ0	TOYOTA MOTOR CREDIT CORP	1/11/2018	1/10/2020	2.20	20,000,000	19,982,200	19,990,868	19,818,800
Money Market Funds608919718FEDERATED GOVERNMENT OBL-PI12/31/20181/1/20192.149,292,3909,292,3909,292,3909,292,390Money Market Funds09248U718BLACKROCK LIQ INST GOV FUND12/31/20181/1/20192.1810,184,22710,184,22710,184,22710,184,227Money Market Funds31607A703FIDELITY INST GOV FUND12/31/20181/1/20192.19263,743,974263,743,974263,743,974263,743,974Money Market Funds61747C707MORGAN STANLEY INST GOVT FUN12/31/20181/1/20192.28135,344,625135,344,625135,344,625	Subtotals					2.39 \$	98,463,000			98,167,851
Money Market Funds608919718FEDERATED GOVERNMENT OBL-PI12/31/20181/1/20192.149,292,3909,292,3909,292,3909,292,390Money Market Funds09248U718BLACKROCK LIQ INST GOV FUND12/31/20181/1/20192.1810,184,22710,184,22710,184,22710,184,227Money Market Funds31607A703FIDELITY INST GOV FUND12/31/20181/1/20192.19263,743,974263,743,974263,743,974263,743,974Money Market Funds61747C707MORGAN STANLEY INST GOVT FUN12/31/20181/1/20192.28135,344,625135,344,625135,344,625										
Money Market Funds 09248U718 BLACKROCK LIQ INST GOV FUND 12/31/2018 1/1/2019 2.18 10,184,227	Money Market Funds		DREYFUS GOVERN CASH MGMT-I	12/31/2018	1/1/2019	2.21 \$				
Money Market Funds 09248U718 BLACKROCK LIQ INST GOV FUND 12/31/2018 1/1/2019 2.18 10,184,227	Money Market Funds	608919718	FEDERATED GOVERNMENT OBL-PR	12/31/2018	1/1/2019	2.14	9,292,390	9,292,390	9,292,390	9,292,390
Money Market Funds 61747C707 MORGAN STANLEY INST GOVT FUN 12/31/2018 1/1/2019 2.28 135,344,625 135,344,625 135,344,625 135,344,625 135,344,625	Money Market Funds	09248U718	BLACKROCK LIQ INST GOV FUND	12/31/2018	1/1/2019	2.18	10,184,227	10,184,227	10,184,227	10,184,227
	Money Market Funds	31607A703	FIDELITY INST GOV FUND	12/31/2018	1/1/2019	2.19	263,743,974	263,743,974	263,743,974	263,743,974
Subtotals 2.22 \$ 468.669.088 \$ 468.669.088 \$ 468.669.088 \$ 468.669.088	Money Market Funds	61747C707	MORGAN STANLEY INST GOVT FUN	12/31/2018	1/1/2019	2.28	135,344,625	135,344,625	135,344,625	135,344,625
	Subtotals					2.22 \$	468,669,088	468,669,088	\$ 468,669,088 \$	468,669,088

				Maturity				Amortized	
Type of Investment	CUSIP	Issuer Name	Settle Date	Date	Coupon	Par Value	Book Value	Book Value	Market Value
Supranationals	459052AQ9	INTL BK RECON & DEVELOP DISC	12/27/2018	1/15/2019	0.00 \$	16,000,000 \$	15,979,565 \$	15,984,942 \$	15,986,240
Supranationals	45950VLM6	INTERNATIONAL FINANCE CORP	3/1/2018	3/1/2019	2.35	50,000,000	50,000,000	50,000,000	50,000,500
Supranationals	458182DX7	INTER-AMERICAN DEVEL BK	6/11/2018	5/13/2019	1.00	5,000,000	4,935,000	4,974,464	4,969,650
Supranationals	458182DX7	INTER-AMERICAN DEVEL BK	6/6/2018	5/13/2019	1.00	14,270,000	14,084,710	14,198,275	14,183,381
Supranationals	458182DX7	INTER-AMERICAN DEVEL BK	6/1/2018	5/13/2019	1.00	20,557,000	20,306,410	20,461,399	20,432,219
Supranationals	459058EV1	INTL BK RECON & DEVELOP	6/28/2018	7/26/2019	1.25	10,000,000	9,870,700	9,932,224	9,922,300
Supranationals	4581X0BY3	INTER-AMERICAN DEVEL BK	11/5/2018	9/12/2019	1.13	44,716,000	44,175,216	44,213,844	44,238,880
Supranationals	459058FQ1	INTL BK RECON & DEVELOP	11/6/2017	9/30/2019	1.20	50,000,000	49,483,894	49,797,430	49,420,000
Supranationals	45905UZJ6	INTL BK RECON & DEVELOP	6/2/2017	10/25/2019	1.30	25,000,000	24,845,000	24,947,389	24,680,000
Supranationals	45905UZJ6	INTL BK RECON & DEVELOP	6/2/2017	10/25/2019	1.30	29,300,000	29,118,340	29,238,339	28,924,960
Supranationals	459058FZ1	INTL BK RECON & DEVELOP	3/21/2017	4/21/2020	1.88	50,000,000	49,956,500	49,981,627	49,537,000
Supranationals	4581X0CX4	INTER-AMERICAN DEVEL BK	5/17/2018	5/12/2020	1.63	10,000,000	9,789,360	9,855,802	9,871,800
Supranationals	4581X0CX4	INTER-AMERICAN DEVEL BK	4/12/2017	5/12/2020	1.63	25,000,000	24,940,750	24,973,848	24,679,500
Supranationals	459058GA5	INTL BK RECON & DEVELOP	8/29/2017	9/4/2020	1.63	50,000,000	49,989,500	49,994,169	49,203,000
Supranationals	45905UQ80	INTL BK RECON & DEVELOP	11/9/2017	11/9/2020	1.95	50,000,000	49,965,000	49,978,349	49,343,500
Supranationals	45905UQ80	INTL BK RECON & DEVELOP	12/20/2017	11/9/2020	1.95	50,000,000	49,718,500	49,819,093	49,343,500
Supranationals	459058GM9	INTL BK RECON & DEVELOP	12/28/2018	12/28/2020	3.00	50,000,000	50,000,000	50,000,000	49,948,000
Supranationals	45950KCM0	INTERNATIONAL FINANCE CORP	1/25/2018	1/25/2021	2.25	50,000,000	49,853,000	49,898,736	49,672,000
Supranationals	4581X0DB1	INTER-AMERICAN DEVEL BK	4/19/2018	4/19/2021	2.63	45,000,000	44,901,000	44,924,214	45,044,550
Supranationals	4581X0DB1	INTER-AMERICAN DEVEL BK	5/16/2018	4/19/2021	2.63	50,000,000	49,693,972	49,759,815	50,049,500
Supranationals	45950KCJ7	INTERNATIONAL FINANCE CORP	5/23/2018	7/20/2021	1.13	12,135,000	11,496,942	11,620,241	11,701,659
Supranationals	459058GH0	INTL BK RECON & DEVELOP	7/25/2018	7/23/2021	2.75	50,000,000	49,883,000	49,900,112	50,203,500
Supranationals	45905UW59	INTL BK RECON & DEVELOP	9/13/2018	9/13/2021	3.05	50,000,000	49,985,000	49,986,505	50,028,000
Supranationals	45905UW67	INTL BK RECON & DEVELOP	11/29/2018	9/28/2021	3.13	22,500,000	22,585,391	22,467,327	22,737,150
Subtotals					2.01 \$	829,478,000 \$	825,556,749 \$	826,908,145 \$	824,120,790

Grand Totals

1.92 \$ 10,732,698,315 \$ 10,698,171,417 \$ 10,711,519,602 \$ 10,671,211,722

For month ended December 31, 2018

For month ended De	cember 31, 20	/16						Motority		A 100 0 114	Dealized	Formed Income
T		Is such News		Dev Melve	• • • • • • •	v r ad	0-41- 0-4-	Maturity		Amort.	Realized	Earned Income
Type of Investment	CUSIP	Issuer Name	¢	Par Value		YTM ¹	Settle Date		arned Interest	Expense		/Net Earnings
U.S. Treasuries	912796UJ6	TREASURY BILL	\$	50,000,000	0.00	2.26	12/28/18	1/15/19 \$		12,556	\$-	
U.S. Treasuries	912828N63	US TREASURY		15,000,000	1.13	2.16	6/25/18	1/15/19	14,215	13,000	-	27,215
U.S. Treasuries	912828V56	US TREASURY		50,000,000	1.13	2.03	2/15/18	1/31/19	47,385	37,712	-	85,097
U.S. Treasuries	912828P53	US TREASURY		50,000,000	0.75	2.10	4/12/18	2/15/19	31,590	56,432	-	88,022
U.S. Treasuries	912796PT0	TREASURY BILL		50,000,000	0.00	2.06	3/1/18	2/28/19	-	86,972	-	86,972
U.S. Treasuries	912828Q52	US TREASURY		50,000,000	0.88	2.25	5/10/18	4/15/19	37,260	57,341	-	94,601
U.S. Treasuries	912828Q52	US TREASURY		50,000,000	0.88	2.31	6/7/18	4/15/19	37,260	60,159	-	97,418
U.S. Treasuries	912828R44	US TREASURY		35,000,000	0.88	2.31	5/10/18	5/15/19	26,226	41,925	-	68,150
U.S. Treasuries	912796QH5	TREASURY BILL		60,000,000	0.00	2.33	5/24/18	5/23/19	-	117,542	-	117,542
U.S. Treasuries	912828XS4	US TREASURY		50,000,000	1.25	1.36	6/20/17	5/31/19	53,228	4,520	-	57,748
U.S. Treasuries	912796QM4	TREASURY BILL		40,000,000	0.00	2.45	10/1/18	6/20/19	-	82,753	-	82,753
U.S. Treasuries	912828T59	US TREASURY		25,000,000	1.00	2.47	5/18/18	10/15/19	21,291	30,567	-	51,859
U.S. Treasuries	912828T59	US TREASURY		50,000,000	1.00	2.51	8/15/18	10/15/19	42,582	62,963	-	105,545
U.S. Treasuries	9128283N8	US TREASURY		50,000,000	1.88	2.01	1/16/18	12/31/19	79,016	5,597	-	84,613
U.S. Treasuries	912828XU9	US TREASURY		50,000,000	1.50	1.51	6/20/17	6/15/20	63,716	499	-	64,215
U.S. Treasuries	912828XU9	US TREASURY		100,000,000	1.50	2.67	12/20/18	6/15/20	49,451	37,293	-	86,743
U.S. Treasuries	912828S27	US TREASURY		25,000,000	1.13	1.64	8/15/17	6/30/21	23,705	10,526	-	34,231
U.S. Treasuries	912828T67	US TREASURY		50,000,000	1.25	1.43	11/10/16	10/31/21	53,522	7,268	-	60,790
U.S. Treasuries	912828U65	US TREASURY		100,000,000	1.75	1.90	12/13/16	11/30/21	149,038	11,755	-	160,794
U.S. Treasuries	912828XW5	US TREASURY		25,000,000	1.75	1.77	8/15/17	6/30/22	36,874	391	-	37,266
Subtotals			\$	975,000,000				\$	766,359 \$	737,771	\$-	\$ 1,504,130
Federal Agencies	313385S31	FED HOME LN DISCOUNT NT	\$		0.00	2.15	12/6/18	12/7/18 \$	- \$	2,986	\$-	\$ 2,986
	313385S31	FED HOME LN DISCOUNT NT	Φ	-	0.00	2.15	12/6/18	12/7/18	- Þ		φ - -	
Federal Agencies				-					-	2,986	-	2,986
Federal Agencies	313385S31	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/6/18	12/7/18	-	2,986	-	2,986
Federal Agencies	313385S31	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/6/18	12/7/18	-	2,986	-	2,986
Federal Agencies	313385S64	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/7/18	12/10/18	-	8,958	-	8,958
Federal Agencies	313385S64	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/7/18	12/10/18	-	8,958	-	8,958
Federal Agencies	313385S64	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/7/18	12/10/18	-	8,958	-	8,958
Federal Agencies	313385S64	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/7/18	12/10/18	-	8,958	-	8,958
Federal Agencies	313376BR5	FEDERAL HOME LOAN BANK		-	1.75	1.31	12/20/16	12/14/18	9,479	(2,287)	-	7,193
Federal Agencies	313376BR5	FEDERAL HOME LOAN BANK		-	1.75	1.33	8/23/17	12/14/18	15,799	(3,706)	-	12,093
Federal Agencies	313376BR5	FEDERAL HOME LOAN BANK		-	1.75	1.57	11/8/17	12/14/18	1,750	(173)	-	1,577
Federal Agencies	3135G0G72	FANNIE MAE		-	1.13	1.57	11/8/17	12/14/18	1,534	595	-	2,129
Federal Agencies	313385T63	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/13/18	12/18/18	-	14,931	-	14,931
Federal Agencies	313385T63	FED HOME LN DISCOUNT NT		-	0.00	2.16	12/14/18	12/18/18	-	12,000	-	12,000
Federal Agencies	313385T71	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/14/18	12/19/18	-	9,073	-	9,073
Federal Agencies	313385T71	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/18/18	12/19/18	-	2,986	-	2,986
Federal Agencies	313385T71	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/18/18	12/19/18	-	2,986	-	2,986
Federal Agencies	313385T71	FED HOME LN DISCOUNT NT		-	0.00	2.15	12/18/18	12/19/18	-	2,986	-	2,986
Federal Agencies	313385T89	FED HOME LN DISCOUNT NT		-	0.00	2.17	12/19/18	12/20/18	-	3,014	-	3,014
Federal Agencies	313385T89	FED HOME LN DISCOUNT NT		-	0.00	2.17	12/19/18	12/20/18	-	3,014	-	3,014
Federal Agencies	313385T97	FED HOME LN DISCOUNT NT		-	0.00	2.19	12/17/18	12/21/18	-	9,954	-	9,954
Federal Agencies	313385T97	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/20/18	12/21/18	-	3,264	-	3,264
Federal Agencies	313385T97	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/20/18	12/21/18	-	3,264	-	3,264
Federal Agencies	313385T97	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/20/18	12/21/18	-	3,264	-	3,264
Federal Agencies	313385T97	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/20/18	12/21/18	-	3,264	-	3,264
Federal Agencies	313385T97	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/20/18	12/21/18	-	2,285	-	2,285
Federal Agencies	313385U46	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/21/18	12/24/18	-	9,792	-	9,792
Federal Agencies	313385U46	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/21/18	12/24/18	-	9,792	-	9,792
Federal Agencies	313385U46	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/21/18	12/24/18	-	9,792	-	9,792
Federal Agencies	313385U46	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/21/18	12/24/18	-	9,792	-	9,792
Federal Agencies	313385U46	FED HOME LN DISCOUNT NT		-	0.00	2.35	12/21/18	12/24/18	-	9,792	-	9,792

							Maturity		Amort.	Realized	Earned Income
Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Date	Earned Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	313385U61	FED HOME LN DISCOUNT NT	-	0.00	2.24	12/11/18	12/26/18	-	46,667	-	46,667
Federal Agencies	313385U61	FED HOME LN DISCOUNT NT	-	0.00	2.36	12/24/18	12/26/18	-	13,111	-	13,111
Federal Agencies	313385U61	FED HOME LN DISCOUNT NT	-	0.00	2.36	12/24/18	12/26/18	-	13,111	-	13,111
Federal Agencies	313385U61	FED HOME LN DISCOUNT NT	-	0.00	2.36	12/24/18	12/26/18	-	6,556	-	6,556
Federal Agencies	313385U61	FED HOME LN DISCOUNT NT	-	0.00	2.36	12/24/18	12/26/18	-	6,556	-	6,556
Federal Agencies	313385U79	FED HOME LN DISCOUNT NT	-	0.00	2.36	12/26/18	12/27/18	-	12,546	-	12,546
Federal Agencies	313385U87	FED HOME LN DISCOUNT NT	-	0.00	2.35	12/27/18	12/28/18	-	11,306	-	11,306
Federal Agencies	313385U87	FED HOME LN DISCOUNT NT	-	0.00	2.35	12/27/18	12/28/18	-	692	-	692
Federal Agencies	313385U87	FED HOME LN DISCOUNT NT	-	0.00	2.25	12/27/18	12/28/18	-	1,563	-	1,563
Federal Agencies		FEDERAL FARM CREDIT BANK	25,000,000	2.51	2.51	6/2/16	1/2/19	53,989	-	-	53,989
Federal Agencies	3133EG2V6	FEDERAL FARM CREDIT BANK	25,000,000	2.40	2.40	1/3/17	1/3/19	51,601	-	-	51,601
Federal Agencies	313384AJ8	FED HOME LN DISCOUNT NT	50,000,000	0.00	2.33	12/13/18	1/9/19	-	61,486	-	61,486
Federal Agencies	3130AAE46	FEDERAL HOME LOAN BANK	8,270,000	1.25	2.12	4/4/18	1/16/19	8,615	6,003	-	14,617
Federal Agencies	3134GAH23	FREDDIE MAC	25,000,000	2.00	2.00	1/17/17	1/17/19	41,667	-	-	41,667
Federal Agencies	3130A8VZ3	FEDERAL HOME LOAN BANK	25,000,000	1.05	1.05	7/28/16	1/25/19	21,875	-	-	21,875
Federal Agencies	3132X0EK3	FARMER MAC	25,000,000	2.59	2.59	1/25/16	1/25/19	55,754	-	-	55,754
Federal Agencies	3134GAS39	FREDDIE MAC	25,000,000	2.00	2.00	2/1/17	2/1/19	41,667	-	-	41,667
Federal Agencies	3132X0R94	FARMER MAC	25,000,000	2.14	2.14	4/5/18	2/15/19	44,583	-	-	44,583
Federal Agencies	3133EGBU8	FEDERAL FARM CREDIT BANK	50,000,000	2.68	2.68	5/25/16	2/25/19	109,064	-	-	109,064
Federal Agencies	3130AAXX1	FEDERAL HOME LOAN BANK	9,500,000	1.38	2.16	4/6/18	3/18/19	10,885	6,273	-	17,158
Federal Agencies	3130AAXX1	FEDERAL HOME LOAN BANK	50,000,000	1.38	2.18	4/6/18	3/18/19	57,292	33,934	-	91,226
Federal Agencies	3132X0ED9	FARMER MAC	40,000,000	2.87	2.87	1/19/16	3/19/19	89,683		-	89,683
Federal Agencies	3133EJHG7	FEDERAL FARM CREDIT BANK	25,000,000	2.13	2.16	3/22/18	3/22/19	44,375	590	-	44,965
Federal Agencies	3133EJHG7	FEDERAL FARM CREDIT BANK	25,000,000	2.13	2.16	3/22/18	3/22/19	44,375	590	-	44,965
Federal Agencies	3134GBFR8	FREDDIE MAC	25,000,000	1.40	1.40	4/5/17	4/5/19	29,167	-	-	29,167
Federal Agencies	3137EADZ9	FREDDIE MAC	19,979,000	1.13	2.29	5/10/18	4/15/19	18,730	19,473	-	38,203
Federal Agencies	3133EF7L5	FEDERAL FARM CREDIT BANK	5,900,000	1.17	2.35	6/6/18	5/16/19	5,753	5,849	-	11,601
Federal Agencies	3133EGAV7	FEDERAL FARM CREDIT BANK	50,350,000	1.17	1.85	12/5/17	5/17/19	49,091	28,675	-	77,766
Federal Agencies	3136G3QP3	FANNIE MAE	10,000,000	1.25	1.25	5/24/16	5/24/19	10,417	-	-	10,417
Federal Agencies	3130ABF92	FEDERAL HOME LOAN BANK	30,000,000	1.38	1.47	5/12/17	5/28/19	34,375	2,356	-	36,731
Federal Agencies	3133EHLG6	FEDERAL FARM CREDIT BANK	27,000,000	1.32	1.35	5/30/17	5/30/19	29,700	688	-	30,388
Federal Agencies	3130AEFB1	FEDERAL HOME LOAN BANK	12,450,000	2.25	2.34	6/6/18	6/6/19	23,344	920	-	24,264
Federal Agencies	3133EHMR1	FEDERAL FARM CREDIT BANK	50,000,000	1.38	1.38	6/12/17	6/12/19	57,292	-	-	57,292
Federal Agencies	313379EE5	FEDERAL HOME LOAN BANK	25,000,000	1.63	1.41	6/9/17	6/14/19	33,854	(4,460)	-	29,394
Federal Agencies	313379EE5	FEDERAL HOME LOAN BANK	25,000,000	1.63	1.38	8/23/17	6/14/19	33,854	(5,108)	-	28,746
Federal Agencies	313379EE5	FEDERAL HOME LOAN BANK	35,750,000	1.63	1.43	8/9/17 6/14/16	6/14/19 6/14/19	48,411	(5,788)	-	42,624
Federal Agencies		FREDDIE MAC	50,000,000	1.28	1.28			53,333	- (247)	-	53,333
Federal Agencies	3130AC7C2 3133EGJX4	FEDERAL HOME LOAN BANK FEDERAL FARM CREDIT BANK	15,000,000	1.40 1.08	1.37 2.46	8/23/17 5/23/18	7/1/19 7/5/19	17,500 31,833		-	17,253
Federal Agencies Federal Agencies	3134G9YR2	FREDDIE MAC	35,370,000 50,000,000	2.00	2.40	7/12/16	7/12/19	83,333	40,553	-	72,386 83,333
Federal Agencies	3130A8Y72	FEDERAL HOME LOAN BANK	5,000,000	2.00	2.00	4/19/18	8/5/19	3,646	- 6,220	-	9,866
	3130A8172	FEDERAL HOME LOAN BANK	6,000,000	0.88	2.37	5/10/18	8/5/19	4,375	7,778	-	12,153
Federal Agencies		FEDERAL HOME LOAN BANK	24,000,000	0.88	2.44 2.37	4/19/18	8/5/19	4,375	29,776	-	
Federal Agencies Federal Agencies	3130A8Y72 3130A8Y72	FEDERAL HOME LOAN BANK	36,010,000	0.88	2.57	9/27/18	8/5/19	26,257	29,776 52,094	-	47,276 78,352
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	25,000,000	2.57	2.57	6/9/16	8/9/19	54,970	52,094	-	54,970
Federal Agencies	3133EGED3	FEDERAL FARM CREDIT BANK	25,000,000	2.57	2.57	6/9/16	8/9/19	54,970	-	-	54,970
Federal Agencies	3134G94F1	FREDDIE MAC	25,000,000	1.50	1.50	8/15/16	8/15/19	31,250			31,250
Federal Agencies	3133EGX67	FEDERAL FARM CREDIT BANK	50,000,000	2.59	2.59	12/20/16	8/20/19	107,053	-	-	107,053
Federal Agencies	3135G0P23	FANNIE MAE	20,000,000	1.25	1.25	8/30/16	8/23/19	20,833	-	-	20,833
Federal Agencies	3136G3X59	FANNIE MAE	25,000,000	1.25	1.10	8/23/16	8/23/19	20,833	-	-	20,833
Federal Agencies	3134G9GS0	FREDDIE MAC	25,000,000	1.10	1.10	5/26/16	8/26/19	26,042	-	-	26,042
Federal Agencies	3134GAFY5	FREDDIE MAC	8,450,000	1.30	1.82	11/28/17	8/28/19	9,154	3,654	-	12,808
Federal Agencies	3134GAHR8	FREDDIE MAC	25,000,000	2.00	2.00	9/23/16	9/23/19	37,847	- 0,00	-	37,847
Federal Agencies		FANNIE MAE	50,000,000	1.18	1.18	10/21/16	9/27/19	49,167	-	-	49,167
. eachar Ageneico	2.000000000		20,000,000	1.10		10/21/10	0,21,10	10,107			10,101

							Maturity		Amort.	<u>Realized</u>	Earned Income
Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Date E	arned Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	3132X0KH3	FARMER MAC	50,000,000	2.41	2.41	10/6/16	10/1/19	103,592	-	-	103,592
Federal Agencies	3133EJF79	FEDERAL FARM CREDIT BANK	36,000,000	2.65	2.68	10/10/18	10/10/19	79,500	1,040	-	80,540
Federal Agencies	3133EGXK6	FEDERAL FARM CREDIT BANK	20,000,000	1.12	1.86	12/1/17	10/11/19	18,667	12,236	-	30,902
Federal Agencies	3134G8TG4	FREDDIE MAC	15,000,000	1.50	1.50	4/11/16	10/11/19	18,750	-	-	18,750
Federal Agencies	3130ACM92	FEDERAL HOME LOAN BANK	21,500,000	1.50	1.59	10/13/17	10/21/19	26,875	1,599	-	28,474
Federal Agencies	3136G0T68	FANNIE MAE	14,000,000	1.33	1.44	8/28/17	10/24/19	15,517	1,252	-	16,768
Federal Agencies	3134GBHT2	FREDDIE MAC	50,000,000	1.63	1.60	9/12/17	10/25/19	67,708	(983)	-	66,726
Federal Agencies	3136G4FJ7	FANNIE MAE	25,000,000	1.20	1.20	10/25/16	10/25/19	25,000	-	-	25,000
Federal Agencies	3136G4EZ2	FANNIE MAE	50,000,000	1.13	1.16	10/28/16	10/30/19	46,875	1,413	-	48,288
Federal Agencies	3134GAVL5	FREDDIE MAC	100,000,000	1.17	1.17	11/4/16	11/4/19	97,500	-	-	97,500
Federal Agencies	3133EJRU5	FEDERAL FARM CREDIT BANK	50,000,000	2.45	2.47	6/14/18	11/14/19	102,083	748	-	102,831
Federal Agencies	3136G3LV5	FANNIE MAE	8,950,000	1.35	1.35	5/26/16	11/26/19	10,069	-	-	10,069
Federal Agencies	3133EGN43	FEDERAL FARM CREDIT BANK	50,000,000	2.51	2.51	12/2/16	12/2/19	107,978	-	-	107,978
Federal Agencies	3130A0JR2	FEDERAL HOME LOAN BANK	11,360,000	2.38	1.90	12/15/17	12/13/19	22,483	(4,466)	-	18,017
Federal Agencies	3130A0JR2	FEDERAL HOME LOAN BANK	20,000,000	2.38	1.90	12/12/17	12/13/19	39,583	(7,893)	-	31,690
Federal Agencies	3130A0JR2	FEDERAL HOME LOAN BANK	40,000,000	2.38	1.90	12/15/17	12/13/19	79,167	(15,721)	-	63,445
Federal Agencies	3132X0PG0	FARMER MAC	50,000,000	2.42	2.42	2/10/17	1/3/20	104,063	-	-	104,063
Federal Agencies	3134G9VR5	FREDDIE MAC	25,000,000	1.50	1.50	7/6/16	1/6/20	31,250	-	-	31,250
Federal Agencies	3136G4KQ5	FANNIE MAE	1,000,000	1.65	1.84	11/17/17	1/17/20	1,375	154	-	1,529
Federal Agencies	3136G4KQ5	FANNIE MAE	31,295,000	1.65	1.84	11/17/17	1/17/20	43,031	4,820	-	47,851
Federal Agencies	3133EJLU1	FEDERAL FARM CREDIT BANK	25,000,000	2.42	2.43	4/24/18	1/24/20	50,417	170	-	50,586
Federal Agencies	3133EJLU1	FEDERAL FARM CREDIT BANK	25,000,000	2.42	2.43	4/24/18	1/24/20	50,417	208	-	50,625
Federal Agencies	3130ADN32	FEDERAL HOME LOAN BANK	50,000,000	2.13	2.22	2/9/18	2/11/20	88,542	3,875	-	92,417
Federal Agencies	313378J77	FEDERAL HOME LOAN BANK	15,710,000	1.88	1.56	5/17/17	3/13/20	24,547	(4,025)	-	20,522
Federal Agencies	3133EHZN6	FEDERAL FARM CREDIT BANK	20,000,000	1.45	1.49	9/20/17	3/20/20	24,167	700	-	24,867
Federal Agencies	3133EJHL6	FEDERAL FARM CREDIT BANK	50,000,000	2.38	2.41	3/27/18	3/27/20	98,958	1,527	-	100,485
Federal Agencies	3136G3TK1	FANNIE MAE	25,000,000	1.75	1.75	7/6/16	4/6/20	36,458	-	-	36,458
Federal Agencies	3134GBET5	FREDDIE MAC	10,000,000	1.80	2.68	5/22/18	4/13/20	15,000	7,195	-	22,195
Federal Agencies	3133EJG37	FEDERAL FARM CREDIT BANK	25,000,000	2.85	2.87	10/15/18	4/15/20	59,375	424	-	59,799
Federal Agencies	3136G4BL6	FANNIE MAE	15,000,000	1.25	1.25	10/17/16	4/17/20	15,625	-	-	15,625
Federal Agencies	3130AE2M1	FEDERAL HOME LOAN BANK	50,000,000	2.50	2.50	4/20/18	4/20/20	104,167	-	-	104,167
Federal Agencies	3137EAEM7	FREDDIE MAC	35,000,000	2.50	2.51	4/19/18	4/23/20	72,917	325	-	73,241
Federal Agencies	3130AE2U3	FEDERAL HOME LOAN BANK	50,000,000	2.51	2.51	4/24/18	4/24/20	104,583	-	-	104,583
Federal Agencies	3130AE2U3	FEDERAL HOME LOAN BANK	50,000,000	2.51	2.51	4/24/18	4/24/20	104,583	-	-	104,583
Federal Agencies	3134GBLY6	FREDDIE MAC	25,000,000	2.00	2.00	5/8/17	5/8/20	41,667	-	-	41,667
Federal Agencies	3134GBPB2	FREDDIE MAC	15,750,000	1.70	1.70	5/30/17	5/22/20	22,313	-	-	22,313
Federal Agencies	3133EHNK5	FEDERAL FARM CREDIT BANK	25,000,000	1.54	1.54	6/15/17	6/15/20	32,083	71	-	32,154
Federal Agencies	3133EHNK5	FEDERAL FARM CREDIT BANK	26,900,000	1.54	1.55	6/15/17	6/15/20	34,522	152	-	34,674
Federal Agencies	3134GBST0	FREDDIE MAC	14,675,000	1.65	1.65	6/22/17	6/22/20	20,178	-	-	20,178
Federal Agencies	3134GBTX0	FREDDIE MAC	50,000,000	1.75	1.76	6/29/17	6/29/20	72,917	283	-	73,200
Federal Agencies	3136G3TG0	FANNIE MAE	15,000,000	1.50	1.50	6/30/16	6/30/20	17,240	-	-	17,240
Federal Agencies	3134GB5M0	FREDDIE MAC	50,000,000	1.96	1.96	12/1/17	7/1/20	81,667	-	-	81,667
Federal Agencies	3133EHQB2	FEDERAL FARM CREDIT BANK	25,000,000	1.55	1.56	7/6/17	7/6/20	32,292	284	-	32,576
Federal Agencies	3130ABNV4	FEDERAL HOME LOAN BANK	50,000,000	1.75	1.75	7/13/17	7/13/20	72,917	-	-	72,917
Federal Agencies	3134GBXV9	FREDDIE MAC	50,000,000	1.85	1.85	7/13/17	7/13/20	77,083	-	-	77,083
Federal Agencies	3135G0T60	FANNIE MAE	50,000,000	1.50	1.60	8/1/17	7/30/20	62,500	4,293	-	66,793
Federal Agencies	3130ABZE9	FEDERAL HOME LOAN BANK	6,700,000	1.65	1.65	8/28/17	8/28/20	9,213	19	-	9,231
Federal Agencies	3130ABZN9	FEDERAL HOME LOAN BANK	25,000,000	1.80	1.80	8/28/17	8/28/20	37,500	-	-	37,500
Federal Agencies	3130ABZN9	FEDERAL HOME LOAN BANK	50,000,000	1.80	1.80	8/28/17	8/28/20	75,000	-	-	75,000
Federal Agencies	3130ADT93	FEDERAL HOME LOAN BANK	25,000,000	2.40	2.43	3/14/18	9/14/20	50,000	527	-	50,527
Federal Agencies	3133EJ3N7	FEDERAL FARM CREDIT BANK	25,000,000	2.77	2.79	12/21/18	9/21/20	19,236	159	-	19,395
Federal Agencies	3130ACE26	FEDERAL HOME LOAN BANK	18,000,000	1.38	1.48	9/8/17	9/28/20	20,625	1,605	-	22,230
Federal Agencies	3130ACE26	FEDERAL HOME LOAN BANK	30,000,000	1.38	1.48	9/8/17	9/28/20	34,375	2,675	-	37,050
Federal Agencies	3130ACK52	FEDERAL HOME LOAN BANK	25,530,000	1.70	2.48	3/12/18	10/5/20	36,168	16,356	-	52,523
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							<u>Maturity</u>		Amort.	<u>Realized</u>	Earned Income
Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Date	Earned Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	3132X0KR1	FARMER MAC	25,000,000	2.55	2.55	11/2/16	11/2/20	54,850	-	-	54,850
Federal Agencies	3132X0ZF1	FARMER MAC	12,000,000	1.93	2.02	11/13/17	11/9/20	19,300	852	-	20,152
Federal Agencies	3133EJT90	FEDERAL FARM CREDIT BANK	50,000,000	2.95	3.00	11/16/18	11/16/20	122,917	2,212	-	125,129
Federal Agencies	3137EAEK1	FREDDIE MAC	50,000,000	1.88	1.91	11/15/17	11/17/20	78,125	1,355	-	79,480
Federal Agencies	3134GBX56	FREDDIE MAC	60,000,000	2.25	2.12	11/24/17	11/24/20	112,500	(6,313)	-	106,187
Federal Agencies	3134GBLR1	FREDDIE MAC	24,715,000	1.75	1.75	5/25/17	11/25/20	36,043	60	-	36,103
Federal Agencies	3133EHW58		25,000,000	1.90	1.91	11/27/17	11/27/20	39,583	208	-	39,792
Federal Agencies	3133EHW58		25,000,000	1.90	1.91	11/27/17	11/27/20	39,583	208	-	39,792
Federal Agencies	3130A3UQ5	FEDERAL HOME LOAN BANK	10,000,000	1.88	2.02	12/13/17	12/11/20	15,625	1,201	-	16,826
Federal Agencies	3132X0ZY0		12,750,000	2.05	2.07	12/15/17	12/15/20	21,781	242	-	22,023
Federal Agencies	3133EGX75	FEDERAL FARM CREDIT BANK	50,000,000	2.67	2.67	12/21/16	12/21/20	109,956	-	-	109,956
Federal Agencies	3133EFTX5	FEDERAL FARM CREDIT BANK	100,000,000	2.83 2.67	2.83 2.67	12/24/15 1/25/17	12/24/20 1/25/21	231,951	-	-	231,951
Federal Agencies Federal Agencies	3133EG4T9 3133EG4T9	FEDERAL FARM CREDIT BANK FEDERAL FARM CREDIT BANK	20,000,000 20,000,000	2.67	2.67	1/25/17	1/25/21	43,367 43,367	-	-	43,367 43,367
Federal Agencies	3130AC2K9	FEDERAL HOME LOAN BANK	50,200,000	2.67	1.88	9/20/17	2/10/21	78,228	- 251	-	43,367 78,480
Federal Agencies	3133EJCE7	FEDERAL FARM CREDIT BANK	50,000,000	2.35	2.59	4/16/18	2/12/21	97,917	9,792	-	107,709
Federal Agencies	3137EAEL9	FREDDIE MAC	22,000,000	2.38	2.33	2/16/18	2/16/21	43,542	1,643	-	45,184
Federal Agencies	3134GBD58	FREDDIE MAC	5,570,000	1.80	1.80	8/30/17	2/26/21	8.355	14	-	8,369
Federal Agencies	3130AAYP7	FEDERAL HOME LOAN BANK	8,585,000	2.20	2.17	8/11/17	3/22/21	15,739	(196)	-	15,543
Federal Agencies	3132X0Q53	FARMER MAC	6,350,000	2.60	2.64	3/29/18	3/29/21	13,758	196	-	13,954
Federal Agencies	3132X0Q53	FARMER MAC	20,450,000	2.60	2.64	3/29/18	3/29/21	44,308	630	-	44,939
Federal Agencies	3134GBJP8	FREDDIE MAC	22,000,000	1.89	2.06	11/16/17	5/3/21	34,650	3,075	-	37,725
Federal Agencies	3133EJNS4	FEDERAL FARM CREDIT BANK	17,700,000	2.70	2.79	5/22/18	5/10/21	39,825	1,341	-	41,166
Federal Agencies	3134GSNV3		50,000,000	2.80	2.81	6/14/18	6/14/21	116,667	212	-	116,879
Federal Agencies	3130ACVS0	FEDERAL HOME LOAN BANK	50,000,000	2.13	2.13	11/30/17	6/15/21	88,750	-	-	88,750
Federal Agencies	3130ACVS0	FEDERAL HOME LOAN BANK	50,000,000	2.13	2.13	11/30/17	6/15/21	88,750	-	-	88,750
Federal Agencies	3135G0U35	FANNIE MAE	25,000,000	2.75	2.76	6/25/18	6/22/21	57,292	163	-	57,455
Federal Agencies	3134GBJ60	FREDDIE MAC	50,000,000	1.90	1.90	9/29/17	6/29/21	79,167	-	-	79,167
Federal Agencies	3134G9H26	FREDDIE MAC	1,219,000	1.50	1.92	1/29/18	6/30/21	1,524	424	-	1,948
Federal Agencies	3134G9H26	FREDDIE MAC	3,917,000	1.50	1.86	1/25/18	6/30/21	4,896	1,164	-	6,060
Federal Agencies	3130ACQ98	FEDERAL HOME LOAN BANK	100,000,000	2.08	2.08	11/1/17	7/1/21	173,333	-	-	173,333
Federal Agencies	3134GBM25	FREDDIE MAC	50,000,000	1.92	1.92	10/2/17	7/1/21	80,000	-	-	80,000
Federal Agencies	3130ACF33	FEDERAL HOME LOAN BANK	25,000,000	1.88	1.95	9/18/17	9/13/21	39,063	1,544	-	40,606
Federal Agencies	3135G0Q89		25,000,000	1.38	1.38	10/21/16	10/7/21	28,646	-	-	28,646
Federal Agencies	3133EJK24	FEDERAL FARM CREDIT BANK	25,000,000	3.00	3.03	10/19/18	10/19/21	62,500	540	-	63,040
Federal Agencies Federal Agencies	3130AFBE6 3133EGZJ7	FEDERAL HOME LOAN BANK FEDERAL FARM CREDIT BANK	50,000,000 14,500,000	3.26 1.38	3.26 1.38	10/30/18 10/25/16	10/25/21 10/25/21	135,833 16,615	-	-	135,833 16,615
Federal Agencies	3133EGZJ7	FEDERAL FARM CREDIT BANK	15,000,000	1.38	1.38	10/25/16	10/25/21	17,188	-	-	17,188
Federal Agencies	3133EJT74	FEDERAL FARM CREDIT BANK	50,000,000	3.05	3.09	11/15/18	11/15/21	127,083	1,414		128,498
Federal Agencies	3133EGS97	FEDERAL FARM CREDIT BANK	50,000,000	2.66	2.66	12/8/16	12/8/21	19,956	1,414	110,500	130,456
Federal Agencies	3133EGS97	FEDERAL FARM CREDIT BANK	-	2.66	2.66	12/8/16	12/8/21	19,956	-	110,500	130,456
Federal Agencies	3130ACB60	FEDERAL HOME LOAN BANK	50,000,000	2.00	2.00	9/8/17	12/15/21	83,333	-	-	83,333
Federal Agencies	3133EJ3B3	FEDERAL FARM CREDIT BANK	25,000,000	2.80	2.84	12/17/18	12/17/21	27,222	352	-	27,575
Federal Agencies	3133EJ3B3	FEDERAL FARM CREDIT BANK	25,000,000	2.80	2.84	12/17/18	12/17/21	27,222	352	-	27,575
Federal Agencies	3133EJ3B3	FEDERAL FARM CREDIT BANK	25,000,000	2.80	2.85	12/17/18	12/17/21	27,222	489	-	27,712
Federal Agencies	3134GSK38	FREDDIE MAC	25,000,000	3.17	3.17	12/20/18	12/20/21	24,215	-	-	24,215
Federal Agencies	3134GSK46	FREDDIE MAC	25,000,000	3.17	3.17	12/20/18	12/20/21	24,215	-	-	24,215
Federal Agencies	3134GSN27	FREDDIE MAC	25,000,000	3.13	3.13	12/21/18	12/21/21	21,736	-	-	21,736
Federal Agencies	3134GSN43	FREDDIE MAC	25,000,000	3.13	3.13	12/21/18	12/21/21	21,736	-	-	21,736
Federal Agencies	3135G0T45	FANNIE MAE	25,000,000	1.88	1.81	6/6/17	4/5/22	39,063	(1,270)	-	37,793
Federal Agencies	3134GBQG0	FREDDIE MAC	50,000,000	2.18	2.18	5/25/17	5/25/22	90,833	-	-	90,833
Federal Agencies	3133EHLY7	FEDERAL FARM CREDIT BANK	50,000,000	1.88	1.85	6/6/17	6/2/22	78,125	(1,008)	-	77,117
Federal Agencies	3133EHLY7	FEDERAL FARM CREDIT BANK	50,000,000	1.88	1.88	6/9/17	6/2/22	78,125	43	-	78,168
Federal Agencies	3133EJRN1	FEDERAL FARM CREDIT BANK	25,000,000	3.00	3.05	6/13/18	6/13/22	62,500	902	-	63,402

								Maturity			Amort.		Realized	Ear	ned Income
Type of Investment	CUSIP	Issuer Name		Par Value	Coupon	YTM ¹	Settle Date	Date	Earned Interest	:	Expense	Ga	ain/(Loss)		let Earnings
Federal Agencies	3134GBF72	FREDDIE MAC		50,000,000	2.01	2.01	9/15/17	6/15/22	83,750		-		-		83,750
Federal Agencies	3134GBN73	FREDDIE MAC		50,000,000	2.07	2.07	10/2/17	7/1/22	86,250		-		-		86,250
Federal Agencies	3134GBW99	FREDDIE MAC		100,000,000	2.24	2.24	11/1/17	7/1/22	186,667		-		-		186,667
Federal Agencies	3134GBXU1	FREDDIE MAC		31,575,000	2.25	2.25	7/27/17	7/27/22	59,203		-		-		59,203
Federal Agencies	3130AC7E8	FEDERAL HOME LOAN BANK		50,000,000	2.17	2.17	9/1/17	9/1/22	90,417		-		-		90,417
Federal Agencies	3134GSNN1	FREDDIE MAC		100,000,000	3.27	3.27	6/14/18	6/14/23	272,500		-		-		272,500
Federal Agencies	3134GSPD1	FREDDIE MAC		50,000,000	3.32	3.32	6/14/18	6/14/23	138,333		-		-		138,333
Federal Agencies	3134GSRZ0	FREDDIE MAC		50,000,000	3.35	3.35	7/26/18	7/26/23	139,583		-		-		139,583
Federal Agencies	3134GSUA1	FREDDIE MAC		50,000,000	3.38	3.38	8/16/18	8/16/23	140,625		-		-		140,625
Subtotals			\$	5,194,930,000					\$ 8,775,633	\$	623,979	\$	221,000	\$	9,620,612
O //	400000000		•	~~~~~~	4 50	4 50	4/07/47		ф <u>оо</u> соо	•		•		•	00 500
State/Local Agencies		CALIFORNIA ST	\$	23,000,000	1.59	1.59	4/27/17	4/1/19		\$	-	\$	-	\$	30,533
State/Local Agencies				4,750,000	2.25	1.15	10/27/16	5/1/19	8,906		(4,368)		-		4,539
State/Local Agencies		UNIV OF CALIFORNIA CA REVENUES		2,000,000	1.23	1.23	6/30/16	5/15/19	2,047		-		-		2,047
State/Local Agencies		UNIV OF CALIFORNIA CA REVENUES		4,180,000	1.80	1.57	10/5/15	7/1/19	6,256		(782)		-		5,474
State/Local Agencies		UNIV OF CALIFORNIA CA REVENUES		16,325,000	1.80	1.56	10/2/15	7/1/19	24,433		(3,096)		-		21,337
State/Local Agencies		MISSISSIPPI ST		8,500,000	6.09	1.38	4/23/15	10/1/19	43,130		(32,825)		-		10,305
State/Local Agencies		WISCONSIN ST GEN FUND ANNUAL A		18,000,000	1.45	1.45	8/16/16	5/1/20	21,690		-		-		21,690
-		CALIFORNIA ST		33,000,000	2.80	2.80	4/25/18	4/1/21	77,000		(38)		-		76,962
State/Local Agencies		CALIFORNIA ST DEPT OF WTR RESO		28,556,228	1.71	2.30	2/6/17	5/1/21	40,764		9,695		-		50,459
State/Local Agencies Subtotals	91412GF59	UNIV OF CALIFORNIA CA REVENUES	\$	1,769,000 140,080,228	1.91	1.40	8/9/16	5/15/21	2,816 \$ 257,575	\$	(743) (32,158)	\$	-	\$	2,073 225,417
Subtotals			φ	140,000,220					φ 251,515	φ	(32,130)	φ	-	φ	223,417
Public Time Deposits	PP0818WE8	SAN FRANCISCO CREDIT UNION	\$	-	1.62	1.62	6/5/18	12/5/18	\$ 1,773	\$	-	\$	-	\$	1,773
Public Time Deposits		BANK OF SAN FRANCISCO	+	-	2.15	2.15	9/12/18	12/11/18	2,986	+	-	Ŧ	-	Ŧ	2,986
•		BRIDGE BANK		-	2.16	2.16	6/25/18	12/26/18	14,812		-		-		14,812
Public Time Deposits				10,000,000	2.43	2.43	12/26/18	3/26/19	3,995		-		-		3,995
				, ,											
Public Time Deposits	PP9J42KU2	PREFERRED BANK LA CALIF		240,000	2.59	2.59	5/16/18	5/16/19	528		-		-		528
Public Time Deposits Public Time Deposits		PREFERRED BANK LA CALIF SAN FRANCISCO CREDIT UNION		240,000 10,000,000	2.59 2.43	2.59 2.43	5/16/18 12/5/18	5/16/19 6/4/19	528 17,975		-		-		528 17,975
	PP9N2NML7										-		-		17,975
Public Time Deposits	PP9N2NML7 PP041MX54	SAN FRANCISCO CREDIT UNION		10,000,000	2.43	2.43	12/5/18	6/4/19	17,975		-		-		
Public Time Deposits Public Time Deposits	PP9N2NML7 PP041MX54	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO	\$	10,000,000 5,000,000	2.43 2.58	2.43 2.58	12/5/18 12/11/18	6/4/19 6/11/19	17,975 7,525	\$	-	\$	-	\$	17,975 7,525
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals	PP9N2NML7 PP041MX54 PP9N20S31	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK	*	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57	2.43 2.58 2.57	12/5/18 12/11/18 12/24/18	6/4/19 6/11/19 6/24/19	17,975 7,525 5,633 \$ 55,227	_		.		¥	17,975 7,525 5,633 55,227
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY	\$	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55	2.43 2.58 2.57 2.55	12/5/18 12/11/18 12/24/18 12/6/17	6/4/19 6/11/19 6/24/19 12/6/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694	_	-	.	-	\$	17,975 7,525 5,633 55,227 17,694
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55	2.43 2.58 2.57 2.55 2.55	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/6/17 12/7/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217	_		.	-	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/6/17 12/7/17 12/8/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217	_		.	-	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/6/17 12/7/17 12/8/17 12/7/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967	_		.	-	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.52 2.54	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/7/17 12/8/17 12/7/17 12/7/17	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/7/18 12/19/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563	_		.	-	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY WESTPAC BANKING CORP NY	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/7/17 12/8/17 12/7/17 12/7/17 12/27/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285	_		.	- - - - -	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO	.	10,000,000 5,000,000 10,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.52 2.54 2.53 2.05	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/6/17 12/8/17 12/7/17 12/7/17 12/27/17 12/27/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18 12/24/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743	_		.	-	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY	.	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/8/17 12/19/17 12/27/17 12/27/17 12/27/17 12/27/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18 12/24/18 12/24/18	17,975 7,525 5,633 \$ 55,227 \$ 17,694 \$ 17,694 \$ 17,694 \$ 21,217 21,217 21,217 20,967 63,563 70,285 32,743 96,253	_		.	- - - - -	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 21,217 20,967 63,563 70,285 32,743 96,253
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5B4 96121T5K0 06371EA64 96121T5M6 06371EFH5	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO	.	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - 50,000,000	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57 2.68	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/8/17 12/7/17 12/27/17 12/27/17 12/27/17 12/27/17 12/28/17 7/17/17	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18 12/21/18 12/24/18 12/28/18 12/28/18 1/17/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 \$ 17,694 \$ 17,694 \$ 21,217 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EFH5 06371EL21	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO	.	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/8/17 12/7/17 12/27/17 12/27/17 12/28/17 7/17/17 1/29/18	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18 12/24/18 12/24/18 12/28/18 12/28/18 1/17/19 1/23/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269	_		.	- - - - -	¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EL21 89114MBD8	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57 2.57 2.68 2.75 2.43	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/7/17 12/7/17 12/7/17 12/27/17 12/27/17 12/27/17 12/28/17 7/17/17 1/29/18 8/14/18	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18 12/24/18 12/24/18 12/28/18 12/28/18 12/28/18 12/23/19 2/15/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EFH5 06371EL21 89114MBD8 96121T7B8	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO DANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/6/17 12/6/17 12/6/17 12/7/17 12/7/17 12/7/17 12/27/17 12/27/17 12/28/17 7/17/17 1/29/18 8/14/18 3/5/18	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/7/18 12/21/18 12/24/18 12/24/18 12/24/18 12/28/18 12/28/18 12/28/18 12/28/19 1/23/19 2/15/19 3/5/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 21,217 20,96 33,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B4 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EFH5 06371EL21 89114MBD8 96121T7B8 06427KSW8	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57 2.68 2.57 2.68 2.75 2.43 2.71 3.05	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/6/17 12/8/17 12/7/17 12/27/17 12/27/17 12/27/17 12/28/17 7/17/17 12/28/17 7/17/17 12/29/18 8/14/18 3/5/18 3/5/18	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/7/18 12/21/18 12/24/18 12/24/18 12/24/18 12/28/18 1/17/19 1/23/19 2/15/19 3/5/19 3/5/19 3/8/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EFH5 06371EFH5 06371EFH5 06371EL21 89114MBD8 96121T7B8 06427KSW8 78012UCE3	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/7/17 12/27/17 12/27/17 12/27/17 12/27/17 12/27/17 12/27/17 12/27/17 12/28/17 7/17/17 1/29/18 8/14/18 3/5/18 3/9/17 3/28/18	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/7/18 12/21/18 12/24/18 12/24/18 12/24/18 12/28/18 12/28/18 12/28/18 12/28/18 12/21/19 1/23/19 3/5/19 3/5/19 3/8/19 4/1/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 \$ 17,694 \$ 17,694 \$ 21,217 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EA64 96121T5M6 06371EA21 89114MBD8 96121T7B8 06427KSW8 78012UCE3 06417GR42	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57 2.68 2.75 2.43 2.75 2.43 2.75 2.43 2.75 2.83 2.82	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/8/17 12/27/17 12/27/17 12/27/17 12/27/17 12/27/17 12/27/17 12/28/17 7/17/17 1/29/18 8/14/18 3/5/18 3/9/17 3/28/18 4/4/18	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/19/18 12/21/18 12/24/18 12/24/18 12/24/18 12/24/18 12/24/18 12/24/18 12/24/19 1/23/19 2/15/19 3/5/19 3/8/19 4/1/19 4/3/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5M6 06371EL21 89114MBD8 96121T7B8 06427KSW8 78012UCE3 06417GR42 06370RC20	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57 2.68 2.75 2.43 2.71 3.05 2.83 2.82 2.60	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/7/17 12/27/17	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/21/18 12/21/18 12/24/18 12/24/18 12/24/18 12/24/19 3/5/19 3/5/19 3/8/19 4/1/19 4/3/19 4/24/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 116,269 31,388 116,269 69,982 121,676 121,285 111,944	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5K0 06371EA64 96121T5M6 06371EL21 89114MBD8 96121T7B8 06427KSW8 78012UCE3 06417GR42 06370RCZ0 25215FDX9	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO DEXIA CREDIT LOCAL SA NY	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/7/17 12/27/17 12/27/17 12/27/17 12/27/17 12/28/17 12/28/17 1/29/18 8/14/18 3/5/18 3/917 3/28/18 4/4/18 7/6/18 8/9/18	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/21/18 12/21/18 12/24/18 12/24/18 12/24/19 3/5/19 3/8/19 4/3/19 4/3/19 4/24/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944 110,653	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944 110,653
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 78009N5B8 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5M6 06371EFH5 06371EL21 89114MBD8 96121T7B8 06427KSW8 78012UCE3 06470RC20 25215FDX9 89113X3M4	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF NOVA SCOTIA HOUSTON BANK OF NOVA SCOTIA HOUSTON BANK OF MONTREAL CHICAGO DEXIA CREDIT LOCAL SA NY TORONTO DOMINION BANK NY	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.52 2.54 2.53 2.05 2.57 2.63 2.75 2.43 2.71 3.05 2.83 2.82 2.80 2.57 2.65	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/7/17 12/7/17 12/27/17 12/27/17 12/27/17 12/28/17 7/17/17 1/29/18 8/14/18 3/5/18 3/9/17 3/28/18 4/4/18 7/6/18 8/9/18 6/20/18	6/4/19 6/11/19 6/24/19 12/6/18 12/6/18 12/7/18 12/7/18 12/7/18 12/21/18 12/24/18 12/24/18 12/24/18 12/24/19 3/5/19 3/8/19 4/1/19 4/3/19 4/24/19 4/24/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 21,217 21,217 23,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944 110,653 114,097	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944 110,653 114,097
Public Time Deposits Public Time Deposits Public Time Deposits Subtotals Negotiable CDs Negotiable CDs	PP9N2NML7 PP041MX54 PP9N20S31 89113XQJ6 89113XQJ6 06417GC48 96121T5B0 78009N5M4 96121T5K0 06371EA64 96121T5K0 06371EA64 96121T5M6 06371EL21 89114MBD8 96121T7B8 06427KSW8 78012UCE3 06417GR42 06370RCZ0 25215FDX9	SAN FRANCISCO CREDIT UNION BANK OF SAN FRANCISCO BRIDGE BANK TORONTO DOMINION BANK NY TORONTO DOMINION BANK NY BANK OF NOVA SCOTIA HOUSTON ROYAL BANK OF CANADA NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO ROYAL BANK OF CANADA NY BANK OF MONTREAL CHICAGO DEXIA CREDIT LOCAL SA NY	*	10,000,000 5,000,000 10,000,000 35,240,000 - - - - - - - - - - - - -	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	2.43 2.58 2.57 2.55 2.55 2.55 2.55 2.55 2.55 2.55	12/5/18 12/11/18 12/24/18 12/24/18 12/6/17 12/6/17 12/7/17 12/7/17 12/27/17 12/27/17 12/27/17 12/27/17 12/28/17 12/28/17 1/29/18 8/14/18 3/5/18 3/917 3/28/18 4/4/18 7/6/18 8/9/18	6/4/19 6/11/19 6/24/19 12/6/18 12/7/18 12/7/18 12/7/18 12/21/18 12/21/18 12/24/18 12/24/18 12/24/19 3/5/19 3/8/19 4/3/19 4/3/19 4/24/19	17,975 7,525 5,633 \$ 55,227 \$ 17,694 8,847 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944 110,653	_		.		¥	17,975 7,525 5,633 55,227 17,694 8,847 21,217 21,217 20,967 63,563 70,285 32,743 96,253 115,338 56,269 31,388 116,269 69,982 121,676 121,285 111,944 110,653

							Maturity		Amort.	Realized	Earned Income
Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Date Ea	arned Interest	Expense	Gain/(Loss)	/Net Earnings
Negotiable CDs	78012UDL6	ROYAL BANK OF CANADA NY	35,000,000	2.72	2.72	5/2/18	5/1/19	81,858	-	-	81,858
Negotiable CDs	78012UGF6	ROYAL BANK OF CANADA NY	25,000,000	2.55	2.55	8/23/18	5/6/19	54,896	-	-	54,896
Negotiable CDs	78012UDR3	ROYAL BANK OF CANADA NY	40,000,000	2.69	2.69	5/10/18	5/13/19	92,656	-	-	92,656
Negotiable CDs	78012UDV4	ROYAL BANK OF CANADA NY	25,000,000	2.66	2.66	5/23/18	5/24/19	57,264	-	-	57,264
Negotiable CDs	89113XX41	TORONTO DOMINION BANK NY	25,000,000	2.68	2.68	5/23/18	5/24/19	57,694	-	-	57,694
Negotiable CDs	78012UDX0	ROYAL BANK OF CANADA NY	50,000,000	2.65	2.65	6/4/18	6/4/19	113,826	-	-	113,826
Negotiable CDs	25215FDL5	DEXIA CREDIT LOCAL SA NY	40,000,000	2.66	2.66	6/7/18	6/7/19	91,286	-	-	91,286
Negotiable CDs	25215FDY7	DEXIA CREDIT LOCAL SA NY	50,000,000	2.62	2.62	8/10/18	6/14/19	112,806	-	-	112,806
Negotiable CDs	89114MAX5	TORONTO DOMINION BANK NY	50,000,000	2.61	2.61	8/13/18	6/14/19	112,375	-	-	112,375
Negotiable CDs	06370RHT9	BANK OF MONTREAL CHICAGO	40,000,000	2.64	2.64	9/7/18	6/24/19	90,933	-	-	90,933
Negotiable CDs	78012UGS8	ROYAL BANK OF CANADA NY	50,000,000	2.65	2.65	8/31/18	6/24/19	114,097	-	-	114,097
Negotiable CDs	06370RMN6		50,000,000	2.76	2.76	10/15/18	7/1/19	118,833	-	-	118,833
Negotiable CDs	25215FEF7	DEXIA CREDIT LOCAL SA NY	50,000,000	2.82	2.82	11/14/18	7/1/19	121,417	-	-	121,417
Negotiable CDs	89114MAY3	TORONTO DOMINION BANK NY	50,000,000	2.63	2.63	8/13/18	7/1/19	113,236	-	-	113,236
Negotiable CDs	89114MCE5	TORONTO DOMINION BANK NY	50,000,000	2.64	2.64	8/21/18	7/1/19	113,667	-	-	113,667
Negotiable CDs	89114MKR7	TORONTO DOMINION BANK NY	50,000,000	2.93	2.93	11/5/18	7/1/19	126,153	-	-	126,153
Negotiable CDs	63873NB67	NATIXIS NY BRANCH	25,000,000	2.98	2.98	12/19/18	7/22/19	26,903	-	-	26,903
Negotiable CDs	06370RSD2	BANK OF MONTREAL CHICAGO	50,000,000	2.88	2.88	12/19/18	7/25/19	52,000	-	-	52,000
Negotiable CDs	78012ULA1	ROYAL BANK OF CANADA NY	50,000,000	2.94	2.94	12/12/18	8/30/19	81,667	-	-	81,667
Negotiable CDs		ROYAL BANK OF CANADA NY	50,000,000	3.01	3.01	12/7/18	10/25/19	104,514	-	-	104,514
Negotiable CDs	89114MPG6		25,000,000	3.06	3.06	12/6/18	10/25/19	55,250	-	-	55,250
Negotiable CDs	89114MLP0	TORONTO DOMINION BANK NY	50,000,000	3.08	3.08	11/9/18	10/28/19	132,611	-	-	132,611
Negotiable CDs	06370RNN5	BANK OF MONTREAL CHICAGO	50,000,000	3.10	3.10	11/6/18	11/6/19	133,472	-	-	133,472
Negotiable CDs	96130AAN8	WESTPAC BANKING CORP NY	50,000,000	3.10	3.10	11/8/18	11/8/19	133,472	-	-	133,472
Negotiable CDs	96130AAT5	WESTPAC BANKING CORP NY	50,000,000	3.08	3.08	11/14/18	11/14/19	132,611	-	-	132,611
Negotiable CDs	89114MME4		25,000,000	3.10	3.10	11/19/18	11/19/19	66,736	-	-	66,736
Negotiable CDs	78012UKB0	ROYAL BANK OF CANADA NY	50,000,000	3.07	3.07	11/26/18	11/25/19	132,181	-	-	132,181
Negotiable CDs	96130AAZ1	WESTPAC BANKING CORP NY	50,000,000	3.06	3.06	11/29/18	11/27/19	131,750	-	-	131,750
Negotiable CDs	06370RPG8 89114MPF8	BANK OF MONTREAL CHICAGO	50,000,000	3.12 3.10	3.12 3.10	12/3/18	12/3/19 12/6/19	125,667	-	-	125,667
Negotiable CDs	96130ABE7	TORONTO DOMINION BANK NY WESTPAC BANKING CORP NY	50,000,000 50,000,000	3.10	3.10	12/6/18 12/7/18	12/6/19	111,944	-	-	111,944
Negotiable CDs Negotiable CDs	06370RQD4	BANK OF MONTREAL CHICAGO	50,000,000	3.05	3.05	12/7/18	12/9/19	105,903 110,500	-	-	105,903 110,500
Negotiable CDs	06370RQD4 06370RQZ5	BANK OF MONTREAL CHICAGO BANK OF MONTREAL CHICAGO	50,000,000	3.06	3.06	12/10/18	12/11/19	93,500	-	-	93,500
Subtotals	00370KQZ3	BANK OF MONTREAL CHICAGO	\$ 1,972,838,000	3.00	3.00	12/10/16	\$	4,844,516 \$		- \$ -	
Subiolais			φ 1,972,030,000				Ψ	4,044,510 \$	_	φ -	φ 4,044,510
Commercial Paper	63873KM38	NATIXIS NY BRANCH	\$-	0.00	2.16	11/30/18	12/3/18 \$	- \$	6,000	\$ -	\$ 6,000
Commercial Paper	63873KM38	NATIXIS NY BRANCH	• -	0.00	2.16	11/30/18	12/3/18	-	7,200	-	7,200
Commercial Paper	63873KM46	NATIXIS NY BRANCH	-	0.00	2.16	12/3/18	12/4/18	-	1,800	-	1,800
Commercial Paper	63873KM61	NATIXIS NY BRANCH	-	0.00	2.16	12/4/18	12/6/18	-	6,000	-	6,000
Commercial Paper	63873KM61	NATIXIS NY BRANCH	-	0.00	2.16	12/4/18	12/6/18	-	7,200	-	7,200
Commercial Paper	25214PHL0	DEXIA CREDIT LOCAL SA NY	-	0.00	2.39	6/4/18	12/10/18	-	14,750	-	14,750
Commercial Paper	62479MMA8	MUFG BANK LTD NY	-	0.00	2.34	8/10/18	12/10/18	-	8,700	-	8,700
Commercial Paper	63873KMA2	NATIXIS NY BRANCH	-	0.00	2.16	12/7/18	12/10/18	-	9,000	-	9,000
Commercial Paper	63873KMA2	NATIXIS NY BRANCH	-	0.00	2.16	12/7/18	12/10/18	-	9,000	-	9,000
Commercial Paper	63873KMB0	NATIXIS NY BRANCH	-	0.00	2.16	12/10/18	12/11/18	-	3,000	-	3,000
Commercial Paper	63873KMB0	NATIXIS NY BRANCH	-	0.00	2.16	12/10/18	12/11/18	-	3,000	-	3,000
Commercial Paper	63873KMC8	NATIXIS NY BRANCH	-	0.00	2.16	12/11/18	12/12/18	-	3,000	-	3,000
Commercial Paper	63873KMD6	NATIXIS NY BRANCH	-	0.00	2.16	12/12/18	12/13/18	-	3,000	-	3,000
Commercial Paper	63873KME4	NATIXIS NY BRANCH	-	0.00	2.16	12/13/18	12/14/18	-	2,400	-	2,400
Commercial Paper	63873KMH7	NATIXIS NY BRANCH	-	0.00	2.16	12/14/18	12/17/18	-	6,300	-	6,300
Commercial Paper	03785EMJ0	APPLE INC	-	0.00	2.29	11/15/18	12/18/18	-	54,069	-	54,069
Commercial Paper	63873KMK0	NATIXIS NY BRANCH		0.00	2.16	12/18/18	12/19/18	-	3,600	-	3,600
			-								,
Commercial Paper	62479MML4	MUFG BANK LTD NY	-	0.00	2.25	12/6/18	12/20/18	-	43,750	-	43,750
Commercial Paper Commercial Paper	62479MML4							-		-	,

							Maturity		Amort.	Realized	Earned Income
Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date		arned Interest	Expense	Gain/(Loss)	/Net Earnings
Commercial Paper		MUFG BANK LTD NY	-	0.00	2.25	12/7/18	12/24/18	-	21,250	-	21,250
Commercial Paper	63873KMT1	NATIXIS NY BRANCH	-	0.00	2.36	12/26/18	12/27/18	-	3,278	-	3,278
Commercial Paper	63873KMT1	NATIXIS NY BRANCH	-	0.00	2.36	12/26/18	12/27/18	-	3,278	-	3,278
Commercial Paper	63873KMU8	NATIXIS NY BRANCH	-	0.00	2.36	12/27/18	12/28/18	-	3,278	-	3,278
Commercial Paper	63873KMU8	NATIXIS NY BRANCH	-	0.00	2.36	12/27/18	12/28/18	-	3,278	-	3,278
Commercial Paper	63873KMX2	NATIXIS NY BRANCH	-	0.00	2.36	12/28/18	12/31/18	-	14,750	-	14,750
Commercial Paper	63873KMX2	NATIXIS NY BRANCH	-	0.00	2.36	12/28/18	12/31/18	-	14,750	-	14,750
Commercial Paper	63873KMX2	NATIXIS NY BRANCH	-	0.00	2.36	12/28/18	12/31/18	-	4,917	-	4,917
Commercial Paper	62479MN33	MUFG BANK LTD NY	50,000,000	0.00	2.43	12/21/18	1/3/19	-	37,125	-	37,125
Commercial Paper	89233HN75	TOYOTA MOTOR CREDIT CORP	25,000,000	0.00	2.46	6/21/18	1/7/19	-	52,313	-	52,313
Commercial Paper	62479MNN9	MUFG BANK LTD NY	21,000,000	0.00	2.42	8/10/18	1/22/19	-	43,219	-	43,219
Commercial Paper	89116FP46	TORONTO DOMINION HDG USA	15,000,000	0.00	2.45	8/8/18	2/4/19	-	31,258	-	31,258
Commercial Paper	25214PH22	DEXIA CREDIT LOCAL SA NY	50,000,000	0.00	2.51	5/15/18	2/5/19	-	105,917	-	105,917
Commercial Paper	89233HP65	TOYOTA MOTOR CREDIT CORP	30,000,000	0.00	2.51	7/3/18	2/6/19	-	63,808	-	63,808
Commercial Paper	03785EPF5	APPLE INC	45,000,000	0.00	2.37	8/17/18	2/15/19	-	90,675	-	90,675
Commercial Paper	62479MPL1	MUFG BANK LTD NY	30,000,000	0.00	2.59	6/8/18	2/20/19	-	65,617	-	65,617
Commercial Paper	25214PJV6	DEXIA CREDIT LOCAL SA NY	32,000,000	0.00	2.52	7/18/18	2/22/19	-	68,338	-	68,338
Commercial Paper	62479MPN7	MUFG BANK LTD NY	15,000,000	0.00	2.46	8/14/18	2/22/19	-	31,388	-	31,388
Commercial Paper	62479MQR7		15,000,000	0.00	2.51	8/14/18	3/25/19	-	31,904	-	31,904
Commercial Paper	25214PKT9	DEXIA CREDIT LOCAL SA NY	15,000,000	0.00	2.51	8/14/18	4/1/19	-	31,904	-	31,904
Commercial Paper	62479MTR4	MUFG BANK LTD NY	40,000,000	0.00	2.76	10/15/18	6/25/19	-	93,344	-	93,344
Commercial Paper	89233HTR5	TOYOTA MOTOR CREDIT CORP	50,000,000	0.00	2.74	10/15/18	6/25/19	-	115,819	-	115,819
Commercial Paper	62479MTS2	MUFG BANK LTD NY	50,000,000	0.00	2.92	11/6/18	6/26/19	-	123,569	-	123,569
Commercial Paper	62479MU19	MUFG BANK LTD	50,000,000	0.00	2.97	11/13/18	7/1/19	-	125,292	-	125,292
Commercial Paper	62479MU19	MUFG BANK LTD NY	50,000,000	0.00	2.95	11/15/18	7/1/19	-	124,861	-	124,861
Commercial Paper	62479MU19	MUFG BANK LTD NY	50,000,000	0.00	2.95	11/19/18	7/1/19	-	124,861	-	124,861
Commercial Paper	63873KU13	NATIXIS NY BRANCH	25,000,000	0.00	2.92	11/26/18	7/1/19	-	61,785	-	61,785
Commercial Paper	89233HU10	TOYOTA MOTOR CREDIT CORPORATION	50,000,000	0.00	2.75	10/11/18	7/1/19	-	116,250	-	116,250
Commercial Paper Commercial Paper	89233HU10 89233HU10	TOYOTA MOTOR CREDIT CORP TOYOTA MOTOR CREDIT CORP	50,000,000 50,000,000	0.00 0.00	2.85 2.88	11/16/18 11/26/18	7/1/19 7/1/19	-	120,556 121,847	-	120,556 121,847
Commercial Paper	62479MU84	MUFG BANK LTD NY	40,000,000	0.00	2.88	11/28/18	7/8/19	-	99,889	-	99,889
Commercial Paper	62479MU84	MUFG BANK LTD NY	50,000,000	0.00	2.95	11/27/18	7/8/19	-	124,861	-	124,861
Commercial Paper	62479MUA9	MUFG BANK LTD NY	30,000,000	0.00	2.95	12/7/18	7/10/19	-	59,792	-	59,792
Commercial Paper	63873KUN5	NATIXIS NY BRANCH	50.000.000	0.00	2.92	12/11/18	7/22/19		85.167		85.167
Commercial Paper		MUFG BANK LTD NY	40,000,000	0.00	2.97	12/11/18	7/24/19		15.889		15,889
Subtotals	0247910004		1,018,000,000	0.00	2.31	12/21/10	\$		- /	\$ -	, ,
Oustotais		Ŷ	1,010,000,000				Ψ	ΨΨ.	2,440,100	Ψ	φ 2,440,100
Medium Term Notes	89236TDN2	TOYOTA MOTOR CREDIT CORP \$	50,000,000	2.67	2.67	1/9/17	1/9/19 \$	114,875 \$	-	\$-	\$ 114,875
Medium Term Notes	037833AQ3	APPLE INC	18,813,000	2.10	2.37	5/31/18	5/6/19	32,923	4,305	-	37,228
Medium Term Notes	742718EG0	THE PROCTER & GAMBLE CO	9,650,000	1.90	2.62	6/20/18	11/1/19	15,279	5,773	-	21,052
Medium Term Notes	89236TEJ0	TOYOTA MOTOR CREDIT CORP	20,000,000	2.20	2.25	1/11/18	1/10/20	36,667	757	-	37,424
Subtotals		\$	98,463,000				\$	199,743 \$	10,836	\$-	\$ 210,579
								.		•	• • • • • •
Money Market Funds		DREYFUS GOVERN CASH MGMT-I \$	50,103,872	2.21	2.21	12/31/18	1/1/19 \$		-	\$-	
Money Market Funds	608919718	FEDERATED GOVERNMENT OBL-PRM	9,292,390	2.14	2.14	12/31/18	1/1/19	80,950	-	-	80,950
Money Market Funds		BLACKROCK LIQ INST GOV FUND	10,184,227	2.18	2.18	12/31/18	1/1/19	18,825	-	-	18,825
Money Market Funds		FIDELITY INST GOV FUND	263,743,974	2.19	2.19	12/31/18	1/1/19	662,990	-	-	662,990
Money Market Funds	61/4/0/07	MORGAN STANLEY INST GOVT FUND	135,344,625	2.28	2.28	12/31/18	1/1/19	41,883		-	41,883
Subtotals		\$	468,669,088				\$	825,958 \$	-	\$-	\$ 825,958
Supranationals	459053T87	INTL BK RECON & DEVELOP \$	-	0.00	2.21	12/19/18	12/20/18 \$	- \$	6,139	\$-	\$ 6,139
Supranationals	459052AQ9	INTL BK RECON & DEVELOP DISC	16,000,000	0.00	2.42	12/27/18	1/15/19		5,378	-	5,378
Supranationals	45950VLM6	INTERNATIONAL FINANCE CORP	50,000,000	2.35	2.35	3/1/18	3/1/19	101,108	· -	-	101,108
Supranationals	458182DX7	INTER-AMERICAN DEVEL BK	5,000,000	1.00	2.43	6/11/18	5/13/19	4,167	5,997	-	10,164
Supranationals	458182DX7	INTER-AMERICAN DEVEL BK	14,270,000	1.00	2.41	6/6/18	5/13/19	11,892	16,845	-	28,736

							Maturity		Amort.	<u>Realized</u>	Earned Income
Type of Investment	CUSIP	Issuer Name	Par Value	<u>Coupon</u>	<u>YTM¹</u>	Settle Date	Date Ea	rned Interest	<u>Expense</u>	<u>Gain/(Loss)</u>	/Net Earnings
Supranationals	458182DX7	INTER-AMERICAN DEVEL BK	20,557,000	1.00	2.30	6/1/18	5/13/19	17,131	22,452	-	39,583
Supranationals	459058EV1	INTL BK RECON & DEVELOP	10,000,000	1.25	2.47	6/28/18	7/26/19	10,417	10,199	-	20,616
Supranationals	4581X0BY3	INTER-AMERICAN DEVEL BK	44,716,000	1.13	2.77	11/5/18	9/12/19	41,921	61,287	-	103,208
Supranationals	459058FQ1	INTL BK RECON & DEVELOP	50,000,000	1.20	1.75	11/6/17	9/30/19	50,000	23,087	-	73,087
Supranationals	45905UZJ6	INTL BK RECON & DEVELOP	25,000,000	1.30	1.56	6/2/17	10/25/19	27,083	5,491	-	32,575
Supranationals	45905UZJ6	INTL BK RECON & DEVELOP	29,300,000	1.30	1.56	6/2/17	10/25/19	31,742	6,436	-	38,178
Supranationals	459058FZ1	INTL BK RECON & DEVELOP	50,000,000	1.88	1.94	3/21/17	4/21/20	78,167	1,197	-	79,363
Supranationals	4581X0CX4	INTER-AMERICAN DEVEL BK	10,000,000	1.63	2.72	5/17/18	5/12/20	13,542	8,994	-	22,536
Supranationals	4581X0CX4	INTER-AMERICAN DEVEL BK	25,000,000	1.63	1.72	4/12/17	5/12/20	33,854	1,631	-	35,485
Supranationals	459058GA5	INTL BK RECON & DEVELOP	50,000,000	1.63	1.64	8/29/17	9/4/20	67,750	295	-	68,045
Supranationals	45905UQ80	INTL BK RECON & DEVELOP	50,000,000	1.95	1.97	11/9/17	11/9/20	81,250	990	-	82,240
Supranationals	45905UQ80	INTL BK RECON & DEVELOP	50,000,000	1.95	2.15	12/20/17	11/9/20	81,250	8,272	-	89,522
Supranationals	459058GM9	INTL BK RECON & DEVELOP	50,000,000	3.00	3.00	12/28/18	12/28/20	12,500	-	-	12,500
Supranationals	45950KCM0	INTERNATIONAL FINANCE CORP	50,000,000	2.25	2.35	1/25/18	1/25/21	93,750	4,158	-	97,908
Supranationals	4581X0DB1	INTER-AMERICAN DEVEL BK	45,000,000	2.63	2.70	4/19/18	4/19/21	98,438	2,800	-	101,238
Supranationals	4581X0DB1	INTER-AMERICAN DEVEL BK	50,000,000	2.63	2.84	5/16/18	4/19/21	109,375	8,875	-	118,250
Supranationals	45950KCJ7	INTERNATIONAL FINANCE CORP	12,135,000	1.13	2.97	5/23/18	7/20/21	11,387	17,140	-	28,527
Supranationals	459058GH0	INTL BK RECON & DEVELOP	50,000,000	2.75	2.83	7/25/18	7/23/21	114,583	3,315	-	117,899
Supranationals	45905UW59	INTL BK RECON & DEVELOP	50,000,000	3.05	3.06	9/13/18	9/13/21	127,083	424	-	127,508
Supranationals	45905UW67	INTL BK RECON & DEVELOP	22,500,000	3.13	3.18	11/29/18	9/28/21	58,594	1,012	-	59,606
Subtotals			\$ 829,478,000				\$	1,276,983	\$ 222,413	\$ -	\$ 1,499,396
Crond Totalo			¢ 10 722 600 245					17 001 004	¢ 4 002 024	¢ 224.000	¢ 24 226 040
Grand Totals			\$ 10,732,698,315				2	17,001,994	\$ 4,003,024	\$ 221,000	\$ 21,226,018

Grand Totals
Yield to maturity is calculated at purchase

For month en	ded Decemb	er 31. 2018								
Transaction		Maturity Type of Investment	Issuer Name	CUSIP	Par Value	<u>Coupon</u>	YTM	Price	Interest	Transaction
Purchase	12/3/2018	12/3/2019 Negotiable CDs	BANK OF MONTREAL CHICAGO	06370RPG8	\$ 50,000,000	3.12	3.12 \$	S 100.00 \$	- \$	50,000,000
Purchase	12/3/2018	1/1/2019 Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	28,960	2.18	2.18	100.00	-	28,960
Purchase	12/3/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	75,000,000	2.20	2.19	100.00	-	75,000,000
Purchase	12/3/2018	12/4/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM46	30,000,000	0.00	2.16	99.99	-	29,998,200
Purchase	12/4/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	45,000,000	2.20	2.19	100.00	-	45,000,000
Purchase	12/4/2018	12/6/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM61	50,000,000	0.00	2.16	99.99	-	49,994,000
Purchase	12/4/2018	12/6/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM61	60,000,000	0.00	2.16	99.99	-	59,992,800
Purchase	12/5/2018	6/4/2019 Public Time Deposits	SAN FRANCISCO CREDIT UNI	PP9N2NML7	10,000,000	2.43	2.43	100.00	-	10,000,000
Purchase	12/6/2018	12/9/2019 Negotiable CDs	BANK OF MONTREAL CHICAGO	06370RQD4	50,000,000	3.06	3.06	100.00	-	50,000,000
Purchase	12/6/2018	12/7/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S31	50,000,000	0.00	2.15	99.99	-	49,997,014
Purchase	12/6/2018	12/7/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S31	50,000,000	0.00	2.15	99.99	-	49,997,014
Purchase	12/6/2018	12/7/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S31	50,000,000	0.00	2.15	99.99	-	49,997,014
Purchase	12/6/2018	12/7/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S31	50,000,000	0.00	2.15	99.99	-	49,997,014
Purchase	12/6/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	60,000,000	2.20	2.19	100.00	-	60,000,000
Purchase	12/6/2018	12/20/2018 Commercial Paper	MUFG BANK LTD NY	62479MML4	50,000,000	0.00	2.25	99.91	-	49,956,250
Purchase	12/6/2018	12/6/2019 Negotiable CDs	TORONTO DOMINION BANK NY	89114MPF8	50,000,000	3.10	3.10	100.00	-	50,000,000
Purchase	12/6/2018	10/25/2019 Negotiable CDs	TORONTO DOMINION BANK NY	89114MPG6	25,000,000	3.06	3.06	100.00	-	25,000,000
Purchase	12/7/2018	12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64	50,000,000	0.00	2.15	99.98	-	49,991,042
Purchase	12/7/2018	12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64	50,000,000	0.00	2.15	99.98	-	49,991,042
Purchase		12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64	50,000,000	0.00	2.15	99.98	-	49,991,042
Purchase	12/7/2018	12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64	50,000,000	0.00	2.15	99.98	-	49,991,042
Purchase	12/7/2018	12/24/2018 Commercial Paper	MUFG BANK LTD NY	62479MMQ3	20,000,000	0.00	2.25	99.89	-	19,978,750
Purchase	12/7/2018	7/10/2019 Commercial Paper	MUFG BANK LTD NY	62479MUA9	30,000,000	0.00	2.92	98.29	-	29,485,792
Purchase	12/7/2018	12/10/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMA2	50,000,000	0.00	2.16	99.98	-	49,991,000
Purchase	12/7/2018	12/10/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMA2	50,000,000	0.00	2.16	99.98	-	49,991,000
Purchase		10/25/2019 Negotiable CDs	ROYAL BANK OF CANADA NY	78012UKW4	50,000,000	3.01	3.01	100.00	-	50,000,000
Purchase	12/7/2018	12/6/2019 Negotiable CDs	WESTPAC BANKING CORP NY	96130ABE7	50,000,000	3.05	3.05	100.00	-	50,000,000
Purchase	12/10/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718	100,000,000	2.14	2.14	100.00	-	100,000,000
Purchase	12/10/2018	12/11/2019 Negotiable CDs	BANK OF MONTREAL CHICAGO	06370RQZ5	50,000,000	3.06	3.06	100.00	-	50,000,000
Purchase	12/10/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	110,000,000	2.20	2.19	100.00	-	110,000,000
Purchase	12/10/2018	12/11/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMB0	50,000,000	0.00	2.16	99.99	-	49,997,000
Purchase	12/10/2018	12/11/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMB0	50,000,000	0.00	2.16	99.99	-	49,997,000
Purchase	12/11/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718	80,000,000	2.14	2.14	100.00	-	80,000,000
Purchase	12/11/2018	12/26/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	50,000,000	0.00	2.24	99.91	-	49,953,333
Purchase	12/11/2018	12/12/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMC8	50,000,000	0.00	2.16	99.99	-	49,997,000
Purchase	12/11/2018	7/22/2019 Commercial Paper	NATIXIS NY BRANCH	63873KUN5	50,000,000	0.00	2.97	98.19	-	49,095,611
Purchase	12/11/2018	6/11/2019 Public Time Deposits	BANK OF SAN FRANCISCO	PP041MX54	5,000,000	2.58	2.58	100.00	-	5,000,000
Purchase	12/12/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	70,000,000	2.20	2.19	100.00	-	70,000,000
Purchase	12/12/2018	12/13/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMD6	50,000,000	0.00	2.16	99.99	-	49,997,000
Purchase	12/12/2018	8/30/2019 Negotiable CDs	ROYAL BANK OF CANADA NY	78012ULA1	50,000,000	2.94	2.94	100.00	-	50,000,000
Purchase	12/13/2018	1/9/2019 Federal Agencies	FED HOME LN DISCOUNT NT	313384AJ8	50,000,000	0.00	2.33	99.83	-	49,912,625
Purchase	12/13/2018	12/18/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T63	50,000,000	0.00	2.15	99.97	-	49,985,069
Purchase	12/13/2018	12/21/2018 Commercial Paper	MUFG BANK LTD NY	62479MMM2	25,000,000	0.00	2.23	99.95	-	24,987,611
Purchase	12/13/2018	12/14/2018 Commercial Paper	NATIXIS NY BRANCH	63873KME4	40,000,000	0.00	2.16	99.99	-	39,997,600
Purchase	12/14/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718	15,000,000	2.14	2.14	100.00	-	15,000,000
Purchase	12/14/2018	12/18/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T63	50,000,000	0.00	2.16	99.98	-	49,988,000
Purchase	12/14/2018	12/19/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	30,385,000	0.00	2.15	99.97	-	30,375,927
Purchase	12/14/2018	12/17/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMH7	35,000,000	0.00	2.16	99.98	-	34,993,700
Purchase	12/17/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	41,000,000	0.00	2.19	99.98	-	40,990,046
Purchase	12/17/2018	12/17/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EJ3B3	25,000,000	2.80	2.84	99.90	-	24,974,250
Purchase	12/17/2018	12/17/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EJ3B3	25,000,000	2.80	2.84	99.90	-	24,974,250
Purchase	12/17/2018	12/17/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EJ3B3	25,000,000	2.80	2.85	99.86	-	24,964,250

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	50,000,000	0.00	2.15	99.99	Interest	49,997,014
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	50,000,000	0.00	2.15	99.99	-	49,997,014
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	50,000,000	0.00	2.15	99.99	-	49,997,014
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMK0	60,000,000	0.00	2.15	99.99	_	59,996,400
Purchase			Negotiable CDs	BANK OF MONTREAL CHICAGO	06370RSD2	50,000,000	2.88	2.88	100.00	-	50,000,000
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T89	50,000,000	0.00	2.00	99.99	-	49,996,986
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T89	50,000,000	0.00	2.17	99.99	-	49,996,986
Purchase			Supranationals	INTL BK RECON & DEVELOP	459053T87	100,000,000	0.00	2.21	99.99	-	99,993,861
Purchase			Negotiable CDs	NATIXIS NY BRANCH	63873NB67	25,000,000	2.98	2.21	100.00	-	25,000,000
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	35,000,000	0.00	2.30	99.99		34,997,715
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	99.99	-	49,996,736
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	99.99	-	49,996,736
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	99.99	-	49,996,736
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	99.99	-	49,996,736
Purchase			Federal Agencies	FREDDIE MAC	3134GSK38	25,000,000	3.17	3.17	100.00	-	25,000,000
Purchase			Federal Agencies	FREDDIE MAC	3134GSK46	25,000,000	3.17	3.17	100.00	-	25,000,000
Purchase			U.S. Treasuries	US TREASURY	912828XU9	100,000,000	1.50	2.67	98.31	20,604	98,333,104
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	99.98	20,004	49,990,208
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	99.98	-	49,990,208
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	99.98		49,990,208
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	99.98	-	49,990,208
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	99.98 99.98	-	49,990,208
Purchase			Federal Agencies	FEDERAL FARM CREDIT BANK	3133EJ3N7	25,000,000	2.77	2.33	99.96	-	24,990,750
Purchase			Federal Agencies	FREDDIE MAC	3134GSN27	25,000,000	3.13	3.13	100.00	-	25,000,000
Purchase			Federal Agencies	FREDDIE MAC	3134GSN43	25,000,000	3.13	3.13	100.00	-	25,000,000
Purchase	12/21/2018		Commercial Paper	MUFG BANK LTD NY	62479MN33	50,000,000	0.00	2.43	99.91	-	49,956,125
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	50,000,000	0.00	2.45	99.99	-	49,993,444
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	50,000,000	0.00	2.36	99.99	-	49,993,444
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	100,000,000	0.00	2.36	99.99	_	99,986,889
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	100,000,000	0.00	2.36	99.99	_	99,986,889
Purchase			Public Time Deposits	BRIDGE BANK	PP9N20S31	10,000,000	2.57	2.50	100.00		10,000,000
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U79	191,373,000	0.00	2.36	99.99	-	191,360,454
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMT1	50,000,000	0.00	2.36	99.99	-	49,996,722
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMT1	50,000,000	0.00	2.36	99.99	_	49,996,722
Purchase			Public Time Deposits	BRIDGE BANK	PP041QSK8	10,000,000	2.43	2.43	100.00	_	10,000,000
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U87	10,600,000	0.00	2.35	99.99	-	10,599,308
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U87	25,000,000	0.00	2.25	99.99	_	24,998,438
Purchase			Federal Agencies	FED HOME LN DISCOUNT NT	313385U87	173,200,000	0.00	2.35	99.99	-	173,188,694
Purchase			Supranationals	INTL BK RECON & DEVELOP	459052AQ9	16,000,000	0.00	2.42	99.87	-	15,979,565
Purchase			Commercial Paper	MUFG BANK LTD NY	62479MUQ4	40,000,000	0.00	2.91	98.34	_	39,335,844
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMU8	50,000,000	0.00	2.36	99.99	-	49,996,722
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMU8	50,000,000	0.00	2.36	99.99	_	49,996,722
Purchase	12/28/2018		Money Market Funds	FIDELITY INST GOV FUND	31607A703	90,000,000	2.20	2.19	100.00	-	90,000,000
Purchase			Supranationals	INTL BK RECON & DEVELOP	459058GM9	50,000,000	3.00	3.00	100.00	-	50,000,000
Purchase	12/28/2018		Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	75,000,000	2.28	2.28	100.00	-	75,000,000
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMX2	25,000,000	0.00	2.36	99.98	-	24,995,083
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMX2	75,000,000	0.00	2.36	99.98	-	74,985,250
Purchase			Commercial Paper	NATIXIS NY BRANCH	63873KMX2	75,000,000	0.00	2.36	99.98	-	74,985,250
Purchase	12/28/2018		U.S. Treasuries	TREASURY BILL	912796UJ6	50,000,000	0.00	2.26	99.89	-	49,943,500
Purchase	12/31/2018		Money Market Funds	DREYFUS GOVERN CASH MGMT	262006208	21,310	2.21	2.20	100.00	-	21,310
Purchase	12/31/2018		Money Market Funds	DREYFUS GOVERN CASH MGMT	262006208	40,000,000	2.21	2.21	100.00	-	40,000,000
Purchase	12/31/2018		Money Market Funds	FEDERATED GOVERNMENT OBL	608919718	80,950	2.14	2.14	100.00	-	80,950
Purchase	12/31/2018		Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	18,825	2.14	2.14	100.00	-	18,825
	12/01/2010	1/ 1/2013	meney market i unus		002-007-10	10,020	2.10	2.10	100.00		10,020

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Transaction Purchase	Settle Date 12/31/2018	Maturity Type of Investment 1/1/2019 Money Market Funds	Issuer Name FIDELITY INST GOV FUND	<u>CUSIP</u> 31607A703		Par Value 662,990	2.20	<u>YTM</u> 2.19	<u>Price</u> 100.00	Interest	
Purchase	12/31/2018	1/1/2019 Money Market Funds	MORGAN STANLEY INST GOVT	61747C707		41,883	2.20	2.19	100.00	-	662,990 41,883
Purchase	12/31/2018	1/1/2019 Money Market Funds	MORGAN STANLEY INST GOVT	61747C707		50,000,000	2.28	2.20	100.00	-	50,000,000
Subtotals	12/31/2010	1/1/2019 Money Market Fullus	WORGAN STANLET INST GOVT	617470707	¢5	,133,412,918	0.80	2.20	99.91	\$ 20,604	\$5,128,885,102
Subiolais					φJ	,155,412,510	0.00	2.30 φ	33.31	φ 20,004	\$5,120,005,102
Sale	12/7/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	\$	54,000,000	2.20	2.19 \$	100.00	\$-	\$ 54,000,000
Sale	12/11/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	Ψ	60,000,000	2.20	2.19	100.00	÷ -	60,000,000
Sale	12/12/2018	12/8/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGS97		25,000,000	2.66	2.66	100.44	7,380	25,117,880
Sale	12/12/2018	12/8/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGS97		25,000,000	2.66	2.66	100.44	7,380	25,117,880
Sale	12/13/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718		75,000,000	2.14	2.14	100.00		75,000,000
Sale	12/14/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718		50,000,000	2.14	2.14	100.00	-	50,000,000
Sale	12/17/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718		90,000,000	2.14	2.14	100.00	-	90,000,000
Sale	12/17/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703		100,000,000	2.20	2.19	100.00	-	100,000,000
Sale	12/19/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703		15,000,000	2.20	2.19	100.00	-	15,000,000
Sale	12/20/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703		150,000,000	2.20	2.19	100.00	-	150,000,000
Sale	12/21/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703		100,000,000	2.20	2.19	100.00	-	100,000,000
Subtotals					\$	744,000,000	2.21	2.21 \$	100.03	\$ 14,761	\$ 744,235,761
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Maturity	12/3/2018	12/3/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM38	\$	50,000,000	0.00	2.16	100.00	\$-	\$ 50,000,000
Maturity	12/3/2018	12/3/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM38		60,000,000	0.00	2.16	100.00	-	60,000,000
Maturity	12/4/2018	12/4/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM46		30,000,000	0.00	2.16	100.00	-	30,000,000
Maturity	12/5/2018	12/5/2018 Public Time Deposits	SAN FRANCISCO CREDIT UNI	PP0818WE8		10,000,000	1.62	1.62	100.00	37,615	10,037,615
Maturity	12/6/2018	12/6/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM61		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity	12/6/2018	12/6/2018 Commercial Paper	NATIXIS NY BRANCH	63873KM61		60,000,000	0.00	2.16	100.00	-	60,000,000
Maturity	12/6/2018	12/6/2018 Negotiable CDs	TORONTO DOMINION BANK NY	89113XQJ6		25,000,000	2.55	2.55	100.00	53,081	25,053,081
Maturity	12/6/2018	12/6/2018 Negotiable CDs	TORONTO DOMINION BANK NY	89113XQJ6		50,000,000	2.55	2.55	100.00	106,162	50,106,162
Maturity	12/7/2018	12/7/2018 Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417GC48		50,000,000	2.55	2.55	100.00	106,083	50,106,083
Maturity	12/7/2018		FED HOME LN DISCOUNT NT	313385S31		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity	12/7/2018	12/7/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S31		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity	12/7/2018	12/7/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S31		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity	12/7/2018		FED HOME LN DISCOUNT NT	313385S31		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity	12/7/2018		ROYAL BANK OF CANADA NY	78009N5B8		50,000,000	2.55	2.55	100.00	106,083	50,106,083
Maturity		12/7/2018 Negotiable CDs	WESTPAC BANKING CORP NY	96121T5B0		50,000,000	2.52	2.52	100.00	104,833	50,104,833
Maturity		12/10/2018 Commercial Paper	DEXIA CREDIT LOCAL SA NY	25214PHL0		25,000,000	0.00	2.39	100.00	-	25,000,000
Maturity		12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/10/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385S64		50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/10/2018 Commercial Paper	MUFG BANK LTD NY	62479MMA8		15,000,000	0.00	2.34	100.00	-	15,000,000
Maturity		12/10/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMA2		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/10/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMA2		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/11/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMB0		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/11/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMB0		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/11/2018 Public Time Deposits	BANK OF SAN FRANCISCO	PP041B740		5,000,000	2.15	2.15	100.00	26,875	5,026,875
Maturity		12/12/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMC8		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/13/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMD6		50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/14/2018 Federal Agencies	FEDERAL HOME LOAN BANK	313376BR5		2,770,000	1.75	1.57	100.00	24,238	2,794,238
Maturity		12/14/2018 Federal Agencies	FEDERAL HOME LOAN BANK	313376BR5		15,000,000	1.75	1.31	100.00	131,250	15,131,250
Maturity		12/14/2018 Federal Agencies	FEDERAL HOME LOAN BANK	313376BR5		25,000,000	1.75	1.33	100.00	218,750	25,218,750
Maturity		12/14/2018 Federal Agencies	FANNIE MAE	3135G0G72		3,775,000	1.13	1.57	100.00	21,234	3,796,234
Maturity		12/14/2018 Commercial Paper	NATIXIS NY BRANCH	63873KME4		40,000,000	0.00	2.16	100.00	-	40,000,000
Maturity		12/17/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMH7		35,000,000	0.00	2.16	100.00	-	35,000,000
Maturity	12/18/2018	12/18/2018 Commercial Paper	APPLE INC	03785EMJ0		50,000,000	0.00	2.29	100.00	-	50,000,000

Transaction	Settle Date	Maturity Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Maturity		12/18/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T63	50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/18/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T63	50,000,000	0.00	2.16	100.00	-	50,000,000
Maturity		12/19/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	30,385,000	0.00	2.15	100.00	-	30,385,000
Maturity		12/19/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/19/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/19/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T71	50,000,000	0.00	2.15	100.00	-	50,000,000
Maturity		12/19/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMK0	60,000,000	0.00	2.16	100.00	-	60,000,000
Maturity	12/19/2018	12/19/2018 Negotiable CDs	ROYAL BANK OF CANADA NY	78009N5M4	50,000,000	2.54	2.54	100.00	105,938	50,105,938
Maturity		12/20/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T89	50,000,000	0.00	2.17	100.00	,	50,000,000
Maturity	12/20/2018	12/20/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T89	50,000,000	0.00	2.17	100.00	-	50,000,000
Maturity		12/20/2018 Supranationals	INTL BK RECON & DEVELOP	459053T87	100,000,000	0.00	2.21	100.00	-	100,000,000
Maturity		12/20/2018 Commercial Paper	MUFG BANK LTD NY	62479MML4	50,000,000	0.00	2.25	100.00	-	50,000,000
Maturity	12/21/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	35,000,000	0.00	2.35	100.00	-	35,000,000
Maturity	12/21/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	41,000,000	0.00	2.19	100.00	-	41,000,000
Maturity	12/21/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/21/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/21/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/21/2018	12/21/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385T97	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/21/2018	12/21/2018 Commercial Paper	MUFG BANK LTD NY	62479MMM2	25,000,000	0.00	2.23	100.00	-	25,000,000
Maturity	12/21/2018	12/21/2018 Negotiable CDs	WESTPAC BANKING CORP NY	96121T5K0	50,000,000	2.53	2.53	100.00	105,427	50,105,427
Maturity	12/24/2018	12/24/2018 Negotiable CDs	BANK OF MONTREAL CHICAGO	06371EA64	25,000,000	2.05	2.05	100.00	515,347	25,515,347
Maturity	12/24/2018	12/24/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/24/2018	12/24/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/24/2018	12/24/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/24/2018	12/24/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/24/2018	12/24/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U46	50,000,000	0.00	2.35	100.00	-	50,000,000
Maturity	12/24/2018	12/24/2018 Commercial Paper	MUFG BANK LTD NY	62479MMQ3	20,000,000	0.00	2.25	100.00	-	20,000,000
Maturity	12/26/2018	12/26/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	50,000,000	0.00	2.24	100.00	-	50,000,000
Maturity	12/26/2018	12/26/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	50,000,000	0.00	2.36	100.00	-	50,000,000
Maturity	12/26/2018	12/26/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	50,000,000	0.00	2.36	100.00	-	50,000,000
Maturity		12/26/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	100,000,000	0.00	2.36	100.00	-	100,000,000
Maturity	12/26/2018	12/26/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U61	100,000,000	0.00	2.36	100.00	-	100,000,000
Maturity	12/26/2018	12/26/2018 Public Time Deposits	BRIDGE BANK	PPQD1P014	10,000,000	2.16	2.16	100.00	107,163	10,107,163
Maturity		12/27/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U79	191,373,000	0.00	2.36	100.00	-	191,373,000
Maturity		12/27/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMT1	50,000,000	0.00	2.36	100.00	-	50,000,000
Maturity		12/27/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMT1	50,000,000	0.00	2.36	100.00	-	50,000,000
Maturity		12/28/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U87	10,600,000	0.00	2.35	100.00	-	10,600,000
Maturity		12/28/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U87	25,000,000	0.00	2.25	100.00	-	25,000,000
Maturity		12/28/2018 Federal Agencies	FED HOME LN DISCOUNT NT	313385U87	173,200,000	0.00	2.35	100.00	-	173,200,000
Maturity		12/28/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMU8	50,000,000	0.00	2.36	100.00	-	50,000,000
Maturity		12/28/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMU8	50,000,000	0.00	2.36	100.00	-	50,000,000
Maturity		12/28/2018 Negotiable CDs	WESTPAC BANKING CORP NY	96121T5M6	50,000,000	2.57	2.57	100.00	106,948	50,106,948
Maturity		12/31/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMX2	25,000,000	0.00	2.36	100.00	-	25,000,000
Maturity		12/31/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMX2	75,000,000	0.00	2.36	100.00	-	75,000,000
Maturity	12/31/2018	12/31/2018 Commercial Paper	NATIXIS NY BRANCH	63873KMX2	75,000,000	0.00	2.36	100.00	-	75,000,000
Subtotals					\$3,873,103,000	0.20	1.54 \$	- 9	\$ 1,877,027	\$3,874,980,027
Interest	12/1/2018	7/1/2020 Federal Agencies	FREDDIE MAC	3134GB5M0	\$ 50,000,000	1.96	1.96	0.00	0.00	\$ 490,000
Interest	12/2/2018	11/2/2020 Federal Agencies	FARMER MAC	3132X0KR1	25,000,000	2.51	2.51	0.00	0.00	52,227
Interest	12/2/2018	1/2/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGDM4	25,000,000	2.47	2.47	0.00	0.00	51,393
Interest	12/2/2018	12/2/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGN43	50,000,000	2.47	2.47	0.00	0.00	102,787
Interest	12/2/2018	6/2/2022 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EHLY7	50,000,000	1.88	1.85	0.00	0.00	468,750
Interest	12/2/2018	6/2/2022 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EHLY7	50,000,000	1.88	1.88	0.00	0.00	468,750

Transaction	Settle Date	Maturity Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	12/3/2018	4/3/2019 Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417GR42	50,000,000	2.78	2.78	0.00	0.00	108,250
Interest	12/3/2018	1/3/2020 Federal Agencies	FARMER MAC	3132X0PG0	50,000,000	2.38	2.38	0.00	0.00	99,315
Interest	12/3/2018	1/3/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EG2V6	25,000,000	2.36	2.36	0.00	0.00	49,241
Interest	12/3/2018	3/1/2019 Supranationals	INTERNATIONAL FINANCE CO	45950VLM6	50,000,000	2.30	2.30	0.00	0.00	102,000
Interest	12/3/2018	4/1/2019 Negotiable CDs	ROYAL BANK OF CANADA NY	78012UCE3	50,000,000	2.78	2.78	0.00	0.00	123,528
Interest	12/3/2018	5/1/2019 Negotiable CDs	ROYAL BANK OF CANADA NY	78012UDL6	35,000,000	2.67	2.67	0.00	0.00	83,047
Interest	12/4/2018	6/4/2019 Negotiable CDs	ROYAL BANK OF CANADA NY	78012UDX0	50,000,000	2.61	2.61	0.00	0.00	105,268
Interest	12/5/2018	3/5/2019 Negotiable CDs	WESTPAC BANKING CORP NY	96121T7B8	50,000,000	2.64	2.64	0.00	0.00	110,148
Interest	12/6/2018	6/6/2019 Federal Agencies	FEDERAL HOME LOAN BANK	3130AEFB1	12,450,000	2.25	2.34	0.00	0.00	140,063
Interest	12/7/2018	6/7/2019 Negotiable CDs	DEXIA CREDIT LOCAL SA NY	25215FDL5	40,000,000	2.60	2.60	0.00	0.00	86,533
Interest	12/8/2018	12/8/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGS97	25,000,000	2.59	2.59	0.00	0.00	53,893
Interest	12/8/2018	12/8/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGS97	25,000,000	2.59	2.59	0.00	0.00	53,893
Interest	12/9/2018	8/9/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGED3	25,000,000	2.50	2.50	0.00	0.00	52,090
Interest	12/9/2018	8/9/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGED3	25,000,000	2.50	2.50	0.00	0.00	52,090
Interest	12/10/2018	3/8/2019 Negotiable CDs	BANK OF MONTREAL CHICAGO	06427KSW8	27,838,000	2.61	2.61	0.00	0.00	183,454
Interest		12/11/2020 Federal Agencies	FEDERAL HOME LOAN BANK	3130A3UQ5	10,000,000	1.88	2.02	0.00	0.00	93,750
Interest	12/12/2018	6/12/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EHMR1	50,000,000	1.38	1.38	0.00	0.00	343,750
Interest		12/13/2019 Federal Agencies	FEDERAL HOME LOAN BANK	3130A0JR2	11,360,000	2.38	1.90	0.00	0.00	134,900
Interest		12/13/2019 Federal Agencies	FEDERAL HOME LOAN BANK	3130A0JR2	20,000,000	2.38	1.90	0.00	0.00	237,500
Interest		12/13/2019 Federal Agencies	FEDERAL HOME LOAN BANK	3130A0JR2	40,000,000	2.38	1.90	0.00	0.00	475,000
Interest	12/13/2018	6/13/2022 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EJRN1	25,000,000	3.00	3.05	0.00	0.00	375,000
Interest	12/14/2018		FEDERAL HOME LOAN BANK	313379EE5	25,000,000	1.63	1.41	0.00	0.00	203,125
Interest	12/14/2018	6/14/2019 Federal Agencies	FEDERAL HOME LOAN BANK	313379EE5	25,000,000	1.63	1.38	0.00	0.00	203,125
Interest	12/14/2018	6/14/2019 Federal Agencies	FEDERAL HOME LOAN BANK	313379EE5	35,750,000	1.63	1.43	0.00	0.00	290,469
Interest	12/14/2018	6/14/2019 Federal Agencies	FREDDIE MAC	3134G9QW0	50,000,000	1.28	1.28	0.00	0.00	320,000
Interest	12/14/2018	6/14/2023 Federal Agencies	FREDDIE MAC	3134GSNN1	100,000,000	3.27	3.27	0.00	0.00	1,635,000
Interest	12/14/2018	6/14/2021 Federal Agencies	FREDDIE MAC	3134GSNV3	50,000,000	2.80	2.81	0.00	0.00	700,000
Interest	12/14/2018	6/14/2023 Federal Agencies	FREDDIE MAC	3134GSPD1	50.000.000	3.32	3.32	0.00	0.00	830,000
Interest		12/15/2021 Federal Agencies	FEDERAL HOME LOAN BANK	3130ACB60	50,000,000	2.00	2.00	0.00	0.00	500,000
Interest	12/15/2018		FEDERAL HOME LOAN BANK	3130ACVS0	50,000,000	2.13	2.13	0.00	0.00	532,500
Interest	12/15/2018	6/15/2021 Federal Agencies	FEDERAL HOME LOAN BANK	3130ACVS0	50,000,000	2.13	2.13	0.00	0.00	532,500
Interest	12/15/2018	12/15/2020 Federal Agencies	FARMER MAC	3132X0ZY0	12,750,000	2.05	2.07	0.00	0.00	130,688
Interest	12/15/2018	6/15/2020 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EHNK5	25,000,000	1.54	1.54	0.00	0.00	192,500
Interest	12/15/2018	6/15/2020 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EHNK5	26,900,000	1.54	1.55	0.00	0.00	207,130
Interest	12/15/2018	6/15/2020 U.S. Treasuries	US TREASURY	912828XU9	50,000,000	1.50	1.51	0.00	0.00	375,000
Interest	12/19/2018	3/19/2019 Federal Agencies	FARMER MAC	3132X0ED9	40,000,000	2.41	2.41	0.00	0.00	243,551
Interest	12/20/2018	8/20/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGX67	50,000,000	2.42	2.42	0.00	0.00	100,870
Interest		12/21/2020 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGX75	50,000,000	2.49	2.49	0.00	0.00	103,760
Interest	12/22/2018	6/22/2020 Federal Agencies	FREDDIE MAC	3134GBST0	14,675,000	1.65	1.65	0.00	0.00	121,069
Interest	12/22/2018	6/22/2021 Federal Agencies	FANNIE MAE	3135G0U35	25,000,000	2.75	2.76	0.00	0.00	338,021
Interest	12/23/2018		FREDDIE MAC	3134GAHR8	25,000,000	1.75	1.75	0.00	0.00	109,375
Interest	12/24/2018	1/23/2019 Negotiable CDs	BANK OF MONTREAL CHICAGO	06371EL21	25,000,000	2.57	2.57	0.00	0.00	55,222
Interest	12/24/2018	12/24/2020 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFTX5	100,000,000	2.65	2.64	0.00	0.00	220,407
Interest	12/25/2018	1/25/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EG4T9	20,000,000	2.48	2.47	0.00	0.00	41,248
Interest	12/25/2018	1/25/2021 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EG4T9	20,000,000	2.48	2.47	0.00	0.00	41,248
Interest	12/25/2018	2/25/2019 Federal Agencies	FEDERAL FARM CREDIT BANK	3133EGBU8	50,000,000	2.49	2.49	0.00	0.00	103,745
Interest	12/29/2018		FREDDIE MAC	3134GBJ60	50,000,000	1.90	1.90	0.00	0.00	475,000
Interest	12/29/2018	6/29/2020 Federal Agencies	FREDDIE MAC	3134GBTX0	50,000,000	1.75	1.76	0.00	0.00	437,500
Interest	12/30/2018	6/30/2021 Federal Agencies	FREDDIE MAC	3134G9H26	1,219,000	1.50	1.92	0.00	0.00	9,143
Interest	12/30/2018	6/30/2021 Federal Agencies	FREDDIE MAC	3134G9H26	3,917,000	1.50	1.86	0.00	0.00	29,378
Interest	12/30/2018	6/30/2020 Federal Agencies	FANNIE MAE	3136G3TG0	15,000,000	1.38	1.38	0.00	0.00	103,125
Interest	12/31/2018	1/1/2019 Money Market Funds	DREYFUS GOVERN CASH MGMT	262006208	10,103,872	2.21	2.21	0.00	0.00	21,310
Interest	12/31/2018	1/1/2019 Money Market Funds	FEDERATED GOVERNMENT OBL	608919718	9,292,390	2.14	2.14	0.00	0.00	80,950
		,								

Transaction	Settle Date	Maturity Type of Investment	Issuer Name	CUSIP	Par Value	<u>Coupon</u>	<u>YTM</u>	Price	Interest	Transaction
Interest	12/31/2018	1/1/2019 Money Market Funds	BLACKROCK LIQ INST GOV F	09248U718	10,184,227	2.18	2.18	0.00	0.00	18,825
Interest	12/31/2018	1/1/2019 Money Market Funds	FIDELITY INST GOV FUND	31607A703	63,743,974	2.20	2.19	0.00	0.00	662,990
Interest	12/31/2018	1/1/2019 Money Market Funds	MORGAN STANLEY INST GOVT	61747C707	135,344,625	2.28	2.28	0.00	0.00	41,883
Interest	12/31/2018	12/31/2019 U.S. Treasuries	US TREASURY	9128283N8	50,000,000	1.88	2.01	0.00	0.00	468,750
Interest	12/31/2018	6/30/2021 U.S. Treasuries	US TREASURY	912828S27	25,000,000	1.13	1.64	0.00	0.00	140,625
Interest	12/31/2018	6/30/2022 U.S. Treasuries	US TREASURY	912828XW5	25,000,000	1.75	1.77	0.00	0.00	218,750
Subtotals					\$2,415,528,088	2.28	2.27 \$	- \$	- \$	15,535,400

108 Purchases (11) Sales (80) Maturities / Calls 17 Change in number of positions

Grand Totals

From:	Board of Supervisors, (BOS)		
To:	BOS-Supervisors		
Subject:	FW: BOS Resolution 399-17 SFPD Report		
Date:	Monday, February 4, 2019 11:47:00 AM		
Attachments:	BOS reso 0399-17.pdf		
	BOS Reso 399-17 SFPD Report Property Crime Unit 1.31.19.pdf		

From: Scott, William (POL)
Sent: Monday, February 04, 2019 11:45 AM
To: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>
Cc: Sainez, Hector (POL) <hector.sainez@sfgov.org>; Karunaratne, Kanishka (MYR)
<kanishka.cheng@sfgov.org>; Tugbenyoh, Mawuli (MYR) <mawuli.tugbenyoh@sfgov.org>; Elsbernd,
Sean (MYR) <sean.elsbernd@sfgov.org>; Hussey, Deirdre (POL) <deirdre.hussey@sfgov.org>; Carr,
Rowena (POL) <Rowena.Carr@sfgov.org>
Subject: BOS Resolution 399-17 SFPD Report

Ms. Calvillo:

Please find the attached six-month SFPD Property Crime Unit report. Please distribute to President Yee and the members of the board.

Thank you so much,

Asja Steeves for Chief William Scott San Francisco Police Department <u>Asja.steeves@sfgov.org</u> 415.837.7014



CITY AND COUNTY OF SAN FRANCISCO **POLICE DEPARTMENT** HEADQUARTERS 1245 3RD Street San Francisco, California 94158



January 31, 2019

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

President Yee and Members:

On November 10, 2017, the Board of Supervisors ("BOS") passed Resolution 399-17. This resolution urged the SFPD to submit to the BOS a six-month report on the department's progress on preventing and investigating automobile break-ins, bicycle theft and residential burglaries in the City. The department submitted the inaugural report of the Neighborhood Property Crime Units to the BOS on July, 31, 2018. The following is the second six-month report submission, which will be submitted annually, thereafter.

This report will provide an overview of the following:

- Neighborhood Property Crime Units
- BOS Recommended Strategies
- SFPD Neighborhood Property Crime Pilot District Stations
- Community Outreach
- Resources Needed
- Data/Metrics stemming from the Departments efforts

SFPD will be available to present and discuss this report, at the Board's request.

Respectfully submitted,

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WILLIAM SCOTT Chief of Police

cc: Mayor London Breed Angela Calvillo, Clerk of the Board

Neighborhood Property Crime Units

The SFPD Neighborhood Property Crime Units serve to strengthen existing structures within the Police Department to combat automobile break-ins, bicycle theft, residential burglaries, and other neighborhood property crime (burglary, larceny-theft, and motor vehicle theft). The goal of these units also includes the following:

- Improve coordination and communication
- Create transparency and accountability data metrics
- Create a centralized General Crimes Unit to support the districts
 - o Tackle Residential, Commercial, and Auto Burglaries
 - Network with District Attorney
 - Focus on prolific offenders
- District Station Captains designate a property crime liaison
 - Provide community groups with information on crime strategies, trends, and prevention

BOS Recommended Strategies to Include in the Plan(s)

- Collaboration among District Captains, Staff, and Centralized Units
- Development of neighborhood specific priorities and strategies for property crime reductions
- Reassign officers to increase foot patrols
- Share property crime data with other City Departments and Law Enforcement partners
- Share data with the public

SFPD Neighborhood Property Crime Pilot

- January of 2018 Pilot District Stations: Taraval and Mission
- Crime Strategies Coordinator joined SFPD in October 2018 and will continue to work with District Station Captains and centralized units
- Strengthen law enforcement partnerships by sharing property crime information with District Attorney, SF Adult Probation, Parole, and Sheriff's Department
- All District Stations have a Property Crime Liaison to focus on reductions in burglaries, auto burglaries and bike thefts through enforcement, education and the environment. Each District Station's Property Crime Reduction Plan is specific to the most prevalent property crimes within that district
- Each station to refocus work distribution of station plainclothes, foot beat and crime analysis teams.

Pilot Station: Taraval

- January 2018: Implemented the Neighborhood Crimes Unit
- Three tiered approach Enforcement, Education, and Environment
 - Taraval Neighborhood Team ("TNT"), foot beat officers, patrol officers, and public outreach Park Smart campaign
 - SF SAFE- crime prevention tips
 - Educate community members and businesses directly. Suggest reinforcing doors with better locks, additional lighting, trimming excessive brush around property, installing video cameras
- Property Crime Liaison
- Targeted areas include: Stonestown Galleria, Park Merced, Irving Street, West Portal Avenue, and Lincoln Way
- Focused new efforts based on peak times/days for the majority of residential and auto burglary hits during the last six months of 2018
- Uniform and Plain Clothes patrols in affected areas
- Educate merchant and neighborhood associations
- Officers provided with up to date pin maps and information of theft from vehicle incidents
- Special Operations Bureau deployment support
- Statistical data reviewed at the end of each month to determine effectiveness and adjust efforts accordingly

Pilot Station: Mission

- January 2018: Implemented the Neighborhood Crimes Unit
- Three tiered approach Enforcement, Education and Environment
- Property Crime Liaison
- Focused efforts based on peak times/days for the majority of residential and auto burglary hits
- Targeted areas include residential areas and retail parking lots
- Increase number of foot beat officers
- Plainclothes officers continue to conduct focused operations
- Bait car/bike operations
- Surveillance team deployment
- Operations involving vehicles without proper DMV issued license plates (paper plates)

Community Outreach

- The Department continues to engage in community outreach efforts and public education campaigns directly and through partnerships including:
 - Park Smart Campaign
 - District Community Police Advisory Boards (CPABs)
 - Local community groups
 - o The Ambassador Program
 - SF Safety Awareness for Everyone (SF SAFE)
 - Collaboration with other City agencies to identify and place signage in hot spot areas
 - Coordination of upcoming Town Hall Meetings with Supervisors, District Attorney and SFPD Community Engagement Commander
 - Evaluate environmental design in neighborhoods to reduce/eliminate potential target areas (Fix it Team)
 - Information provided to the community by District Captains through newsletters to include crime analysis data, offender information, and prevention techniques

Resources Needed to Support the Strategy

Additional resources were requested and approved in this year's budget, allowing for an anticipated increase of SFPD officer staffing. After surveying all 10 district stations, it is clear that staffing resources are needed to sustain the efforts of plain clothes, foot beat, surveillance and business intelligence teams which contribute to each station's Property Crime Unit. Currently, the Property Crime Reduction plan at each district station are resource dependent and are being implemented by available station personnel.

We will continue to assess staffing needs through our Staffing Analysis Task Force, through analysis of data derived from the Neighborhood Property Crime Units in each district station and from the newly appointed Crime Strategies Coordinator. Staffing and training resources will be necessary in order to sustain any new public safety initiatives requested by a Supervisor.

Data/Metrics (2018 data: January 1 through December 31)

- <u>Pilot Station, Taraval:</u> Burglary has decreased by 2%, Larceny/Theft has decreased by 17%, Auto Burglary has decreased by 19%, Auto Theft has decreased by 3% and Bicycle Theft has a decrease of 11%, from December 2017 to December 2018
- <u>Pilot Station, Mission:</u> Burglary has decreased by 12%, Larceny/Theft has increased by 1%, Auto Burglary has decreased by 4%, Auto Theft has decreased by 13% and Bicycle Theft has decreased by 4% from December 2017 to December 2018
- <u>Property Crime, Citywide</u>: There has been an **overall 12% decrease** in Property Crime Incidents from December 2017 to December 2018.

- <u>Larceny-Theft, Citywide:</u> There was an **overall 10% decrease** in Larceny-Thefts between 2017 and 2018.
 - <u>Theft from Vehicle, Citywide</u>: There has been an **overall 17% decrease** in the number of incidents from 2017 to 2018.
- <u>Vehicle Theft, Citywide:</u> There has been an overall 13% decrease from 2017 to 2018.
- <u>Burglary, Citywide:</u> There was an **overall 10% increase** from 2017 to 2018. The Crime Strategies Coordinator is currently working with each District Station to determine citywide trends and hotspots that may account for the increase in burglaries and help determine abatement strategies moving forward.
- <u>Bicycle Theft, Citywide:</u> There has been an **overall 25% decrease** in the number of reported Bike Thefts from December 2017 to December 2018

Taraval Results 2017 vs 2018 YTD thru December 31st

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Crime	2017	2018	% Change
Burglary	515	503	-2%
Larceny/Theft	2,959	2,466	-17%
Auto Burglary	1,810	1,467	-19%
Auto Theft	413	399	-3%
Bicycle Theft	19	17	-11%

SEPD

Source: Compstat '17-'18, CDW/BI

2/1/19

Mission Results 2017 vs 2018 YTD thru December 31st

Crime	2017	2018	% Change
Burglary	664	586	-12% 📕
Larceny/Theft	4,966	5,023	+1%
Auto Burglary	3,106	2,992	-4%
Auto Theft	753	658	-13% 📕
Bicycle Theft	93	89	-4%

SEPD C

Source: Compstat '17-'18, CDW/BI

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Citywide Property Crime 2017 vs 2018 YTD thru December 31st

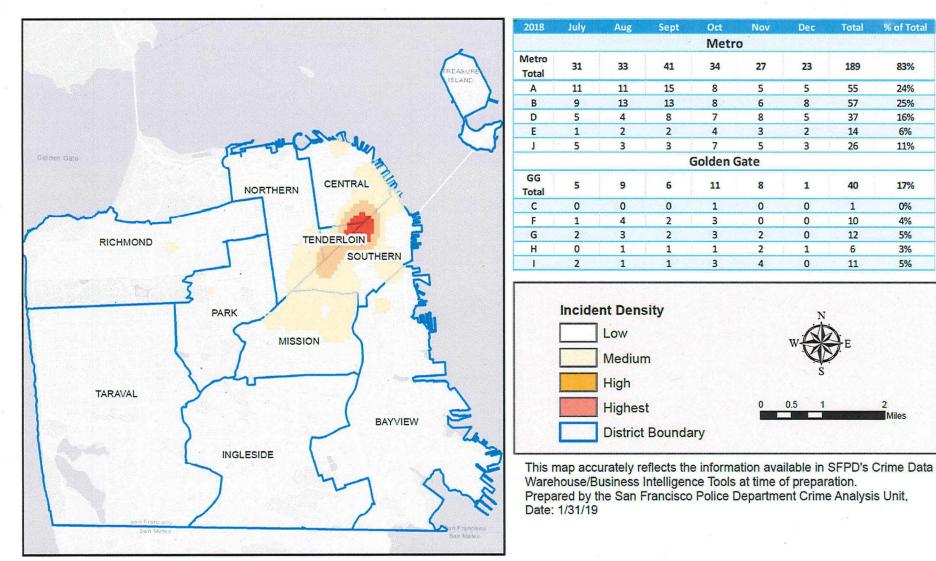
Crime	2017	2018	% Change
Burglary	5,114	5,605	10% 🔶
Larceny/Theft	46,716	42,200	-10% 📕
Auto Burglary	31,398	25,974	-17%
Auto Theft	4,943	4,308	- 13%
Bicycle Theft	717	537	-25% 🖊

2/1/19 SFPD_CAU Data Source: Compstat '17-'18



Citywide Bicycle Theft (229) July 1 - December 31, 2018





FILE NO. 170095

AMENDED IN COMMITTEE 10/25/2017

RESOLUTION NO. 399-17

[Urging the Chief of Police to Create a Comprehensive Plan and to Implement a Citywide Strategy on Neighborhood Automobile Break-Ins, Bicycle Theft, and Property Crime with Focused Staffing at District Stations]

Resolution urging the Chief of Police to create a Comprehensive Plan and to Implement a Citywide Strategy on Neighborhood Automobile Break-Ins, Bicycle Theft, and Property Crime with Focused Staffing at District Stations; and urging the Chief of Police to report on the execution of the plan.

WHEREAS, The Board of Supervisors desires to strengthen existing structures within the Police Department to bolster the Department's efforts to combat automobile break-ins, bicycle theft, residential burglaries, and other neighborhood property crime (burglary, larcenytheft, motor vehicle theft), and to improve coordination and communication among different Police Districts and centralized units of the Department, including but not limited to the Crime Strategies Unit; and

WHEREAS, The Board desires to create transparency and accountability data metrics for automobile break-ins, bicycle theft, and other neighborhood property crime and for the Department's efforts to combat such crime; and

WHEREAS, Police data show that from 2016 to 2017 automobile break-ins have increased 25% in San Francisco and in some neighborhoods have increased more than 50%; and

WHEREAS, Automobile break-ins are often devastating for people who depend on their cars to make a living and care for their families; and

WHEREAS, Automobile break-ins and bicycle theft can be detrimental to low income people who often cannot afford to fix a broken window or to buy a new bicycle; and

Supervisors Yee; Ronen, Fewer, Sheehy, Kim, Safai BOARD OF SUPERVISORS WHEREAS, More than an estimated 3,800 bicycles were stolen last year with only 68 recovered by SFPD, costing San Franciscans an estimated cost of over \$5 million; and

WHEREAS, There was a 70% increase in bicycle theft between 2007-2012; and

WHEREAS, Our communities deserve to have these issues dealt with effectively and without delay; and

WHEREAS, The Chief of Police has informed the Board that he intends to hire a Crime Strategies Coordinator that will be responsible for monitoring citywide crime trends, tracking, mapping and investigative efforts, which will include addressing Neighborhood Automobile Break-Ins, Bicycle Theft, and Property Crime; and

WHEREAS, The Chief of Police has created a centralized General Crimes Unit that will be responsible for investigating residential and commercial burglaries, and auto burglaries involving serial burglars in multi-district neighborhoods; the General Crimes Unit will network with District Station Captains and District staff assigned to focus on automobile break-ins, bicycle theft, and other neighborhood property crimes to develop strategies to identify and apprehend prolific property crime offenders; and

WHEREAS, As part of this Citywide coordinated effort, the Chief of Police also intends to deploy officers in each Police District who will focus on proactively and comprehensively preventing, reporting, and investigating automobile break-ins, bicycle theft, and other neighborhood property crime; enforcing laws to deter neighborhood property crime; and assist with responding to 911 and 311 calls for service related to automobile break-ins, bicycle theft, and other neighborhood property crime; and

WHEREAS, District Station Captains will assign an officer focused on Automobile Break-ins, Bicycle Theft, and Other Neighborhood Property Crime who will serve as a liaison and coordinate with neighborhood community groups and provide the community with information on crime strategies, trends, prevention and other data on property crime; and

WHEREAS, Each District Station Captain will identify an officer who will be responsible for coordinating proactive and comprehensive crime deterrence strategies and assign the investigation of property crimes committed in their respective District boundaries through the use of data-driven, innovative investigative techniques and approaches, such as, neighborhood foot patrols, community education on crime prevention, use of undercover officers, and other appropriate strategies and tactics to prevent and address auto break-ins, bicycle theft, and other property crimes, with each District's efforts; and

WHEREAS, District Station Captains will assign an officer focused on automobile break-ins, bicycle theft, and neighborhood property crime issues to serve as the official point of contact for the public and community on the District's property crime issues; and will actively communicate with the Crime Strategies Coordinator, share information with other Districts and with other City departments, at the direction of the District Captain and the Chief of Police to coordinate crime prevention strategies and resources for effective crime prevention efforts on a Citywide basis; and

WHEREAS, The Police Department will also support Districts by providing resources from centralized units; and

WHEREAS, District Station Captains will assign an officer who will be responsible for coordinating their District's efforts on curtailing and investigating automobile break-ins, bicycle theft, and other neighborhood property crimes whose nature, frequency, or pervasiveness impairs the sense of security and quality of life of those who live or work in affected neighborhoods, including California Penal Code, Sections 459 (Auto Burglary and Residential/Commercial Burglary), 484, 487, and 488 (Theft of Property, including bicycle thefts); now, therefore, be it

RESOLVED, That the Board of Supervisors urges the Chief of Police to develop a Comprehensive Plan and to implement a Citywide strategy focused on neighborhood Automobile Break-Ins, Bicycle Theft, and property crime with focused staffing at the District level; and, be it

FURTHER RESOLVED, That the Board urges the Chief of Police to include in this Plan a Citywide coordinated effort through the hiring of a Crime Strategies Coordinator and commitment of District Station Captains to assign at least one officer at each Police District station focused on coordinating efforts deterring Automobile Break-ins, Bicycle Theft, and Property crimes; and, be it

FURTHER RESOLVED, That the Board urges the Chief of Police to include in the plan strategies for reducing automobile break-ins, bicycle theft, and residential burglaries, including; (1) encouraging full and open communication and collaboration among District Captains and staff focused on neighborhood property crime and community members; (2) development of neighborhood-specific priorities and strategies to reduce automobile breakins, bicycle theft, and other property crimes; (3) the assignment of officers to foot patrols; (4) ensuring productive communication and coordination among the staff focused on neighborhood property crime in the different Police Districts and centralized units in the Department; (5) sharing property crime data with other City departments, Local, State and Federal law enforcement partners, including, but not limited to the District Attorney's Office; and (6) sharing property crime data with the public online where appropriate and permitted by law; and to recommend initial minimum dedicated staffing levels for District's efforts on addressing automobile break-ins, bicycle theft, and property crime; and, be it

FURTHER RESOLVED, That the Board urges the Chief of Police to share this initial Plan and Strategy to the Board of Supervisors within 60 days of this Resolution's passage; and be it

FURTHER RESOLVED, That the Board urges the Chief of Police to submit to the Board of Supervisors a six-month report between June 1 and July 1 of next year and a twelvemonth report between November 1 and December 1 of next year on the plan's execution; describing the Department's progress on preventing and investigating automobile break-ins, bicycle theft, and other property crime in the City, including data and metrics stemming from the Department's efforts; an, be it

FURTHER RESOLVED, That the report should also identify if any further resources or funding are needed to support the plan's success; and, be it

FURTHER RESOLVED, That the Board urges the Chief of Police to submit to the Board of Supervisors a report annually every year thereafter; and, be it

FURTHER RESOLVED, That the Board commits to dedicating necessary resources and funding to the Chief of Police's comprehensive plan and Citywide Strategy to address automobile break-ins, bicycle theft, and other property crime.



City and County of San Francisco Tails

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

Resolution

File Number: 170095

Date Passed: October 31, 2017

Resolution urging the Chief of Police to create a Comprehensive Plan and to Implement a Citywide Strategy on Neighborhood Automobile Break-Ins, Bicycle Theft, and Property Crime with Focused Staffing at District Stations; and urging the Chief of Police to report on the execution of the plan.

October 04, 2017 Public Safety and Neighborhood Services Committee - CONTINUED

October 11, 2017 Public Safety and Neighborhood Services Committee - CONTINUED

October 25, 2017 Public Safety and Neighborhood Services Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

October 25, 2017 Public Safety and Neighborhood Services Committee - RECOMMENDED AS AMENDED

October 31, 2017 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170095

I hereby certify that the foregoing Resolution was ADOPTED on 10/31/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Unsigned

Mayor

<u>11/10/17</u>

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

140 Angela Calvillo Clerk of the Board

(1/10 Date

File No. 170095

From:	Reports, Controller (CON)
То:	Calvillo, Angela (BOS); Mchugh, Eileen (BOS); BOS-Supervisors; BOS-Legislative Aides; Elsbernd, Sean (MYR); Bruss, Andrea (MYR); Philhour, Marjan (MYR); Power, Andres (MYR); Kirkpatrick, Kelly (MYR); Valdez, Marie (MYR); Cretan, Jeff (MYR); Lynch, Andy (MYR); Karunaratne, Kanishka (MYR); Campbell, Severin (BUD); Newman, Debra (BUD); Rose, Harvey (BUD); Docs, SF (LIB); CON-EVERYONE; MYR-ALL Department Heads;
	<u>CON-Finance Officers;</u> <u>Pereira Tully, Marisa (MYR)</u>
Subject: Date:	Issued: Guidelines for Cost Categorization in Nonprofit Contracts and Grants – Version 1.2: January 2019 Wednesday, January 30, 2019 12:45:04 PM

Per recommendations of the FY16-17 Mayor's Nonprofit Working Group, and in close consultation with the Mayor's Budget Office, City departments, and nonprofits in San Francisco, the Controller's Office developed guidance on the treatment and allowability of direct and indirect costs in City contracts and grants with nonprofit service providers.

The Controller's Office developed a budget matrix to document common costs, which cost categories are allowable in City contracts and grants, variations due to funding source restrictions, and whether costs should be considered direct or indirect.

The Controller's Office issued this budget matrix for adoption by all City departments administering contracts and grants with nonprofit service providers in June of 2018. Since the original publication, and as a result of questions from both City and nonprofit sources, the Controller's Office clarified explanations of the treatment of certain cost items. All edits from version 1.1 of the guidelines are listed on page 4 of the guidelines.

The Guidelines for Cost Categorization in Nonprofit Contracts and Grants may need updates as new questions about the guidance are raised. As needed, the Guidelines will be updated on an annual basis in January. The Controller's Office will accept questions and submissions for updates through November of each year to be included in the subsequent January release, beginning November 2019.

To view the guidelines, please visit our Web site at: <u>http://openbook.sfgov.org/webreports/details3.aspx?id=2668</u> This is a send-only e-mail address.

For questions about the Guidelines for Cost Categorization in Nonprofit Contracts and Grants, please contact Emily Alt at <u>Emily.Alt@sfgov.org</u>.

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OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield Controller

Todd Rydstrom Deputy Controller

GUIDELINES FOR COST CATEGORIZATION IN NONPROFIT CONTRACTS AND GRANTS

SUMMARY

Per recommendations of the FY16-17 Mayor's Nonprofit Working Group, and in close consultation with the Mayor's Budget Office, City departments and nonprofits in San Francisco, the Controller's Office has developed guidance on the treatment and allowability of direct and indirect costs in City grants and contracts with nonprofit service providers.

See Appendix A for the budget matrix. The matrix represents general guidance on the treatment of direct and indirect costs, but it is not possible to specify the treatment of costs in every situation. Further, the matrix documents which cost categories are allowable in City contracts and grants, which may vary due to funding source restrictions. Departments may make choices about the budget items they prioritize for funding and may employ additional approval mechanisms or caps on certain cost categories.

The Controller's Office issues this budget matrix for adoption by all City departments administering contracts and grants with nonprofit service providers.

BACKGROUND

In 2010, the Controller's Office issued a memo in response to City department and nonprofit inquiries concerning nonprofit indirect cost rates. After analysis of federal guidelines, best practices, and discussions with City departments, the Controller's Office issued a memo including, among others, the finding that no single list can encompass the full extent of charges that may fall under an indirect cost category.

In subsequent years, there have been advancements in standardizing policies and procedures, most notably the OMB Uniform Guidance published in 2014. In FY16-17, with an interest in strengthening the partnership between the City and nonprofit providers, the Mayor's Office convened a working group of City departments and nonprofit leadership to explore issues of sustainability and accountability.

With new federal guidelines and given that nonprofits and City departments were still grappling with some of the same issues from 2010, the working group recommended the Controller's Office again work to develop consistent guidance on the treatment of direct and indirect cost items in City contracts and grants.

METHODOLOGY AND KEY FINDINGS

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.¹ Simply stated, they are organizational costs that cannot be isolated to an individual program or contract.

To assess how such costs should be treated in City contracts and grants, the Controller's Office gathered policies and interviewed staff from six City departments.² Additionally, the Controller's Office surveyed seven nonprofit contractors in fall 2017 and conducted follow up interviews with three of the nonprofit contractors in January 2018. Through these activities, the Controller's Office concluded the following:

1. There is no standard Citywide guidance on what departments consider direct and indirect costs, and what expenses are allowed or unallowable within those cost categories.

Contractors and City department staff report that cost allocation and the process for defining direct and indirect costs for a funded program is confusing, time-consuming, and inconsistent across City departments.

While there is no standard Citywide guidance on what departments consider direct and indirect costs and what expenses are allowed and unallowable within those cost categories, a review of existing department policies shows general alignment. For example, departments follow the OMB Uniform Guidance and City policies, when they exist, on how expenses should be categorized. For General Fund grants, City departments tend to follow department-specific guidance and institutional practice, and may use internally-developed guidelines such as DCYF's budget guidance for nonprofits, *Doing Business with DCYF: A Guide to Fiscal Policies, Grant Agreements, and More.*

Despite this, nonprofits report that their City funders may interpret policies and definitions differently or have different policies in place and/or additional rules.

A particular area of variation in department policies arises when considering occupancy expenditures. Department practices vary on funding mortgage, mortgage interest fees, depreciation, and capital costs for real property used in City-funded programming.

2. Some contractors may have a difficult time distinguishing between indirect and shared costs in their budgeting for City contracts and grants.

Nonprofits surveyed generally understand what costs should be treated as indirect, such as finance director salaries and audit costs. However, survey responses showed some variation in how nonprofits categorize their costs, which could indicate a need for more guidance. For example, just five of seven respondents indicate that they consider accounting, payroll, bookkeeping, and human resources staff in their indirect cost category, leaving 28% who may be treating these costs differently in their budgeting process.

¹ Office of Management and Budget. (2004, May 10). Circular A-122. Retrieved from

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A122/a122_2004.pdf

² Human Services Agency (HSA), Department of Public Health (DPH), Mayor's Office of Housing and Community Development (MOHCD), First 5, Department of Children, Youth and Their Families (DCYF), and Office of Economic and Workforce Development (OEWD).

GUIDELINES

City departments should adopt the appended budget matrix as standard Citywide guidance for the general treatment of costs in nonprofit contracts and grants.

- **1.** Description:
 - The Controller's Office developed a consolidated budget matrix to foster common understanding and transparency on the treatment and allowability of direct and indirect costs in nonprofit contracts and grants. See Appendix A for the matrix and additional cost guidance associated with specific line items.
 - The matrix is a guidance document that addresses the most common costs, though it is not inclusive of all possible costs or their treatment. Some discretion may be necessary to allow nonprofits the ability to budget based on programmatic needs.
 - Departments administering funds from non-City sources should follow the guidelines associated with those funds.
- 2. Rationale:
 - Standardized guidance will help foster a shared understanding among City departments and nonprofits about the appropriate treatment of costs.
 - Alignment on issues of allowability will ease the burden on nonprofits struggling to accurately account for costs across diverging City grants.
 - The matrix standardizes the treatment of certain costs that have had varying treatment by departments, such as mortgage, depreciation and capital expenditures.
- **3.** Process:
 - The Controller's Office will manage the matrix, and serve as a resource as issues of interpretation arise. These guidelines will be published centrally on the Controller's Office's website, and the guidelines will be reflected in the Accounting Operations and Systems Division's Accounting Policies and Procedures manual.
 - Departments should ensure that internal policies related to the treatment of costs in nonprofit contracts and grants aligns with this standardized guidance.
 - Departments should ensure that contracts and grants entered into subsequent to the publication of these guidelines follow the cost guidance, as appropriate.³
 - Departments may maintain existing templates for grant and contract budgets to the extent that they align with these principles.
- **4.** For Additional Consideration:
 - The matrix is a starting point, but requires training for City staff and nonprofits alike to have a shared understanding of the guidelines and its application. The

³ As noted, it is not possible to specify the treatment of costs in every situation.

Controller's Office offers training to nonprofits and City staff annually on issues of budget development and cost allocation procedures through the Citywide Nonprofit Monitoring and Capacity Building Program.

CHANGES FROM VERSION 1.1 (6/26/18):

The Guidelines for Cost Categorization in Nonprofit Contracts and Grants may need updates as new questions about the guidance are raised. As needed, the Guidelines will be updated on an annual basis in January. The Controller's Office will accept questions and submissions for updates through November of each year to be included in the subsequent January release.

Direct Costs

• Food and Events: sugar-sweetened beverages and bottled water added as unallowable.

Indirect Costs

• Salaries/Fringe Benefits: Staff time spent preparing proposals for federal or non-federal grants and contracts added as allowable.

Fundraising

• General guidance updated as follows:

Fundraising expenses are never allowable in City grants or contracts unless the program objective for the City grant is defined as fundraising and/or development capacity building. Departments may offer grants specific to supporting or enhancing nonprofit capacity and in these cases any of the following costs may be allowable as direct program costs. When the program objective is not specific to fundraising activities, fundraising expenses are unallowable per federal guidelines.

Supplemental Guidance

• Depreciation guidance updated as follows:

Depreciation can be a direct cost if the asset/facility is used exclusively for the program. Facility costs can be considered direct costs if they can be directly tied to a cost objective and are deemed reasonable and necessary to carry out a program.

• Subcontracts guidance updated as follows:

Subcontracted services are allowable as direct costs when necessary to support the final cost objective. As such, these direct costs may be used in the calculation of the prime contractor's indirect cost rate with some limitations. The prime contractor can charge indirect costs on the first \$25,000 of each subcontract at the approved/allowed indirect cost rate. Additional subcontract expenses beyond \$25,000 must be excluded from the indirect rate calculation.

APPENDIX A: COST CATEGORIZATION MATRIX

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
guarantee funding ir desired programming	n a particular cost catego	by the funding department and documented in the bry. Departments and nonprofits have discretion to uire additional documentation prior to approving c	negotiate fund	ling for cost iten	ns appropriate to the delivery of
Direct Personnel Expenses	Salaries	Salaries of all program staff, supervisory staff, and support/clerical staff that work directly on programs.	x		
		Bonuses paid to staff.		х	
		Severance payments to former staff.		Х	
	Fringe Benefits	Fringe Benefits such as FICA, SUI, health and medical benefits, and retirement benefits.	x		
		Prior fiscal year Fringe Benefits such as vacation, sick, or overtime/compensation time, and taxes or other withholdings related to periods before and after the grant agreement.		X	Unallowable when a nonprofit uses an accrual basis (recommended). If a nonprofit uses a cash basis, the cost of leave is recognized in the period that the leave is taken and paid for, even if earned in the prior year, and this item becomes allowable.
		Lump sum payout of unused vacation or compensatory time		x	When a nonprofit uses accrual- based accounting, the City has already covered the cost of fringe, which then becomes a line in the nonprofit's liability account. If a nonprofit uses a cash basis, payments of unused leave may be allowable as an indirect cost in the year of payment.

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
	Stipends	Stipends, including small amounts paid to someone (often a program participant) for engaging in limited periods of work in support of a funded agency or organization. May include AmeriCorps fees.	x		CDBG funds may not be used for stipends (not allowable). Stipends over threshold amount may be considered salaries.
Direct Contract Expenses	Contractual Services	Contractual Services provided to program participants or agency by consultants, independent contractors, or other entities that are non-staff individuals. Professionals provide highly technical or specialized services to the agency or program.	X		Contractual Services may require a supplemental approval process prior to placing costs into the grant budget and the contractor must comply with City standards for subcontract oversight and monitoring.
		Contractual services done by the subcontractor's subcontractor.		X	
Direct Non- Personnel Expenses	Materials and Supplies	Materials and supplies used in the operation of the program and consistent with the type of services provided by the program. Includes project supplies, office supplies, and postage.	x		
	Facilities/ Occupancy	Facilities or occupancy costs associated with building space, rental/lease of space used to run the program, rent for main space and auxiliary space, and costs associated with facility upkeep and maintenance, including janitorial services.	X		
		Facilities or occupancy costs such as property taxes, loans against own property, and security deposits.		X	
	Utilities	Percentage allocation of utilities, such as gas, electric, and water bill, used by each program.	x		

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
	Equipment	Equipment purchase, lease, and maintenance costs that directly benefit program participants. Includes computers, IT systems, furniture, ongoing or one-time lease, printers, and photocopying equipment. Includes direct costs or percentage allocation of shared equipment used by each program.	X		
		Depreciation on purchased equipment.	x		Certain federal funding sources may restrict use of funding on these costs. Costs must be approved by the awarding department. See Supplemental Guidance for details.
	Transportation/ Travel	Transportation and travel costs used for the program. Includes local transportation, out- of-town travel for program purposes, and field work. Includes mileage, vehicle rental, tolls, gas, parking fees, air travel, and ground transportation if staff are required to travel to perform scope of funded services.	X		Out-of-area travel may require a supplemental approval process prior to placing costs into the grant budget.
		Vehicle purchase (and related costs) as required to perform scope of funded services	X		Most departments require a pre- approval process prior to placing vehicle purchase into the grant budget.
		Parking/moving violations.		x	
	Training	Staff development costs used to pay registration or attendance fees for staff to attend workshops or trainings aimed to build capacity for the program. Staff development costs such as out-of-town conference transportation, lodging, food or per diem for staff.	X		Training costs and travel associated with staff development may require a supplemental approval process prior to placing costs into the grant budget.

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
	Events and Food	Events and field trip costs related to the program. Includes vehicle rentals for participants, transportation for participants, food/meals for participants, and costs of permits needed for events.	X		CDBG funds may not be used for food or entertainment for participants (not allowable).
		Alcoholic beverages, sugar-sweetened beverages, bottled water, and tips/gratuity.		x	
	Incentives	Incentives for program participants. Includes gift cards, honoraria, and award for participants, speakers, and volunteers.	x		CDBG funds may not be used for incentives (not allowable).
	Insurance	Insurance fees for required insurance policy maintenance costs such as commercial general liability, auto, workers compensation, and event insurance. Includes direct allocation of program-specific policies or percentage allocation of applicable agency-wide insurance costs.	X		
	Tele- communications	Telecommunications costs used for the program. Includes telephone, fax, internet, and cell phones used for programmatic purposes.	x		
	Capital and Mortgage	Capital costs for real property necessary for the delivery of programs.	x		Certain federal funding sources may restrict use of funding on these costs. See Supplemental Guidance for details.
		Mortgage Principal.		X	See Supplemental Guidance for details.
		Mortgage interest fees on real property used in the delivery of programs.	X		Certain federal funding sources may restrict use of funding on these costs. See Supplemental Guidance for details.

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
		Mortgage interest attributable to fully depreciated assets.		x	
	Miscellaneous	Professional licenses for staff, if required for program.	X		
		Job posting and finger-printing of staff, if required for program.	x		
-	retion, indirect costs me ay not use that rate in	ay be capped. If an agency has a federally-approved General Fund grants.	l indirect cost i	rate, department	ts will use this rate for federally-
Administrative/ Indirect Expenses	Salaries/ Fringe Benefits	Direct or percentage allocation of Executive Director salary and benefits for time spent in administrative activities (e.g., per functional time sheet or time survey).	X		
		Chief financial officer salary and benefits.	x		
		Contract administration and compliance staff salaries and benefits.	x		
		Other administrative staff salaries.	x		
		Accounting services and bookkeeping.	x		
		Payroll fees and other HR expenses.	x		
		Information technology staff salaries.	x		
		Staff time spent preparing proposals for federal or non-federal grants and contracts.	x		
	Contractual Services	Audit fee.	x		
		Fiscal agent fee.	X		Departments may have caps on the maximum amount of fiscal agent fees that can be included in the budget.

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
		Administrative IT system costs (e.g., QuickBooks).	х		
		Website design, maintenance, or hosting services.	x		
	Materials and Supplies	Office supplies or percentage allocation of office supplies used by administrative staff.	x		
		Materials and supplies associated with board meetings.	x		
	Facilities/Utilities	Percentage allocation of rent and utilities used by administrative staff.	x		
		Depreciation on real property	Х		See Supplemental Guidance for details.
	Equipment	Percentage allocation of equipment used by administrative staff; depreciation on purchased equipment.	x		
	Transportation/ Travel	Transportation expenses incurred by administrative staff.	x		
	Insurance	Percentage allocation of insurance fees for required insurance policy maintenance costs such as commercial general liability, auto, workers compensation, and event insurance.	x		
		Directors and Officers insurance fees.	x		

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
	Training	Staff development costs used to pay registration or attendance fees for staff to attend workshops or trainings aimed to build capacity for the agency overall (e.g., attended by finance or HR staff).	X		
	Events	Agency-wide events without specific program benefit (e.g., open house). Events and field trip costs for events that only benefit staff members, such as staff recognitions, celebrations, events attended by staff only, food for staff, and staff meals at restaurants.	X		
	Tele- communications	Percentage allocation of telecommunications costs for administrative staff.	X		
	Miscellaneous	Nominal bank charges such as those required for maintaining a checking account.	x		
		Bank fees such as interest, late/penalty fees, non-sufficient service fee/overdraft fees, cash advance fee, foreign exchange fees, and credit card fees.		x	
		Personal costs.		X	
		Religious workshops, instruction or proselytization.		x	
		Bad debts including losses and related collection and legal costs.		x	
		Political activities.		X	

Category	Expense Type	Expense Description	Allowable	Unallowable	Notes
capacity building. L	Departments may offer gr	City grants or contracts unless the program objecti rants specific to supporting or enhancing nonprofit of program objective is not specific to fundraising act	capacity and ir	these cases any	of the following costs may be
Fundraising Expenses	Salaries/ Fringe Benefits	Development Director or other staff with fundraising as a primary job role.		x	
		Direct or percentage allocation of Executive Director salary and benefits for time spent in fundraising activities (e.g., per functional time sheet or time survey).		X	
	Contractual Services	Fundraising consultant fees.		X	
	Materials and Supplies	Office supplies (including postage) or percentage allocation of office supplies used by fundraising staff.		X	
	Facilities/Utilities	Percentage allocation of rent and utilities used by fundraising staff.		x	
		Space rental for fundraising events.		х	
	Equipment	Percentage allocation of equipment used by fundraising staff.		x	
	Transportation/ Travel	Transportation expenses incurred by fundraising staff.		x	
	Insurance	Percentage allocation of insurance fees for required insurance policy maintenance costs such as commercial general liability, auto, workers compensation, and event insurance.		x	
	Training	Staff development costs used to pay registration or attendance fees for staff to attend workshops or trainings aimed to build capacity for fundraising.		X	
	Events	Fundraising event costs.		x	
	Tele- communications	Percentage allocation of telecommunications costs for fundraising staff.		x	

SUPPLEMENTAL GUIDANCE ABOUT THE TREATMENT OF COSTS

For full text of the Office of Management and Budget (OMB) Uniform Guidance, visit: <u>https://www.ecfr.gov/cgi-bin/text-</u>idx?SID=0d3c684a605f5b420152ed1a47e415da&mc=true&node=pt2.1.200&rgn=div5

Capital Expenditures

Allowable Direct Cost.

Capital expenses, including capital improvements, are allowable unless prohibited by City Charter or a federal awarding agency.

OMB states that certain capital expenditures for general purpose land, buildings or equipment are unallowable except when approved in advance by the awarding agency. In such cases where federal funds are awarded to nonprofit service providers and the awarding agency has not explicitly allowed the use of these funds for general purpose capital expenditures, these costs are unallowable.

City Charter prohibits the use of Children's Fund for capital expenditures. The Department of Children, Youth and Their Families includes all associated costs, including mortgage interest costs and depreciation, in this prohibition.

For General Fund contracts and grants, and federally-funded contracts and grants where such costs have been explicitly allowed by the awarding agency, the costs are only allowable with pre-approval by the department. Departments may set funding caps, and may require justification and other documentation prior to confirming costs in the grant or contract budget. Allowability does not guarantee funding for capital expenditures. Departments may make choices about the budget items they prioritize for funding.

Capital expenditures must always be considered direct costs. If the building is used by multiple programs, the costs should be allocated using a reasonable methodology.

Reference: OMB Uniform Guidance Part 200 Subpart E Section 200.439 Equipment and Other Capital Expenditures.

Mortgage Principal

Not Allowable.

Principal mortgage costs are not allowable in City contracts or grants. Instead, the cost of the principal can be recovered through depreciation (see below).

Reference: OMB Uniform Guidance Part 200 Subpart E Section 200.436 Depreciation.

Mortgage Interest Fees

Allowable Direct Cost.

With certain restrictions, mortgage interest fees are allowable in City contracts and grants with nonprofits. To be considered allowable, the contract and/or grant must explicitly state this type of expense will be included in the budget and is allowable.

The cost of mortgage interest fees must also be reasonable, meaning they are ordinary, necessary, and in line with fair market value for comparable space. To be considered reasonable, grantees and contractors must demonstrate that the expense being charged to the City aligns with fair market value by providing quotes or similar cost-per-square-foot estimates for three comparable spaces. Departments should verify fair market value prior to budget approval, and may re-verify annually. If the mortgage interest expense exceeds fair market value, departments must cap allowable payments at fair market value to conform to the reasonable standard.

Mortgage interest fees are always direct program costs. If the building is used by multiple programs, the costs should be proportionally allocated to programs, administrative and fundraising cost centers according to actual usage by each cost center. Departments may request additional documentation necessary to verify the proportional share of space used for funded programs, or to verify fair market value of space.

For facilities acquisitions (excluding renovations and alterations) costing over \$10 million where the Federal government's reimbursement is expected to equal or exceed 40% of an asset's cost, the nonprofit organization must prepare, prior to the acquisition or replacement of the capital asset(s), a justification that demonstrates the need for the facility in the conduct of federally-sponsored activities. Upon request, the needs justification must be provided to the Federal agency with cost cognizance authority as a prerequisite to the continued allowability of interest on debt and depreciation related to the facility.

Mortgage interest fees are unallowable in the following circumstances:

- Interest associated with subsequent loans against property for uses other than occupancy (i.e., a second mortgage) is unallowable.
- Interest attributable to a fully depreciated asset is unallowable.
- Interest in connection with acquisitions of capital assets that occurred prior to September 29, 1995 is unallowable.

Reference: OMB Uniform Guidance Part 200 Subpart E Section 200.449 Interest.

Depreciation

Allowable Indirect Cost.

Depreciation, both for real property and for equipment of over \$5,000 per unit, is an allowable cost. Depreciation is an indirect expense, which may be allocated to programs using a consistent and reasonable methodology.

To approve inclusion of depreciation in a nonprofit contract or grant budget, City departments should review a depreciation schedule provided by the nonprofit. Charges for depreciation must be supported by adequate property records, and physical inventories must be taken at least once every two years to ensure that the assets exist and are usable, used, and needed. In addition, adequate depreciation records showing the amount of depreciation taken each period must also be maintained.

Any portion of the property purchased using either federal or City General Fund dollars must be excluded from depreciation schedule. For example, if the City provides \$500,000 in capital investment for a \$1,000,000 building, the depreciation schedule should exclude the \$500,000 in City-funded capital. Nonprofits must note when City or federal sources funded any portion of capital costs for property.

Per Federal guidelines, a cost may not be treated as a direct cost if any other cost incurred for the same purpose, in like circumstance, has been allocated as an indirect cost. However, there may be circumstances where indirect costs like depreciation may be allowable as direct costs. Such special circumstances must be evaluated on a case-by-case basis. Items generally designated as indirect costs may be treated as direct costs if incurred for different purpose or in unlike circumstances. These costs may be charged directly when:

- The cost can be accurately identified with the specific cost objective;
- The cost is required by the scope of the project;
- The specific type and nature of the cost is significantly greater than ordinarily required by a sponsored project; and
- The cost is clearly disclosed and fully justified in the proposal budget and approved by the City in the grant or contract.

Reference: OMB Uniform Guidance Part 200 Subpart E Section 200.436 Depreciation.

Subcontracts

Allowable Direct Cost.

Subcontracted services are allowable as direct costs when necessary to support the final cost objective. As such, these direct costs may be used in the calculation of the prime contractor's indirect cost rate with some limitations. The prime contractor can charge indirect costs on the first \$25,000 of each subcontract at the approved/allowed indirect cost rate. Additional subcontract expenses beyond \$25,000 must be excluded from the indirect rate calculation.

Reference: OMB Uniform Guidance Part 200 Subpart A Section 200.68 Modified Total Direct Cost (MTDC)

From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Subject:	FW: Rent Board Annual Report on Buyout Agreements
Date:	Tuesday, January 29, 2019 2:11:00 PM
Attachments:	Annual Report on Buyout Agreements 2019.pdf

From: Varner, Christina (RNT)

Sent: Tuesday, January 29, 2019 9:33 AM

To: Calvillo, Angela (BOS) <<u>angela.calvillo@sfgov.org</u>>

Cc: Mayor, MYR (MYR) <<u>mayor@sfgov.org</u>>; Yee, Norman (BOS) <<u>norman.yee@sfgov.org</u>>; Fewer, Sandra (BOS) <<u>sandra.fewer@sfgov.org</u>>; Stefani, Catherine (BOS) <<u>catherine.stefani@sfgov.org</u>>; Peskin, Aaron (BOS) <<u>aaron.peskin@sfgov.org</u>>; Mar, Gordon (BOS) <<u>gordon.mar@sfgov.org</u>>; Brown, Vallie (BOS) <<u>vallie.brown@sfgov.org</u>>; Haney, Matt (BOS) <<u>matt.haney@sfgov.org</u>>; Mandelman, Rafael (BOS) <<u>rafael.mandelman@sfgov.org</u>>; Ronen, Hillary <<u>hillary.ronen@sfgov.org</u>>; Walton, Shamann (BOS) <<u>shamann.walton@sfgov.org</u>>; Safai, Ahsha (BOS) <<u>ahsha.safai@sfgov.org</u>>; Docs, SF (LIB) <<u>sfdocs@sfpl.org</u>>; Collins, Robert (RNT) <<u>robert.collins@sfgov.org</u>>

Subject: Rent Board Annual Report on Buyout Agreements

Dear Ms. Calvillo:

Pursuant to Section 37.9E(j) of the Rent Ordinance, Chapter 37 of the San Francisco Administrative Code, the Rent Board is providing its third annual report regarding implementation of Section 37.9E ("Buyout Ordinance"), which became operative on March 7, 2015. This report will be the third report to cover a full calendar year and includes a list of all units that have been the subject of Buyout Agreements filed with the Department from January 1, 2018 through December 31, 2018.

Please don't hesitate to contact me should you have any questions.

Sincerely, Christina Varner

Christina A. Varner Deputy Director San Francisco Rent Board 25 Van Ness Avenue, Suite 320 San Francisco, CA 94102 (415) 252-4650 direct (415) 252-4602 counseling line christina.varner@sfgov.org sfrb.org

City and County of San Francisco



LONDON N. BREED

ROBERT A. COLLINS EXECUTIVE DIRECTOR

DAVID GRUBER PRESIDENT

DAVE CROW SHOBA DANDILLAYA RICHARD HUNG ASHLEY KLEIN POLLY MARSHALL CATHY MOSBRUCKER KENT QIAN DAVID WASSERMAN

January 29, 2019

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

Re: Rent Board Annual Report on Buyout Agreements

Dear Ms. Calvillo:

Pursuant to Section 37.9E(j) of the Rent Ordinance, Chapter 37 of the San Francisco Administrative Code, the Rent Board is providing its fourth annual report regarding implementation of Section 37.9E ("Buyout Ordinance"), which became operative on March 7, 2015. This report includes a list of all units that have been the subject of Buyout Agreements filed with the Department from January 1, 2018 through December 31, 2018.

Data Reported from Filings Under Section 37.9E

During the period of January 1, 2018 through December 31, 2018, a total of 962 Declaration of Landlord Regarding Service of Pre-Buyout Negotiations Disclosure Forms ("Declarations") were filed with the Department. During the same period, a total of 379 Buyout Agreements were filed with the Department. These documents are available for public viewing via a searchable database at the Rent Board's office as required by Section 37.9E(i).

The following list shows the total number of Declarations and Buyout Agreements filed with the Department during the reporting period, organized by zip code/neighborhood:

Zip Code/Neighborhood	Declarations Filed	Buyout Agreements Filed
94102 – Civic Center	29	21
94103 – South of Market	24	20
94104 – Downtown	0	0
94105 – Embarcadero	0	0
94107 – Potrero	22	11
94108 – Chinatown	17	3
94109 – Tenderloin	104	22
94110 – Mission	155	44
94111 – Financial District	0	0
94112 – Ingleside	81	37
94114 – Eureka Valley	46	21
94115 – Western Addition	26	17
94116 – Parkside	25	16
94117 – Haight-Ashbury	103	28
94118 – Inner Richmond	53	23
94121 – Outer Richmond	32	15
94122 – Sunset	70	24
94123 – Marina	44	14
94124 – Bayview	17	8
94127 - West Portal	12	7
94131 – Diamond Heights	30	21
94132 – Lake Merced	6	3
94133 – North Beach	40	13
94134 – Portola	26	11
Totals	962	379

A list of all rental units that have been the subject of Buyout Agreements filed with the Rent Board between January 1, 2018 and December 31, 2018 is attached to this report in accordance with Section 37.9E(j).

Page 3 Rent Board Annual Report on Buyout Agreements January 29, 2019

This report on Buyout Agreements can be found on our website under "Statistics," using the link entitled "Annual Buyout Agreements Report." Please call me at 252-4628 should you have any questions regarding this report.

Sincerely,

Whit A. Collie

Robert A. Collins Executive Director Residential Rent Stabilization and Arbitration Board

> Mayor London N. Breed Supervisor Norman Yee Supervisor Sandra Lee Fewer Supervisor Catherine Stefani Supervisor Aaron Peskin Supervisor Gordon Mar Supervisor Vallie Brown Supervisor Matt Haney Supervisor Rafael Mandelman Supervisor Hillary Ronen Supervisor Shamann Walton Supervisor Ahsha Safai Commissioner David G. Gruber **Commissioner Dave Crow** Commissioner Shoba Dandillava Commissioner Richard Hung Commissioner Ashlev Klein **Commissioner Polly Marshall** Commissioner Cathy Mosbrucker Commissioner Kent Qian Commissioner David Wasserman Library Documents Dept.



Buyout Ordinance Annual Report Total Number of Buyout Agreements Filed - 379

1/1/2018 Through 12/31/2018

	Date Filed	Buyout ID	1/1/2018 Through 12/31/2018 Property Address	Zip Code	# of Buyout Agreements
94102					21
	2/16/2018	B170830	120 Ellis Street, #206	94102	
	2/16/2018	B170831	120 Ellis Street, #207	94102	
	6/8/2018	B172302	109 Buchanan Street, #1	94102	
	6/20/2018	B171002	309 Oak Street	94102	
	7/10/2018	B181491	56 Mason Street, #304	94102	
	7/10/2018	B181492	56 Mason Street, #305	94102	
	7/10/2018	B181493	56 Mason Street, #307	94102	
	7/10/2018	B181494	56 Mason Street, #317	94102	
	7/10/2018	B181495	56 Mason Street, #318	94102	
	7/10/2018	B181496	56 Mason Street, #319	94102	
	7/10/2018	B181497	56 Mason Street, #320	94102	
	7/10/2018	B181498	56 Mason Street, #401	94102	
	7/10/2018	B181499	56 Mason Street, #405	94102	
	7/10/2018	B181500	56 Mason Street, #407	94102	
	7/10/2018	B181501	56 Mason Street, #412	94102	
	7/10/2018	B181502	56 Mason Street, #415	94102	
	7/10/2018	B181503	56 Mason Street, #417	94102	
	7/10/2018	B181504	56 Mason Street, #420	94102	
	7/10/2018	B182167	56 Mason Street, #316	94102	
	8/15/2018	B181490	56 Mason Street, #202	94102	
	11/27/2018	B182830	145 Fell Street, #501	94102	
94103					20
	1/11/2018	B172951	1327 Stevenson Street	94103	
	3/23/2018	B180916	2874 16th Street	94103	
	3/23/2018	B180917	2874 16th Street, #a	94103	
	3/23/2018	B180918	2876 16th Street	94103	
	3/23/2018	B180919	2876 16th Street, #a	94103	
	3/23/2018	B180920	2878 16th Street	94103	
	3/23/2018	B180921	2878 16th Street, #a	94103	
	5/16/2018	B181299	1353 Stevenson Street	94103	
	6/5/2018	B181717	1355 Stevenson Street	94103	
	6/26/2018	B181749	1353 Stevenson Street, #b	94103	
	6/26/2018	B180734	170 Dolores Street	94103	
	6/26/2018	B180735	172 Dolores Street	94103	
	6/26/2018	B180736	174 Dolores Street	94103	
	7/23/2018	B181300	448 14th Street	94103	
	7/25/2018	B181728	14 Isis Street, #5	94103	
	8/24/2018	B171224	1342 Stevenson Street	94103	
	8/30/2018	B171222	1338 Stevenson Street, #d	94103	
	9/25/2018	B182006	1338 Jessie Street	94103	



	Date		1/1/2018 Through 12/31/2018		# of Buyout
	Filed	Buyout ID	Property Address	Zip Code	Agreement
	10/4/2018	B182778	108 Guerrero Street	94103	
	12/4/2018	B182599	764 Natoma Street, #113	94103	
94107					1
	1/31/2018	B172956	416 Bryant Street	94107	
	2/1/2018	B171859	896 22nd Street	94107	
	4/27/2018	B180494	1025 De Haro Street	94107	
	5/1/2018	B180578	545 Connecticut Street	94107	
	5/9/2018	B180116	472 3rd Street, #room 4	94107	
	5/21/2018	B180056	509 Vermont Street, #a	94107	
	5/31/2018	B180668	362 Connecticut Street	94107	
	7/19/2018	B181227	946 De Haro Street	94107	
	7/30/2018	B182315	871 Rhode Island Street	94107	
	8/28/2018	B181983	923 Vermont Street	94107	
	10/31/2018	B182731	328 Pennsylvania Avenue, #4	94107	
94108					
	1/10/2018	B172801	725 Pine Street, #308	94108	
	4/3/2018	B180504	124 Waverly Place, #312	94108	
	4/27/2018	B180582	1021 Washington Street	94108	
94109					2
	3/16/2018	B172919	1240 Jones Street	94109	
	3/20/2018	B180253	1730 Sacramento Street, #1	94109	
	3/28/2018	B172920	1242 Jones Street	94109	
	4/3/2018	B180118	2040 Franklin Street, #607	94109	
	4/16/2018	B180257	2743 Hyde Street	94109	
	5/7/2018	B180651	2040 Franklin Street, #1409	94109	
	5/16/2018	B173033	15 White Street	94109	
	5/16/2018	B173034	17 White Street	94109	
	5/23/2018	B180906	2415 Van Ness Avenue, #305	94109	
	5/25/2018	B180577	1559 Clay Street	94109	
	7/18/2018	B181731	493 Eddy Street, #501	94109	
	8/3/2018	B181752	744 Hyde Street	94109	
	8/9/2018	B182152	2700 Polk Street, #5	94109	
	8/14/2018	B181715	2040 Franklin Street, #804	94109	
	8/27/2018	B181933	774 Bay Street	94109	
	9/11/2018	B181751	2739 Hyde Street	94109	
	10/15/2018	B182298	631 O'farrell Street, #906	94109	
	10/22/2018	B182391	1516 Jones Street, #a	94109	
	11/7/2018	B182598	1800 Franklin Street, #408	94109	
	12/3/2018	B183252	980 Bush Street, #406	94109	
	12/13/2018	B182974	1474 Sacramento Street, #107	94109	



	1/1/2018 Through 12/31/2018			# of	
	Date Filed	Buyout ID	Property Address	Zip Code	Buyout Agreements
	12/24/2018	B183030	1355 Pine Street, #5	94109	5
94110					44
	1/5/2018	B180046	2790 23rd Street	94110	
	1/9/2018	B171784	1326 Utah Street	94110	
	2/6/2018	B173049	3424 21st Street	94110	
	2/12/2018	B180354	2967 Mission Street, #a	94110	
	2/12/2018	B180355	2967 Mission Street, #b	94110	
	4/16/2018	B181219	2746 Folsom Street, #main House	94110	
	4/24/2018	B171872	935 York Street, #a	94110	
	4/25/2018	B180652	3600 20th Street, #203	94110	
	5/3/2018	B181505	308 Crescent Avenue	94110	
	5/25/2018	B180499	72 Mirabel Avenue, #1	94110	
	6/1/2018	B181039	833 Hampshire Street	94110	
	6/1/2018	B181130	831 Hampshire Street	94110	
	6/5/2018	B170613	333 San Jose Avenue	94110	
	6/20/2018	B181201	366 San Carlos Street	94110	
	6/27/2018	B173042	2944 24th Street	94110	
	7/5/2018	B181428	3009 Mission Street, #310	94110	
	7/31/2018	B181528	196 27th Street	94110	
	8/3/2018	B180255	2814 Harrison Street	94110	
	8/3/2018	B182385	3661 19th Street, #202	94110	
	8/3/2018	B182386	3661 19th Street, #303	94110	
	8/6/2018	B181761	146 Coleridge Street	94110	
	8/22/2018	B182516	2746 Folsom Street, #b	94110	
	8/23/2018	B181716	2622 Bryant Street	94110	
	8/28/2018	B181992	3529 19th Street	94110	
	9/14/2018	B181769	3640 26th Street, #2	94110	
	9/18/2018	B181604	2434 24th Street	94110	
9	9/21/2018	B182306	100 Richland Avenue, #102	94110	
	9/26/2018	B182380	3543 19th Street	94110	
	9/26/2018	B180113	953 Guerrero Street	94110	
	10/5/2018	B180810	928 Valencia Street, #3	94110	
	10/10/2018	B182055	1163 South Van Ness Avenue	94110	
	10/22/2018	B180669	2763 22nd Street	94110	
	10/26/2018	B182653	625 Guerrero Street, #10	94110	
	10/31/2018	B182444	188 Banks Street, #in-law Unit	94110	
	11/14/2018	B173038	2325 Mariposa Street	94110	
	11/26/2018	B182613	2818 Harrison Street	94110	
	11/27/2018	B152674	20 Precita Avenue, #a	94110	
	11/29/2018	B182975	945 Capp Street, #4	94110	
	11/30/2018	B180215	3532 23rd Street	94110	
	11/30/2010	D100213		34110	



			1/1/2018 Through 12/31/2018		# of
	Date Filed	Buyout ID	Property Address	Zip Code	Buyout Agreements
	12/3/2018	B162205	3337 22nd Street	94110	•
	12/4/2018	B182645	1371 Alabama Street	94110	
	12/11/2018	B182057	1163 South Van Ness Avenue, #1/2	94110	
	12/12/2018	B182019	402 Prentiss Street	94110	
	12/19/2018	B182056	1163 South Van Ness Avenue, #a	94110	
94112					37
	1/8/2018	B183392	205 Summit Street	94112	27
	1/17/2018	B172199	1252 Alemany Boulevard, #upper Unit	94112	
	1/17/2018	B173039	147 Maynard Street	94112	
	4/2/2018	B180352	773 Huron Avenue	94112	
	4/9/2018	B180048	630 Mount Vernon Avenue, #second Bedroom	94112	
	4/18/2018	B181223	2654 San Jose Avenue, #lower Unit	94112	
	4/19/2018	B170756	1969 San Jose Avenue	94112	
	4/19/2018	B170758	1969 San Jose Avenue	94112	
	5/31/2018	B181620	170 Whipple Avenue, #lower Unit	94112	
	5/31/2018	B181720	77 San Jacinto Way	94112	
	6/13/2018	B181026	700 London Street, #upper	94112	
	6/15/2018	B181830	147 Maynard Street	94112	31
	6/22/2018	B181199	155 Wood Street, #a	94112	
	6/26/2018	B180903	550 Flood Avenue	94112	
	7/6/2018	B181427	948 Huron Avenue, #a	94 112	
	7/11/2018	B182021	550 Flood Avenue	94112	
	7/12/2018	B180211	566 London Street	94112	
	7/19/2018	B181718	654 Lisbon Street, #(one Room & Use Of Common Areas)	94112	
	8/3/2018	B170755	1969 San Jose Avenue	94112	
	8/3/2018	B170757	1969 San Jose Avenue	94112	
	8/3/2018	B170760	1969 San Jose Avenue	94112	
	8/3/2018	B182409	1969 San Jose Avenue	94112	
	8/7/2018	B182388	550 Flood Avenue	94112	
	8/22/2018	B181871	82 Saint Mary's Avenue	94112	
	8/22/2018	B181872	82 Saint Mary's Avenue, #a	94112	
	9/10/2018	B181856	4 College Terrace	94112	
	9/14/2018	B182638	1431 8th Avenue	94112	
	9/26/2018	B181985	399 Ellington Avenue	94112	
	10/12/2018	B182771	92 Ottawa Avenue, #lower	94112	
	10/26/2018	B182060	948 Huron Avenue	94112	
	10/30/2018	B182507	272 Guttenberg Street, #lower Level Unit	94112	
	11/6/2018	B181609	8 Navajo Avenue	94112	
	11/9/2018	B182643	2577 San Jose Avenue	94112	
	11/14/2018	B182417	288 Thrift Street	94112	



			1/1/2018 Through 12/31/2018		# of
	Date Filed	Buyout ID	Property Address	Zip Code	Buyout Agreements
	11/30/2018	B182005	47 Stoneyford Avenue, #lower Front Unit	94112	
	12/4/2018	B180110	679 Athens Street	94112	
	12/31/2018	B182691	94 Ney Street, #upstairs	94112	
94114					21
	1/4/2018	B172791	14 Walter Street	94114	
	2/2/2018	B161590	17 Chattanooga Street	94114	
	2/8/2018	B172806	4781 18th Street	94114	
	3/1/2018	B172957	732 Clipper Street	94114	
	3/6/2018	B180122	801 Sanchez Street	94114	
	3/13/2018	B180061	9 Hattie Street	94114	
	3/28/2018	B172797	275 Castro Street	94114	
	4/2/2018	B180502	310 Eureka Street	94114	
	4/5/2018	B172398	2 Rayburn Street	94114	
	4/5/2018	B172399	485 Liberty Street	94114	
	5/15/2018	B180670	426 Alvarado Street	94114	
	5/15/2018	B172131	517 Sanchez Street	94114	
	5/24/2018	B172391	43 Noe Street, #a	94114	
	6/5/2018	B171103	556 Sanchez Street, #a	94114	
	6/8/2018	B173035	490 Sanchez Street, #4	94114	
	6/20/2018	B180910	501 Roosevelt Way	94114	
	7/5/2018	B180206	168 Corbett Avenue	94114	
	7/24/2018	B181748	20 Hancock Street	94114	
	8/6/2018	B180497	17 States Street	94114	
	11/18/2018	B180498	17 States Street, #a	94114	
	12/5/2018	B183228	138 Noe Street, #a	94114	
94115					17
	1/5/2018	B172676	1529 Golden Gate Avenue	94115	
	2/2/2018	B173113	1608 Lyon Street, #a	94115	
	2/12/2018	B172918	2212 Pine Street, #1/2	94115	
	3/27/2018	B180925	2920 Pine Street	9 4115	
	4/9/2018	B170339	2364 Pacific Avenue, #4	94115	
	4/20/2018	B181289	1819 Golden Gate Avenue, #4	94115	
	4/26/2018	B180409	2638 Post Street, #lower Unit	94115	
	5/14/2018	B171927	40 Inca Lane, #4	94115	
	5/15/2018	B180427	2554 Pine Street	94115	
	7/13/2018	B182062	1849 Mcallister Street	94115	
	7/17/2018	B180809	2210 Jackson Street, #301	94115	
	7/23/2018	B180893	2646 California Street, #a	94115	
	8/17/2018	B182441	2269 Sacramento Street, #7	94115	
	8/29/2018	B181854	2911 California Street	94115	
	9/10/2018	B181754	2365 O'farrell Street, #7	94115	



	Date	man and a second	1/1/2018 Through 12/31/2018		# of Buyout Agreements
	Filed	Buyout ID	Property Address	Zip Code	Agreements
	10/11/2018	B171321	3099 Washington Street, #18	94115 94115	
	12/24/2018	B183433	3007 California Street, #a (aka Lower Unit)	94115	
94116					16
	1/17/2018	B172286	2007 47th Avenue	94116	
	3/6/2018	B172910	2319 37th Avenue	94116	
	3/20/2018	B173031	1938 18th Avenue, #upper Unit	94116	
	4/9/2018	B180356	2214 47th Avenue	94116	
	4/16/2018	B180256	99 Cragmont Avenue	94116	
	4/18/2018	B181229	1942 Vicente Street	94116	
	4/24/2018	B173032	1938 18th Avenue, #in-law	94116	
	6/11/2018	B180214	2415 45th Avenue	94116	
	6/13/2018	B172402	1926 19th Avenue	94116	
	9/5/2018	B180353	2027 43rd Avenue	94116	
	10/31/2018	B182594	2278 29th Avenue	94116	
	11/2/2018	B183044	2131 Rivera Street	94116	
	11/27/2018	B180663	2450 30th Avenue	94116	
	11/29/2018	B183243	345 Rivera Street	94116	
	12/10/2018	B182739	2651 44th Avenue	94116	
	12/31/2018	B163724	2566 33rd Avenue	94116	
94117					28
	1/2/2018	B172300	709 Central Avenue	94117	
	1/5/2018	B160889	127 Belvedere Street, #a	94117	
	1/29/2018	B172909	908 Stanyan Street, #b	94117	
	2/12/2018	B180430	228 Carl Street	94117	
	2/16/2018	B172530	523 Pierce Street	94117	
	3/13/2018	B180743	272 Downey Street	94117	
	4/2/2018	B172083	1563 Fulton Street	94117	
	4/3/2018	B180119	1927 Page Street	94117	
	4/23/2018	B181298	161 Divisadero Street, #studio	94117	
	5/7/2018	B172677	451 Frederick Street	94117	
	5/21/2018	B181423	45 Belvedere Street	94117	
	5/21/2018	B180204	99 Carmelita Street	94117	
	6/29/2018	B180503	75 Carl Street	94117	
	8/2/2018	B181412	1967 Hayes Street	94117	
	8/8/2018	B180421	1810 Page Street	94117	
	8/9/2018	B181763	2005 Fulton Street	94117	
	9/4/2018	B180327	1290 Grove Street, #201	94117	
	9/4/2018	B180328	1290 Grove Street, #203	94117	
	9/4/2018	B180338	1290 Grove Street, #501	94117	
		B170733	643 Webster Street, #9	94117	
	9/7/2018			94117	
	9/12/2018	B171332	619 Clayton Street, #1	07111	



Buyout Ordinance Annual Report Total Number of Buyout Agreements Filed - 379

	Date		1/1/2018 Through 12/31/2018		# of Buyout
	Filed	Buyout ID	Property Address	Zip Code	Agreements
	9/19/2018	B182178	203 Divisadero Street	94117	
	10/4/2018	B170764	748 Page Street, #9	94117	
	10/9/2018	B171741	1 Scott Street, #4	94117	
	10/16/2018	B171352	533 Clayton Street, #a	94117	
	12/3/2018	B181876	1176 Fulton Street	94117	
	12/4/2018	B182011	158 Beulah Street	94117	
	12/17/2018	B181875	1174 Fulton Street	94117	
94118			· · · · · · · · · · · · · · · · · · ·		23
	1/4/2018	B180041	692 15th Avenue	94118	
	1/12/2018	B171995	327 5th Avenue, #2	94118	
	1/22/2018	B172800	3938 Washington Street	94118	
	4/2/2018	B173020	2230 Turk Street, #3	94118	
	4/9/2018	B172301	782 15th Avenue, #a (aka Lower Unit)	94118	
	4/18/2018	B181230	4440 California Street, #2	94118	
	5/1/2018	B180187	659 14th Avenue	94118	
	5/1/2018	B180189	661 14th Avenue, #a	94118	
	5/4/2018	B180349	458 9th Avenue, #e	94118	
	6/18/2018	B180913	581 14th Avenue, #10	94118	
	6/21/2018	B180500	449 14th Avenue	94118	
	6/28/2018	B181974	768 6th Avenue	94118	
	7/3/2018	B181531	190 Arguello Boulevard, #1	94118	
	7/9/2018	B180924	63 Palm Avenue, #4	94118	
	8/2/2018	B181746	206 3rd Avenue	94118	
	8/13/2018	B172799	3940 Washington Street	94118	
	8/14/2018	B180650	327 5th Avenue, #4	94118	
	8/21/2018	B180649	327 5th Avenue, #3	94118	
	8/24/2018	B172057	759 6th Avenue, #5	94118	
	9/6/2018	B161101	628 9th Avenue	94118	
	10/4/2018	B180748	626 9th Avenue	94118	
	10/18/2018	B180203	148 8th Avenue	94118	
	11/7/2018	B182301	827 Arguello Boulevard	94118	
94121					15
	1/30/2018	B172870	357 26th Avenue, #1	94121	
	3/5/2018	B180252	871 26th Avenue	94121	
	3/19/2018	B180207	263 19th Avenue	94121	
	4/3/2018	B181109	466 32nd Avenue	94121	
	4/11/2018	B172602	875 30th Avenue	94121	
	4/25/2018	B172871	357 26th Avenue, #2	94121	
	6/1/2018	B172456	787 39th Avenue	94121	
	7/5/2018	B181995	44 Seal Rock Drive	94121	
	8/14/2018	B181727	5600 Fulton Street	94121	



Buyout Ordinance Annual Report Total Number of Buyout Agreements Filed - 379

			1/1/2018 Through 12/31/2018		# of
	Date Filed	Burentin	Drenetty Address	Zip Code	Buyout Agreements
	8/29/2018	Buyout ID B170652	Property Address 134 17th Avenue	94121	Agreements
	10/9/2018	B181418	790 46th Avenue	94121	
	10/29/2018	B182916	706 30th Avenue, #lower	94121	
	10/31/2018	B182316	707 42nd Avenue	94121	
	12/14/2018	B180915	1729 Balboa Street, #a	94121	
	12/19/2018	B182928	481 17th Avenue	94121	
0.4400	1210.2010	5101010			24
94122	1/26/2018	B172453	1226 Ortega Street	94122	
		B172544	432 Hugo Street	94122	
	2/26/2018	B172344 B171936	1519 29th Avenue, #lower Unit	94122	
	4/4/2018	B171930 B180258	1222 35th Avenue	94122	
	4/10/2018 4/24/2018	B180258 B180574	1459 41st Avenue	94122	
	4/25/2018	B180374 B180115	1851 14th Avenue, #top Floor	94122	
	5/7/2018	B173128	1347 3rd Avenue	94122	
	6/1/2018	B173128 B181732	209 Lincoln Way, #6	94122	
		B181732 B180507	1890 43rd Avenue	94122	
	6/11/2018 6/13/2018	B180307 B181780	209 Lincoln Way, #2	94122	
	6/13/2018	B181780	209 Lincoln Way, #2	94122	
	6/14/2018	B181781	1420 6th Avenue, #d	94122	
	6/21/2018	B180662	1205 31st Avenue	94122	
	7/9/2018	B180002	1335 5th Avenue	94122	
	7/9/2018	B180912	1337 5th Avenue	94122	
	[©] 7/19/2018	B182156	209 Lincoln Way, #1	94122	
	7/23/2018	B180132	1210 6th Avenue	94122	
	9/11/2018	B182619	1691 22nd Avenue	94122	
	9/28/2018	B181825	2621 Kirkham Street	94122	
	10/5/2018	B182393	1374 46th Avenue, #downstairs	94122	
	10/30/2018	B182582	1327 5th Avenue	94122	
	11/6/2018	B182630	1392 La Playa, #lower Unit	94122	
	11/8/2018	B182689	1779 29th Avenue	94122	
	12/4/2018	B182442	1862 34th Avenue	94122	
94123	1242010	DIOLITE		01135	14
	1/3/2018	B172673	2941 Broderick Street	94123	
	2/23/2018	B153322	1667 Green Street, #101	94123	
	3/7/2018	B172531	1690 Beach Street, #303	94123	
	4/2/2018	B172671	2455 Union Street, #203	94123	
	5/16/2018	B181594	3155 Broderick Street, #104	94123	
	6/26/2018	B181424	2072 Green Street	94123	
	7/23/2018	B181404	2608 Octavia Street	94123	
	8/3/2018	B170738	2942 Franklin Street, #1	94123	
	8/13/2018	B171760	1557 Francisco Street	94123	



Buyout Ordinance Annual Report Total Number of Buyout Agreements Filed - 379

	Date		1/1/2018 Through 12/31/2018		# of Buyout
	Filed	Buyout ID	Property Address	Zip Code	Agreements
	8/24/2018	B170321	1895 Lombard Street, #3	94123	
	10/3/2018	B182007	2424 Gough Street, #c	94123	
	10/10/2018	B182831	499 Marina Boulevard, #304	94123	
	10/25/2018	B181969	34 Rico Way	94123	
	12/18/2018	B182748	2855 Pierce Street, #3	94123	
94124					8
	1/22/2018	B173037	1917 Oakdale Avenue, #e	94124	
	1/29/2018	B173029	31 Exeter Street	94124	
	3/13/2018	B180039	994 Le Conte Avenue	94124	
	6/25/2018	B172720	220 Topeka Avenue, #lower Unit	94124	
	7/23/2018	B181592	1620 La Salle Avenue	94124	
	8/21/2018	B181120	85 Carr Street	94124	
	9/24/2018	B181529	1175 Fitzgerald Avenue	94124	
	11/14/2018	B182631	1275 Quesada Avenue, #one Bedroom	94124	
94127					7
	5/14/2018	B181211	739 Foerster Street	94127	
	6/1/2018	B180666	370 Melrose Avenue	94127	
	6/5/2018	B180640	415 Monterey Boulevard	94127	
	6/27/2018	B172804	9 Vasquez Avenue, #in-law Unit	94127	
	8/16/2018	B181621	20 Entrada Court	94127	
	11/5/2018	B182588	714 Monterey Boulevard, #b3	94127	
	11/9/2018	B182586	714 Monterey Boulevard, #a3	94127	
94131			· · · · · · · · · · · · · · · · · · ·		21
	1/25/2018	B172721	216 Monterey Boulevard	94131	
	1/30/2018	B171864	2780 Diamond Street	94131	
	2/21/2018	B172915	617 Bosworth Street	94131	
	3/2/2018	B173041	120 Day Street	94131	
	4/20/2018	B180516	163 Skyview Way	94131	
	5/14/2018	B172369	1574 Church Street, #3	94131	
	5/14/2018	B172370	1574 Church Street, #4	94131	
	5/14/2018	B172371	1574 Church Street, #5	94131	
	6/6/2018	B181204	340 Warren Drive, #bedroom D	94131	
	6/22/2018	B181311	5517 Diamond Heights Boulevard	941 31	
	6/27/2018	B181530	368 Day Street	94131	
	6/28/2018	B181212	319 Chenery Street	94131	
	7/5/2018	B181296	350 Chenery Street	94131	
	8/16/2018	B182418	683 28th Street	94131	
	9/10/2018	B172368	1574 Church Street, #1	94131	
	9/24/2018	B181979	970 Burnett Avenue	94131	
	10/29/2018	B182052	23 Laidley Street	94131	



Buyout Ordinance Annual Report Total Number of Buyout Agreements Filed - 379

	Date		1/1/2018 Through 12/31/2018		# of Buyout
	Filed	Buyout ID	Property Address	Zip Code	Agreements
	11/8/2018	B182419	175 Red Rock Way, #204k	94131	-
	11/16/2018	B182647	609 Burnett Avenue, #14	94131	
	11/28/2018	B183229	683 28th Street	94131	
	12/14/2018	B181202	340 Warren Drive, #bedroom A	94131	
94132					3
	1/26/2018	B172303	109 Lake Merced Hill Street South, #1f	94132	
	7/16/2018	B181619	351 Vernon Street, #lower Level	94132	
	11/15/2018	B182502	25 Saint Charles Avenue, #downstairs Unit	94132	
94133					13
	2/23/2018	B172950	1846 Grant Avenue	94133	
	2/26/2018	B173044	426 Broadway Street, #305	94133	
	2/28/2018	B180045	2222 Leavenworth Street, #204	94133	
	5/2/2018	B180908	904 Union Street	94133	
	5/10/2018	B180044	737 Green Street	94133	
	5/25/2018	B181770	737 Green Street	94133	
	8/15/2018	B181824	427 Green Street	94133	
	10/2/2018	B182392	836 Vallejo Street, #c	94133	
	10/30/2018	B182632	4 Card Alley, #a	94133	
	11/5/2018	B183092	1472 Filbert Street, #511	94133	
	11/9/2018	B182649	818 Green Street	94133	
	11/13/2018	B181233	875 Union Street	94133	
	11/13/2018	B181234	873 Union Street	94133	
94134					11
	3/19/2018	B172955	326 Sweeny Street, #upper Level	94134	
	3/29/2018	B180114	66 Bishop Street	94134	
	5/7/2018	B180196	80 Raymond Avenue, #upper Unit	94134	
	5/8/2018	B180661	551 Brussels Street, #lower Unit	94134	
	5/24/2018	B173030	844 Colby Street	94134	
	8/28/2018	B171759	551 Brussels Street, #aka 551 Brussels Street #upper Unit)	94134	
	8/31/2018	B172598	3818 San Bruno Avenue	94134	
	9/5/2018	B182593	73 Alpha Street	94134	
	10/25/2018	B181616	212 Silliman Street, #b	94134	
	11/13/2018	B182526	1733 Geneva Avenue	94134	
	12/11/2018	B183328	251 Tocoloma Avenue	94134	

TOTAL

379

From:	Fanfelle, Jackie
То:	Winchester, Tamra (ADM); Magante, Evan (PUC); Tan, Sherry (PUC); Board of Supervisors, (BOS)
Subject:	Request to Waive Ordinance 12B Compliance Certification
Date:	Monday, January 14, 2019 11:55:33 AM
Attachments:	12B Waiver Request Memo Attachment - Cabot.pdf

Per Chris Nelson's request, I am forwarding to you a Memo and attachment regarding Request to Waive Ordinance 12B Compliance Certification.

Thank you, Jackie Fanfelle Executive Secretary to Division Manager of WST SFPUC - Water Supply & Treatment Division 1000 El Camino Real Millbrae, CA 94030 650-872-5903



1000 El Camino Real Millbrae, CA 94030 т 650-872-5900 F 650-872-5984.554.3161 ттү 415.554.3488

MEMORANDUM

Date:	January 14, 2019
To:	Tamara Winchester, Equal Benefits Program Manager
From:	Chris Nelson, Division Manager, Water Supply & Treatment
Subject:	Request to Waive Ordinance 12B Compliance Certification

The SFPUC requires a contract for procurement of powdered activated carbon, PAC, for use at its Sunol Valley Water Treatment Plant in the inactivation of taste and odor compounds that occur periodically in East Bay surface water reservoirs.

The SFPUC has attempted to get the apparent successful bidder to comply with Administrative Code Chapter 12B requirements. After repeated meetings to assist the apparent successful bidder with compilation of the compliance documentation, failure of the bidder to compile all of the necessary documentation, and review of the compliance status and finding that none of the other bid participants are compliant vendors, the SFPUC is requesting waiver of Administrative Code Chapter 12B, Equal Benefits requirements. Because PAC is anticipated to be necessary to assure appropriate taste and odor control of the drinking water served by SFPUC now and for the next 3 years, the expeditious assistance that has been provided in review of the compliance efforts for this procurement and the consideration of this request is highly appreciated.

Please contact me at (650)872-5901 to advise me if any further information is needed in order to evaluate this request.

London N. Breed Mayor

Vince Courtney President

Ann Moller Caen Vice President Francesca Vietor

Commissioner

Anson Moran Commissioner

Ike Kwon Commissioner

Harlan L. Kelly, Jr. General Manager



Services of the San Francisco Public Utilities Commission

CN:if

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

COUNTROL AND THE REAL PROPERTY OF THE REAL PROPERTY			TY OF SAN FRANCISCO MONITORING DIVISION
35.03	-	(CMD-201)	FOR CMD USE ONLY
	cmd.wai	pleted waiver requests to: verrequest@sfgov.org or venue, Suite 200, San Francisco, CA 94102	Request Number.
Section 1. Department	Information	/	
Department Head Signa			
Name of Department	SFPUC, Water S	Supply & Treatment	
Department Address:	1000 El Camino Re	al, Millbrae, CA 94030	
Contact Person:	Chris Nelson, Division	n Manager - WSTD	
Phone Number: (6		cnelson@sfwater.org	
Section 2. Contractor		ан санан санан Санан санан сан	
			Vendor No.:
Contractor Address:	Two Seaport	Lane, Suite 1300, Boston, Mas	sachusetts 02210
		Contact Phone No.:	
Section 3. Transaction			
Date Waiver Request S	ubmitted: 1/14/19	Type of Contract	Term Contract / Commodities
			nount of Contract \$ \$ 2,600,000.00
	ive Code Chapter to be Waived		
K Chapter 12B			
	ote: Employment and LBE subco e A or B) is granted.	ntracting requirements may still be in f	orce even when a
Section 5. Waiver Type	e (Letter of Justification must b	e attached, see Check List on back	of page.)
A. Sole Source	1		
B. Emergency	(pursuant to Administrative Code	§6.60 or 21.15)	
C. Public Entity			
	Contractors Comply		o Board of Supervisors on:
	t Bulk Purchasing Arrangement		o Board of Supervisors on:
F. Sham/Shell	and the second sec	(Required) Copy of waiver request sent	o Board of Supervisors on:
G. Subcontrac	ness Enterprise (LBE)		
		CMD/HRC ACTION	
	12B Waiver Granted:	14B Waiver Grante	
	12B Waiver Denied:	14B Waiver Denied	
CMD Staff:			Date:
CMD Director:		1 1	Date:
HRC Director (12B Only):	-		Date:
CMD-201 (June 2014)			This form available at: http://intranet/.

CHECK LIST

You must complete each of the steps below before submitting this form:

- Attempt to get the contractor to comply with Administrative Code Chapter 12B requirements. (Applies to Chapter 12B waiver requests only.)
- Include a letter of justification explaining:
 - The purpose of the contract.
 - Why the contract fits the type of waiver being requested (for example, why it is a sole source).
 - Your department's efforts to get the contractor to comply (for Chapter 12B waivers).

(Do not substitute the OCA waiver form or justification in place of the CMD waiver form and justification.)

- Fill in all of the blanks in Sections 1-3.
- Indicate (in Section 4) which Administrative Code Chapter(s) need to be waived.
- Indicate (in Section 5) which waiver type is being requested.
- For waiver types D, E and F, submit a copy of this form to the Clerk of the Board of Supervisors and indicate the date this was done in the blank provided on the form.

ADDITIONAL INFORMATION

Contract Duration: Contracts entered into pursuant to a Chapter 12B waiver should be constructed for the shortest reasonable duration so that future contracts may be awarded to a Chapter 12B-compliant contractor.

- Waiver Type B (Emergency): A copy of the formal Declaration of Emergency or letter from the department Commission or Board must be submitted with the Form 201.
- Chapter 14B Sole Source, Emergency and LBE Waivers: Only the bid discounts and departmental good faith outreach efforts requirements of Chapter 14B may be waived. All other provisions of this Chapter will still be in force even if this type of waiver has been granted.
- Chapter 14B Subcontracting Waivers: Only the subcontracting goals may be waived. All other provisions of this Chapter still will be in force even if this type of waiver has been granted.

Waiver Types D, E and F: These waiver types have additional requirements:

- 1. The contracting department must notify the Board of Supervisor's that it has requested a waiver of this type.
- Departments exercising waiver authority under one of these provisions must appear before a Board of Supervisors committee and report on their use of such waiver authority.

All modifications to waived contracts that increase the dollar amount of the contract or extend the contract period must have CMD and/or HRC approval prior to the expiration date on the original waiver form.

- Additional copies of this form may be downloaded at the Documents Center on the City's intranet at <u>http://intranet/.</u>
- Read the <u>Quick Reference Guide to Chapter 12B, Chapter 12C and Chapter 14B Waivers</u> for more information. Copies are available at the Documents Center on the City's intranet at <u>http://intranet/</u>.
- Send waiver requests to: Contract Monitoring Division, 30 Van Ness Avenue, Sulte 200, San Francisco, CA 94102 or cmd.waiverrequest@sfgov.org

For further assistance, contact the Contract Monitoring Division at 415-581-2310.

CMD-201 (June 2014)

From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Subject:	FW: SFPUC Quarter 2 Power Report
Date:	Monday, January 28, 2019 3:34:00 PM
Attachments:	image002.png
	Memo for Quarterly Power Report to BOS 012519 FINAL.pdf
	Attachment A - List of Projects Jan. 2019.pdf
	Attachment B - Map of Projects pdf
	Attachment C - Cost impacts Jan 2019.pdf

From: Whitmore, Christopher <CWhitmore@sfwater.org>
Sent: Monday, January 28, 2019 11:49 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: SFPUC Quarter 2 Power Report

Dear Board of Supervisors staff,

Attached please find the San Francisco Public Utilities Commission's Quarterly Report to the Board of Supervisors (dated January 25, 2019) on the Status of Applications to PG&E for Electric Service. This is the second report being submitted in accordance with Resolution No. 227-18, approved by the Board of Supervisors on July 10, 2018 (File No. 180693) and enacted on July 20, 2018.

The following is a list of accompanying documents:

- 1. Power Disputes BOS Memo
- 2. Attachment A List of Projects
- 3. Attachment B Map of Projects
- 4. Attachment C Cost Impacts

Hard copies of the quarterly report were delivered to the Clerk's Office on Friday afternoon, January 25, 2019.

Thank you,

Christopher Whitmore

Local Policy Analyst Policy and Government Affairs, External Affairs <u>San Francisco Public Utilities Commission</u> 415.934.3906 (t) | 415.693.8983 (c) Follow us on <u>Facebook</u> and <u>Twitter</u>





525 Golden Gate Avenue, 13th Floor San Francisco, CA 94102 τ 415.554.3155 F 415.554.3161 ττγ 415.554.3488

January 25, 2019

Ms. Angela Calvillo Clerk of the Board of Supervisors City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: San Francisco Public Utilities Commission's Quarterly Report to the Board of Supervisors on the Status of Applications to PG&E for Electric Service.

Dear Ms. Calvillo:

The attached quarterly report has been prepared for the Board of Supervisors in accordance with Resolution No. 227-18, approved by the Board on July 10, 2018 (File No. 180693) and enacted on July 20, 2018.

Pursuant to the terms of Resolution No. 227-18, the San Francisco Public Utilities Commission (SFPUC) shall "provide the Board a quarterly report for the next two years that identifies the following: status of all City projects with applications to SFPUC for electric service, including project schedules and financing and other deadlines; project sponsor and SFPUC concerns in securing temporary and permanent power, including obstacles that could increase costs or delay service to City customers; and the status of disputes with PG&E before the Federal Energy Regulatory Commission (FERC) or in other forums."

BACKGROUND:

On June 13, 2018, a Public Safety and Neighborhood Services Committee hearing was held to discuss Pacific Gas and Electric's (PG&E) role in delaying and obstructing service provision by making unnecessary and/or untimely requests for information, such as requiring system impact studies for very small loads. In accordance with Resolution No. 227-18 enacted subsequent to the hearing, the SFPUC submitted the first quarterly report to the Board of Supervisors on November 7, 2018.

The first quarterly report details denied requests for secondary (low-voltage) service for City projects. In many of these cases, PG&E contends that the City should provide primary (high-voltage) service for facilities with small electric loads that are typically served with secondary service. PG&E's requirement for City projects to use primary

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London N. Breed Mayor

Vince Courtney President

Ann Moller Caen Vice President

Francesca Vietor Commissioner

> Anson Moran Commissioner

Ike Kwon Commissioner

Harlan L. Kelly, Jr. General Manager



(high-voltage) power service has caused months of delay in meeting project timelines; and in some cases, PG&E has eventually granted secondary power service after the SFPUC has already applied for primary service at additional cost. The City believes it has a right to secondary service but has compromised with PG&E on a number of projects, which will receive primary service with low-side metering and high-side protection (sometimes referred to as secondary metering).

REPORT SUMMARY:

For the reporting period of November 2018 through January 2019, the SFPUC has identified 53 projects that have experienced interconnection issues due to delays, arbitrary requests or increased project costs, as listed in **Attachment A**. Since the previous quarterly report on status of projects through October 2018, 8 new projects have been added, and 2 additional projects energized.

Any updates and changes to projects since the previous quarterly report are detailed in Column P of Attachment A. Attachment B contains a map providing the location of each project.

Affordable Housing: On November 2, the SFPUC and PG&E came to an agreement regarding 6 affordable housing projects. These 6 projects have been identified to receive primary service with low-side metering and high-side protection from the SFPUC. In the event that the utilities do not reach a long-term alternative arrangement, the SFPUC will continue to serve the load for affordable housing units, with PG&E to serve the non-housing and commercial load as retail customers unless FERC orders otherwise. However, these projects are at risk of experiencing further delays as PG&E is now requesting detailed load information for the commercial load portion, potentially impacting 686 new units of affordable housing.

Cost Impacts: **Attachment C** contains a detailed report of each category of additional incurred costs and impacts to the City per project, such as redesign costs, construction and equipment costs, and additional staff time (also included in the 'Impacts' column of Attachment A). The total cost impacts to the City are still estimated to be more than \$8 million. Total costs do not include estimated costs for the recently added 8 projects.

SFPUC-PG&E Working Group: SFPUC staff has been committed to working with PG&E in a joint biweekly working group to discuss a sub-set of 12 projects identified by PG&E (indicated in Column N of Attachment A). During this reporting period, the working group has met 4 times, however none of the identified projects have yet reached energization.

STATUS OF DISPUTES WITH PG&E BEFORE FERC:

Confidential settlement discussions are underway in 10 FERC cases related to disputes in 2017 and 2018. FERC has not yet issued a decision on the City's 2014 complaint and related cases that were litigated in 2016. The City will file a complaint against PG&E with FERC in late January 2019 to address PG&E's demand for primary service for small facilities.

Please find attached copies of the following documents related to this report:

- Attachment A: List of projects with active interconnection applications to PG&E for electric service as of January 2019
- Attachment B: Map of projects with PG&E power connection delays as of January 2019
- Attachment C: Cost impacts

Should you have any questions, please contact Barbara Hale, SFPUC Assistant General Manager for Power, at <u>BHale@sfwater.org</u> and 415-554-2483.

Sincerely,

Hal & Talk

Harlan L. Kelly, Jr. General Manager

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A B	С	D	E	F F	G	H		J	K		М	N	0	Р
												PG&E		
			Client				Initial	App Deemed	Initial		Load Size/Can			
PG&E NN#	Project Location	District #	Organization	Project Description	Project	Status	Application	Complete	Service	require	Be Served at	work w/ SF to	Impacts	Updates/Changes since Last Report (Oct. 2018)
			organization				Submittal Date	Date	Need Date	Primary?	Secondary	energize in		
												2018		
													Project delayed - project was in dispute from Jan. 2018 - Sept. 2018 (8-9 months)	PG&E has approved low-side metering. (See Note 1)
					Delays caused by								Construction power is delayed as the project is waiting for PG&F retail service to commence	The loss of the community space no longer an issue and
	1950 Mission Street -				dispute over primary								Costs for primary redesign (and then low-side metering)- \$45k	additional project costs are now \$75k instead of \$500k.
1 114248007	Affordable Housing (157	9	BRIDGE & Mission		vs. secondary. Project	PG&E reviewing	1/18/2018		9/2/19	Yes	1661 kW/Yes		Temp. construction power service by PG&E at retail - \$294k in lost gross revenue to SFPUC.	PG&E is requesting detailed load information for
	units)		Housing		moving forward at low-	application.	_, _0, _0_0		0, =, =0				\$81k in additional power costs to the project due to PG&E's higher rates.	commercial loads (potentially causing more delays).
					side metering.								Additional project costs - \$75k (interrupter, #7 box, & installation)	Construction has been delayed. To avoid further delays,
													1673(000) lps of ((), emissions (construction period of 18 months)	project will use generators if PG&E retail power is not ready by Feb. 2019.
													Project delayed - project was in dispute from Feb. 2018 - Nov. 2018. (8-9 months)	
														PG&E has approved low-side metering. (See Note 1)
	490 South Van Ness				Delays caused by								Temp. construction power service by PG&E at retail - \$145k in lost gross revenue to SFPUC.	PG&E is requesting detailed load information for
2 11/222705	Avenue - Affordable	9	BRIDGE & Mission	New secondary service	dispute over primary vs. secondary. Project	PG&E reviewing	1/16/2018		10/1/19	Yes	867 kW/Yes		\$43k in additional power costs to project due to PG&E's higher rates.	commercial loads (potentially causing more delays).
2 114232703	Housing (81 units)	5	Housing	New secondary service	moving forward at low-	application.	1/10/2018		10/1/19	163	807 KW/Tes		294,000 lbs. of CO_2 emissions (construction period of 16 months) 740,000 lbs of CO_2	Construction power is currently being served by
					side metering.								emissions from four months of generator use.	generators. An additional \$230k is being spent on fuel and
					0									CO ₂ emissions have increased.
					Deleve eeweed by								\$50k/month)	
	1990 Folsom Street -	Ĭ			Delays caused by dispute over primary	SFPUC reviewing					1		Project delayed - project was in dispute from Mar. 2018 - Nov. 2018. (7-8 months) Costs for redesign (primary service with low-side metering) - \$2-3k	
3 114345033		٩	MEDA	New secondary service	vs. secondary. Project	redesigns in advance	2/26/2018		9/1/20	Yes	920 kW/Yes		Temp. construction power service by PG&E at retail - \$563k in lost gross revenue to SFPUC.	PG&E has approved low-side metering. (See Note 1)
5 114545055	units)	5	NILD/(-	moving forward at low-	to send to PG&E for	2/20/2010		5/1/20		520 100 103		\$29k in additional power costs to project due to PG&E's higher rates.	
	unitsy				side metering.	low-side metering.							927,000 lbs. of CO2 emissions (construction period of 22 months)	
 			1							1	1			
	2060 Folsom Street -				Delays caused by dispute over primary	Project team							Project delayed - project was been in dispute from Jun. 2018 - Nov. 2018 (4-5 months) Costs for redesign (primary service with low-side metering) - \$2-3k	
4 114671141	Affordable Housing (127	9	MEDA		vs. secondary. Project	redesigning for low-	5/18/2018		1/15/20	Yes	1387 kW/Yes		Temp. construction power service by PG&E at retail - \$581k in lost gross revenue to SFPUC.	PG&E has approved low-side metering. (See Note 1)
	units)	5	WIEDA	,	moving forward at low-		5/10/2010		1/15/20		1507 KW/105		\$8k in additional power costs to project due to PG&E's higher rates.	i ode nas approved low side metering. (see Note 1)
	annoy				side metering.	Ŭ							922,000 lbs. of CO2 emissions (construction period of 22 months)	
						Sarvica Agreement								
					Delays caused by PG&E	Service Agreement issued by PG&E							Project delayed - SFPUC granted a time extension to PG&E of one extra month to provide	Further delays as SF is waiting for PG&E to provide a
5 112828717	2 Rankin Street - Central	10	SFPUC-	New primary service	failing to provide	without full scope of	5/1/2017	8/17/2017	6/1/19	N/A	7000 kW/No		Service Agreement. PG&E took an extra 4 months. Project is incurring more delays as SF	Facility Study draft agreement (has already passed the
5 112020717	Bayside Pump Station	10	Wastewater	new printery service	Service Agreement on	work. SFPUC waiting to	3/1/201/	0,1,,201,	0/1/15				continues to wait for a facility study draft agreement from PG&E. Service need date is	WDT timeline).
					time.	review the full scope.							jeopardized.	,
					Delays caused by								Project delayed - project has been in dispute since May 2018 (8-9 months)	
	2401 Keith Street -				Delays caused by dispute over primary	Project is at a							The opening of a new wing at the health center will be delayed, pushing back plans to	Delay continues. PG&E has not responded to SF's request
6 114546573	Southeast Health Center	10	SFPW for SFDPH	New secondary service	vs. secondary. Project		4/27/2018		7/26/20	Yes	200 kW/Yes		integrate a more family-oriented primary care model.	for low-side metering sent on 8/24/18.
	Southeast field in center				is still in dispute.	Starrastini							If required, primary switchgear will take the place of several parking spaces in an already	
												+	constrained lot and cost the project an additional \$500k. Project delayed - project has been in dispute since Jun. 2018 (4-5 months)	
				Upgrading and relocating	Delays caused by								The timeline is very constrained as the school needs to remain open. Delays will push back	
7 114713666	2110 Greenwich Street -	2	SFUSD	existing secondary	dispute over primary	Project is at a	6/15/2018		6/1/19	Yes	300 kW/Yes		much needed health and safety improvements to the facility.	Delay continues. PG&E has not responded to SF's request
/ 114/15000	Tule Elk Elementary	2	51050	service	vs. secondary. Project	standstill.	0/15/2010		0/1/15	163	500 KW/Tes		If required, primary switchgear will take the place of outdoor education space that is required	for low-side metering sent on 8/8/18.
				Scivice	is still in dispute.								by the state and cost the project an additional \$500k.	
													Further design delays will impact the project construction budget and timeline. Project delayed - project was in dispute from Jan. 2017 - Jun. 2018 (18-19 months)	
					Delays caused by								Electrical Redesign (to include interrupter): \$20k	
	51 Havelock Street -				dispute over primary								Additional Construction Cost: \$670k	
8 113752930	Balboa Pool	11	SFRPD	, , , , , , , , , , , , , , , , , , ,	vs. secondary. Project	Energized	7/5/2016	3/14/2018	8/2/17	Yes	75 kW/Yes		Additional Construction and Project Management Cost due to schedule delay: \$500k	Project energized.
					moving forward at low-								Lost gross revenue to SFPUC due to delays: \$14k	
					side metering.								Many swim programs were cancelled due to the project delay. The delay had a domino effect on RPD's plans to renovate a group of community pools.	
			1								1		Project delayed - project has been in dispute since Jun. 2018 (6-7 months). There are also	
		Ĭ			Delays caused by						1		nending issues regarding the franchise	
9 114671200	1995 Evans - Traffic	10	SFPW for SFPD	New secondary service	dispute over primary	Project is at a	5/18/2018		3/1/20	Yes	2100 kW/Yes		Delays will affect the timeline of moving SEPD's Traffic Company and Eorensic Services	Delay continues. PG&E has not responded to SF's request
	Controls and Forensics	Ĭ			vs. secondary. Project is still in dispute.	standstill.							Division.	for low-side metering sent on 8/24/18.
					is sum in dispute.								If required, primary switchgear will take the space of parking spaces for SFPD vehicles.	
			1			Some issues remain,					1	1		
	Stockton btwn Ellis &				_	but SF and PG&E are							PG&E and the City are in disagreement on who is responsible for re-installing the foundations	
10	O'Farrell - Central	3	SFMTA	Streetlight re-installation	Franchise Agreement	working together to	N/A	N/A	N/A	N/A	N/A			No impacts update.
	Subway Streetlight	Ĭ		-	dispute	ensure proper							agreement.	
	Reinstallation					streetlight installation.								<u> </u>
			1		Delays caused by			l			1			
		Ĩ			dispute over the "Okay						1			
		Ĩ			to Serve" process.						1		PG&E is requiring an "Okay to Serve" process which can cause delays to getting streetlights	
11 113167478	1909 16th Street -	10	SFPUC - Power	-	PG&E has recently	Dispute is still ongoing, but project is able to	8/17/2017		1/12/18	N/A	N/A			No impacts update.
11 11510/4/0	Streetlights	10			indicated that this	move forward.	0/1//201/		1/12/10				significantly lower than what SF has paid for at that service point.	
					streetlight attachment									
					can be connected									
					without issues.									ļ
	Transbay Transit Center -			Ture new set									PG&E is currently reviewing SF's request to use 10 MW of reserved capacity that SF applied	
12	, Transbay Joint Powers	6	SFPUC - Power		Potential dispute over	-	N/A	N/A	N/A	N/A	10 MW/No		and paid for. If PG&E denies request, SF may incur additional costs or have to limit the	No impacts update. PG&E has not responded to SF's
	Authority	Ĭ		services (5 MW each)	reserved capacity.	reviewing SF's request.					· ·		tenants.	request sent on 9/12/18.
]						<u> </u>				1		1

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A B	С	D	E	F	G	Н	1	J	К	L	М	N	0	Р
												PG&E		
			Client				Initial	App Deemed	Initial	Did PG&E	-	committed to		
PG&E N	N# Project Location	District #	Organization	Project Description	Projec	t Status	Application	Complete	Service	require	Be Served at	work w/ SF to	Impacts	Updates/Changes since Last Report (Oct. 2018)
			orgunization				Submittal Date	Date	Need Date	Primary?	Secondary	energize in		
												2018		
													PG&E's unresponsiveness in removing guy wires is an obstruction to SF projects. 1) SFMTA	Delay continues. PG&E has not provided any guidance on
13	Multiple Locations - Guy	9 & 10		& PG&E's guy wires are	Franchise dispute	Project is at a	N/A	N/A	N/A	N/A	N/A		cannot install a pole replacement to promote safety. 2) SFPW cannot construct a new ADA	how to move these requests forward since SF's original
	Wires (Franchise Issue)		SFPUC	impeding on SF projects.		standstill.							curb ramp. 3) SFPUC cannot finish parts of construction at the Southeast Water Treatment	request sent on 8/24/18.
						DC % E cont ontions for							Project delayed - project has been in dispute since late Aug. 2018. (4-5 months)	
14 114088	Lake Merced Blvd &	1	SFRPD	New secondary service	Delays caused by dispute over primary	PG&E sent options for service, SF is reviewing	12/8/2017		1/15/19	Yes	10 kW/Yes		Bathroom will not be available for public use at Lake Merced.	No impacts update. SF is reviewing and discussing new
14 114000	Sunset Blvd - Restroom	-	SIND	New secondary service	vs. secondary.	options.	12/0/2017		1/15/15	163	10 KW/ TES		Primary switchgear will cost the project an additional \$500k in equipment costs and take the	options with PG&E.
					vs. secondary.	options.							space of parking spots.	
					Delays caused by									
	50 Bowling Green Drive -	_			dispute over primary	SF reviewing Service	- 10 10 0 1 0				100 100 100		Project delayed - project was in dispute from May-July. 2018. (2-3 months)	No impacts update. SF reviewing Service Agreement
15 114571	GGP Tennis Center	5	SFRPD	New secondary service	vs. secondary. Project moving forward at low-	Agreement.	5/3/2018	10/3/2018	2/1/19	Yes	160 kW/Yes	x	Additional project costs - \$75k (interrupter, #7 box, & installation) Lost gross revenue to SFPUC due to delays: \$1k	received on 1/11/19.
					side metering.	-							Lost gloss revenue to servic due to delays. Sik	
					side metering.									
														Further delays as SF is waiting for PG&E to deem the
	1001 22nd Street - Bus				Project is moving	PG&E reviewing	a / 1 a / a a / a		- / / / / 0		0000 h		Initially, PG&E was unresponsive in scheduling a pre-application meeting which has caused	application complete. The WDT timeline allows PG&E 15
16 114713	^{/87} Electrification Pilot	10	SFMTA	New primary service	forward.	application.	6/18/2018		5/1/19	N/A	2000 kW/Yes		some delays. More delays have been caused as PG&E has not deemed the application	days after the application submission to deem the
													complete yet (way past 15-day deadline).	application complete or provide a list of deficiencies. SF should have received either by 7/3/18.
			+		Delays caused by PG&E			<u> </u>						שלים איניים א שלים איניים א
	49 South Van Ness				failing to provide								Project delayed - SFPUC granted a time extension to PG&E of one extra month to provide	
17 113135	002 Avenue - Building	5	SFPW for SFDBI	I New primary service	Service Agreement on	In construction	8/7/2017	11/10/2017	1/1/19	N/A	5848 kW/No		Service Agreement. PG&E took an extra 4 months but committed to have the project	No impacts update. Project is in construction.
	Inspection Office				time.								energized on time (Jan. 2019).	
					Delays caused by									
	1296 Shotwell Street -				dispute over primary								Dreight delayed project upp in dispute from August 2017 Oct 2017 (2.2	
18 113161	547 Affordable Senior	9	MEDA	New secondary service	vs. secondary. Project	In construction	7/26/2017	11/9/2017	2/1/18	Yes	340 kW/Yes		Project delayed - project was in dispute from August 2017-Oct 2017 (2-3 months). Additional project costs - \$75k (interrupter, #7 box, & installation)	No impacts update. Project is in construction.
	Housing (94 units)				moving forward at low-	-								
					side metering.									
					Delays caused by									
	88 Broadway -				dispute over primary								Temp. construction power service by PG&E at retail - \$618k in lost gross revenue to SFPUC.	PG&E has approved low-side metering. (See Note 1)
19 115020	Affordable Housing (125	3	BRIDGE Housing	g New secondary service	vs. secondary. Project	PG&E reviewing	10/1/2018		12/2/19	N/A	1674 kW/Yes		\$79k in additional power costs to PG&E's higher rates.	PG&E requesting detailed load information for
	units)				moving forward at low-	- application.							1,090,000 lbs. of CO ₂ emissions (construction period of 18 months)	commercial loads (potentially causing more delays).
					side metering.									
					Delays caused by									
					dispute over primary								Temp. construction power service by PG&E at retail - \$335k in lost gross revenue to SFPUC.	PG&E has approved low-side metering. (See Note 1)
20 115019	735 Davis - Affordable	3	BRIDGE Housing	g New secondary service	vs. secondary. Project	PG&E reviewing	10/1/2018		12/2/19	N/A	683 kW/Yes		\$18k in additional power costs to the project due to PG&E's higher rates.	PG&E requesting detailed load information for
	Housing (53 units)				moving forward at low-	- application.							554,000 lbs of CO ₂ emissions (construction period of 19 months)	commercial loads (potentially causing more delays).
					side metering.									
					Delays caused by									
	838 Pacific Avenue - Ping			Deale size and asle setting	dispute over primary								Project delayed - project was in dispute from Sept. 2016 - May 2018 (20 months). Structural,	
21 110833	85 Yuen North Affordable	3	CCDC	Replacing and relocating	vs. secondary. Project	In construction	11/3/2015	6/20/2018	6/1/16	Yes	500 kW/Yes		safety, security, and aesthetic upgrades to the development have been delayed as a result.	No impacts update. Project is in construction.
	Housing (200 units)			existing service	moving forward at low-	-							Lost gross revenue to SFPUC due to delays: \$186k Project/construction costs related to redesign and delay: \$240k	
					side metering.									
					Delays caused by									
	350 Ellis Street -				dispute over								Project delayed - project was in dispute from Sept. 2016 - June 2017 (10 months).	
22 111904	15 Affordable Housing (192	6	TNDC	Relocating service &	"grandfathering" and	Energized	7/21/2016	1/5/2017	7/1/17	Yes	200 kW/Yes		Renovations that included spaces for community space, supportive services, and building	Project energized.
	units)			adding fire pump	design requirements								management offices have been delayed as a result. Lost gross revenue to SFPUC due to delays: \$110k	
					for secondary service.									
					Delays caused by									
	2451 Sacramento Street -				dispute over primary	Energized - PG&E and		1					Project delayed - project was in dispute from July 2017 - Feb. 2018. (7 months). Seismic	
23 111912	344 JFK Towers Affordable	2	Mercy Housing	g Replacing existing service		SF discussing issues	8/1/2016	1	1/1/17	Yes	432 kW/Yes		retrofits and the addition of a community room have been delayed as a result.	No impacts update. Parties are still discussing transforme
	Housing (98 units)				moving forward at low-	regarding the transformer.							Lost gross revenue to SFPUC due to delays: \$15k	issues.
					side metering.	transformer.		1						
	16th & Terry Francois		1		PG&E would not			1				1	Project delayed - PG&E will not provide 3-phase secondary service.	
24 114088)15 Blvd Mission Bay Ferry	6	SFPORT	New secondary service	provide the requested	Cancelled	12/8/2017	1	6/14/19	Yes	70 kW/Yes		Additional project costs - \$75k (interrupter, #7 box, & installation)	No impacts update. See #53 for new application
	Landing				service.		, 0, 2017	1	, 1, 1, 15				Additional staff time for Port - \$70k	submitted for this project.
			+		-			<u> </u>		+	<u> </u>		Costs of redesign - \$30k The Downtown Ferry Terminal is currently using power from the Agriculture Building. Delays	
					Delays caused by								of this service request could delay the redevelopment of the Agriculture Building. This would	
					dispute over primary								cause a delay to a build out of a new shorepower connection which would result in significant	
25 111772	188 Ferry Terminal	2	SEPORT for MET	A New secondary service	vs. secondary. Project	PG&E put project on	7/5/2016	6/8/2018	6/18/17	Yes	150 kW/Yes	x	air pollution from up to 6 ferries idling in the berth.	from PG&E. PG&E has indicated that the project is put or
~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~				A new secondary service	moving forward at low-	hold.	1/5/2010	0/0/2010	0/10/1/	103	130 KW/ 185		Additional project costs - \$75k (interrupter, #7 box, & installation)	hold and has not provided a reason.
					side metering. (See			1					Additional staff time for Port - \$32k	
					Note 1)								Additional staff time for WETA - \$64k	
								1					Costs of redesign - \$32k	
					Delays caused by			1					Project delayed- project was in dispute from May 2017 - Nov 2017 (6 months). Construction	
					dispute over primary			1					plans for the new ambulance deployment facility have been delayed as a result. Additional project costs - \$75k (interrupter, #7 box, & installation)	
	2241 Jerrold Avenue -		1	1	vs. secondary. Project				4/4/40	N	300 kW/Yes			
26 11393/	2241 Jerrold Avenue - Ambulance Deployment	10	SEPW for SEED	New secondary service		In construction	3/9/2017	2/8/2018	1/1/1X	YAC			TUOSIS OF POPSI20 - STUUK	INO IMPACTS UPDATE PROJECT IN CONSTRUCTION
26 113934	15 Ambulance Deployment	10	SFPW for SFFD	New secondary service	moving forward at low-	In construction	3/9/2017	2/8/2018	1/1/18	Yes	SUU KW/ Yes		Costs of redesign - \$100k Costs of construction delays - \$250k	No impacts update. Project in construction.
26 113934		10	SFPW for SFFD	New secondary service		In construction	3/9/2017	2/8/2018	1/1/18	Yes	SUU KW/ Yes		Costs of redesign - \$100k Costs of construction delays - \$250k Additional Staff Time for SFPW - \$100k	No impacts update. Project in construction.

		Attachment A: BOS Quarterly Report for January 2019													
А	В	С	D	E	F	G	Н	I	J	К	L	М	N	0	Р
													PG&E		
								Initial	App Deemed	Initial	Did PG&E	Load Size/Can	committed to		
	PG&E NN#	Project Location	District #	Client	Project Description	Project	Status	Application	Complete	Service	require	Be Served at	work w/ SF to	Impacts	Updates/Changes since Last Report (Oct. 2018)
				Organization				Submittal Date		Need Date	Primary?	Secondary	energize in		
												,	2018		
													2010		
						PG&E initially required									
27	112173182	Pier 26 - Fire Boat	6	SEPW for SEED	New secondary service	primary. Project is	In construction	10/28/2016	3/2/2017	2/20/17	Yes	216 kW/Yes		The dispute with PG&E lasted a month and had no material impact on project. The project has been delayed due to non-PGE factors	No impacts update. Project in construction.
- /	1121/0102	Berthing	0		item secondary service	moving forward at		10, 20, 2010	3,2,201,	2,20,1,	105	210 100/103		been delayed due to non-PGE factors.	
						secondary service.									
														Added costs for primary equipment (overhead) - \$500k	
						PG&E required primary.								The Port is investing over \$8M in upgrading the 16-acre parcel in the Backlands project site.	Further delays as SF is waiting for PG&E to provide the
		800 Amador Street - Pier				Project is moving	Engineering estimation							The Port is expected to generate approximately \$250k in monthly rent revenue from this site.	Service Agreement. The WDT timeline allows PG&E 90
28	111975801	94 - Backlands	10	SFPORT	New secondary service	forward with primary	by PG&E	8/19/2016	8/28/2018	2/1/17	Yes	166 kW/Yes	x	Significant delays to this project can cause the Port to lose \$3M in revenue annually.	days after the deemed complete to provide the Service
						service.								Additional staff time for Port - \$50k	Agreement. SF should have received the Service
														Costs of redesign - \$50k	Agreement by 11/26/18.
						PG&E initially required									
		201 Illingia Streat, Crong				primary. The project								The project team found an alternative solution for the short term to avoid delays.	
29	112847828	801 Illinois Street - Crane	10	SFPORT	New secondary service	team found a way to	Cancelled	5/5/2017		1/1/18	Yes	50 kW/Yes	x	Staff time for the Port - \$50k	Application has been cancelled.
		Cove Park Building				internally provide								Costs of redesign - \$75k	
						service for the near								Depending on how the future service is finalized, there may be additional impacts.	
						future.			ļ		ļ	ļ		Droject deleved project was in dispute from 0-t 2016 Oct 2017 (1) 0 in the	
						Delays caused by								Project delayed- project was in dispute from Oct 2016 - Oct 2017 (1 year). Construction plans	
		2301 San Jose Avenue -				dispute over primary						1		for the new community arts center have been delayed as a result. Costs of redesign: \$5k	
30	113764870		11	SFRPD	New secondary service	vs. secondary. Project	In construction	8/24/2016	5/23/2018	9/20/17	Yes	1330 kW/Yes			No impacts update. Project in construction.
		Geneva Car Barn				moving forward at low-								Additional project costs - \$75k (interrupter, #7 box, & installation)	
						side metering. (See Note 1)								Lost gross revenue to SFPUC due to delays: \$13k Additional Staff Time for SFRPD: \$15k	
		45th & Lincoln -									1	1			
31	112129708		1	SFRPD	New secondary service	Delays caused by PG&E	Energized	10/20/2016	12/9/2016	3/1/17	No	24 kW/Yes		PG&E caused a 3-month delay due to an estimating error. No monetary impact.	No impacts update.
		Gate Boat Park	_			error in estimating.		,,		-, -, -:					- F
						Delays caused by PG&E									
							Pre-construction							Parties disagree on costs and design requirements.	
		6 Berry Street -				being unresponsive,	meeting held.							SFMTA is incurring delay claims costs from contractor due to PG&E's failure to approve design	
32	111729695	,	6	SFMTA	Upgrade existing primary		However, PG&E now	6/17/2016	12/12/2016	5/1/17	N/A	3000 kW/Yes		and equipment submittals. (actual costs are to be determined but have been estimated to be	No movement. Project continues to incur delay costs.
		Substation				and being non-	wants to make design							approximately \$5,000/day for over 100+ days)	
						transparent with costs	changes to contract.								
						and design changes.									
						Delays caused by									
						dispute over primary								Seismic improvements and architectural upgrades to increase reliability of the pumping	
		3455 Van Ness Avenue -			Remove two existing	vs. secondary. Project	PG&E reviewing								Further delays caused by PG&E requiring a System Impac
33	112434942	AWSS Pump Station No.	2	SFPUC - Water	services and replace with	moving forward at low-		12/9/2016		8/1/17	Yes	144 kW/Yes	X		Study.
		2			one secondary service	side metering. (See	approcession							SIS processes add another 90 days to application timeline.	
						Note 1)									
		750 Brannan - Main			Increase load request	Dispute over how to	Service Agreement							Plans for a new HVAC system at the library repository have been delayed.	
34	113826990	Library Repository	6	SFPW for SFPL	(237 kW to 500 kW)	process increase in	returned with payment	11/14/2017	1/18/2018	1/1/18	No	500 kW/Yes		No monetary impact - however, SF believes that PG&E's requirements for approving load	No impacts update.
						load request. Delays caused by PG&E	by SFPUC.							increase for muni loads is extensive and will cause delays to projects.	
						requiring primary.									
		Illinois St. & Terry				PG&E has recently	Due to the delays, the							Temp. construction power service by PG&E at retail - \$588k in lost gross revenue to SFPUC.	
35	112774763		10	SFPUC -	secondary service (for	indicated that this	project is going to take	4/13/2017		6/1/18	Yes	169 kW/Yes	x	\$22k in additional power costs to the project due to PG&E's higher rates.	No impacts update. Project still going to PG&E retail for
	112/14/03	Pump Station	10	Wastewater	, ,	project can move	PG&E retail service.	7/13/201/		0, 1, 10	103	102 104/162		554,000 lbs of CO2 emissions (construction period of 36 months)	construction.
		runip station				forward at low-side	. Bot retainservice.								
						metering									
\neg						Delays caused by					T				
						dispute over primary	Service Agreement							Project delayed - project was in dispute from Dec 2017-May 2018. (6 months). Health and	
36	113135782	350 Amber Drive - Police	8	SFPW for SFPD	Upgrading existing	vs. secondary. Project	returned with payment	8/8/2017	5/22/2018	6/15/18	Yes	160 kW/Yes	x	safety upgrades to the Police Academy building have been delayed as a result.	No impacts update.
50	11)1))/02	Academy	O		secondary service	moving forward at low-	by SFPUC.	0/0/201/	5/22/2010	0110/10	162	100 KW/185		Additional project costs - \$75k (interrupter, #7 box, & installation)	
						side metering. (See	oj 5.700.							Lost gross revenue to SFPUC due to delays: \$18k	
						Note 1) Delays caused by					<u> </u>	1			
						dispute over primary								Project delayed - project was in dispute from Nov. 2017 - Apr. 2018. (5-6 months). The	
		3630 Divisadero - Claire				vs. secondary. Project	Pre-construction					1		construction of a new building on campus has been delayed as a result.	
37	113826565	Lilenthal School	2	SFUSD	secondary service	moving forward at low-		11/14/2017	5/24/2018	5/1/18	Yes	461 kW/Yes	x		No impacts update.
					-	side metering. (See	Hereit Binereit							Lost gross revenue to SFPUC due to delays: \$3k	
						Note 1)								Further design delays will impact the project construction budget and timeline.	
						Delays caused by								Project delayed - project was in dispute from Feb. 2018 - Jun. 2018. (3-4 months). Safety	
		4235 19th Street -			Upgrading and relocating	dispute over primary								improvements and the construction of a new building have been delayed as a result.	
28	114315107	Harvey Milk Civil Rights	8	SFUSD	existing secondary	vs. secondary. Project		2/12/2018		9/1/19	Yes	300 kW/Yes	x		No impacts update.
50	TT49T9T0101		U		- ·	moving forward at low-	required by PG&E.	2/ 12/ 2010		5/1/15	105	300 KW/183		Lost gross revenue to SFPUC due to delays: \$6k	
		Academy			service	side metering. (See								Further design delays will impact the project construction budget and timeline.	
						Note 1) Delays caused by				 	<u> </u>				
						dispute over primary						1		Project delayed - project was in dispute from Feb. 2018 - Jun. 2018. (3-4 months). Safety	
		600 32nd Avenue -			Upgrading and relocating	vs. secondary. Project	SF working on redesign							improvements and the construction of a new building have been delayed as a result.	
39	114449998	George Washington High	1	SFUSD	existing secondary	moving forward at low-		3/27/2018		9/1/18	Yes	500 kW/Yes	x		No impacts update.
		School			service	side metering. (See	required by PORE.					1		Lost gross revenue to SFPUC due to delays: \$6k	
						Note 1)								Further design delays will impact the project construction budget and timeline.	
!		• •		•	<u>.</u>			•				•	•		

Attachment A: BOS Quarterly Report for January 2019														
A B	С	D	E	F	G	H	I	J	К	L	M	N	0	Р
												PG&E		
			Client				Initial	App Deemed			Load Size/Can			
PG&E NN	# Project Location	District #	Organization	Project Description	Project	t Status	Application	Complete	Service	require	Be Served at	work w/ SF to	Impacts	Updates/Changes since Last Report (Oct. 2018)
			o i gamma di la				Submittal Date	Date	Need Date	Primary?	Secondary	energize in		
												2018		
					Delays caused by								Project delayed - project was in dispute from Jan. 2018 - May 2018. (3-4 months)	
	_ 1271 Treat Avenue -			Relecating existing	dispute over primary								Additional project costs - \$250k (interrupter, #7 box, transformer, main switchboard,	
40 11414914	5	9	SFRPD	Relocating existing	vs. secondary. Project moving forward at low-	In construction	12/28/2017	8/17/2018	5/1/18	Yes	200 kW/Yes	x	installation, & trenching)	No impacts update. Project in construction.
	Garfield Pool			secondary service	•								This project is affected by 51 Havelock's delayed timeline as RPD does not want to have more	
					side metering. (See Note 1)								than one pool closed at a time.	
					Delays caused by									
				Remove existing	dispute over primary								Project slightly delayed - project was in dispute from Mar. 2018 - May 2018. (2-3 months)	
41 11442759	950 Golden Gate Avenue	3	SFRPD	secondary services and	vs. secondary. Project	In construction	3/15/2018	6/5/2018	8/1/18	Yes	100 kW/Yes	x	Additional project costs - \$75k (interrupter, #7 box, & installation)	No impacts update. Project in construction.
	- Margaret Hayward Park			replace with single	moving forward at low-		0, 10, 1010	0,0,2020	0, =, =0					······································
				secondary service	side metering. (See									
					Note 1)									
	199 Museum Way/122			Return service to a	PG&E accidentally cut									
42	State Street - Corona	5	SFRPD	bathroom that was de-	the cable to a restroom	In construction	N/A	N/A	N/A	N/A	N/A		The bathroom has been out of power for over a year. Re-energization of the bathroom is still	No impacts update. Issue is being resolved.
	Heights Restroom			energized unknowingly	during construction of Randall Museum.								IBD.	
└						Application desceed				-				
					Potential delay as	Application deemed complete. PG&E is				1				Further delays as SF is still waiting for PG&E to send draft
43 11016201	750 Phelps - Southeast	10	SFPUC-	New primary service	PG&E is late in	drafting the System	IN FLIGHT (Prior	7/14/2018	5/20/2020	N/A	12000 kW/no		Potential risk of delay - no impacts to report.	SIS agreement (WDT timelines allow PG&E 30 days to
45 11010201	Plant	10	Wastewater	New prindry service	providing SIS	Impact Study	to July 2015)	//14/2010	3,20,2020		12000 ((1)/10			provide draft SIS after application is deemed complete -
					agreement.	Agreement.								draft SIS should have been received by 8/13/18).
					Potential delay as									
	1595 Davidson - Bruce		SFPUC-		PG&E was late in	Service Agreement		_ / / /	- /. /					
44 114727202	² Flynn Pump Station	10	Wastewater	New primary service	providing Work	returned with payment	t 6/14/2018	7/16/2018	5/1/2019	N/A	2813 kW/Yes		Potential risk of delay - no impacts to report.	No impacts update.
	, , , , , , , , , , , , , , , , , , , ,				Performance	by SFPUC.								
					Agreement. Delays caused by					1				
					dispute over primary									
45 11242415	_ 3133 Van Ness Ave		CEN 4TA	Neuropendemice	vs. secondary. Project	Energiand	12/2/2010	4/14/2017	C /1 /17	Vec	24 104 1/100		Project delayed - project was in dispute from Jan. 2017 - Mar. 2017. (2-3 months). The	No imports undato
45 11243415	⁵ SFMTA Restroom	2	SFMTA	New secondary service	moving forward at low-	Energized	12/2/2016	4/14/2017	6/1/17	Yes	24 kW/Yes		opening of a single-use bathroom for SFMTA drivers was delayed as a result.	No impacts update.
					side metering. (See									
					Note 1)									
	3001-3021 24th St				Delays caused by								Project delayed - project has been in dispute since Nov. 2018 (2-3 months).	
46 11514844	6 Affordable Housing (44	9	Mercy Housing	New secondary service	dispute over primary	Project is at a	11/1/2018		9/1/20	Yes	362 kW/Yes		If required, primary switchgear would take the space of either on-site supportive services or a	Project added.
	units)	_			vs. secondary. Project	standstill.	, ,		- , , -				community room and cost the project an additional \$500k.	-,
					is still in dispute.									
				New temporary service	Delays caused by									
115047431	/1 4545 Anza - Lafayette			for interim trailers and	dispute over primary	Project is at a					110 kW(temp)		Project delayed - project has been in dispute since Oct. 2018 (3-4 months).	Project added. PG&E requiring primary for both
///	elementary	1	SFUSD	upgrading existing	vs. secondary. Project	standstill.	10/9/2018		7/1/19	Yes	& 150 kW		If required, primary switchgear will take the place of outdoor education space that is required	temporary and permanent power.
15522745				secondary service	is still in dispute.	StandStill.					(perm)/Yes		by the state and cost the project an additional \$500k.	temporary and permanent power.
				Secondary service	a construction of the second second									
				Polocation and unamed-	Delays caused by									
	1550 Evans Ave	40	CEDI IC	Relocation and upgrade	dispute over primary	Project is at a	11/20/2010		4/4/24	Mark	000 104/14		Project delayed - project has been in dispute since Dec. 2018 (1-2 months).	
48 11541511	6 Southeast Community	10	SFPUC	of existing secondary	vs. secondary. Project		11/26/2018		1/4/21	Yes	800 kW/Yes		If required, primary switchgear would cost the project an additional \$500k.	Project added.
	Center			service	is still in dispute.					1				
					Delays caused by			1		1				1
	102 Marina Blvd Fort				dispute over primary	Project is at a				1			Project delayed - project has been in dispute since Dec. 2018 (1-2 months).	
49	Mason (EVGo)	2	EVGo	New secondary service	vs. secondary. Project	standstill.	12/13/2018		7/15/19	Yes	600 kW/Yes		If required, primary switchgear would cost the project an additional \$500k.	Project added.
					is still in dispute.	standstill.				1				
<u> </u>			<u> </u>											
	10501 Warnerville Road -			Remove two existing	Delays caused by					1				
50	Substation	N/A -	SFPUC	services and replace with	dispute over primary	Project is at a	12/26/2018		3/1/19	Yes	160 kW/Yes		Project delayed - project has been in dispute since Jan. 2019 (1 month).	Project added.
	Rehabilitation Project	Oakdale		one secondary service	vs. secondary. Project	standstill.	, , -,		,,		,		If required, primary switchgear would cost the project an additional \$500k.	
					is still in dispute.							1		
	684 23rd Street - Potrero				Delays caused by PG&E	Project is at a	0/10/10010				42.000		Project delayed - PG&E denied this service request citing inadequate capacity and cancelled	
51 11440826	0 North	10	SFPUC	New primary service	cancelling the	standstill.	3/12/2018			N/A	12,000 kW/No		the application.	Project added.
			+		application. Delays caused by PG&E			1		+				
52 11440826	638 23rd Street - Potrero	10	SFPUC	New primary service	cancelling the	Project is at a	3/12/2018			N/A	12,000 kW/No		Project delayed - PG&E denied this service request citing inadequate capacity and cancelled	Project added.
	South				application.	standstill.	, , =====						the application.	
					Delays caused by									
	16th & Terry Francois				dispute over primary	Project is at a				1			Project delayed - project has been in dispute since Jan. 2019 (1 month).	Project added. See #24 for prior application submitted for
53	Blvd Mission Bay Ferry	6	SFPORT	New secondary service	vs. secondary. Project		6/30/2019		1/3/20	Yes	100 kW/Yes		If required, primary switchgear would cost the project an additional \$500k.	this project.
	Landing				is still in dispute.									
	I		1	I				1	1	1	1			

Notes:

2. Cost impacts related to lost revenue are estimates calculated off of projected load values.

- 3. CO_2 emissions are calculated using estimated loads with PG&E's 2016 emissions factor.
- 4. Delay impacts are only calculated off of the time in which PG&E and SF were in dispute. (Other delays are not included)
- 5. Primary switchgear is estimated to cost an additional \$500k.

^{1.} Low-side metering is not the same as secondary service. Low-side metering requires extra equipment costs (i.e. an interrupter, approx \$75k). The SFPUC believes that many of these loads should be served with secondary service, but has compromised with PG&E to move projects forward.

^{3.} Not all cost impacts are reflected here as increased facility and construction costs are still to be determined.

A	В	С	D	E	F	G	Н	I	J	K	L	М	N	0	Р
		Project Location Di		Client	Project Description								PG&E		
								Initial	App Deemed	Initial	Did PG&E	Load Size/Can	committed to		
PG&E NN#	PG&E NN#		District #	Organization		Project Status	Status	Application	Complete	Service	require	Be Served at	work w/ SF to	Impacts	Updates/Changes since Last Report (Oct. 2018)
				Organization				Submittal Date	Date	Need Date	Primary?	Secondary	energize in		
													2018		

Кеу

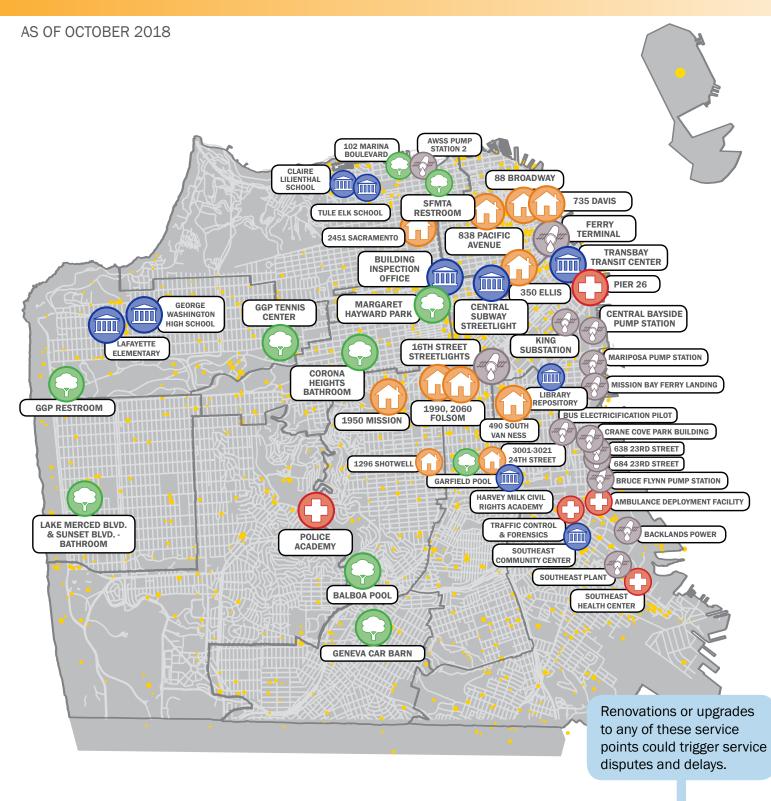
. Project is currently being disputed or has been delayed due to a dispute/issue and is past the Initial Service Need Date (Column K). Energized, but still facing issues.

Project is moving forward, but not yet energized. Some are still facing major delays. Please review the impact column for further descriptions.

Project has been energized - no outstanding issues.

ATTACHMENT B – MAP OF INTERCONNECTION ISSUES









HEALTH





SFPUC METERED SERVICE POINT

А		В	С	D	E	F	G	Н	I	J
				Additi	onal Costs to	Project			Other I	mpacts to SF
		Primary or Additional								
			Secondary	Additonal	Costs to	Additional	Additional	Total Additional	Lost gross	CO2 Emissions
Project Location	Rede	sign Costs	Metering	Construction	Project for	Const./Project	Staff Time	Project Costs	revenue to	(lbs) from PG&E
			Equipment	Costs	PG&E retail	Mgmt Costs	Costs	(B+C+D+E+F+G)	SFPUC	retail service
			Costs		service	Due to Delay		(,		
1 1950 Mission Street - Affordable Housing	\$	45,000			\$ 81,000			\$ 201,000	\$ 294,000	623,000
490 South Van Ness Avenue - Affordable Housing	\$	15,000				\$ 230,000		\$ 288,000	\$ 145,000	1,034,000
1990 Folsom Street - Affordable Housing	\$	2,000			\$ 29,000	, ,		\$ 31,000	\$ 563,000	926,652
2060 Folsom Street - Affordable Housing	\$	2,000			\$ 8,000			\$ 10,000	\$ 581,000	922,000
2 Rankin Street - Central Bayside Pump Station		,			, , ,			\$ -	, , ,	,
2401 Keith Street - Southeast Health Center								Ś -		
7 2110 Greenwich Street - Tule Elk Elementary								Ś -		
51 Havelock Street - Balboa Pool	Ś	20,000		\$ 670,000		\$ 500,000		\$ 1,190,000	\$ 14,000	
9 1995 Evans - Traffic Controls and Forensics	Ť					+,		\$ -	+/	
Stockton btwn Ellis & O'Farrell - Central Subway Streetlight Reinstallation								\$ -		
1 1909 16th Street - Streetlights								\$		
2 Transbay Transit Center - Transbay Joint Powers Authority								\$ <u>-</u>		
Multiple Locations - Guy Wires (Franchise Issue)								\$ <u>-</u>		
4 Lake Merced Blvd & Sunset Blvd - Restroom								\$ <u>-</u>		
50 Bowling Green Drive - GGP Tennis Center			\$ 75,000					\$	\$ 1,000	
5 1001 22nd Street - Bus Electrification Pilot			\$ 75,000					\$ 75,000 \$ -	\$ 1,000	
								Ψ		
7 49 South Van Ness Avenue - Building Inspection Office 3 1296 Shotwell Street - Affordable Senior Housing			\$ 75.000					Ŧ		
			\$ 75,000		ć 70.000			÷	ć C10.000	1 000 000
88 Broadway - Affordable Housing					\$ 79,000			+	\$ 618,000	1,090,000
735 Davis - Affordable Housing					\$ 18,000	ć <u>240.000</u>			\$ 335,000	554,000
1 838 Pacific Avenue - Ping Yuen North Affordable Housing						\$ 240,000		+,	\$ 186,000	
2 350 Ellis Street - Affordable Housing								Ψ	\$ 110,000	
3 2451 Sacramento Street - JFK Towers Affordable Housing		20.000	¢ 75.000				¢ 70.000	Ş -	\$ 15,000	
1 16th & Terry Francois Blvd Mission Bay Ferry Landing	\$	30,000					\$ 70,000			
5 Ferry Terminal	\$	32,000				<u> </u>		\$ 203,000	<u>.</u>	
5 2241 Jerrold Avenue - Ambulance Deployment Facility	\$	100,000	\$ 75,000			\$ 250,000	\$ 100,000	\$ 525,000	\$ 110,000	
7 Pier 26 - Fire Boat Berthing								Ş -		
8 800 Amador Street - Pier 94 - Backlands	Ş	50,000	\$ 500,000				\$ 50,000	\$ 600,000		
801 Illinois Street - Crane Cove Park Building	\$	75,000					\$ 50,000		4	
2301 San Jose Avenue - Geneva Car Barn	\$	5,000	\$ 75,000				\$ 15,000	\$ 95,000	\$ 13,000	
1 45th & Lincoln - Restroom for Golden Gate Boat Park								Ş -		
2 6 Berry Street - Substation						\$ 5,000		\$ 5,000		
3 3455 Van Ness Avenue - AWSS Pump Station No. 2								Ş -		
4 750 Brannan - Main Library Repository								\$ -		
Illinois St. & Terry Francois - Mariposa Pump Station					\$ 22,000			\$ 22,000	\$ 588,000	554,000
5 350 Amber Drive - Police Academy			\$ 75,000					\$ 75,000	\$ 18,000	
7 3630 Divisadero - Claire Lilenthal School			\$ 75,000					\$ 75,000	\$ 3,000	
4235 19th Street - Harvey Milk Civil Rights Academy			\$ 75,000					\$ 75,000	\$ 6,000	
9 600 32nd Avenue - George Washington High School			\$ 75,000					\$ 75,000	\$ 6,000	
1271 Treat Avenue - Garfield Pool			\$ 250,000					\$ 250,000		
1 950 Golden Gate Avenue - Margaret Hayward Park			\$ 75,000					\$ 75,000		
2 199 Museum Way/122 State Street - Corona Heights Restroom								\$-		
3 750 Phelps - Southeast Plant								\$-		
1595 Davidson - Bruce Flynn Pump Station								\$-		

Attachment C: Cost Impacts

Α	В	С	D	E	F	G	Н	I	J		
		Additional Costs to Project									
Project Location	Redesign Costs	Primary or Secondary Metering Equipment Costs	Additonal Construction Costs	Additional Costs to Project for PG&E retail service	Additional Const./Project Mgmt Costs Due to Delay	Additional Staff Time Costs	Total Additional Project Costs (B+C+D+E+F+G)	Lost gross revenue to SFPUC	CO2 Emissions (Ibs) from PG&E retail service		
45 3133 Van Ness Ave SFMTA Restroom							\$-				
46 3001-3021 24th Street - Affordable Housing							\$-				
47 4545 Anza - Lafayette Elementary							\$-				
48 1550 Evans Ave - Southeast Community Center							\$-				
49 102 Marina Boulevard - For Mason (EVGo)							\$-				
50 10501 Warnerville Road - Substation Rehabilitation Project							\$-				
51 684 23rd Street - Potrero North							\$-				
52 638 23rd Street - Potrero South							\$-				
53 16th & Terry Francois Blvd Mission Bay Ferry Landing							\$ -				
TOTAL	\$ 376,000	\$ 1,650,000	\$ 670,000	\$ 280,000	\$ 1,225,000	\$ 381,000	\$ 4,582,000	\$ 3,606,000	5,703,652		

Total Additional Project Costs	\$ 4,582,000.00
Total Lost Gross Revenue to SFPUC	\$ 3,606,000.00
Total Cost Impact to SF (Project Costs + Lost Revenue)	\$ 8,188,000.00
Total CO2 Emissions (lbs.)	5,703,652

Note: These represent estimates of the costs that the City is aware of at at the moment. The projects may incur additional costs going forward.

The projects in RED are projects that are currently at a standstill and will face financial impacts that are TBD depending on how long they will be delayed and how they will move forward.

From:	Board of Supervisors, (BOS)
To:	BOS Legislation, (BOS)
Subject:	FW: Notice of Electronic Transmittal - NOA 915 Cayuga Street
Date:	Monday, January 28, 2019 4:02:00 PM
Attachments:	Transmittal email to BOS.pdf

From: Moore, Julie (CPC)
Sent: Wednesday, January 23, 2019 3:18 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Notice of Electronic Transmittal - NOA 915 Cayuga Street

Attached is a notice of electronic transmittal. These documents can be downloaded directly here:

http://sfmea.sfplanning.org/915%20Cayuga%20NOA%2001.23.2019.pdf

http://sfmea.sfplanning.org/2016-013850ENV%20915%20Cayuga%20PMND%2001.23.2019.pdf

One hard copy will be sent to your office .

Regards,

Julie Moore, Principal Planner Environmental Planning Division San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103 Direct: 415.575.8733 | www.sfplanning.org San Francisco Property Information Map



мемо

Notice of Electronic Transmittal

Notice of Availability of and Intent to Adopt a Mitigated Negative Declaration

915 Cayuga Avenue Project

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

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: **415.558.6377**

DATE:	January 23, 2019
TO:	Angela Calvillo, Clerk of the Board of Supervisors
	Board.of.supervisors@sfgov.org
FROM:	Julie Moore, Environmental Planner, (415) 575-8733
RE:	Notice of Availability of and Intent to Adopt a Mitigated Negative
	Declaration – 915 Cayuga Avenue
	Planning Case No. 2016-013850ENV
HEARING DATE:	To be determined

PUBLIC SCOPING MEETING: N/A

In compliance with San Francisco's Administrative Code Section 8.12.5 "Electronic Distribution of Multi-Page Documents," the Planning Department has submitted a Notice of Availability of and Intent to Adopt a Mitigated Negative Declaration in digital format. The NOA and Preliminary Mitigated Negative Declaration are available to download at the San Francisco Planning Department website at <u>http://www.sf-planning.org/sfceqadocs</u>. One hard copy has been submitted to the Clerk of the Board for the file of the Clerk. Additional hard copies may be requested by contacting Julie Moore of the Planning Department at 415-575-8733. The initial study provides a summary description of the proposed project, provides analysis of environmental topics, and identifies mitigation measures to reduce environmental impacts to less-than-significant levels.

The proposed project will require approvals from the Board of Supervisors. However, there is no hearing before the Board of Supervisors scheduled at this time.

Written comments on the Preliminary Mitigated Negative Declearation will be accepted at the Planning Department until 5:00 p.m. on Tuesday, February 12, 2018. Please send written comments to Julie Moore, Environmental Review Coordinator, San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA 94103, or julie.moore@sfgov.org. Any comments submitted should reference the project title and case number at the top of this notice.



SAN FRANCISCO PLANNING DEPARTMENT

Notice of Availability of and Intent to Adopt a Mitigated Negative Declaration

Reception: Date: January 23, 2019 415.558.6378 2016-013850ENV Case No.: Fax. Project Title: 915 Cayuga Avenue 415.558.6409 Zoning: RH-1 (Residential-House, One Family) & Excelsior Outer Mission Street Planning Neighborhood Commercial District Information: 40-X Height and Bulk District 415.558.6377 Block/Lot: 6954/039 & 011C **Project Sponsor** Reza Khoshnevisan, SIA Consulting Corporation (415) 922-0200 Ext 108 Lead Agency: San Francisco Planning Department Staff Contact: Julie Moore – (415) 575-8733 Julie.Moore@sfgov.org

1650 Mission St.

CA 94103-2479

Suite 400 San Francisco,

This notice is to inform you of the availability of the environmental review document concerning the proposed project as described below. The document is a preliminary mitigated negative declaration (PMND), containing information about the possible environmental effects of the proposed project. The PMND documents the determination of the San Francisco Planning Department that the proposed project could not have a significant adverse effect on the environment. Preparation of a mitigated negative declaration does not indicate a decision by the city to carry out or not to carry out the proposed project.

Project Description: The project site is located on the block bounded by Alemany Boulevard, Ocean Avenue, Cayuga Avenue, and Onondaga Avenue in the Outer Mission neighborhood. The proposed project would demolish the existing two-story mixed-used building and construct a new approximately 115,610-square-foot residential building with 116 dwelling units (including 16 studio, 18 one-bedroom, 70 two-bedroom, and 12 three-bedroom units) and 400 square feet of accessory office use. Approximately 50 percent of the units would be affordable, while the remaining 50 percent would be rent controlled. Due to the existing site slope, the proposed five-story building would be approximately 50-feet-tall measured from Alemany Boulevard and 72 feet tall from Cayuga Avenue. Pedestrian entrances would be located off Alemany Boulevard, which includes the main lobby, and a secondary entrance would be located along the internal driveway off Cayuga Avenue. The proposed building would include an underground garage on Basement Level 2 accessed via a curb cut on Cayuga Avenue. The garage would contain 69 vehicle parking spaces (63 parking spaces, three ADA accessible parking spaces, and three car-share parking spaces) as well as family amenity storage space. Basement level 1 would include 116 class 1 bicycle spaces along with a bicycle repair station. The project proposes approximately 12,410 square feet of open space, including approximately 8,605 square feet of common open space at the backyard, basement level-1, and the rooftop, approximately 3,495 square feet of private open space at the basement level fronting the Cayuga side of the property, and approximately 310 square feet of private open space at the third floor.

www.sfplanning.org

中文詢問請電: 415.575.9010 | Para Información en Español Llamar al: 415.575.9010 | Para sa Impormasyon sa Tagalog Tumawag sa: 415.575.9121 The proposed project would require approval of a zoning map amendment, special use district, and conditional use authorization.

The 915 Cayuga Avenue project site is included on the following list compiled pursuant to section 65962.5 of the California Government Code: State Water Resources Control Board Leaking Underground Storage Tank List (Regulatory Identification Number T0607500427), leak dated January 20, 1993.

The PMND is available to view or download from the planning department's Negative Declarations and EIRs web page (<u>http://www.sf-planning.org/sfceqadocs</u>). Paper copies are also available at the Planning Information Center (PIC) counter on the ground floor of 1660 Mission Street, San Francisco. If you have questions concerning environmental review of the proposed project, contact the planning department staff contact listed above.

Within 20 calendar days following publication of the PMND (i.e., by 5:00 p.m. on **February 12, 2019** any person may:

- 1) Review the PMND as an informational item and take no action;
- 2) Make recommendations for amending the text of the document. The text of the PMND may be amended to clarify or correct statements and may be expanded to include additional relevant issues or to cover issues in greater depth. This may be done **without** the appeal described below; **OR**
- 3) Appeal the determination of no significant effect on the environment to the planning commission in a letter which specifies the grounds for such appeal, accompanied by a \$617 check payable to the San Francisco Planning Department.¹ An appeal requires the planning commission to determine whether or not an environmental impact report must be prepared based upon whether or not the proposed project could cause a substantial adverse change in the environment. Send the appeal letter to the San Francisco Planning Department, Attention: Lisa Gibson, 1650 Mission Street, Suite 400, San Francisco, CA 94103 or emailed to lisa.gibson@sfgov.org. The letter must be accompanied by a check in the amount of \$617.00 payable to the San Francisco Planning Department, and must be received by 5:00 p.m. on February 12, 2019. The appeal letter and check may also be presented in person at the PIC counter on the first floor of 1660 Mission Street, San Francisco.

In the absence of an appeal, the mitigated negative declaration shall be made final, subject to necessary modifications, after 20 days from the date of publication of the PMND. If the PMND is appealed, the final mitigated negative declaration (FMND) may be appealed to the San Francisco Board of Supervisors. The first approval action, as identified in the initial study, would establish the start of the 30-day appeal period for the FMND pursuant to San Francisco Administrative Code section 31.16(h).

Members of the public are not required to provide personal identifying information when they communicate with the commission or the department. All written or oral communications, including submitted personal contact information, may be made available to the public for inspection and copying upon request and may appear on the department's website or in other public documents.

¹ Upon review by the planning department, the appeal fee may be reimbursed for neighborhood organizations that have been in existence for a minimum of 24 months.

From:Board of Supervisors, (BOS)To:BOS-SupervisorsSubject:FW: Letter to Mayor Breed from FBIDate:Friday, February 1, 2019 5:51:00 PMAttachments:SF Board of Supervisors.pdf

-----Original Message-----From: Fair, Craig (SF) (FBI) <cfair@fbi.gov> Sent: Friday, February 01, 2019 4:53 PM To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org> Cc: Mchugh, Eileen (BOS) <eileen.e.mchugh@sfgov.org> Subject: Letter to Mayor Breed from FBI

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

Board of Supervisors,

Please see attached letter which was provided to Mayor Breed today. In this letter, we addressed issues concerning FBI authorities; provided a detailed explanation of our investigative processes; and discussed the predicate thresholds under which we may exercise our authorities. We felt it was also important to explain the rigorous oversight and audit mechanisms in place to ensure adequate privacy protections. The purpose of the document was to sensitize the City of San Francisco to the elements that establish the rules that guide our behavior and discretion as we fulfill our core mission, that being to uphold the United States Constitution and protect the American people. If you have any further questions please feel free to contact me.

Regards, Craig

Craig D. Fair Deputy Special Agent in Charge Federal Bureau of Investigation - San Francisco Division Desk: 415-558-2520 Cell: 415-672-8131

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to File No.

San Francisco, California January 29, 2019

Dear Mayor Breed:

Based on recent reporting in the media, I felt it an opportune moment to contact you to correct inaccurate information recently promulgated regarding the Federal Bureau of Investigation (FBI) and its Joint Terrorism Task Force (JTTF). I believe it is essential you have an accurate and complete understanding of how the FBI and the JTTF work to protect the citizens of the City and County of San Francisco.

Our Mission

The mission of the FBI is to protect the American people and uphold the United States Constitution. The two elements of this mission are equal and mutually supporting. The global threats we face today are real, persistent, and often difficult to detect. Regardless of the threat, the FBI pursues its mission by strictly adhering to the law and the United States Constitution with deep respect for the citizens we serve. Simply put, how we do things is as important as why we do them.

Role of the JTTFs

One of the primary means by which the FBI executes its counterterrorism mission¹ is through the 104 JTTFs located throughout the United States. By virtue of the authorities referenced below, the FBI formed JTTFs composed of federal, state, local and tribal law enforcement agencies acting in support of these statutory and regulatory provisions. The participation of our federal, state, and local partners is critical to protecting the American people by identifying and stopping

¹28 U.S.C. '533, 28 C.F.R. '0.85, Executive Order 12333, as amended, National Security Presidential Directive 46, Homeland Security Presidential Directive 15 and Annex II thereto, authorizes the FBI to coordinate an intelligence, investigative, and operational response to terrorism.

individuals from committing acts of terror. Local departments typically nominate their most accomplished and professional officers to serve on JTTFs, as had been the case with the San Francisco Police Department (SFPD) until the time of their departure from the JTTF in February 2017. Local police department participation in the JTTF is critical to the counterterrorism efforts in the San Francisco Bay Area by providing a mechanism for the rapid sharing of information and the dissemination of threat intelligence. Furthermore, local police officers understand and know their communities, are experienced investigators, and can quickly serve as a bridge between the FBI and the affected departments in time of crisis. It is the day-to-day participation of local officers on the JTTF which offers the greatest public safety enhancement in the prevention of an act of terrorism.

How the FBI Addresses Terrorism .

The FBI opens assessments and investigations at different predicate thresholds subsequent to the FBI having received information regarding intent or behavior which may be a violation of federal law or a threat to national security. No information is derived from a process of "targeting," which would suggest a person or community is put before a specific allegation. This is never the case.

The specific investigative techniques authorized under an initial assessment of a complaint are limited, relative to predicated investigations which have a higher legal threshold. In an assessment, an investigator may obtain publically available information; check information in FBI or DOJ databases; check other federal, state, local, and tribal, or foreign government agency records; check online records; conduct limited physical surveillance; and voluntarily interview or request information from members of the public. The San Francisco Division of the FBI receives more than 1000 allegations per year involving potential acts of terror. Many of those allegations appear serious and cannot be ignored. The FBI receives numerous other allegations which are determined to be 1st Amendment protected activities where no action is taken by the FBI. The majority of allegations received by the FBI are resolved during the assessment phase, using the least intrusive techniques described above, and within a 90-day period. Most allegations are resolved simply by speaking with individuals. The FBI routinely seeks information from the public and interviews are voluntary interactions with members of the public and are always conducted in accordance with the United States Constitution. A

preliminary investigation will be opened when there is information or an allegation indicating a violation of federal law or a threat to national security. In a preliminary investigation, the FBI is afforded a broader range of investigative techniques. If additional predication exists for an investigation², an even greater range of techniques are permissible, to include court authorized electronic surveillance and searches. Regardless of whether an assessment or an investigation is open; however, the investigating Agents or Task Force Officers apply the least intrusive technique authorized to obtain particular information sought.

Counterterrorism investigations are distinguished from other types of criminal investigations in that the majority of the information associated with each investigation is sensitive and classified. This information remains legally classified unless it is necessary for use in a criminal proceeding at which point it would have to be declassified in part or in its entirety. Counterterrorism information must be classified in order to protect sensitive sources and investigative methods. Unauthorized disclosure of classified information could harm national security and is a violation of federal law.

Undercover Operations

One of the techniques permitted to be used in preliminary and full investigations is an undercover operation. Undercover operations are one of many tools law enforcement may use to neutralize criminal activity, having been successfully utilized for decades in the investigation of organized crime groups and child-pornographers, among others. The use of this technique depends on the facts and circumstances of an investigation. Undercover operations have been successfully used, where appropriate, in Counterterrorism investigations to thwart violent plots and to protect the public. The FBI utilizes undercover operations in accordance with strict guidelines governing the use of undercover operations which involve extensive legal review and senior-level approvals. The FBI coordinates the use of this technique with the Department of Justice and the United States Attorney's Office. Furthermore, U.S. laws provide a robust defense against entrapment. Legally, a person is entrapped when he or she is induced or persuaded by law enforcement to commit a crime that he or she had no previous intent to commit. Whenever an undercover operation is used, the government works diligently to ensure entrapment does not occur. Federal courts and juries have overwhelmingly upheld the use of undercover operations

² Indicating the factual basis for the investigation is particularly strong.

in terrorism cases, yielding a lengthy public record of guilty pleas and convictions. In many of these cases, the defendants have been warned repeatedly about the seriousness of their plots and have been given numerous opportunities to reconsider. Many of these same defendants disregarded those warnings and chose to continue forward with their plans. Undercover FBI employees have acted appropriately and courageously to help protect innocent lives.

Audit and Oversight

The FBI's authority to use investigative tools is determined through the U.S. Constitution, U.S. statutes, executive orders and the Attorney General's Guidelines for Domestic FBI Operations ("AGG-Dom"). The FBI's Domestic Investigations Operations Guide ("DIOG") establishes the FBI's internal rules and procedures to implement the AGG-Dom. These rules and procedures, audited and enforced through rigorous compliance mechanisms and reportable to Congress, are designed to ensure FBI assessments and investigations are subject to responsible review and approval. Regardless of whether an assessment or an investigation is open, the FBI cannot and does not investigate anyone or any group on the basis of race, ethnicity, religion or the exercise of any right guaranteed by the Constitution. This would be illegal and would violate our core values. Investigations and assessments are never based solely on 1st Amendment protected activities. The FBI exists to protect the rights enshrined in the 1st Amendment. It is critical to note; however, incitement to violence is not protected by the 1st Amendment. Finally, all assessments and investigations are conducted using the least intrusive means possible.

All investigations opened and conducted by the JTTF must be conducted in conformance with FBI policy; however, each JTTF member is subject to the personnel rules, regulations, laws, and policies applicable to the employees of their respective agency. All JTTF members will also adhere to the FBI's strict ethical standards and will be subject to the Supplemental Standards of Ethical Conduct for employees of the Department of Justice. Where there is a conflict between the standards or requirements of the participating agency and the FBI, the standard or requirement that provides the greatest organizational protection or benefit will apply, unless the organizations jointly resolve the conflict otherwise. The aforementioned requirement was agreed upon in a Memorandum of Understanding (MOU) signed by both SFPD Chief Heather Fong and FBI Special Agent in Charge Charlene Thornton in 2007. SFPD officers assigned to the JTTF were expected to abide by their department's General Orders while serving on the JTTF, and they did.

Obligation to Investigate

The FBI has an obligation to protect the public against all acts of terrorism, regardless of the perceived level of sophistication of a plot, as any type of terrorist action can pose serious danger to a community. The FBI is required to investigate and take appropriate action to protect the public whenever an individual, irrespective of his/her economic or societal status, expresses a desire to commit violence. The FBI cannot and will not allow an individual intent on killing people to proceed without a government response. The individual may well come into contact with someone who can make his/her destructive plans a reality. While some may dismiss a terrorist plot as amateurish or unsophisticated, all are potentially dangerous and reflect an interest/capability to harm. A committed individual, even with no direct connections to, or formal training from, an international terrorist organization, can pose a serious danger to the community. In the past, successful terrorist attacks have been executed utilizing simple household items, edged weapons, and automobiles, resulting in numerous fatalities.

Community Engagement

The FBI remains engaged in outreach efforts with diverse communities across our country and we consider all communities a vital partner in our ongoing fight against terrorism. Our outreach efforts range from formal national-level relationships with established groups, to local multi-cultural advisory boards, to Citizens' Academies and youth activities. The individual relationships established by personnel in the field with leaders in their local communities are vital to our mission. In many areas, our relationships are strong and growing stronger. The FBI is committed to countering the threat posed by any form of violent extremism. Part of our response is a recognition that diversity, pluralism, and tolerance are critical to our strength as a nation.

In Closing

Confronting violence in any form in our communities can only be successful when law enforcement works in close collaboration with the communities and the citizens they serve. In this spirit, it is essential the FBI maintains a robust relationship with our local partners, both inside and outside of law enforcement, based on a common and accurate understanding of what we do and how we do it. I hope this letter provides greater understanding and context of how the FBI accomplishes its vital mission. Finally, I look forward to continue working with you and with the SFPD as we collectively focus on ensuring the safety of the citizens of San Francisco.

Very truly yours,

John F. Bennett Special Agent in Charge

cc:

San Francisco Police Department San Francisco Board of Supervisors San Francisco City Attorney San Francisco Police Officers' Association San Francisco Police Commission

Page 6 of 6

From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Subject:	FW: SFMTA Garage/Hotel project
Date:	Wednesday, February 6, 2019 2:59:52 PM
Attachments:	20190203233347120.pdf
	Demos Report - How Marriott's Corporate Practices Fuel Growing Racial Inequality in America.pdf

From: Cynthia Gómez <cgomez@unitehere2.org>
Sent: Monday, February 04, 2019 11:39 AM
To: MTABoard@sfmta.com
Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Boomer, Roberta (MTA)
<Roberta.Boomer@sfmta.com>
Subject: re: SFMTA Garage/Hotel project

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

Dear Ms. Boomer and Ms. Calvillo,

Attached please find a letter (and an accompanying report) for distribution to the Board of the SFMTA and to the Board of Supervisors.

Thank you,

--Cynthia Gómez Senior Research Analyst UNITE/HERE, Local 2 209 Golden Gate Avenue San Francisco, CA 94102 cgomez@unitehere2.org 415.864.8770, ext. 763

UNITE HERE!

February 4, 2019

Malcolm Heinicke Chair of the Board San Francisco Municipal Transportation Agency One South Van Ness Ave., 7th Floor San Francisco, CA 94103

Sent via email: MTABoard@sfmta.com

Dear Chair Heinicke and Members of the Board:

I am writing to continue to raise a flag regarding the record of the Marriott Corporation, a member of one of the development teams being considered for the above-referenced project. I also want to echo the concerns of community allies regarding community input in the selection process.

In August 2018, I urged you to strongly consider choosing a company other than Marriott. As the largest and richest hotel company in the world, Marriott has been a leader in trends that bring job insecurity and physical distress to an already-difficult job. Incentivizing guests to refuse room-cleaning services, causing employees to lose thousands of shifts per year; slashing food and beverage services; introducing automation across a range of job functions: Marriott is certainly not the only company engaging in these practices, but it leads the way.

In the fall of 2018, these and other issues led thousands of Marriott employees across the country to go on strike for a better contract. Here in San Francisco, they took to the picket lines for 61 days, braving rain and toxic wildfire smoke, picketing 24 hours a day -- even on Thanksgiving. San Francisco's strike led to hundreds of thousands of dollars' worth of canceled conference bookings and made international headlines.

While Marriott workers in some cities were able to settle contracts that made progress on many of these issues, those contracts do not apply to the vast majority of Marriott workers who are not represented by a union. Marriott has refused to guarantee a neutral process for its workers at the J.W. Marriott right here in San Francisco, or for its workers at the SFO Marriott Waterfront Hotel in Burlingame. At another property in Philadelphia, the general manager was asked if the company

Anand Singh President Chito Cuéllar Vice-President Tina Chen Secretary-Treasurer

209 Golden Gate Ave., San Francisco, CA 94102 • phone: 415.864.8770 • fax: 415.864.4158 209 Highland Ave., Burlingame, CA, 94010 • phone: 650.344.6827 • fax: 650.344.9406



UNITE HERE!

would remain neutral as workers discussed unionization. His response? "That's not going to happen."

Also making the news in 2018 were Marriott's lending practices towards its own employees. From an October 2018 report, "How Marriott's Corporate Practices Fuel Growing Wealth Inequality in America," detailing the practices of the Marriott Federal Credit Union, which is open to Marriott employees: "One particularly troubling loan product is the high-fee \$500 'Mini Loan,' which workers at some Marriott hotels can apply for directly from their workplace human resources office, according to employees. The effective [interest rate] is 46.616 percent ... Workers interviewed at the Philadelphia Marriott Downtown report using Mini Loans to afford rent, food and other monthly expenses when Marriott's fluctuating hours result in a short paycheck too small for them to make ends meet. Some workers report taking out one Mini Loan after another when they are not assigned enough work hours to keep up with expenses (including their payments on the Mini Loan)." A copy of that report is included here for your reference.

Marriott's record toward its employees should make anyone think twice before granting to Marriott what will be an enormously lucrative contract. I also want to echo the concerns of many community stakeholders regarding a lack of transparency and a lack of community input on many questions that will apply to the proposed housing provided by the project. Impact fees, housing unit mix and size, open space needs, space for a community center – these are just some of the issues that our allies have raised. They are calling for an opportunity to have a community meeting at which all of the proposed development teams must present their proposals for community feedback. We ask for you to heed these calls as well.

Sincerely,

Anand Singh President, UNITE HERE Local 2

Anand Singh President Chito Cuéllar Vice-President Tina Chen Secretary-Treasurer

209 Golden Gate Ave., San Francisco, CA 94102 • phone: 415.864.8770 • fax: 415.864.4158. 209 Highland Ave., Burlingame, CA, 94010 • phone: 650.344.6827 • fax: 650.344.9406



How Marriott's Corporate Practices Fuel Growing Racial Inequality in America

Amy Traub, Demos Julia Gunn, University of Pennsylvania

All of us—people of all races and in communities of every description across America—work hard to sustain our families, pay the bills, and gain some financial security. When employers cut hours and hold down pay, working Americans struggle to find stability. And when the same employer pushes high-fee loans right outside the human resources office, draining bank accounts nearly as fast as a paycheck can fill them, working people never have a chance. That is what employees describe at Marriott International, a \$42 billion corporation and the world's largest hotel company.

The dynamics of unstable pay at Marriott and high-cost lending by its affiliated credit union take the income disparities between Marriott's predominantly black and Latino workforce and its overwhelmingly white corporate leadership¹ and enable them to metastasize into growing disparities in wealth. A study of these dynamics illustrates how everyday corporate practices feed growing racial inequality in America.

This brief unpacks these dynamics. First, we describe the scope of the nation's racial wealth inequality and its origins in public policy and corporate practices. We look at how Marriott's current scheduling practices, with fluctuating hours that lead to unpredictable paychecks that too often fall short, destabilize the lives of the people who work there. Next, we examine how high-fee "Mini Loans" at the financial institution set up for Marriott employees exploit this instability, stripping the wealth of the primarily African-American and Latino workers who clean rooms and common areas, The dynamics of unstable pay at Marriott and high-cost lending by its affiliated credit union take the income disparities between Marriott's predominantly black and Latino workforce and its overwhelmingly white corporate leadership and enable them to metastasize into growing disparities in wealth. cook and serve food, staff front desks, help guests with luggage, and do the other work that has enabled Marriott to become the multi-billion-dollar corporation it is today. We then consider a different loan product offered by the same employee credit union—an advantageous home mortgage loan that disproportionately serves higher-income, white employees, including company executives, living near Marriott's corporate headquarters

The high-fee Mini Loans promoted by the Marriott **Employees** Federal Credit Union resemble another historical case of employers and lenders profiting from workers' economic insecurity: the post-Civil War sharecropping system *that kept formerly* enslaved black families and some poor white farmers in the South trapped in a cycle of debt.

in Bethesda, Maryland.² Together, this amounts to a transfer of wealth from working people of color, fueling the racial wealth gap. Corporate leaders could make decisions that would make a large and profitable corporation like Marriott—which claims to value diversity and inclusion³—a powerful force for racial equity as easily as they have chosen to reinforce growing inequality.

America's racial wealth gap: fueled by public policy and corporate practices

Wealth plays a critical role in enabling families to both handle current financial challenges and make investments in their future. Families that have accrued some wealth have a financial buffer to deal with unexpected costs, like an emergency hospital bill or disruptions in household income such as a layoff, without falling into debt or poverty. Over the longer term, wealth can expand the prospects of the next generation, helping to pay for college, provide a down payment for a first home, or capitalize a new business. Yet public policies and corporate practices contribute to a tremendously inequitable distribution of wealth in America: According to data from the Survey of Consumer Finances, the median white household possessed \$13 in net wealth for every \$1 held by the median black household in 2013.⁴ That same year, median white households possessed \$10 for each \$1 held by the median Latino/a household.

Research probing the causes of the racial wealth gap has traced its origins to current and past public policies and business practices that systematically lock black, Latino, and other families of color out of wealth-building opportunities that benefit white families.⁵ A prominent example is the government redlining between 1934 and 1968. Redlining limited both public and private investment in black neighborhoods, and undermined wealth-building prospects for generations of African-American families. The high-fee Mini Loans promoted by the Marriott Employees Federal Credit Union resemble another historical case of employers and lenders profiting from workers' economic insecurity: the post-Civil War sharecropping system that kept formerly enslaved black families and some poor white farmers in the South trapped in a cycle of debt. The country store was at the center of this exploitative system. Since most sharecroppers did not have a steady cash flow, they used their future crop as collateral to finance loans from store merchants. At the end of the growing season and after they had paid the landowner, sharecroppers used the remainder of their crop to repay their debts to the store merchant. Country stores had little competition and often set interest rates as high as 50 or 60 percent. Focused

on paying back the loans, sharecroppers grew volatile cash crops like cotton rather than subsistence crops that could feed their own families. Thus, sharecroppers were forced to borrow more money to purchase food at inflated prices from the country store.⁶ White store merchants and landlords built their own wealth on a system that left predominantly African-American sharecroppers in perpetual debt.

As wealth is handed down across generations, the outcomes of past injustice like the sharecropping system carry forward. Ostensibly "color-blind" policies in effect today—such as divestment from public goods like education that have the potential to give all Americans an equitable start in life, and tax policies that further subsidize already wealthy, predominantly white households—reinforce existing wealth disparities. Lending is one area where historic injustices profoundly shape current outcomes: Generations of past discrimination in employment, lending, education and housing have produced racial disparities in credit history. As a result, past discrimination is "baked in" to determinations of creditworthiness: Credit scores and other Some Marriott hotels are cutting work hours even when demand is strong. At the Philadelphia Marriott Downtown, for example, the total number of hours worked by employees have declined over the past 5 years even as the hotel's occupancy rate and revenue have increased.

lending algorithms disproportionately represent African-American loan applicants as riskier borrowers, even when a lender never explicitly considers their race.⁷ Other ongoing corporate practices, from unfair pay and scheduling to discriminatory hiring and promotion, also reinforce racial disparities in income and wealth.

Marriott's unstable schedules create unstable livelihoods

Unstable schedules are common in the hospitality industry, as they are in retail and other industries structured around low-paying, hourly employment.⁸ Marriott, like other hotel and restaurant operators, profits from its power to quickly adjust the work hours of the people employed in its hotels and resorts based on immediate customer demand. As employment expert Susan Lambert explains, "Employers tend to keep head counts high for low-level hourly jobs so that they have a large pool of workers who can be scheduled for short shifts at times of peak demand. Technologies like computerized scheduling systems and forecasting tools make it possible to predict and monitor sales and calibrate

work schedules not just by the day but by the hour. Employees are called in or sent home as needed."⁹

Some Marriott hotels are cutting work hours even when demand is strong. At the Philadelphia Marriott Downtown, for example, the total number of hours worked by employees have declined over the past 5 years even as the hotel's occupancy rate and revenue have increased.¹⁰

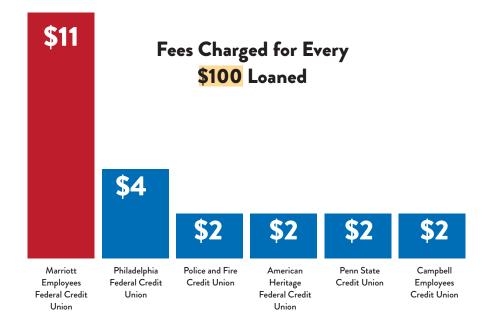
Yet Marriott workers depend on their jobs to earn a living. When managers cut work hours and workers' paychecks fall short, household budgets come apart. Rent is still due and groceries cost the same, but there is suddenly less income to pay for them. Unstable schedules with short hours can even *increase* household costs when working parents scramble to find childcare to cover a last-minute change in work hours and workers must pay for transportation to and from a shift that may last only a couple of hours. Research suggests that workers of color bear the brunt of unstable scheduling across the economy: African-American and Latino workers are more likely than their white counterparts to be relegated to part-time jobs despite wanting stable full-time employment, and early-career workers of color are more likely to receive schedules with little notice.¹¹ At the same time, racial wealth disparities mean that workers of color have fewer other resources to draw on when hours are suddenly cut and paychecks are smaller than expected.

Marriott promotes high-fee loans to struggling workers

As Marriott creates economic instability in the lives of its workers with irregular scheduling, its affiliated financial institution generates an unusual volume of revenue

In 2017, MEFCU charged members \$3,125,001 in fees more in fees for every dollar loaned than any other credit union of its membership type. through high-fee financial products. The Marriott Employee's Federal Credit Union (MEFCU), a 33,000-member institution, is open to employees and retirees (and their family members) of Marriott International, Ritz-Carlton Hotel Company, Sodexo, and other Marriott affiliates, contractors, and franchisees. MEFCU's entire Board of Directors—with the exception of the credit union CEO—is composed of Marriott International senior management and executives.¹² While the credit union is officially a non-profit designated as serving primarily low-income members,¹³ the uncommonly high fees it charges raise questions about whose interests are truly served. In 2017, MEFCU charged members \$3,125,001 in fees—more in fees for every dollar loaned than

any other credit union of its membership type.¹⁴ As the chart below illustrates, MEFCU charges \$11 in fees for every \$100 loaned, substantially more than peer institutions.



SOURCE: Authors' calculations based on data from 2017 National Credit Union Administration Call Reports.

One particularly troubling loan product is the high-fee \$500 "Mini Loan," which workers at some Marriott hotels can apply for directly from their workplace human resources office, according to employees.¹⁵ The Mini Loan's interest rate is fixed at 18 percent, and the credit union charges a \$35 application fee for each Mini Loan.¹⁶ According to the National Consumer Law Center's Annual Percentage Rate (APR) calculator, the effective rate for MEFCU's Mini Loan is 46.616 percent when including the \$35 application fee (treating the amount financed as \$465 rather than \$500).¹⁷

Workers interviewed at the Philadelphia Marriott Downtown report using Mini Loans to afford rent, food and other monthly expenses when Marriott's fluctuating hours result in a short paycheck too small for them to make ends meet.¹⁸ The Mini Loan is repaid in 6 monthly payments automatically deducted from the worker's credit union account, just as their paychecks may be The effective rate for MEFCU's Mini Loan is 46.616 percent when including the \$35 application fee.

automatically deposited. Some workers report taking out one Mini Loan after another when they are not assigned enough work hours to keep up with expenses (including their payments on the Mini Loan).

Marriott's predominantly African-American and Latino frontline workforce may be particularly vulnerable to this type of high-cost lending because of the long history of families of color being excluded from the wealth-building opportunities that have benefitted white families. As a result, people of color remain less likely to have savings to fall back on to weather an emergency, buy a car, attend college, pay a medical bill, start a business, or make a down payment on a home. The lack of wealth and greater need for credit to meet these expenses disproportionately expose communities of color, as well as low-wealth white communities, to predatory lending. In a vicious cycle, predatory lending strips additional resources from families and communities, increasing their reliance on borrowing in the future.

Although the Mini Loan terms are not as exploitative as those offered by commercial payday lenders, Marriott workers should be able to expect better from a non-profit institution promoting loans out of their own employer's human resources office. While Marriott could be offering stable hours that enable working people to stick to a budget and build wealth, its credit union instead suggests employees go into debt to make up for lost income by offering a high-fee loan that drains employee savings.

Marriott offers advantageous home loans primarily to higher-income, white employees

The Marriott Employees Federal Credit Union does offer *some* employees a lucrative opportunity to build wealth: Like most credit unions, MEFCU offers its members low-interest real estate loans. Traditionally, purchasing a home has been a vital way for American families to accumulate wealth as they pay down mortgages over time. In 2017, MEFCU originated 113 real estate loans amounting to a total of \$24,557,255.¹⁹ Yet MEFCU's home loans have disproportionately gone to Marriott's higher-paid employees. Between 2011 and 2017, 99.7 percent of the dollars loaned went to applicants with incomes higher than that of the median Marriott worker, including administrative and executive employees.²⁰ Some of these loans have gone to top executives of Marriott International. Loans disproportionately financed properties in suburban Maryland, near Marriott's corporate headquarters.

At the same time, Marriott's real estate lending practices also reveal troubling racial disparities: According to data released in accordance with the Home Mortgage Disclosure Act, 59 percent of black applicants were denied a home loan from MEFCU between 2011 and 2017—nearly double the denial rate of white applicants.²¹ African-American applicants only received a total of 12 home loans from MEFCU during the 6-year period, which amounted to just 6 percent of the total home mortgage dollars loaned by the credit union.²² Moreover, even among wealthier applicants—those making more than \$100,000 annually—black applicants were denied twice as often as their white counterparts.

Conclusion

Across America wages are nearly frozen, work is becoming ever more insecure, and the divide between the top 1 percent of very wealthy households and the vast majority of working people is growing. Researchers find that, at current rates of wealth accumulation, it would take 242 years for black families to catch up to the amount of wealth that the median white household owns today.²³ Marriott International and MEFCU did not create these conditions, but they fuel them through corporate practices including unstable schedules, high-fee financial products aimed at its struggling and predominantly African-American and Latino workforce, and mortgage loans that serve its better-off employees. A large and profitable corporation like Marriott—which claims to value diversity and inclusion—could be a powerful force for racial equity. Instead, corporate leaders have chosen policies that reinforce growing inequality.

ENDNOTES

- 1 *Fortune* magazine describes 65 percent of Marriott employees as minorities, compared with 15 percent of executives. "The Best Workplaces for Diversity 2017," *Fortune*, 2018, http://fortune.com/best-workplaces-for-diversity/marriott-international-7/.
- 2 Data on the Marriott Employee Federal Credit Union's real estate lending activity is drawn from disclosure reports filed in accordance with the Home Mortgage Disclosure Act. https://www.ffiec.gov/HmdaAdWebReport/DisWelcome.aspx.
- 3 See for example: Marriott International, "Diversity and Inclusion—Corporate" 2018, https://www.marriott.com/ diversity/corporate-diversity.mi.
- 4 Amy Traub, Laura Sullivan, Tatjana Meschede, and Tom Shapiro, *The Asset Value of Whiteness*, Demos, 2017. https://www.demos.org/publication/asset-value-whiteness-understanding-racial-wealth-gap.
- 5 For more on the causes of the racial wealth gap, see Melvin Oliver and Thomas Shapiro, *Black Wealth, White Wealth: A New Perspective on Racial Inequality.* (New York: Routledge, 1997).
- 6 Leon Litwack, Been in the Storm So Long: The Aftermath of Slavery (New York: Vintage Books, 1979), 446-449.
- 7 For a summary of research finding racial disparities in credit, see Past Imperfect: How Credit Scores and Other Analytics "Bake In" and Perpetuate Past Discrimination, National Consumer Law Center, May 2016. https://www.nclc. org/images/pdf/credit_discrimination/Past_Imperfect050616.pdf.
- 8 Elaine McCrate, *Unstable and On-Call Work Schedules in the United States and Canada*, International Labour Organization, 2018. http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_619044.pdf.
- 9 Susan J. Lambert, "When Flexibility Hurts," *The New York Times*, September 19, 2012, https://www.nytimes. com/2012/09/20/opinion/low-paid-women-want-predictable-hours-and-steady-pay.html.
- 10 Data on declining work hours is derived from OSHA form 300A Summary of Work Related Illnesses and Injuries, 2013-2017 for the Philadelphia Marriott Downtown. Occupancy rate and revenue data from Bloomberg CMBS.
- 11 Zoe Ziliak Michel and Liz Ben-Ishai, Good Jobs for All: Racial Inequities in Job Quality, Center for Law and Social Policy, 2016. https://www.clasp.org/sites/default/files/publications/2017/04/Race-and-Job-Quality-Brief-3_30ar. docx-FINAL.pdf.
- 12 National Credit Union Administration, June 2018 profile of Marriott Employee's Federal Credit Union.
- 13 Ibid.
- 14 Authors' calculations based on data from 2017 National Credit Union Administration Call Reports. https://www. ncua.gov/analysis/Pages/call-report-data.aspx
- 15 Based on interviews with employees at Philadelphia Marriott Downtown conducted by Julia Gunn in 2018.
- 16 Marriott Employees Federal Credit Union, Mini Loan Application https://www.mefcudirect.com/assets/1/6/ Miniloan20132.pdf.
- 17 https://www.nclc.org/credit-math-software.html.
- 18 Interviews of employees at Philadelphia Marriott Downtown conducted by research staff at UNITE HERE Local 274 in 2017 and 2018.
- 19 Data on the Marriott Employee Federal Credit Union's real estate lending activity is drawn from disclosure reports filed in accordance with the Home Mortgage Disclosure Act. https://www.ffiec.gov/HmdaAdWebReport/DisWelcome.aspx.
- 20 Ibid.
- 21 Ibid.
- 22 Ibid.
- 23 Emanuel Nieves and Dedrick Asante-Muhammad, *Running in Place*, Prosperity Now, 2018. https://prosperitynow.org/resources/running-in-place.

Dēmos

Dēmos is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy.

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80 Broad St., 4th Fl. New York, NY 10004

From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Subject:	FW: Rules Committee Hearing - February 4, 2019, File No. 190049 [Administrative Code - Definition of Tourist or Transient Use Under the Hotel Conversion Ordinance]
Date:	Wednesday, February 6, 2019 11:00:00 AM
Importance:	High

From: Mary Bhojwani [mailto:mary@zfplaw.com]

Sent: Monday, February 04, 2019 10:07 AM

To: Calvillo, Angela (BOS) <<u>angela.calvillo@sfgov.org</u>>; Ronen, Hillary <<u>hillary.ronen@sfgov.org</u>>; Waltonstaff (BOS) <<u>waltonstaff@sfgov.org</u>>; Marstaff (BOS) <<u>marstaff@sfgov.org</u>>; Young, Victor (BOS) <<u>victor.young@sfgov.org</u>>; Somera, Alisa (BOS) <<u>alisa.somera@sfgov.org</u>>; Rahaim, John (CPC) <<u>john.rahaim@sfgov.org</u>>; Peskin, Aaron (BOS) <<u>aaron.peskin@sfgov.org</u>>; Breed, Mayor London (MYR) <<u>mayorlondonbreed@sfgov.org</u>>; Cityattorney <<u>Cityattorney@sfcityatty.org</u>>; JENSEN, KRISTEN (CAT) <<u>Kristen.Jensen@sfcityatty.org</u>>; EMERY, JIM (CAT) <<u>Jim.Emery@sfcityatty.org</u>>; RUIZ-ESQUIDE, ANDREA (CAT) <<u>Andrea.Ruiz-Esquide@sfcityatty.org</u>>

Cc: Andrew Zacks <<u>az@zfplaw.com</u>>; Ryan Patterson <<u>ryan@zfplaw.com</u>>; Autumn Skerski <<u>autumn@zfplaw.com</u>>; 'arthur.coon@msrlegal.com' <<u>arthur.coon@msrlegal.com</u>>; Bryan Wenter (<u>bryan.wenter@msrlegal.com</u>) <<u>bryan.wenter@msrlegal.com</u>>; Karen Wigylus <<u>karen.wigylus@msrlegal.com</u>>

Subject: Rules Committee Hearing - February 4, 2019, File No. 190049 [Administrative Code - Definition of Tourist or Transient Use Under the Hotel Conversion Ordinance] **Importance:** High

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

Good Morning,

Please access this link <u>https://zacks.egnyte.com/fl/OzwOFI71RO</u> for electronic courtesy copies of our Objection, Declaration and Exhibits that we filed with the BOS this morning with regard to the above-referenced matter.

Regards, Mary

Mary Bhojwani Zacks, Freedman & Patterson, PC 235 Montgomery Street, Suite 400 San Francisco, CA 94104 Telephone: (415) 956-8100 Facsimile: (415) 288-9755 www.zfplaw.com

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City and County of San Francisco

Meeting Agenda

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

Rules Committee

Members: Hillary Ronen, Shamann Walton, Gordon Mar

Clerk: Victor Young (415) 554-7723

Monday, February 11, 2019	10:00 AM	City Hall, Committee Room 263
Regular Meeting		

ROLL CALL AND ANNOUNCEMENTS

AGENDA CHANGES

REGULAR AGENDA

1. <u>181217</u> [Administrative Code - Police Officers Questioning Youth] Sponsors: Ronen; Brown and Peskin

Ordinance amending the Administrative Code to prohibit police officers from questioning persons 17 years of age or younger, in custody, unless certain conditions are met, providing for legal representation of the youth in connection with the interrogation, and mandating parental access to youth while police officers question youth.

12/11/18; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

12/27/18; REFERRED TO DEPARTMENT.

2/4/19; RESPONSE RECEIVED.

2. <u>190049</u> [Administrative Code - Definition of Tourist or Transient Use Under the Hotel Conversion Ordinance] Sponsor: Peskin

Ordinance amending the Administrative Code to revise the definition of Tourist or Transient Use under the Hotel Conversion Ordinance, to change the term of tenancy from less than 32 days to less than 30 days; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare, under Planning Code, Section 302.

1/15/19; ASSIGNED to the Rules Committee.

1/30/19; RECEIVED.

2/4/19; CONTINUED.

3. <u>181188</u> [Administrative Code - Implicit Bias Training - Department Heads and Commissioners] Sponsor: Stefani

Ordinance amending the Administrative Code to require department heads and members of City boards and commissions to complete implicit bias training by June 30, 2019; to require newly appointed department heads and members of City boards and commissions to complete implicit bias training within 60 days of assuming office; and to require the Department of Human Resources to provide the training.

12/4/18; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

12/7/18; REFERRED TO DEPARTMENT.

4. <u>190157</u> [Hearing - Shelter Monitoring Committee Annual Report] Sponsor: Ronen

Hearing on the annual report of the Shelter Monitoring Committee; and requesting the Shelter Monitoring Committee to report.

2/5/19; RECEIVED AND ASSIGNED to the Rules Committee.

5. <u>190161</u> [Appointments, Commission of Animal Control and Welfare]

Hearing to consider appointing three members, terms ending April 30, 2020, and one member, term ending April 30, 2021, to the Commission of Animal Control and Welfare. (Clerk of the Board)

Seat 1, succeeding Annemarie Fortier, term expired, must represent the general public and have interest and experience in animal matters, for the unexpired portion of a two-year term ending April 30, 2020.

Seat 2, succeeding Nicolle "Bunny" Matthews Rosenberg, term expired, must represent the general public and have interest and experience in animal matters, for the unexpired portion of a two-year term ending April 30, 2020.

Vacant Seat 3, succeeding Rachel Frederick, resigned, must represent the general public and have interest and experience in animal matters, for a two-year term ending April 30, 2021.

Vacant Seat 7, succeeding Robin Hansen, resigned, must be a licensed veterinarian practicing in San Francisco, for the unexpired portion of a two-year term ending April 30, 2020.

2/6/19; RECEIVED AND ASSIGNED to the Rules Committee.

4 seats / 5 applicants

Annemarie Fortier, seat 1 Bunny Rosenberg, seats 2 Nina Irani, seats 1, 2 and 3 Stephanie Carpenter, seats 1, 2 and 3 Brian VanHorn, seat 7

ADJOURNMENT

NOTE: Pursuant to Government Code Section 65009, the following notice is hereby given: if you challenge, in court, the general plan amendments or planning code and zoning map amendments described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

LEGISLATION UNDER THE 30-DAY RULE

NOTE: The following legislation will not be considered at this meeting. Board Rule 3.22 provides that when an Ordinance or Resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the Committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to resolutions which simply URGE action to be taken.

<u>190001</u> [Administrative Code - County Adult Assistance Programs]

Ordinance amending the Administrative Code to expand eligibility for assistance under the Personal Assistance Employment Services (PAES) Program, the Cash Assistance Linked to Medi-Cal (CALM) Program, and the Supplemental Security Income Pending (SSIP) Program, to adults who are ineligible for assistance under the CalWORKs Program due to the lifetime limit on the receipt of assistance, and whose children are no longer minors, or are no longer under the care and control of the adult. (Human Services Agency)

12/17/18; RECEIVED FROM DEPARTMENT.

1/15/19; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

<u>190045</u> [Building Code - Temporary Homeless Shelter Provisions During Shelter Crisis]

Sponsors: Mayor; Brown, Walton, Haney, Mandelman and Stefani

Ordinance amending the Building Code to adopt standards and procedures for constructing homeless shelters during a shelter crisis, pursuant to California Government Code, Section 8698.4; affirming the Planning Department's determination under the California Environmental Quality Act; and directing the Clerk to forward this Ordinance to the California Department of Housing and Community Development upon final passage.

1/15/19; ASSIGNED UNDER 30 DAY RULE to the Land Use and Transportation Committee.

1/23/19; REFERRED TO DEPARTMENT.

1/24/19; TRANSFERRED to the Rules Committee.

190047 [Administrative, Planning Codes - Streamlined Contracting for Homeless Services and Siting for Homeless Shelters]

Sponsors: Mayor; Brown, Walton, Haney, Mandelman and Stefani

Ordinance amending the Administrative Code and Planning Code to authorize the Departments of Homelessness and Supportive Housing (HSH) and Public Works to enter into and amend contracts without requiring competitive bidding for construction work and professional and other services relating to sites and programs for people experiencing homelessness; permitting Homeless Shelters in PDR (Production Distribution Repair) and SALI (Service/Arts/Light Industrial) districts; authorizing HSH to operate Navigation Centers for more than two years; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

1/15/19: ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

1/30/19; REFERRED TO DEPARTMENT.

190110 [Administrative Code - Acquisition of Surveillance Technology] Sponsors: Peskin; Yee

Ordinance amending the Administrative Code to require that City departments acquiring Surveillance Technology submit a Board of Supervisors approved Surveillance Technology Policy Ordinance and a Surveillance Impact Report to the Board in connection with any request to appropriate funds for the purchase of such technology or to accept and expend grant funds for such purpose, or otherwise to procure Surveillance Technology equipment or services; require each City department that owns and operates existing surveillance technology equipment or services to submit to the Board a proposed Surveillance Technology Policy Ordinance governing the use of the surveillance technology; and requiring the Controller, as City Services Auditor, to audit annually the use of surveillance technology equipment or services and the conformity of such use with an approved Surveillance Technology Policy Ordinance and provide an audit report to the Board of Supervisors.

1/29/19; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

2/6/19; REFERRED TO DEPARTMENT.

190111 [Administrative Code - San Francisco Green New Deal Fund] Sponsors: Ronen; Peskin and Mar

Ordinance amending the Administrative Code to establish the San Francisco Green New Deal Fund for the purpose of studying, purchasing, or building facilities to generate, transmit, distribute, or store an electric power generation or transmission system.

1/29/19; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

2/6/19; REFERRED TO DEPARTMENT.

190140 [Administrative Code - Displaced Tenant Preference in City Affordable Housing]

Sponsors: Brown; Peskin

Ordinance amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant's unit is no longer restricted by a regulatory agreement or other affordable housing restriction and the landlord has increased the rent to be more than 40% of the tenant's gross household income.

2/5/19; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

190141 [Administrative Code - Programs and Fund for Vehicularly Housed Persons]

Sponsors: Brown; Safai

Ordinance amending the Administrative Code to establish the Relocation Assistance Fund for the Vehicularly Housed and to allow eligible vehicularly housed persons to receive financial assistance from the Fund for up to six months; require the Department of Homelessness and Supportive Housing ("HSH") to establish a Safe Overnight Parking Program to provide eligible vehicularly housed persons a place to park and sleep in their vehicles overnight, case management, and other services; require HSH to collaborate with Municipal Transportation Agency to develop an On-Street Parking Citation and Tow- and-Storage-Fee Abatement Program to provide eligible vehicularly housed persons with waivers or reduced parking fines and fees; and affirming the Planning Department's determination under the California Environmental Quality Act.

2/5/19; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

190143 [Administrative Code - Harvey Milk Terminal Signage at San Francisco International Airport]

Sponsors: Ronen; Mandelman

Ordinance amending the Administrative Code to set the minimum size of lettering for exterior signage for the Harvey Milk Terminal, Terminal 1 of the San Francisco International Airport.

2/5/19; ASSIGNED UNDER 30 DAY RULE to the Rules Committee.

Agenda Item Information

Each item on the Consent or Regular agenda may include the following documents:

1) Legislation, 2) Budget and Legislative Analyst report,

3) Department or Agency cover letter and/or report, 4) Public correspondence

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February 4, 2019

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

RE: File No. 190049 [Administrative Code - Definition of Tourist or Transient Use Under the Hotel Conversion Ordinance]. Rules Committee Hearing - February 4, 2019

Dear Ms. Calvillo,

This office represents the San Francisco SRO Hotel Coalition, Hotel Des Arts and numerous other individual owners of SROs (collectively "Owners"). Owners have been damaged by a prior 2017 Ordinance unlawfully regulating their commercial hotel properties. Owners will be further damaged by adoption of File No. 190049 ("the Amendment"). Owners therefore object both substantively and procedurally to the Amendment based on CEQA, this Board's rules of order, local, state and federal law.

The Amendment purports to amend the Administrative Code to revise the definition of Tourist or Transient Use under the Hotel Conversion Ordinance ("HCO") to make it unlawful to offer a residentially designated unit for occupancy of less than 30 days. Contrary to the Legislative Digest and draft Amendment, the current state of the law is that residentially designated hotel rooms may be offered for terms of 7 days or more, not 32 days, as stated in the Existing Law description of the Digest. While it is correct that in 2017 this Board amended the HCO to change the definition of "Unlawful Action" under the HCO, the 2017 amendment is not in effect as the result of a decision by the California Court of Appeal (Exhibit A attached herein) and stipulated court order. For the reasons described in the Court of Appeal's decision, SRO rooms are currently subject to the prior 7-day minimum term or guest "stay." CEQA analysis is categorically required for this significant land use change. By restricting weekly access to more than ten thousand available guest rooms, the Amendment perpetuates and causes significant adverse impacts on the environment.

PETITIONERS SUBMIT FOR THE BOARD'S RECORD THE EXTENSIVE BRIEFING FROM THE TRIAL AND APPELLATE COURTS IN OPPOSITION TO THE AMENDMENT. February 4, 2019 Clerk of the Board of Supervisors Page 2

Please see the below referenced briefs and court orders for detailed arguments as to each stated objection.

- Owners dispute the validity of the Amendment under CEQA. See Petitioner's Opening and Reply Briefs on the Merits in Support of Petitions for Peremptory Writs of Mandate in <u>SRO Hotel Coalition et al v CCSF, SF Superior No. CPF-</u> <u>17-515656</u> submitted herewith. Declaration of Ryan Patterson dated February 4, 2019, Exhibit D.
- Owners dispute the validity of the Amendment based on the Lawful Non-Conforming Use Doctrine. The Amendment interferes with Owners' property rights. The hotel business is substantially different than the landlord-tenant business, and a minimum 30-day term of occupancy does not cure the defects identified by the Court of Appeal. See appellate decision in <u>SF SRO Hotel</u> <u>Coalition et al v CCSF A15847</u> (2018) *non-published*, Appellants' Opening and Reply Briefs on Appeal in Case No. A15847 submitted herewith. Declaration of Ryan Patterson dated February 4, 2019, Exhibit E.
- The Amendment compounds Owners' already accruing damages based on the City's inverse condemnation of their commercial hotel properties. The Amendment effectuates an unconstitutional taking of Owners' hotel business without compensation. See appellate decision in <u>SF SRO Hotel Coalition et al</u> <u>v CCSF A15847</u> (2018) *non-published*.
- Owners submit the Trial Court Order Regarding Plaintiffs' Motion for Preliminary Injunction. The Notice of Entry of Order was filed on December 5, 2018 in the <u>SRO Hotel Coalition et al v CCSF</u>, <u>SF Superior No. CPF-17-515656</u> case. Said Notice of Entry of Order is submitted herewith—see Declaration of Ryan Patterson dated February 4, 2019, Exhibit A for inclusion in the record of these proceedings. This Order establishes that the legislative digest and the Amendment erroneously describe the substance and effect of the Amendment by referencing an unenforceable prior amendment. The Amendment changes the required length of occupancy for SRO units to a minimum of 30 days from the presently operative required term of 7 days which "changes the fundamental nature" of Owners' businesses "making them landlords rather than hotel owners." See appellate decision in <u>SF SRO Hotel</u> Coalition et al v CCSF A15847 (2018) *non-published*.

THE RULES COMMITTEE HEARING IS PREMATURE UNDER THIS BOARD'S OWN RULES, LOCAL LAW AND CEQA.

February 4, 2019 Clerk of the Board of Supervisors Page 3

The Amendment (and the 2017 amendment) amount to a rezoning or reclassification of allowable land use for approximately 500 buildings in San Francisco. Changes in local law that involve land use must be referred to the Planning Commission for general plan consistency findings and CEQA review. (Planning Code § 302.) The required referral by the Clerk occurred on January 29, 2019. The Planning Commission has not reviewed the Amendment and no CEQA review appears to have occurred.

In noticing the Amendment sooner than 30 days from introduction, the Committee appears to be relying on Board rule of order 3.23. That rule purports to authorize a waiver of the 30-day rule AFTER the Board Clerk's referral, yet the Board President purported to waive the 30-day rule PRIOR to the Board Clerk's referral—on the premise that the Amendments are not "significant". This is procedurally and substantively inappropriate. Given the City's failure to review the substantial individual and cumulative adverse environmental effects of the Amendment (and the 2017 Amendment), Rule 3.23 is inapplicable. Rule 3.23 is also unlawful under CEQA to the extent it unlawfully delegates preliminary CEQA determinations to the Board President by shortcutting the CEQA review process and interfering with the Planning Department's role as lead agency for purposes of CEQA review of land use regulation.

OWNERS SUBMIT THE PROPOSED ADMINISTRATIVE AND LEGISLATIVE RECORD IN <u>SF SRO HOTEL COALITION et al v CCSF</u>, <u>SF SUPERIOR NO. CPF-17-515656</u> AND THE EXCERPTS OF RECORD LODGED IN THAT MATTER AND REQUEST THEY BE INCLUDED IN THE RECORD OF THIS LEGISLATIVE PROCEEDING.

Petitioner's proposed administrative record prepared in litigation against San Francisco challenging the 2017 Amendment to the HCO is more than seven thousand pages. These documents have been delivered to the City Attorney in connection with <u>SF SRO Hotel</u> <u>Coalition et al v CCSF, SF Superior No. CPF-17-515656</u> and all of the documents in this record are from the files of various city departments and agencies. Owners offer to submit another hard copy of these documents upon request of the Clerk of the Board of Supervisors, the Clerk of the Rules Committee or any individual member of the Board of Supervisors. An electronic copy of Petitioners' Proposed Administrative Record can be accessed here: <u>https://zacks.egnyte.com/fl/GQcpEHzgFh</u>. Owners request the aforementioned, proposed administrative record be included in the record of these proceedings.

Owners submit the index of the excerpts of record and the excerpts submitted in connection to the <u>SF SRO Hotel Coalition et al v CCSF</u>, <u>SF Superior No. CPF-17-515656</u>,

February 4, 2019 Clerk of the Board of Supervisors Page 4

Declaration of Ryan Patterson dated February 4, 2019 filed herewith, Exhibits B and C. Owners further request the aforementioned Declaration of Ryan Patterson, including all Exhibits, be included in the record of these proceedings.

Respectfully submitted,

ZACKS, FREEDMAN & PATTERSON, PC

Andrew M. Zadls by MB

Andrew M. Zacks

encl. Court of Appeal Decision (Appeal #A15847)

cc via email:

- Rules Committee Members (Supervisors Ronen, Walton & Mar)
- Planning Director John Rahaim
- Supervisor Peskin
- Mayor London Breed
- City Attorney Dennis Herrera
- Deputy City Attorney Kristen Jensen
- Deputy City Attorney Jim Emery
- Deputy City Attorney Andrea Ruiz-Esquide

EXHIBIT A

COPY

Court of Appeal, First Appellate District

OCT 15:2018

Charles D. Johnson, Clerk

Deputy Clerk

Filed 10/15/18

NOT TO BE PUBLISHED IN OFFICIAL REPORTS

California Rules of Court, rule 8.1115(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 8.1115(b). This opinion has not been certified for publication or ordered published for purposes of rule 8.1115.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION FIVE

SAN FRANCISCO SRO HOTEL COALITION, et al.,

Plaintiffs and Appellants,

v.

CITY AND COUNTY OF SAN FRANCISCO, et al.,

Defendants and Respondents.

A151847

(San Francisco County Super. Ct. No. CPF17515656)

In 2017, the City and County of San Francisco (City) amended section 41.20 of the San Francisco Administrative Code to require the rental of residential single room occupancy units (SROs) for terms of at least 32 days, when protections under the City's rent control ordinance arise. Previously, SROs could be rented for periods between seven and 31 days. Plaintiffs San Francisco SRO Hotel Coalition (Coalition), Hotel des Arts, LLC and Brent Haas brought this action for administrative mandate, seeking, among other things, the invalidation of the 2017 Amendments as an unlawful taking under article 1, section 19 of the California Constitution. We reverse the superior court's order denying plaintiffs' request for a preliminary injunction enjoining the enforcement of the 2017 Amendments on the ground that plaintiffs were unlikely to prevail. We remand the case for a determination of the balance of hardships.

I. BACKGROUND

An SRO is a small hotel room that typically lacks a private kitchen or bathroom, similar to a college dormitory room. Many low income, elderly and disabled persons reside in SROs throughout the City. Our Supreme Court has recognized that while SRO units "may not be an ideal form of housing, such units accommodate many whose only other options might be sleeping in public spaces or in a City shelter." (*San Remo Hotel v. City and County of San Francisco* (2002) 27 Cal.4th 643, 674 (*San Remo*).)

In 1979, responding to a "severe shortage" of affordable rental housing for low income, elderly and disabled residents, the San Francisco Board of Supervisors imposed a temporary moratorium on the conversion of residential hotel rooms into tourist hotel rooms. (S.F. Admin Code, §§ 41.3(a)-(g).) In 1981, the City enacted a permanent Hotel Conversion Ordinance (HCO) to regulate future residential hotel room conversions. (S.F. Ord. No. 330-81, S.F. Admin. Code, § 41.1 et seq.)

The HCO required hotel owners in San Francisco to identify all residential hotel units as of September 23, 1979, which were then placed on a registry. (S.F. Admin. Code, § 41.6.) A "Residential Unit" was defined as a "guest room" occupied by a "Permanent Resident" on September 23, 1979. (S.F. Admin. Code, former § 41.4(q).) A "Permanent Resident" was defined as "[a] person who occupies a guest room for at least 32 consecutive days." (S.F. Admin. Code, former § 41.6(n).) Under the San Francisco Rent Control Ordinance, "housing accommodations in hotels, motels, inns, tourist houses, rooming and boarding houses" are subject to rent control and related protections "at such time as an accommodation has been occupied by a tenant for [thirty-two] 32 continuous days or more." (S.F. Admin. Code, § 37.2(r)(1).)

The HCO provided that residential hotel rooms could only be converted into tourist units by obtaining a permit with the Department of Building Inspection, which in turn could only be obtained if the owner constructed new residential units, rehabilitated existing residential units, or paid an "in lieu" fee to the City's Residential Hotel Preservation Fund. (S.F. Admin. Code, §§ 41.4, 41.12-41.13, 41.20) Additionally, Section 41.20(a) of the HCO provided, "(a) Unlawful Actions. It shall be unlawful to:[¶]

(1) Change the use of, or eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to a lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter; [¶] (2) Rent any residential unit for a term of tenancy less than seven days, except as permitted by Section 41.19 of this Chapter; (3) Offer for rent for nonresidential use or tourist use a residential unit except as permitted by this Chapter." (Former S.F. Admin. Code, § 41.20(a).)¹ The HCO was the subject of numerous lawsuits, and the courts have upheld the ordinance against claims that it violates the principles of due process and equal protection (*Terminal Plaza Corp. v. City and County of San Francisco* (1986) 177 Cal.App.3d 892, 907–908) or effects an unconstitutional taking of property without just compensation (*id.* at p. 912; *Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072, 1089 (*Bullock*)).

In 2017, the City revisited the HCO due to concerns that certain SROs were being advertised and rented as tourist units. As relevant here, section 41.20(a) was amended as follows: "(a) Unlawful Actions. It shall be unlawful to: [¶] (1) Change the use of, or eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to a lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter; [¶] (2) Rent any residential unit for *Tourist or Transient Usea term of tenancy less than seven days* except as permitted by Section 41.19 of this Chapter; [¶] (3) Offer for rent for *nonresidential use or Tourist or Transient Use* a residential unit except as permitted by this Chapter." (S.F. Admin Code, § 41.20(a), 2017 Amend.) The amended HCO defined "Tourist or Transient Use" as "[a]ny use of a guest

¹ Section 41.19 allowed for temporary tourist rentals of residential units for less than seven days during the summer season (May 1 through September 30) so long as those units were vacant due to the voluntary vacation or lawful eviction of a permanent resident. (S.F. Admin. Code, former § 41.19(a)(3)(b).) A 1990 revision to the HCO restricted summer tourist rentals of residential units by, among other things, limiting such rentals, absent special permission from the City's Bureau of Building Inspection, to 25 percent of a hotel's residential rooms. (S.F. Admin. Code, former § 41.19(a)(3).) The revision also allowed a limited number of residential rooms to be rented to tourists during the winter months as well. (S.F. Admin. Code, § 41.19(c).) (See San Remo, supra, 27 Cal.4th at pp. 651–652.)

room for less than a 32-day term of tenancy by a party other than a Permanent Resident." (S.F. Admin. Code, $\S 41.4.$)²

Plaintiffs filed the instant action seeking a writ of administrative mandate and declaratory relief. The first cause of action alleged that the 2017 Amendments to the HCO was a "project" under the California Environmental Quality Act (CEQA; Pub. Res. Code, § 21000 et seq.) requiring environmental review. The second cause of action, brought as to plaintiffs Coalition and Hotel des Arts only, alleged that the 2017 Amendments amounted to a taking of private property without just compensation under the California Constitution (Cal. Const., art. 1, § 19) to the extent they precluded rentals for seven days to 31 days, which had been allowed under the previous law. The third and fourth causes of action, brought as to plaintiffs Coalition and Hotel des Arts, sought injunctive and declaratory relief based on a violation of due process and equal protection. The fifth cause of action, brought as to plaintiffs Coalition and Hotel des Arts, sought injunctive relief for a violation of civil rights under 42 United States Code section 1983.

Plaintiffs sought a preliminary injunction to enjoin the enforcement of the 2017 Amendments with respect to existing SROs. They argued the 2017 Amendments infringed upon their vested right as owners and representatives of the owners of residential hotel rooms to rent SROs for periods of seven to 31 days under the former version of the HCO, thus eliminating a lawful use of the land without just compensation or some other mechanism to avoid constitutional infirmity. Plaintiffs argued that by requiring SROs to be offered for an initial rental period of at least 32 days, the City was effectively forcing them out of the hotel business and into the landlord/tenant business, "subject to the onerous requirements of the Rent Ordinance, including eviction controls."

² The 2017 Amendments also eliminated seasonal tourist rentals of vacant residential units for hotels which had violated the HCO during the last calendar year (S.F. Admin. Code, § 41.19(a)(3)(D)), updated the requirements for conversion permit applications (*id.*, § 41.12), authorized the use of administrative subpoenas to compel production of hotel records (*id.*, § 41.9(a), 41.11(c)), and updated provisions regarding penalties and administrative costs (*id.*, § 41.11(g), 41.20(c)). These provisions are not at issue in this appeal.

The trial court denied the preliminary injunction. "The pre-2017 Amendments version of the [HCO] did allow certain types of rentals of residential units that are now prohibited by the Amendments, e.g., seven day[s] (or longer) rentals for residential use to non-permanent residents. However[,] plaintiffs have not demonstrated the existence of a vested right of which they have been wrongfully and unlawfully deprived. Because plaintiffs failed to demonstrate a likelihood of succeeding on the merits of their takings claim, the Court may not issue a preliminary injunction and thus it does not reach the issue of whether the balance of harms favors granting a preliminary injunction."

II. DISCUSSION

A Appealability and Standard of Review

The general purpose of a preliminary injunction is to preserve the status quo pending a determination on the merits of the action. (*Jamison v. Department of Transportation* (2016) 4 Cal.App.5th 356, 361 (*Jamison*).) "'"In deciding whether to issue a preliminary injunction, a trial court must evaluate two interrelated factors: (i) the likelihood that the party seeking the injunction will ultimately prevail on the merits of his [or her] claim, and (ii) the balance of harm presented, i.e., the comparative consequences of the issuance and nonissuance of the injunction. [Citations.]" [Citation.] "The trial court's determination must be guided by a 'mix' of the potential-merit and interim-harm factors; the greater the plaintiff's showing on one, the less must be shown on the other to support an injunction. [Citation.]" [Citation.] However, '[a] trial court may not grant a preliminary injunction, regardless of the balance of interim harm, unless there is some possibility that the plaintiff would ultimately prevail on the merits of the claim.'" (*Id.* at pp. 361–362.)

An order denying a preliminary injunction is appealable. (Code Civ. Proc., § 904.1, subd. (a)(6).) "'Ordinarily, appellate review is limited to whether the trial court abused its discretion in evaluating the foregoing factors. [Citation.] "Occasionally, however, the likelihood of prevailing on the merits depends upon a question of pure law rather than upon [the] evidence to be introduced at a subsequent full trial. This issue can arise, for example, when it is contended that an ordinance or statute is unconstitutional on

its face and that no factual controversy remains to be tried. "'" (*Jamison, supra*, 4 Cal.App.5th at p. 362.) Such questions of law are subject to de novo review. (*Ibid*.)

B. Were Plaintiffs Likely to Prevail on Their Takings Claim?

Plaintiffs³ contend the trial court erred in concluding they were not likely to prevail on the merits of their takings claim. They argue that by prohibiting the rental of residential units for "tourist or transient use," and by defining "tourist or transient use" to mean any rental to someone other than a "permanent resident," i.e., a person who occupies a room for at least 32 days, the 2017 Amendments to the HCO impermissibly eliminated their business of renting residential units for periods between seven and 31 days as they had been allowed to do under the previous version of the Ordinance. Plaintiffs contend that because 32-day rentals are subject to San Francisco's rent control ordinance, this will change the nature of their business in significant and detrimental ways. We agree.

We begin by analyzing the extent to which the 2017 Amendments changed the law. Key to this is our interpretation of San Francisco Administrative Code former section 41.20(a)(2) and (a)(3). Section 41.20(a)(2) made it illegal to "[r]ent any residential unit for a term of less than seven days." Section 41.20(a)(3) made it illegal to "offer for rent for nonresidential use or tourist use a residential unit." The former version of the HCO does not define "nonresidential," although it defines a "permanent resident" as someone who has lived in the room for 32 days or longer. Section 50519 of the Health and Safety Code (which is incorporated in Civil Code section 1940.1, cited by the City) defines a "residential hotel" as a hotel containing six or more units "intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by guests, which is also the primary residence of those guests."

Thus, there is more than one possible interpretation of the provision making it illegal to "offer for rent for nonresidential use or tourist use a residential unit" within the

³ Only two of the plaintiffs, the Coalition and Hotel des Arts, alleged inverse condemnation as a cause of action.

meaning of San Francisco Administrative Code, former section 41.20(a)(3). A use might be deemed illegal if a room was offered for a term of less than 32 days, the amount of time necessary to become a permanent resident, but this does not jibe with former section 41.20(a)(2)'s prohibition of a term of occupancy of less than seven days. Or it might be deemed illegal to offer a tenancy of less than seven days, which would be consistent with the period in section 41.20(a)(2). Or it could mean that it was illegal to offer the room as something other than a renter's primary residence, although as counsel for plaintiffs notes, this could be difficult to accurately and lawfully ascertain.

In the trial court below, the City offered another interpretation of "nonresidential" in San Francisco Administrative Code former section 41.20(a)(3), and argued that it has always required the occupants of residential rooms to be residents of San Francisco, making it illegal to offer residential rooms to persons who are not residents of San Francisco. In their respondent's brief, the City reiterated that the former version of the law required the owners of SROs to rent residential rooms to permanent residents of San Francisco. But this runs contrary to previous briefing filed in this Court by the City in 1997 and 1998, in which the City asserted that the former version of the HCO prohibited only rentals of less than seven days and equated the seven-day period of section 41.20(a)(2) with the demarcation between "residential" and "tourist" use. (*Tenderloin Housing Clinic v. Patel*, A177469/A080669, Applications to File Amicus Briefs.)

It appears the City has historically allowed the rental and offering of residential units for any period of seven days or longer, regardless of the reason for the rental, and has foregone the enforcement of San Francisco Administrative Code section 41.20(a)(3) to the extent that part of the HCO might be otherwise construed.⁴ The City does not now actively dispute this. The trial court found that the former version of the HCO "did allow certain types of rentals of residential units that are now prohibited by the Amendments,

⁴ Evidence Code section 623 provides, "Whenever a party has, by his own statement or conduct, intentionally and deliberately led another to believe a particular thing true and to act upon such belief, he is not, in any litigation arising out of such statement or conduct, permitted to contradict it."

e.g., seven day (or longer) rentals for residential use to non-permanent residents," although it disagreed that these rentals gave rise to a vested right that had been abridged. This is the interpretation of the former version of section 41.20 that we adopt: It precluded rentals of less than seven days, regardless of a showing of the renter's purpose, and it is the seven-day period which demarcates residential from tourist rentals.

Having concluded that the former version of the HCO allowed rentals of seven days or more regardless of purpose, the 2017 Amendments effected a substantial change by making the minimum term 32 days unless the person was already a permanent resident. This means that shorter-term tenancies to nonpermanent residents are no longer allowed and that hotel owners will be subject to rent control at the end of the initial term of tenancy unless the occupant voluntarily vacates the premises or is lawfully evicted. Whether or not this is a desirable result, a subject on which we express no opinion (Santa Monica Beach, Ltd. v. Superior Court (1999) 19 Cal.4th 952, 962), it is certainly a change. The City minimizes the nature of this change, arguing that a room's occupant could always refuse to leave before 32 days were up, regardless of the length of the original rental, and state law makes it illegal to move the occupant of an SRO for the purpose of evading rent control. (Civ. Code, § 1940.1, subd. (a).) But the former version of the HCO allowed hotel owners to target shorter-term, more traditional hotel stays by people who had another home. Someone who has another home seems very unlikely to make a room her residence or overstay the terms of the rental. The remote possibility that renters would behave as the City suggests does not change the fundamental nature of the business allowed under the statute.

A local government's power to eliminate an existing land use through a new regulation is restricted: "[I]f the law effects an unreasonable, oppressive, or unwarranted interference with an existing use. . . the ordinance may be invalid as applied to that property unless compensation is paid. . . . [¶] Accordingly, a provision which exempts existing nonconforming uses 'is ordinarily included in zoning ordinances because of the hardship and doubtful constitutionality of compelling the immediate discontinuance of nonconforming uses.' " (Hansen Brothers Enterprises, Inc. v. Board of Supervisors)

(1996) 12 Cal.4th 533, 551–552.) In this context, a "nonconforming use" is " " " a lawful use existing on the effective date of the [] restriction and continuing since that time in nonconformance to the ordinance.' " " (*Id.* at p. 579.) " '[A] city seeking to eliminate nonconforming uses may pursue [one of] two constitutionally equivalent alternatives: It can eliminate the use immediately by payment of just compensation, or it can require removal of the use without compensation following a reasonable amortization period.' " (*United Business Com. v. City of San Diego* (1979) 91 Cal.App.3d 156, 179; see *Tahoe Regional Planning Agency v. King* (1991) 233 Cal.App.3d 1365, 1394–1395 (*Tahoe*).)

Plaintiffs rely on a number of authorities to support their argument that the 2017 Amendments to the Ordinance should have been accompanied by either compensation to hotel owners or a reasonable amortization period. In Jones v. City of Los Angeles (1930) 211 Cal. 304, the city rezoned the neighborhood in which the plaintiff was operating a sanitarium to prohibit residential mental health facilities, and the court ruled that compensation was required because the rezoning had "destroyed" or "eradicated" the business, rendering it completely without value. (Id., at pp. 310, 314, 319.) In City of Los Angeles v. Gage (1954) 127 Cal.App.2d 442, 447-448, the city rezoned an area in which plaintiffs were operating a plumbing business, restricting the property to residential use only, and provided that nonconforming uses had to be eliminated within five years. The court upheld the zoning ordinance as a lawful exercise of the city's police powers due to the amortization period, and reversed a trial court judgment denying the city's suit for an injunction requiring the plaintiffs to cease operations. (Id. at pp. 447, 455, 460-462.) In Livingston Rock & Gravel Co. v. County of Los Angeles (1954) 43 Cal.2d 121, 123-128, the court held that the county was entitled to enforce a zoning provision that eliminated the operation of a plaintiff's cement mixing plant as a permissible use, but provided an automatic exception allowing the plant to continue operations for 20 years. In Castner v. City of Oakland (1982) 129 Cal.App.3d 94, 96-97, the court upheld an order denying a petition for writ of mandate to compel the city to grant a conditional use permit to an adult bookstore following the enactment of an

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ordinance that banned adult entertainment within 1,000 feet of a residential zone and provided a grace period of one year. Other cases cited by plaintiffs involve ordinances that required the physical removal of existing outdoor signage, upholding those ordinances when they provided for an adequate amortization period within which the sign owners could recoup their costs of the investment. (*National Advertising Co. v. County of Monterey* (1970) 1 Cal.3d 875; *Tahoe, supra*, 233 Cal.App.3d 1365; *National Advertising Co. v. County of Monterey* (1962) 211 Cal.App.2d 375; *City of Santa Barbara v. Modern Neon Sign Co.* (1961) 189 Cal.App.2d 188.)

The ordinances or zoning laws analyzed by each of these decisions had the effect of rendering it impossible to continue operating a legal, existing business; accordingly, the local government was required to either pay compensation or provide a reasonable amortization period for the business owners. The 2017 Amendments do neither. True, they do not require plaintiffs to shut their doors completely. But they do, on their face, require owners of SROs to forego more classically styled hotel rentals in favor of more traditional tenancies. This changes the fundamental nature of their business, by making them landlords rather than hotel operators.

We recognize that one of the plaintiffs' arguments is based on the application of rent control, and rent control regulations are permissible against a takings claim "if they are 'reasonably calculated to eliminate excessive rents and at the same time provide landlords with a just and reasonable return on their property.'" (*Colony Cove Properties LLC. v. City of Carson* (2013) 220 Cal.App.4th 840, 865, citing *Birkenfeld v. City of Berkeley* (1976) 17 Cal.3d 129, 158–159.) In their facial challenge to the 2017 Amendments, plaintiffs make no showing they have been denied a just and reasonable return on their property. (See *California Bldg. Industry Assn. v. City of San Jose* (2015) 61 Cal.4th 435, 464–465.) But the issue here is not the application of rent control to an existing landlord-tenant business; it is a forced change in the nature of the business without compensation or a reasonable amortization period.

The City argues that a preliminary injunction enjoining enforcement of the 2017 HCO Amendments is inappropriate because the different hotel owners represented by

plaintiff Coalition will not be similarly situated and the inverse condemnation claim involves a facial challenge to the Amendments rather than an assessment of each owners' situation. They also argue that property owners are entitled to money damages if they prove their inverse condemnation claim, making a preliminary injunction inappropriate. While these may be factors for the trial court to consider, remand is appropriate so it can consider in the first instance the balance of the hardships.

III. DISPOSITION

The order denying the preliminary injunction is reversed and the case is remanded for a determination of the balance of the hardships. Appellants are entitled to their ordinary costs on appeal. We concur.

JONES, P.J.

SIMONS, J.

(A151847)

NEEDHAM, J.

	1 2	ANDREW M. ZACKS (SBN 147794) RYAN J. PATTERSON (SBN 277971) ZACKS, FREEDMAN & PATTERSON, PC			
	3	235 Montgomery Street, Suite 400			
	4	San Francisco, CA 94104 Tel: (415) 956-8100			
	5	Fax: (415) 288-9755 az@zfplaw.com			
	6				
	7				
	8				
	o 9	RULES COMMITTEE			
	9	SAN FRANCISCO BOARD OF SUPERVISORS			
104					
	11				
NIA 94	12	File Number: 140049: Administrative Code - Definition of Tourist or Transient Use Under			
LIFORI	13	the Hotel Conversion Ordinance			
O, CAI	14	DECLARATION OF RYAN J.			
SAN FRANCISCO, CALIFORNIA 94104	15	PATTERSON			
I FRAI	16	Date: February 4, 2019			
SAN	17	Time: 10:00 AM Room: 263			
	18				
	19				
	20	I, Ryan J. Patterson, hereby declare:			
	21	1. I am an attorney at Zacks, Freedman & Patterson, PC, a firm retained by the San			
,	22	Francisco SRO Hotel Coalition, Hotel Des Arts, and numerous individual owners of SROs. I			
	23	have personal knowledge of the matters set forth herein and competently could and would			
	24	testify thereto if called upon to do so. I am over the age of 18 years and am not a party to this			
	25	action.			
26	26	2. Attached hereto in the following enumerated exhibits are true and correct copies			
	27	of the following documents:			
	28				
	DECLARATION OF RYAN J. PATTERSON -1-				

ZACKS, FREEDMAN & PATTERSON, PC 235 Montgomery Street, Suite 400 San Francisco, California 94104 Exhibit

A.	Notice of Entry of Order Regarding Plaintiffs' Motion for Preliminary			
	Injunction in San Francisco Superior Court Case No. CPF-17-515656.			
B.	Joint Excerpts of the Administrative Record in San Francisco Superior			
	Court Case No. CPF-17-515656.			
C.	Amended Notice of Partial Certification of Administrative Record of			
	Proceedings in San Francisco Superior Court Case No. CPF-17-515656,			
	including, as attached thereto, a list and description of the documents			
contained in said Administrative Record.				
D.	Appellants' Opening Trial Brief and Reply Brief on the Merits in Support of			
	Petitions for Peremptory Writs of Mandate under (1) CEQA and (2) Public			
	Records Act in San Francisco Superior Court Case No. CPF-17-515656.			
E.	E. Appellants' Opening Brief and Appellants' Reply Brief in California Court			
	of Appeal, First District, Case No. A151847.			
F.	Declarations of Andrew M. Zacks, Brent Haas, Shamed Shahamiri, and			
	Samantha Felix in Support of Plaintiffs' Motion for Preliminary Injunction			
	in San Francisco Superior Court Case No. CPF-17-515656.			
G. A newspaper article titled "Candice Payne Got 30 Hotel Rooms for				
	Homeless People in Chicago During Severe Cold Snap," New York Times,			
	by Sandra E. Garcia, February 2, 2019, available at			
	https://www.nytimes.com/2019/02/02/us/candice-payne-homeless-			
	chicago.html, retrieved February 3, 2019.			
I declare under penalty of perjury under the laws of the State of California that the				
foregoing is true	and correct, and that this was executed on February 4, 2019.			
	Andah			
	Ryan J. Patterson			
· · · · · · · · · · · · · · · · · · ·				
	DECLARATION OF RYAN J. PATTERSON -2-			
1				

ZACKS, FREEDMAN & PATTERSON, PC 235 MONTGOMERY STREET, SUITE 400 SAN FRANCISCO, CALIFORNIA 94104

EXHIBIT A

1 2 3	ARTHUR F. COON (Bar No. 124206) MATTHEW C. HENDERSON (Bar No. 229259) S. GISELLE ROOHPARVAR (Bar No. 257741) MILLER STARR REGALIA A Professional Law Corporation 1331 N. California Blvd., Fifth Floor)			
4	Walnut Creek, California 94596 Telephone: 925 935 9400				
5 6	Facsimile: 925 933 4126 Email: arthur.coon@msrlegal.com matthew.henderson@msrlegal.com giselle.roohparvar@msrlegal.com	n			
7 8	Attorneys for Plaintiff and Petitioner SAN FRANCISCO SRO HOTEL COALITION				
9	ANDREW M. ZACKS (Bar No. 147794) SCOTT A. FREEDMAN (Bar No. 240872) JAMES B. KRAUS (Bar No. 184118) ZACKS, FREEDMAN & PATTERSON, PC 235 Montgomery Street, Suite 400				
10 11					
12	San Francisco, CA 94104 Telephone: 415 956 8100				
13	Facsimile:415 288 9755Email:az@zfplaw.comscott@zfplaw.com				
14	james@zfplaw.com				
15 16	Attorneys for Plaintiffs and Petitioners SAN FRANCISCO SRO HOTEL COALITION, HOTEL DES ARTS, LLC, and BRENT HAAS				
17	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN FRANCISCO				
18	SAN FRANCISCO SRO HOTEL	Case No. CPF-17-515656			
19 20	COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited liability company, and BRENT HAAS,	NOTICE OF ENTRY OF ORDER REGARDING PLAINTIFFS' MOTION FOR			
21	Plaintiffs and Petitioners,	PRELIMINARY INJUNCTION			
22	v. CITY AND COUNTY OF SAN	<u>CEQA Case</u>			
23	FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF	Action Filed: May 8, 2017 Trial Date: Jan, 18, 2019			
24	THE CITY AND COUNTY OF SAN FRANCISCO; DEPARTMENT OF	· · · · · · · · · · · · · · · · · · ·			
25	BUILDING INSPECTION OF THE CITY AND COUNTY OF SAN FRANCISCO;				
26 27	EDWIN LEE, in his official capacity as Mayor of the City and County of San Francisco, and DOES 1 through 100, inclusive,				
28	Respondents and Defendants.				
	-1-				
	NOTICE OF ENTRY OF ORDER				
1					

1	TO ALL PARTIES AND THEIR RES	PECTIVE ATTORNEYS OF RECORD:	
2	2 PLEASE TAKE NOTICE that on Nov	ember 30, 2018, the Superior Court of San	
3	Francisco issued an Order Regarding Plaintiffs	s' Motion for Preliminary Injunction. A true and	
4	correct copy of that Order is attached hereto as	s Exhibit A.	
5	5		
6	5 Dated: December 5, 2018	ZACKS, FREEDMAN & PATTERSON, PC	
7	7		
8	3	/s/ Andrew M. Zacks ANDREW M. ZACKS	
9		Attorneys for Plaintiffs and Petitioners SAN FRANCISCO SRO HOTEL COALITION,	
10		HOTEL DES ARTS, LLC, and BRENT HAAS	
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		-2-	
	NOTICE OF ENTRY OF ORDER		
	II		

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Exhibit A

11		
1	DENNIS J. HERRERA, State Bar #139669	FILED
2	City Attorney ANDREA RUIZ-ESQUIDE, State Bar #233731	San Francisco County Superior Court
4	KRISTEN A. JENSEN, State Bar #130196	NOV 302018
3	JAMES M. EMERY, State Bar #153630 Deputy City Attorneys	CLERK OF THE COURT
4	City Hall, Room 234	BY: Deputy Clerk
5	1 Dr. Carlton B. Goodlett Place San Francisco, California 94102-4682	Deputy Clerk
2	Telephone: (415) 554-4647	
6	Facsimile: (415) 554-4757 E-Mail: andrea.ruiz-esquide@sfcityatty.or	a
7	kristen.jensen@sfcityatty.org	5
	jim.emery@sfcityatty.org	
8		
9	Attorneys for Defendants CITY AND COUNTY OF SAN FRANCISCO	
10	CITY AND COUNTY OF SAN FRANCISCO	
	STREET OF T	THE STATE OF CALIFORNIA
11		,
12	COUNTY OF	SAN FRANCISCO
• 13	UNLIMITED JURISDICTION	
14	SAN FRANCISCO SRO HOTEL	Case No. CPF-17-515656
15	COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited	STIPULATION AND ORDER REGARDING
	liability company, and BRENT HAAS,	PLAINTIFFS' MOTION FOR PRELIMINARY
16	Plaintiffs,	INJUNCTION
17		CEQA ACTION
18	VS.	Date: Dec. 19, 2018
	CITY AND COUNTY OF SAN	Time: 9:30 a.m.
19	FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF	Dept: CEQA, room 503 Judge: Hon. Cynthia Ming-mei Lee
20	THE CITY AND COUNTY OF SAN	Date Action Filed: May 8, 2017
21	FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY	Trial Date: Jan. 18, 2019
22	AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in his official capacity as	
	Mayor of the City and County of San	
23	Francisco,	
24	Defendants.	
25		
26	,	
27		
	STIP AND (PROPOSED) ORDER RE PI CASE	I NO. CPF-17-515656 c:/users/cheinichen/appdata/local/micr
28	and the free construction in a stand	osoft/windows/temporary internet
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WHEREAS, on June 7, 2017, Plaintiffs' motion for preliminary injunction ("the
 Motion") came on for hearing in room 503 of this Court, located at 400 McAllister Street, San
 Francisco, the Hon. Teri L. Jackson, presiding;

WHEREAS, on June 14, 2017, this Court entered an Order denying the Motion and
Plaintiffs appealed;

6 WHEREAS, on October 15, 2018, the Court of Appeal filed its decision in Appeal No.
7 A151847 ("the Decision"). In the Decision, the Court reversed this Court's Order denying the
8 Motion and remanded the matter for a determination of the balance of the hardships as
9 between the City and County of San Francisco and SRO hotel owners;

NOW THEREFORE,

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San Francisco agrees that pending final resolution of this action, or further order
 of the Superior Court, subsections 41.20(a)(2) and (a)(3) of the Hotel Conversion Ordinance
 (S.F. Admin. Code, § 41) are inoperable and shall not be enforced in any way, by any person
 or entity, for any purpose; and

2. This stipulation and order disposes of the pending Motion.

SO STIPULATED. 16

Date: November 25, 2018

Date: November 29, 2018

STIP AND [PROPOSED]-ORDER RE PI

ZACKS, FREEDMAN & PATTERSON, PC

Andrew Zacks Attorneys for Plaintiffs/Petitioners

MILLER. STARR & REGALIA

Arthur Coon Attorneys for Plaintiffs/Petitioners

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CASE NO. CPF-17-515656

Date: November <u>Z9</u>, 2018 **DENNIS HERRERA** San Francisco City Attorney James Emery Attorneys for Defendant/Respondents PURSUANT TO THE PARTIES' STIPULATION, AND GOOD CAUSE APPEARING, IT IS SO ORDERED: Date: November 30, 2018 Θ Hon. Cynthia Ming-mei Lee Judge San Francisco Superior Court STIP AND [PROPOSED] ORDER RE PI CASE NO. CPF-17-515656 c:\users\cheinichen\appdata\local\micr osofilwindows/temporary internet files\content.outlook\xkexbi6k\propose d stip and order 11.28.18.docx

1 2 3 4 5 6 7 8	PROOF OF SERVICE Superior Court of California, County of San Francisco Case No.: CPF-17-515656 I, Emma Heinichen, declare that: I am employed in the County of San Francisco, State of California. I am over the age of 18, and am not a party to this action. My business address is 235 Montgomery Street, Suite 400, San Francisco, California 94104. On December 5, 2018, I served: Notice of Entry of Order Regarding Plaintiffs' Motion for Preliminary Injunction in said cause addressed as follows: ARTHUR E. COON		
9 10 11 12	ARTHUR F. COONDENNIS J. HERRERABRYAN W. WENTERDENNIS J. HERRERAS. GISELLE ROOHPARVARANDREA RUIZ-ESQUIDEMILLER STARR REGALIAKRISTEN A. JENSENA Professional Law CorporationJAMES M. EMERY1331 N. California Blvd., Fifth FloorDeputy City AttorneysWalnut Creek, California 94596City Hall, Room 234arthur.coon@msrlegal.com1 Dr. Carlton B. Goodlett Place		
12 13 14 15	animaricoonaginariegan.com San Francisco, California 94102-4682 giselle.roohparvar@msrlegal.com andrea.ruiz-esquide@sfcityatty.org kristen.jensen@sfcityatty.org jim.emery@sfcityatty.org		
15 16 17	 /XX/ (BY MAIL) By placing a true copy thereof enclosed in a sealed envelope. I placed each such sealed envelope, with postage thereon fully prepaid for first-class mail, for collection and mailing at San Francisco, California, following ordinary business practices. /XX/ (BY E-SERVICE) I served the above documents through File & ServeXpress in 		
18 19	accordance with the Court's Local Rule 2.11 requiring all documents be served upon interested parties via File & ServeXpress e-Service System.		
20	I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on December 5, 2018, at San Francisco, California.		
21 22	EMMA HEINICHEN		
23			
24			
25 26			
27			
28			
	PROOF OF SERVICE		

EXHIBIT B

BOARD of SUPERVISORS



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

December 15, 2016

File No. 161291

Lisa Gibson Acting Environmental Review Officer Planning Department 1650 Mission Street, Ste. 400 San Francisco, CA 94103

Dear Ms. Gibson:

On December 6, 2016, Supervisor Peskin introduced the following substitute legislation:

File No. 161291

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Alisa Somera, Legislative Deputy Director Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning Jeanie Poling, Environmental Planning

Joy Navarrete 12/15/16

any duration of tenancy. The change also clarifies that residential units are reserved for residential use and cannot be rented for tenancies of less than 32-days to parties other than existing or potential permanent residents. Similarly, the proposed legislation would make it unlawful to offer a residential unit for a tenancy of less than 32 days to a party other than a permanent or prospective permanent resident.

The proposed legislation would eliminate seasonal tourist rentals of vacant residential units for hotels that have violated any provision of the Chapter in the last calendar year.

The proposed legislation would update the requirements for permit to convert applications, by requiring that applicants provide information about where replacement units will be located and the most recent rental amount for the units to be converted. The updated definition of "comparable unit" would also require any replacement housing to be the same category of housing as the residential unit being replaced, and affordable to a similar resident, including the disabled, elderly and low income tenant.

The proposed legislation would authorize DBI to issue administrative subpoenas to compel production of records where a hotel operator objects to producing them for inspection.

The proposed legislation also updates the penalty provisions and amounts for: insufficient and late filing of annual unit usage reports, failure to maintain daily logs, and unlawful conversions. The proposed legislation revises the administrative costs provisions to harmonize with the applicable Building Code cost provisions.

The legislation would apply to any residential hotels that have not procured a permit to convert on or prior to December 1, 2016.

Background Information

The HCO was first enacted in 1981. The HCO's purpose is to "benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, elderly, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." The HCO includes findings that the City suffers from a severe shortage of affordable rental housing; that many elderly, disabled and low-income persons reside in residential hotel units, making it in the public interest to regulate and provide remedies for unlawful conversion of residential hotel units.

The Board last amended and updated the provisions of the HCO in 1990. The proposed legislation is designed to update key provisions and clarify the application of the HCO in response to issues that have arisen over the last 26 years.

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LEGISLATIVE DIGEST

[Administrative Code - Hotel Conversion Ordinance Update]

Ordinance amending the Administrative Code to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

The Hotel Conversion Ordinance ("HCO"), Administrative Code Chapter 41, regulates roughly 18,000 residential units within 500 residential hotels across the City. The HCO prohibits residential hotel operators from demolishing or converting registered residential units to tourist or transient use. The HCO defines conversion as eliminating a residential unit, renting a residential unit for a less than 7-day tenancy, or offering a residential unit for tourist or nonresidential use. The HCO allows seasonal tourist rentals of residential units during the summer if the unit is vacant because a permanent resident voluntarily vacated the unit or was evicted for cause by the hotel operator.

The HCO mandates that hotel owners or operators that wish to convert or demolish a residential unit must seek a permit to convert from the Department of Building Inspection ("DBI"). The permit to convert application process does not require submission of all the essential information that DBI needs to make a preliminary determination on an application, such as the location of the proposed replacement units and the last known rent of the units to be converted.

The HCO requires hotel operators to maintain records to illustrate compliance with the ordinance and to provide these records for inspection by DBI. DBI does not have administrative subpoena power to compel production if a hotel operator objects to providing records for inspection.

Amendments to Current Law

The proposed legislation defines tourist and transient use as the rental of a residential unit for less than 32 days to a party other than a permanent resident or prospective permanent

resident. The proposed legislation revises the definition of unlawful conversions to prohibit renting or offering to rent a residential unit for tourist or transient use. This change would allow hotel operators to rent residential units to existing or prospective permanent residents of the hotel—those who have resided or intend to reside in the hotel for more than 32 days—for any duration of tenancy. This will increase flexibility for residents who wish to establish or maintain permanent residency, but cannot afford to pay for an entire week's rent at one time. The change also clarifies that residential units are reserved for residential use and cannot be rented for tenancies of less than 32-days to parties other than existing or potential permanent residents. Similarly, the proposed legislation would make it unlawful to offer a residential unit for a tenancy of less than 32 days to a party other than a permanent or prospective permanent resident. Hotel operators would be able to advertise residential units to travelers or other parties that do not intend to make the City their permanent home, but the operator cannot offer the unit for a tenancy of less than 32 days.

The proposed legislation would eliminate seasonal tourist rentals of vacant residential units for hotels that have violated any provision of the Chapter in the last calendar year.

The proposed legislation would update the requirements for permit to convert applications, by mandating that applicants provide information about where replacement units will be located and the most recent rental amount for the units to be converted.

The proposed legislation would authorize DBI to issue administrative subpoenas to compel production of records where a hotel operator objects to producing them for inspection.

The proposed legislation also updates the penalty provisions and amounts for: insufficient and late filing of annual unit usage reports, failure to maintain daily logs, and unlawful conversions. The proposed legislation revises the administrative costs provisions to harmonize with the applicable Building Code cost provisions.

Background Information

The HCO was first enacted in 1981. The HCO's purpose is to "benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, elderly, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." The HCO includes findings that the City suffers from a severe shortage of affordable rental housing; that many elderly, disabled and low-income persons reside in residential hotel units; that the number of such units had decreased by more than 6,000 between 1975 and 1979; that loss of such units had created a low-income housing "emergency" in San Francisco, making it in the public interest to regulate and provide remedies for unlawful conversion of residential hotel units; that the City had instituted a moratorium on residential hotel conversion effective November 21, 1979; and that because tourism is also essential to the City, the public interest also demands that some moderately priced tourist hotel rooms be available, especially during the summer tourist season.

1 (1) Change the use of, or to eliminate a residential hotel unit or to demolish a 2 residential hotel unit except pursuant to a lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter; 3

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(2) Rent any residential unit for *Tourist or Transient Usea term of tenancy less than* seven days except as permitted by Section 41.19 of this Chapter;

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(3) Offer for rent for *nonresidential use or <u>T</u>t*ourist <u>or *Transient Uu*</u>se a residential unit except as permitted by this Chapter.

8

(b) Hearing for Complaints of Unlawful Conversions. Upon the filing of a complaint by an interested party that an unlawful conversion has occurred and payment of the 9 10 required fee, the Director of the Department of Building Inspection shall schedule a hearing pursuant to the provisions of Section 41.11(b). The complainant shall bear the burden of 11 12 proving that a unit has been unlawfully converted. The hearing officer shall consider, among 13 others, the following factors in determining whether a conversion has occurred:

14 (1) Shortening of the term of an existing tenancy without the prior approval of 15 the permanent resident;

16 (2) Reduction of the basic services provided to a residential unit intended to 17 lead to conversion. For the purpose of this <u>sub</u>section (b)(2), basic services are defined as 18 access to common areas and facilities, food service, housekeeping services, and security;

19 (3) Repeated failure to comply with orders of the Department of Building 20 Inspection or the Department of Public Health to correct code violations with intent to cause 21 the permanent residents to voluntarily vacate the premises;

- 22 (4) Repeated citations by the Director of the Department of Building Inspection 23 or the Department of Public Health for Code violations;
- 24 (5) Offer of the residential units for nonresidential use or tourist use except as 25 permitted in this Chapter 41;

161291 [Administrative Code - Hotel Conversion Ordinance Update] Sponsor: Peskin

Ordinance amending the Administrative Code to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; and affirming the Planning Department's determination under the California Environmental Quality Act. ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee.

Resolutions

161292 [Accept and Expend Grant - Centers for Disease Control and Prevention -Enhancing Health Resilience to Climate Change Through Adaptation - \$213,713] Sponsor: Mayor

Resolution retroactively authorizing the San Francisco Department of Public Health to accept and expend a grant in the amount of \$213,713 from Centers for Disease Control and Prevention to participate in a program entitled, Enhancing Health Resilience to Climate Change Through Adaptation for the period of September 1, 2016, through August 31, 2017. (Public Health Department). RECEIVED AND ASSIGNED to Budget and Finance Committee.

161293 [Accept and Expend Grant - United States Department of Energy - Advancing Fuel Cell Vehicles - \$249,970] Sponsor: Mayor

Resolution retroactively authorizing the Department of the Environment to accept and expend a grant in the amount of \$249,970 from the United States Department of Energy to harmonize local regulations and building codes to ease the siting and construction of hydrogen fueling stations for zero-emission Fuel Cell Electric Vehicles in San Francisco and the greater San Francisco Bay Area for the term of October 1, 2016, through September 30, 2018. (Environment). RECEIVED AND ASSIGNED to Budget and Finance Committee.

161294 [Accept and Expend Grant - California Public Utilities Commission - Energy Efficiency Program - \$20,790,000]

Sponsor: Mayor

Resolution authorizing the Department of the Environment to accept and expend a grant in the amount of \$20,790,000 from the California Public Utilities Commission, through Pacific Gas and Electric Company, to continue an Energy Use and Demand Reduction Through Energy Efficiency Program in the City and County of San Francisco for the term of January 1, 2017, through December 31, 2019. (Environment). RECEIVED AND ASSIGNED to Budget and Finance Committee.

[Accept In-Kind Grant - San Francisco Parks Alliance - John McLaren Bike Park, 161295 Phase I - \$147,268]

Sponsor: Mayor

Resolution authorizing the San Francisco Recreation and Park Department to accept an in-kind grant of \$147,268 from the San Francisco Parks Alliance to support the John McLaren Bike Park. (Recreation and Park Department). RECEIVED AND ASSIGNED to Budget and Finance Committee.

- 3 -

161291 [Administrative Code - Hotel Conversion Ordinance Update] Sponsor: Peskin

Ordinance amending the Administrative Code to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; and affirming the Planning Department's determination under the California Environmental Quality Act. ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee.

Resolutions

161292 [Accept and Expend Grant - Centers for Disease Control and Prevention -Enhancing Health Resilience to Climate Change Through Adaptation - \$213,713] Sponsor: Mayor

Resolution retroactively authorizing the San Francisco Department of Public Health to accept and expend a grant in the amount of \$213,713 from Centers for Disease Control and Prevention to participate in a program entitled, Enhancing Health Resilience to Climate Change Through Adaptation for the period of September 1, 2016, through August 31, 2017. (Public Health Department). RECEIVED AND ASSIGNED to Budget and Finance Committee.

161293 [Accept and Expend Grant - United States Department of Energy - Advancing Fuel Cell Vehicles - \$249,970]

Sponsor: Mayor

Resolution retroactively authorizing the Department of the Environment to accept and expend a grant in the amount of \$249,970 from the United States Department of Energy to harmonize local regulations and building codes to ease the siting and construction of hydrogen fueling stations for zero-emission Fuel Cell Electric Vehicles in San Francisco and the greater San Francisco Bay Area for the term of October 1, 2016, through September 30, 2018. (Environment). RECEIVED AND ASSIGNED to Budget and Finance Committee.

161294 [Accept and Expend Grant - California Public Utilities Commission - Energy Efficiency Program - \$20,790,000]

Sponsor: Mayor

Resolution authorizing the Department of the Environment to accept and expend a grant in the amount of \$20,790,000 from the California Public Utilities Commission, through Pacific Gas and Electric Company, to continue an Energy Use and Demand Reduction Through Energy Efficiency Program in the City and County of San Francisco for the term of January 1, 2017, through December 31, 2019. (Environment). RECEIVED AND ASSIGNED to Budget and Finance Committee.

161295 [Accept In-Kind Grant - San Francisco Parks Alliance - John McLaren Bike Park, Phase I - \$147,268]

Sponsor: Mayor

Resolution authorizing the San Francisco Recreation and Park Department to accept an in-kind grant of \$147,268 from the San Francisco Parks Alliance to support the John McLaren Bike Park. (Recreation and Park Department). RECEIVED AND ASSIGNED to Budget and Finance Committee.

- 3 -

FILE NO. 161291

SUBSTITUTED 12/6/2016

ORDINANCE NO.

1	[Administrative Code - Update Hotel Conversion Ordinance]
2	
3	Ordinance amending Administrative Code, Chapter 41 to update the Hotel Conversion
4	Ordinance, including: adding or refining definitions of tourist and transit use,
5	comparable unit, conversion, and low-income household; revising procedures for
6	permits to convert residential units; harmonizing fees and penalty provisions with the
7	Building Code; eliminating seasonal short-term rentals for residential hotels that have
8	violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing
9	the Department of Building Inspection to issue administrative subpoenas; adding an
10	operative date; and affirming the Planning Department's determination under the
11	California Environmental Quality Act.
12	NOTE: Unchanged Code text and uncodified text are in plain Arial font.
13	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in strikethrough italics Times New Roman font . Board amendment additions are in <u>double-underlined Arial font</u> .
14 15	Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code
16	subsections or parts of tables.
10	Be it ordained by the People of the City and County of San Francisco:
18	be it ordained by the reopie of the City and County of San Francisco,
19	Section 1. Environmental Findings.
20	The Planning Department has determined that the actions contemplated in this
21	ordinance comply with the California Environmental Quality Act (California Public Resources
22	Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
23	Supervisors in File No and is incorporated herein by reference. The Board affirms this
24	determination.
25	

Supervisor Peskin BOARD OF SUPERVISORS

Section 2. The Administrative Code is hereby amended by revising Sections 41.3, 41.4, 41.9, 41.10, 41.11, 41.12, 41.13, 41.14, 41.19, and 41.20, to read as follows: SEC. 41.3. FINDINGS

(m) Since enactment of this Chapter, residential units have been converted to tourist units and the hotel operators have paid the 40 percent in-lieu fee to the City. This amount, 40 percent of the cost of construction of comparable units plus site acquisition cost, has not been adequate to provide replacement units. Federal, state and local funds were incorrectly assumed at that time to be available and sufficient to make up the shortfall between the 40 percent in-lieu fee and actual replacement costs. For example, in 1979 the federal government was spending 32 billion dollars on housing and is spending only 7 billion dollars in 1989.

 $(\underline{m} n)$ Certain uses provide both living accommodation and services, such as health care, personal care and counseling, to residents of the City. Examples of such uses are hospital, skilled nursing facility, AIDS hospice, intermediate care facility, asylum, sanitarium, orphanage, prison, convent, rectory, residential care facility for the elderly, and community care facility. Such facilities are often operated in building owned or leased by non-profit organizations and provide needed services to the City's residents. To subject such facilities to the provisions of this Chapter may deter future development of such facilities. It is desirable that such facilities exist and the City should encourage construction and operation of such facilities.

21 $(\underline{n} \ e)$ In addition, a form of housing facilities called "transitional housing" provides 22 housing and supportive services to homeless persons and families and is intended to facilitate 23 the movement of homeless individuals and families to independent living or longer term 24 supportive residences in a reasonable amount of time. Transitional housing has individual 25 living quarters with physical characteristics often similar to a residential hotel (i.e.

Supervisor Peskin BOARD OF SUPERVISORS

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accommodations which provide privacy to residents) and provides a source of interim housing for homeless individuals and families seeking to live independently.

 $(\underline{o} p)$ The City's public, quasi-public and private social agencies serving the elderly and needy persons often find it difficult to immediately locate suitable housing units for such persons returning to independent living after hospitalization or upon leaving skilled-nursing or intermediate care facilities within a short time after their discharge from a health facility. Such persons often will require minimum supervision and other interim social service support. The provision of a stable number of housing units for such emergency needs until permanent housing can be secured and supportive services arranged are necessary and desirable for the City. Emergency housing will have physical characteristics similar to "transitional housing" and is often intended to be occupied for a period of less than one month.

 $(\underline{p} \not q)$ The City also wishes to provide positive incentive to encourage residential hotel owners and operators to comply with the terms of this Chapter. Hotel owners have expressed a need to rent certain residential units on a short term basis during the winter months. In an effort to address this need and to encourage compliance with this Chapter, the City wishes to provide an opportunity to hotel owners who have complied with the terms of this Chapter to rent a limited number of residential units to tourists during the winter months.

SEC. 41.4. DEFINITIONS.

(a) **Certificate of Use.** Following the initial unit usage and annual unit usage determination pursuant to the provisions of Sections 41.6 and 41.10 below, every hotel shall be issued a certificate of use specifying the number of residential and tourist units herein.

(b) **Comparable Unit.** A unit which is similar in size, services, rental amount, and facilities, and *is designated the same category of housing as the existing unit, and which* is located

Supervisor Peskin BOARD OF SUPERVISORS

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within the existing neighborhood or within a neighborhood with similar physical and socioeconomic conditions, *and is similarly affordable for low income, elderly, and disabled persons*.

(c) Conversion. The change or attempted change of the use of a residential unit as defined in subsection (q) below to a <u>Tourist or Transient</u>tourist-use, or the elimination of a residential unit, or the voluntary demolition of a residential hotel. However, a change in the use of a residential hotel unit into a non-commercial use which serves only the needs of the permanent residents, such as <u>a</u> resident's lounge, <u>storeroomcommunity kitchen</u>, or common area, shall not constitute a conversion within the meaning of this Chapter <u>41</u>, provided that the <u>residential hotel owner establishes that eliminating or re-designating an existing tourist unit instead of</u> <u>a residential unit would be infeasible</u>.

(d) Disabled Person. A recipient of disability benefits.

(e) Elderly Person. A person 62 years of age or older.

**Emergency Housing.** A project which provides housing and supportive services to elderly or low-income persons upon leaving a health facility and which has its primary purpose *of* facilitating the return of such individuals to independent living. The emergency housing shall provide services and living quarters pursuant to Section 41.13 herein and may be provided as part of a "transitional housing" project.

(g) Hotel. Any building containing six or more guest rooms intended or designed to be used, or which are used, rented, or hired out to be occupied or which are occupied for sleeping purposes and dwelling purposes by guests, whether rent is paid in money, goods, or services. It includes motels, as defined in <u>Section 401Chapter XII, Part II</u> of the <u>San Francisco</u>
 Municipal Code (Housing Code), but does not include any jail, health facilities as defined by in Section 1250 of the <u>California</u> Health and Safety Code, asylum, sanitarium, orphanage, prison, convent, rectory, residential care facility for the elderly as defined in Section 1569.2 of the Health and Safety Code, residential facilities as defined in Section 1502 of the Health and

Supervisor Peskin BOARD OF SUPERVISORS

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Safety Code or other institution in which human beings are housed or detained under legal restraint, or any private club and nonprofit organization in existence on September 23, 1979; provided, however, that nonprofit organizations which operated a residential hotel on September 23, 1979, shall comply with the provisions of Section 41.8 herein.

(*h*) **Interested Party.** A permanent resident of a hotel, or his or her authorized representative, or a former tenant of a hotel who vacated a residential unit within the past 90 days preceding the filing of <u>a</u> complaint or court proceeding to enforce the provisions of this Chapter <u>41</u>. Interested party shall also mean any nonprofit organization, as defined in <u>this</u> Section 41.4(*k*), which has the preservation or improvement of housing as a stated purpose in its articles of incorporation and/or bylaws.

(i) Low-Income Household. A household whose income does not exceed 60<u>%</u> percent of the <u>Area mM</u>edian iIncome <u>as set forth in Charter Section 16.110</u> for the San Francisco Standard Metropolitan Statistical Area as published by the United States Department of Housing and Urban Development and Housing and Community Development Act of 1974.

(*i*) **Low-Income Housing.** Residential units whose rent may not exceed 30% percent of the gross monthly income of a *IL*ow-*iL*ncome *hH*ousehold as defined *in subsection (i)* above.

(+) Nonprofit Organization. An entity exempt from taxation pursuant to Title 26, Section 501 of the United States Code.

(*f*) **Operator.** An $\partial \underline{O}$ perator includes the lessee or any person or legal entity whether or not the owner, who is responsible for the day-to-day operation of a residential hotel and to whom a hotel license is issued for a <u>*r*</u> esidential <u>*h*</u> otel.

(*m*) **Owner.** Owner includes any person or legal entity holding any ownership interest in a <u>*r*R</u>esidential <u>*h*H</u>otel.

(*n*) **Permanent Resident.** A person who occupies a guest room for at least 32 consecutive days.

Supervisor Peskin BOARD OF SUPERVISORS

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(*e*) **Posting or Post.** Where posting is required by this Chapter <u>41</u>, material shall be posted in a conspicuous location at the front desk in the lobby of the hotel, or if there is no lobby, in the public entranceway. No material posted may be removed by any person except as otherwise provided in this Chapter.

(*p*) **Residential Hotel.** Any building or structure which contains a <u>*r*R</u>esidential <u>*u*U</u>nit as defined in (*q*) below unless exempted pursuant to the provisions of Sections 41.5 or 41.7 below.

(q) Residential Unit. Any guest room as defined in Section <u>401</u>203.7 of Chapter XII. *Part II*-of the San Francisco <u>Municipal Code</u> (Housing Code) which had been occupied by a permanent resident on September 23, 1979. Any guest room constructed subsequent to September 23, 1979 or not occupied by a permanent resident on September 23, 1979, shall not be subject to the provisions of this Chapter <u>41</u>; provided however, if designated as a residential unit pursuant to Section 41.6 of this Chapter or constructed as a replacement unit, such residential units shall be subject to the provisions of this Chapter.

(*P*) **Tourist Hotel.** Any building containing six or more guest rooms intended or designated to be used for commercial tourist use by providing accommodation to transient guests on a nightly basis or longer. A tourist hotel shall be considered a commercial use pursuant to City-Planning Code Section <u>790.46216(b)</u> and shall not be defined as group housing permitted in a residential area under <u>City</u>-Planning Code Section 209.<u>1</u>2.

<u>Tourist or Transient Use.</u> Any use of a guest room for less than a 32-day term of tenancy by a party other than a Permanent Resident or prospective Permanent Resident.

(3) **Tourist Unit.** A guest room which was not occupied on September 23, 1979, by a permanent resident or is certified as \underline{a} - \underline{t} ourist \underline{u} nit pursuant to Sections 41.6, 41.7 or 41.8 below. Designation as a tourist unit under this Chapter shall not supersede any limitations on use pursuant to the Planning Code.

Supervisor Peskin BOARD OF SUPERVISORS

(+) **Transitional Housing.** A project which provides housing and supportive services to homeless persons and families or *ILow-iI* ncome *hH*ouseholds at risk of becoming homeless which has as its purpose facilitating the movement of homeless individuals or at-risk *ILow-i I* ncome *hH*ouseholds to independent living within a reasonable amount of time. The transitional housing shall provide services and living quarters as approved by the Planning Commission that are similar to the residential unit being replaced pursuant to Section 41.13 herein and shall comply with all relevant provisions of City ordinances and regulations.

SEC. 41.9. RECORDS OF USE.

(a) Daily Log. Each residential hotel shall maintain a daily log containing the status of each room, whether it is occupied or vacant, whether it is used as a residential unit or tourist unit, the name under which each adult occupant is registered, and the amount of rent charged. Each hotel shall also provide receipts to each adult occupant, and maintain copies of the receipts, showing: the room number; the name of each adult occupant; the rental amount and period paid for; and any associated charges imposed and paid, including but not limited to security deposits and any tax. The daily log and copies of rent receipts shall be available for inspection pursuant to the provision of Section 41.11(c) of this Chapter 41 upon demand by the Director of the Department of Building Inspection or the Director's designee or the City Attorney's Office between the hours of 9 a.m. and 5 p.m., Monday through Friday, unless the Director of the Department of Building Inspection or the City Attorney's Office reasonably believe that further enforcement efforts are necessary for specified residential hotels, in which case the Department of Building Inspection or the City Attorney's Office shall notify the hotel owner or operator that the daily logs and copies of rent receipts shall be available for inspection between the hours of 9 a.m. and 7 p.m. Each hotel shall maintain the daily logs and copies of rent receipts for a period of no less than 24 months. Should an owner or operator

Supervisor Peskin BOARD OF SUPERVISORS

object to providing records for inspection, the Director of the Department of Building Inspection shall have the authority to issue administrative subpoenas to investigate and enforce this Chapter's provisions.

In addition to the investigative powers and enforcement mechanisms prescribed in this Chapter, the City Attorney's Office shall have the authority to take further investigative action and bring additional enforcement proceedings including *the immediate proceedings under* California Civil Code Section 1940.1.

* * * *

SEC. 41.10. ANNUAL UNIT USAGE REPORT.

(a) Filing. On November 1st of each year, every hotel owner or operator subject to this Chapter <u>41</u> shall file with the Department of Building Inspection, <u>either through an online form on</u> <u>the Department's website or a paper copy delivered to the Department</u>, an Annual Unit Usage Report containing the following information:

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(1) The total number of units in the hotel as of October 15th of the year of filing;

(2) The number of residential and tourist units as of October 15th of the year of

filing;

(3) The number of vacant residential units as of October 15th of the year of filing; if more than 50<u>% *percent*</u> of the units are vacant, explain why;

20 (4) The average rent for the residential hotel units as of October 15th of the year
21 of filing;

(5) The number of residential units rented by week or month as of October 15th
of the year of filing; and

(6) The designation by room number and location of the residential units and
tourist units as of October 15*th* of the year of filing. *The Oo*wner or operator shall maintain

Supervisor Peskin BOARD OF SUPERVISORS

such designated units as tourist or residential units for the following year unless <u>the</u> owner or
operator notifies in writing the Department of Building Inspection of a redesignation of units;
<u>the</u> owner or operator may redesignate units throughout the year, provided they notify the
Department of Building Inspection in writing by the next business day following such
redesignation and maintain the proper number of residential and tourist units at all times. The
purpose of this provision is to simplify enforcement efforts while providing <u>the</u> owner or
operator with reasonable and sufficient flexibility in designation and renting of rooms;

(7) The nature of services provided to the permanent residents and whether there has been an increase or decrease in the services so provided;

(8) A copy of the Daily Log, showing the number of units which are residential,
 tourist, or vacant on <u>the first Friday of each month October 1st</u>, February 1st, May 1st and August 1st
 of the year of filing.

(b) Notice of Annual Unit Usage Report. On the day of filing, the owner or operator shall post a notice that a copy of the Annual Unit Usage Report submitted to the Department of Building Inspection is available for inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday, which notice shall remain posted for 30 days. <u>The Department shall</u> <u>maintain a list of those properties that have filed or failed to submit annual reports on its website.</u>

(c) **Extension of Time for Filing.** Upon application by an owner or operator and upon showing good cause therefor, the Director of the Department of Building Inspection may grant one extension of time not to exceed 30 days for said filing.

(d) Certificate of Annual Unit Usage Report. After receipt of a completed Annual
 Unit Usage Report, the Department of Building Inspection shall issue a certified
 acknowledgment of receipt.

(e) **Renewal of Hotel License and Issuance of New Certificate of Use.** As of the effective date of this Chapter <u>41</u>, no hotel license may be issued to any owner or operator of a

Supervisor Peskin BOARD OF SUPERVISORS

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hotel unless the owner or operator presents with his/her license application a certified acknowledgment of receipt from the Department of Building Inspection of the Annual Unit Usage Report for the upcoming year.

(f) **Insufficient Filing; Penalties.** The Director of the Department of Building Inspection *is* authorized to assess a penalty as set forth below for insufficient filing, with interest on the penalty accruing at the rate of *<u>1.5%one and one-half percent</u>* per full month, compounded monthly from the date the penalty is due as stated in the Director's written notification below.

9 If the Director or the Director's designee determines that additional information is 10 needed to make a determination, he the Director or designee shall send both the owner and 11 operator a written request to furnish such information within 15 calendar days of the mailing of 12 the written request. The letter shall state that if the requested information, or a response 13 explaining why the requested information will not be provided, is not furnished in the time required, 14 the residential and tourist units shall be presumed to be unchanged from the previous year 15 and that the Director shall impose a \$500 penalty for failure to furnish the additional 16 information within the 15-day period, and a \$500 penalty for each day after the 15-day period for which the owner or operator fails to furnish the requested information or explanation. If the Director 17 18 does not timely receive the information, the Director shall notify both the owner and operator. 19 by mail or electronic mail, that the Director is imposing a \$500 per day penalty and that the accumulated penalty which must be paid within 30 days of the mailing of the notification, and 20 21 that interest on the penalty shall accrue from the expiration of the 30 days at the rate of 1.5% one and one-half percent per full month, compounded monthly. The written notification shall 22 23 state that if the penalty is not paid, a lien to secure the amount of the penalty, plus the 24 accrued interest, will be recorded against the real property pursuant to the provisions of

Supervisor Peskin BOARD OF SUPERVISORS

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Section 41.20(d) of this Chapter <u>41. and that the Residential Hotel will be not be eligible for any</u> temporary tourist rentals as provided in Section 41.19 for 12 months.

(g) Failure to File Annual Unit Usage Report; Penalties. The Director of the Department of Building Inspection is authorized to assess penalties as set forth below for failure to file an Annual Unit Usage Report, with interest on penalties accruing at the rate of <u>1.5% one and one half percent</u> per full month, compounded monthly from the date the penalty is due as stated in the Director's notification below.

If the owner or operator fails to file an Annual Unit Usage Report, the Director or the Director's designee shall notify the owner and operator by registered or certified mail and shall post a notice informing the owner and operator that unless submission of the Annual Unit Usage Report and application for renewal of the hotel license is made within 15 calendar days of the mailing of the letter, the residential and tourist units shall be presumed to be unchanged from the previous year, and the Director shall impose a penalty of 5001.000 per month offor each month the annual report is not filed <u>and the Residential Hotel will be not be eligible for any temporary tourist rentals as provided in Section 41.19 for the next 12 months</u>. If the Director does not receive the report, the Director shall notify both the owner and operator, by mail that the Director is imposing the appropriate penalty, as prorated, which must be paid within 30 days of the mailing of the 30 days at the rate of <u>1.5% one and one-half percent</u> per full month, compounded monthly. The written notification shall state that if the penalty is not paid, a lien to secure the amount of the penalty, plus the accrued interest, will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter <u>41</u>.

Supervisor Peskin BOARD OF SUPERVISORS

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SEC. 41.11. ADMINISTRATION.

(a) **Fees.** The owner or operator shall pay the following filing fees to the Department of Building Inspection to cover its costs of investigating and reporting on eligibility. See Section <u>110A333.2</u>, Hotel Conversion <u>Ordinance</u> Fee Schedule, <u>Table 1A-Q. Part II, Chapter 1</u> of the <u>San</u> <u>Francisco Municipal Code (</u>Building Code) for the applicable fees. The party that brings an unsuccessful challenge to a report pursuant to this <u>Chapter 41Article</u> shall be liable for the <u>ehangecharge</u> in Section <u>110A333.2</u>, Hotel Conversion <u>Ordinance</u> Fee Schedule, <u>-</u>Unsuccessful Challenge, <u>Table 1A-Q</u> Part II, Chapter 1 of the <u>San Francisco Municipal Code (</u>Building Code). Fees shall be waived for an individual who files an affidavit under penalty of perjury stating that he or she is an indigent person who cannot pay the filing fee without using money needed for the necessities of life.

SEE SAN FRANCISCO MUNICIPAL CODE (BUILDING CODE) SECTION 333.2110A, TABLE 1A-Q HOTEL CONVERSION ORDINANCE FEE SCHEDULE

(b) Hearing.

(1) Notice of Hearing. Whenever a hearing is required or requested in this Chapter <u>41</u>, the Director of the Department of Building Inspection shall, within 45 calendar days, notify the owner or operator of the date, time, place, and nature of the hearing by registered or certified mail. The Director of the Department of Building Inspection shall appoint a hearing officer. Notice of such a hearing shall be posted by the Department of Building Inspection. The owner or operator shall state under oath at the hearing that the notice remained posted for at least 10 calendar days prior to the hearing. Said notice shall state that all permanent residents residing in the hotel may appear and testify at the public hearing,

Supervisor Peskin BOARD OF SUPERVISORS

provided that the Department of Building Inspection is notified of such an intent 72 hours prior to the hearing date.

(2) **Pre-hearing Submission.** No less than three working days prior to any hearing, parties to the hearing shall submit written information to the Department of Building Inspection including, but not limited to, the following: the request or complaint, the statement of issues to be determined by the Hearing Officer; and a statement of the evidence upon which the request or complaint is based.

(3) Hearing Procedure. If more than one hearing for the same hotel is required, the Director of the Department of Building Inspection shall consolidate all of the appeals and challenges into one hearing; however, if a civil action has been filed pursuant to the provisions of Section 41.20(e) of the Chapter <u>41</u>, all hearings on administrative complaints of unlawful conversions involving the same hotel shall be abated until such time as final judgment has been entered in the civil action; an interested party may file a complaint in intervention. The hearing shall be tape recorded. Any party to the appeal may, at his/her own expense, cause the hearing to be recorded by a certified court reporter. The hearing officer is empowered to issue subpoenas upon application of the parties seven calendar days prior to the date of the hearing. During the hearing, evidence and testimony may be presented to the hearing officer. Parties to the hearing may be represented by counsel and have the right to cross-examine witnesses. All testimony shall be given under oath. Written decision and findings shall be rendered by the hearing officer within twenty 20 working days of the hearing. Copies of the findings and decision shall be served upon the parties to the hearing by registered or certified mail. A notice that a copy of the findings and decisions is available for inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday shall be posted by the owner or operator.

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Supervisor Peskin BOARD OF SUPERVISORS

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(4) Administrative Review. Unless otherwise expressly provided in this Chapter <u>41</u>, any decision of the hearing officer shall be final unless a valid written appeal is filed with the Board of *Permit* Appeals within 15 days following the date of the hearing officer's written determination. Such an appeal may be taken by any interested party as defined by Section $41.4_{(g)}$ herein.

(c) **Inspection**. *The Director of the Department of Building Inspection shall have the authority to issue administrative subpoenas as necessary or appropriate to conduct inspections pursuant to this Chapter 41.* The Director of the Department of Building Inspection shall conduct, from time to time, on-site inspections of the daily logs, other supporting documents, and units listed as vacant in the daily logs, to determine if <u>the</u> owner or operator has complied with the provisions of this Chapter. In addition, the Director of the Department of Building Inspection or the Director's designee shall conduct such an inspection as soon as practicable upon the request of a current or former occupant of the hotel. If, upon such an inspection, the Director or Director's designee determines that an apparent violation of the provisions of this Chapter has occurred, he/she the Director or designee shall post a notice of apparent violation informing the permanent residents of the hotel thereof, or shall take action as set forth in Section 41.11(d) and (e) below. This notice shall remain posted until the Director of the Department of Building Inspection, or the Director's designee, determines that the hotel is no longer in violation of the provisions of this Chapter.

(d) **Criminal Penalties for Violations.** Any person or entity wilfully failing to maintain daily logs or provide and maintain receipts as provided in Sections 41.9(a) and (b) of this Chapter <u>41</u>, or failing to post materials as provided in Sections 41.6(a), (c), and (f), 41.9(b), 41.10(b), (g), and (h), 41.11(b) (3), 41.12(b)(10), and 41.18(b) and (c) of this Chapter or wilfully providing false information in the daily logs, shall be guilty of an infraction for the first

Supervisor Peskin BOARD OF SUPERVISORS

such violation or a misdemeanor for any subsequent violation, and the complaint charging such violation shall specify whether the violation charged is a misdemeanor or an infraction.

If charged as an infraction, the penalty upon conviction therefor shall be not less than \$100 or more than \$500.

If charged as a misdemeanor, the penalty upon conviction therefor shall be a fine of not less than \$500 or more than \$1,000 or imprisonment in the county jail, not exceeding six months, or both fine and imprisonment.

Every day such violation shall continue shall be considered as a new offense.

For purposes of Sections 41.11(d) and (e), violation shall include, but not limited to, intentional disobedience, omission, failure or refusal to comply with any requirement imposed by the aforementioned Sections or with any notice or order of the Director of the Department of Building Inspection or the Director of Public Works regarding a violation of this Chapter.

(e) False Information Misdemeanor. It shall be unlawful for an owner or operator to wilfully provide false information to the Director of the Department of Building Inspection or the Director's designees. Any owner or operator who files false information shall be guilty of a misdemeanor. Conviction of a misdemeanor hereunder shall be punishable by a fine of not more than \$500 or by imprisonment in the County Jail for a period not to exceed six months, or by both.

(f) The Director of the Department of Building Inspection may impose a penalty of 2500 per violation for failure to maintain daily logs or for failure to provide receipts to occupants as required under Section 41.9 above and for failure to post materials as required under Sections 41.6(a), (c), and (f), 41.9(b), 41.10(b), (g), and (h), 41.11(b) (3), 41.12(b)(10), and 41.18(b) and (c). In order to impose such penalties, the Director shall notify both the owner and operator by certified mail that the Director is imposing the penalty or penalties, which must be paid within 30 days of the mailing of the notification. The written notification

Supervisor Peskin BOARD OF SUPERVISORS

shall state that if the penalty is not paid, a lien to secure the amount of the penalty will be recorded against the real property pursuant to *the provisions of* Section 41.20(d) of this Chapter <u>41</u>.

(g) **Costs of Enforcement.** <u>The Department of Building Inspection shall be entitled to</u> <u>recover costs for enforcement as provided in Building Code Section 102A.7(d).</u> <u>The proceeds from the</u> <u>filing fees and civil fines assessed shall be used exclusively to cover the costs of investigation and</u> <u>enforcement of this ordinance by the City and County of San Francisco. The Director of the</u> <u>Department of Building Inspection shall annually report these costs to the Board of Supervisors and</u> <u>recommend adjustments thereof.</u>

(h) Inspection of Records. The Department of Building Inspection shall maintain a file
 for each residential hotel which shall contain copies of all applications, exemptions, permits,
 reports, and decisions filed pursuant to the provisions of this Chapter <u>41</u>. All documents
 maintained in said files, except for all tax returns and documents specifically exempted from
 the California Public Records Act, shall be made available for public inspection and copying.

(i) **Promulgation of Rules and Regulations.** The Director of the Department of Building Inspection shall propose rules and regulations governing the appointment of an administrative officer and the administration and enforcement of this Chapter <u>41</u>. After reasonable notice and opportunity to submit written comment are given, final rules and regulations shall be promulgated.

SEC. 41.12. PERMIT TO CONVERT.

(a) Any owner or operator, or his/her authorized agent, of a residential hotel may apply for a permit to convert one or more residential units by submitting an application and the required fee to the Central Permit Bureau.

(b) The permit application shall contain the following information:

Supervisor Peskin BOARD OF SUPERVISORS

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1	(1) The name and address of the building in which the conversions are
2	proposed and of the building where replacement housing will be located; and
3	(2) The names and addresses of all owners or operators of said buildings; and
4	(3) A description of the proposed conversion including <i>the specific method under</i>
5	Section 41.13(a) that the owner or operator selects as the nature of the conversion, the total
6	number of units in the building, and their current uses; and
7	(4) The room numbers and locations of the units to be converted; and
8	(5) Preliminary drawings showing the existing floor plans and proposed floor
9	plans; and
10	(6) A description of the improvements or changes proposed to be constructed
11	or installed and the tentative schedule for start of construction; and
12	(7) The current rental rates for each residential unit to be converted or. if
13	currently unoccupied, the most recent rental rate when last occupied; and
14	(8) The length of tenancy of the permanent residents affected by the proposed
15	conversion; and
16	(9) A statement regarding how one-for-one replacement of the units to be
17	converted will be accomplished, citing the specific provision(s) of Section 41.13(a) the application
18	has selected for replacement, and including sufficiently detailed financial information, such as letters
19	of intent and contracts, establishing how the owner or operator is constructing or causing to construct
20	the proposed location of replacement housing if replacement is to be provided off-site; and
21	(10) A declaration under penalty of perjury from the owner or operator stating
22	that he/she has complied with the provisions of Section 41.14(b) below and his/her filing of a
23	permit to convert. On the same date of the filing of the application, a notice that an application
24	to convert has been filed shall be posted until a decision is made on the application to convert.
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Supervisor Peskin BOARD OF SUPERVISORS

(c) Upon receipt of a completed application to convert or demolish, the Department of Building Inspection shall send the application to the <u>Planning</u> Department of <u>City Planning</u> for review and shall mail notice of such application to interested community organizations and such other persons or organizations who have previously requested such notice in writing. The notice shall identify the hotel requesting the permit, the nature of the permit, the proposal to fulfill the replacement requirements of Section 41.13 herein, and the procedures for requesting a public hearing. <u>The Oo</u>wner or operator shall post a notice informing permanent residents of such information.

(d) Any interested party may submit a written request within 15 days of the date notice is posted pursuant to subsection (c) above to the *City*-Planning Commission to schedule and conduct a public hearing on the proposed conversion in order to solicit public opinion on whether to approve or deny a permit to convert or demolish residential units and to determine whether proposed replacement units are "comparable units" as defined in Section 41.4(b) herein.

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SEC. 41.13. ONE-FOR-ONE REPLACEMENT.

(a) Prior to the issuance of a permit to convert, the owner or operator shall provide one-for-one replacement of the units to be converted by one of the following methods:

(1) Construct or cause to be constructed a comparable unit to be made available at comparable rent to replace each of the units to be converted; or

(2) Cause to be brought back into the housing market a comparable unit from any building which was not subject to the provisions of this Chapter <u>41</u>; or

(3) Construct or cause to be constructed or rehabilitated apartment units for elderly, disabled, or low-income persons or households which may be provided at a ratio of less than one-to-one; or construct or cause to be constructed transitional housing which may include emergency housing. The construction of any replacement housing under this

Supervisor Peskin BOARD OF SUPERVISORS

subsection shall be <u>subject to restrictions recorded against title to the real property and be</u> evaluated by the City Planning Commission in accordance with the provisions of Section 303 of the City Planning Code. A notice of said City Planning Commission hearing shall be posted by the owner or operator 10 calendar days before the hearing; or

(4) Pay to the City and County of San Francisco an amount equal to 80%
 percent of the cost of construction of an equal number of comparable units plus site acquisition
 cost. All such payments shall go into a San Francisco Residential Hotel Preservation Fund
 Account. The Department of Real Estate shall determine this amount based upon two
 independent appraisals; or

(5) Contribute to a public entity or nonprofit organization, *whowhich* will use the funds to construct comparable units, an amount at least equal to 80<u>% *percent*</u> of the cost of construction of an equal number of comparable units plus site acquisition cost. The Department of Real Estate shall determine this amount based upon two independent appraisals. In addition to compliance with all relevant City ordinances and regulations, the public entity or nonprofit organization and the housing development proposal of such public entity or nonprofit organization shall be subject to approval by the Mayor's Office of Housing *and Community Development*.

*

if:

SEC. 41.14. MANDATORY DENIAL OF PERMIT TO CONVERT.

A permit to convert shall be denied by Director of the Department of Building Inspection

(a) The requirements of Sections 41.12 or 41.13, above, have not been fully complied with;

(b) The application is incomplete or contains incorrect information;

Supervisor Peskin BOARD OF SUPERVISORS

(c) An applicant has committed unlawful action as defined in this Chapter 41 within 12 months *previous <u>prior</u>* to the *issuancefiling of for* a permit to convert *application*; or

(d) The proposed conversion or the use to which the unit would be converted is not permitted by the *City* Planning Code.

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SEC. 41.19. TEMPORARY CHANGE OF OCCUPANCY.

(a) Temporary Change of Occupancy.

(1) A tourist unit may be rented to a permanent resident, until voluntary vacation of that unit by the permanent resident or upon eviction for cause, without changing the legal status of that unit as a tourist unit.

(2) A permanent resident may be relocated for up to 21 days to another unit in the residential hotel for purposes of complying with the Building Code requirements imposed by the UMB Seismic Retrofit Ordinance, Ordinance No. 219-92, without changing the designation of the unit.

16 (3) A residential unit which is vacant at any time during the period commencing 17 on May 1st and ending on September 30th annually may be rented as a tourist unit, provided that (<u>A</u>i) the residential unit was vacant due to voluntary vacation of a permanent resident or 18 was vacant due to lawful eviction for cause after the permanent resident was accorded all the rights guaranteed by State and local laws during his/her tenancy, (Bii) the daily log shows that the residential unit was legally occupied for at least 50% percent of the period commencing on October 1st and ending on April 30th of the previous year, unless owner or operator can produce evidence to the Department of Building Inspection explaining such vacancy to the satisfaction of the Department of Building Inspection, including but not limited to such factors as repair or rehabilitation work performed in the unit or good-faith efforts to rent the unit at fair

Supervisor Peskin BOARD OF SUPERVISORS

market value; and (<u>C</u>iii) the residential unit shall immediately revert to residential use upon
 application of a prospective permanent resident; and (<u>D</u>) the owner or operator has not committed
 <u>unlawful action as defined in this Chapter 41 within 12 months prior to this request.</u>

25-percent Limit.

5 However, at no time during the period commencing on May 1st and ending on September 30th may an owner or operator rent for nonresidential use or tourist use more than 6 25% percent of the hotel's total residential units unless the owner or operator can demonstrate 7 8 that (Ai) the requirements of Section 41.19(a)(3) above are met, and (Bii) good-faith efforts 9 were made to rent such units to prospective permanent residents at fair market value for comparable units and that such efforts failed-and (iii) the owner or operator-has not committed 10 11 unlawful action as defined in this Chapter within 12 months prior to this request. Owners or 12 operators who seek to exceed this limit must request a hearing pursuant to Section 41.11(b) above and the decision whether to permit owners or operators to exceed this limit is within the 13 14 discretion of the hearing officer.

(b) Special Requirements for Hearings on Tourist Season Rental of Residential Units.
Where an owner or operator seeks a hearing in order to exceed the limit on tourist season rental of vacant residential units pursuant to Section 41.19(a)(3), the requirements of <u>Section</u> 41.11(b)(1), (b)(2), and (b)(3) above shall be applicable except as specifically modified or enlarged herein:

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(5) Determination of the Hearing Officer. Based upon the evidence presented at the hearing, conducted in accordance with Section 41.11(b)(3) above, the hearing officer shall make findings as to (i) whether the residential unit was vacant due to voluntary vacation of a permanent resident or was vacant due to lawful eviction, (ii) whether the residential unit was occupied for at least 50% percent of the period commencing on October 1 and ending on April

Supervisor Peskin BOARD OF SUPERVISORS

30*th* of the previous year, (iii) whether the owner or operator has committed unlawful action under this Chapter <u>41</u> within 12 months prior to this request, and (iv) whether the owner or operator made good-faith efforts to rent vacant residential units to prospective permanent residents at no more than fair market value for a comparable unit during the tourist season and yet was unable to secure such rentals. Good-faith efforts shall include, but not be limited to, advertising the availability of the residential units to the public. In determining fair market value of the residential units, the hearing officer shall consider any data on rental of comparable units, as defined in Section 41.4 (b) herein.

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SEC. 41.20. UNLAWFUL CONVERSION; REMEDIES; FINES.

(a) Unlawful Actions. It shall be unlawful to:

(1) Change the use of, or to eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to a lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter;

 (2) Rent any residential unit for <u>Tourist or Transient Use</u> a term of tenancy less than seven days except as permitted by Section 41.19 of this Chapter;

(3) Offer for rent for *nonresidential use or <u>T</u>t*ourist <u>or Transient U</u>use a residential unit except as permitted by this Chapter.

(b) Hearing for Complaints of Unlawful Conversions. Upon the filing of a complaint by an interested party that an unlawful conversion has occurred and payment of the required fee, the Director of the Department of Building Inspection shall schedule a hearing pursuant to *the provisions of* Section 41.11(b). The complainant shall bear the burden of proving that a unit has been unlawfully converted. The hearing officer shall consider, among others, the following factors in determining whether a conversion has occurred:

Supervisor Peskin BOARD OF SUPERVISORS

(1) Shortening of the term of an existing tenancy without the prior approval of the permanent resident;

(2) Reduction of the basic services provided to a residential unit intended to lead to conversion. For the purpose of this <u>sub</u>section (b)(2), basic services are defined as access to common areas and facilities, food service, housekeeping services and security;

(3) Repeated failure to comply with orders of the Department of Building
 Inspection or the Department of Public Health to correct code violations with intent to cause
 the permanent residents to voluntarily vacate the premises;

9 (4) Repeated citations by the Director of the Department of Building Inspection
10 or the Department of Public Health for Code violations;

(5) Offer of the residential units for nonresidential use or tourist use except as permitted in this Chapter <u>41</u>;

(6) Eviction or attempts to evict a permanent resident from a residential hotel on grounds other than those specified in Sections 37.9(a)(1) through 37.9(a)(8) of the *San Francisco* Administrative Code except where a permit to convert has been issued; *and*

(7) Repeated posting by the Director of the Department of Building Inspection of notices of apparent violations of this Chapter <u>41</u> pursuant to Section 41.11(c) above.

(c) **Civil Penalties.** Where the hearing officer finds that an unlawful conversion has occurred, the Director of the Department of Building Inspection shall impose a civil penalty of *three times the daily rateup to \$500* per day for each unlawfully converted unit from the day the complaint is filed until such time as the unit reverts to its authorized use, *for the first unlawful conversion at a Residential Hotel within a calendar year.* For the second and any subsequent unlawful conversions at the same Residential Hotel within the same calendar year, the Director of the Department of Building Inspection shall impose a civil penalty of up to \$750 per day for each unlawfully converted unit from the day the complaint is filed until such time as the complaint is filed until such time as the impose a civil penalty of up to \$750 per day for each unlawfully converted unit from the day the complaint is filed until such time as the impose a civil penalty of up to \$750 per day for each unlawfully converted unit from the day the complaint is filed until such time as the unit reverts to its

Supervisor Peskin BOARD OF SUPERVISORS

authorized use. The daily rate shall be the rate unlawfully charged by the hotel owner or operator to the occupants of the unlawfully converted unit. The Director may also impose penalties upon the owner or operator of the hotel to reimburse <u>the</u> City or <u>the</u> complainant for the costs, <u>including</u> <u>reasonable attorneys' fees</u>, of enforcement, <u>including reasonable attorneys' fees</u>, of this Chapter. The hearing officer's decision shall notify the parties of this penalty provision and shall state that the Director of the Department of Building Inspection is authorized to impose the appropriate penalty by written notification to both the owner and operator, requesting payment within 30 days. If the penalty imposed is not paid, a lien to secure the amount of the penalty will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter <u>41</u>.

* * *

Section 3. This ordinance has revised Administrative Code Section 41.4 by removing letter designations for defined terms. The Municipal Code is hereby amended to revise any crossreferences to Section 41.4, including in Administrative Code Sections 41D.1 and 41E.1 and Police Code Section 919.1, and, at the direction of the City Attorney, anywhere else in the Municipal Code, to reflect the removal of the letter designations in Section 41.4.

Section 4. Effective and Operative Dates. This ordinance shall apply to any residential hotel that has not procured a permit to convert on or before December 1, 2016. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

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Supervisor Peskin BOARD OF SUPERVISORS

1	Section 5. Scope of Ordinance. Except as stated in Section 3 of this ordinance, in					
2	enacting this ordinance, the Board of Supervisors intends to amend only those words,					
3	phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts,					
4	diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this					
5	ordinance as additions, deletions, Board amendment additions, and Board amendment					
6	deletions in accordance with the "Note" that appears under the official title of the ordinance.					
7						
8	APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney					
9	Du JATSAA					
10	By: KATE H. STACY Deputy City Attorney					
11	Deputy City Attorney					
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	Supervisor Peskin BOARD OF SUPERVISORS Page 25					

REVISED LEGISLATIVE DIGEST

(1/31/2017, Amended in Board)

[Administrative Code - Update Hotel Conversion Ordinance]

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

The Hotel Conversion Ordinance ("HCO"), Administrative Code Chapter 41, regulates roughly 18,000 residential units within 500 residential hotels across the City. The HCO prohibits residential hotel operators from demolishing or converting registered residential units to tourist or transient use. The HCO defines conversion as eliminating a residential unit, renting a residential unit for a less than 7-day tenancy, or offering a residential unit for tourist or nonresidential use. The HCO allows seasonal tourist rentals of residential units during the summer if the unit is vacant because a permanent resident voluntarily vacated the unit or was evicted for cause by the hotel operator.

The HCO requires hotel owners or operators who wish to convert or demolish a residential unit to seek a permit to convert from the Department of Building Inspection ("DBI"). The permit to convert application process does not require submission of all the essential information that DBI needs to make a preliminary determination on an application, such as the location of the proposed replacement units and the last known rent of the units to be converted.

The HCO requires hotel operators to maintain records to demonstrate compliance with the ordinance and to provide these records for inspection by DBI. DBI does not have administrative subpoena power to compel production if a hotel operator objects to providing records for inspection.

Amendments to Current Law

The proposed legislation defines tourist and transient use as the rental of a residential unit for less than 32 days to a party other than a permanent resident. The proposed legislation revises the definition of unlawful conversions to prohibit renting or offering to rent a residential unit for tourist or transient use. This change would allow hotel operators to rent residential units to permanent residents of the hotel for any duration of tenancy. The change also

FILE NO. 161291

clarifies that residential units are reserved for residential use and cannot be rented for tenancies of less than 32-days to parties other than permanent residents. Similarly, the proposed legislation would make it unlawful to offer a residential unit for a tenancy of less than 32 days to a party other than a permanent resident.

The proposed legislation would eliminate seasonal tourist rentals of vacant residential units for hotels that have violated any provision of the Chapter in the last calendar year.

The proposed legislation would update the requirements for permit to convert applications, by requiring that applicants provide information about where replacement units will be located and the most recent rental amount for the units to be converted. The updated definition of "comparable unit" would also require any replacement housing to be the same category of housing as the residential unit being replaced, and affordable to a similar resident, including the disabled, elderly and low income tenant.

The proposed legislation would authorize DBI to issue administrative subpoenas to compel production of records where a hotel operator objects to producing them for inspection.

The proposed legislation also updates the penalty provisions and amounts for: insufficient and late filing of annual unit usage reports, failure to maintain daily logs, and unlawful conversions. The proposed legislation revises the administrative costs provisions to harmonize with the applicable Building Code cost provisions.

The legislation would apply to any residential hotels that have not procured a permit to convert on or prior to December 1, 2016.

Background Information

The HCO was first enacted in 1981. The HCO's purpose is to "benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, elderly, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." The HCO includes findings that the City suffers from a severe shortage of affordable rental housing; that many elderly, disabled and low-income persons reside in residential hotel units, making it in the public interest to regulate and provide remedies for unlawful conversion of residential hotel units.

The Board last amended and updated the provisions of the HCO in 1990. The proposed legislation is designed to update key provisions and clarify the application of the HCO in response to issues that have arisen over the last 26 years.

This legislative digest reflects amendments adopted by the Land Use and Transportation Committee on January 23, 2017 to further amend the definition of "Tourist or transient use."

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FILE NO. 161291

AMENDED IN BOARD 1/31/2017

ORDINANCE NO.

1	[Administrative Code - Update Hotel Conversion Ordinance]					
2						
3	Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion					
4	Ordinance, including: adding or refining definitions of tourist and transit use,					
5	comparable unit, conversion, and low-income household; revising procedures for					
6	permits to convert residential units; harmonizing fees and penalty provisions with the					
7	Building Code; eliminating seasonal short-term rentals for residential hotels that have					
8	violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing					
9	the Department of Building Inspection to issue administrative subpoenas; adding an					
10	operative date; and affirming the Planning Department's determination under the					
11	California Environmental Quality Act.					
12	NOTE: Unchanged Code text and uncodified text are in plain Arial font.					
13	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <i>strikethrough italics Times New Roman font</i> .					
14	Board amendment additions are in <u>double-underlined Arial font</u> . Board amendment deletions are in strikethrough Arial font.					
15	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.					
16						
17	Be it ordained by the People of the City and County of San Francisco:					
18						
19	Section 1. Environmental Findings.					
20	The Planning Department has determined that the actions contemplated in this					
21	ordinance comply with the California Environmental Quality Act (California Public Resources					
22	Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of					
23	Supervisors in File No. 161291 and is incorporated herein by reference. The Board affirms					
24	this determination.					
25						

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Section 2. The Administrative Code is hereby amended by revising Sections 41.3, 41.4, 41.9, 41.10, 41.11, 41.12, 41.13, 41.14, 41.19, and 41.20, to read as follows:

SEC. 41.3. FINDINGS

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(m) Since enactment of this Chapter, residential units have been converted to tourist units and the hotel operators have paid the 40 percent in-lieu fee to the City. This amount, 40 percent of the cost of construction of comparable units plus site acquisition cost, has not been adequate to provide replacement units. Federal, state and local funds were incorrectly assumed at that time to be available and sufficient to make up the shortfall between the 40 percent in-lieu fee and actual replacement costs. For example, in 1979 the federal government was spending 32 billion dollars on housing and is spending only 7 billion dollars in 1989.

12 $(\underline{m}, \underline{n})$ Certain uses provide both living accommodation and services, such as health 13 care, personal care and counseling, to residents of the City. Examples of such uses are 14 hospital, skilled nursing facility, AIDS hospice, intermediate care facility, asylum, sanitarium, 15 orphanage, prison, convent, rectory, residential care facility for the elderly, and community 16 care facility. Such facilities are often operated in building owned or leased by non-profit 17 organizations and provide needed services to the City's residents. To subject such facilities to the provisions of this Chapter may deter future development of such facilities. It is desirable 18 that such facilities exist and the City should encourage construction and operation of such 19 20 facilities.

(<u>n</u> e) In addition, a form of housing facilities called "transitional housing" provides
housing and supportive services to homeless persons and families and is intended to facilitate
the movement of homeless individuals and families to independent living or longer term
supportive residences in a reasonable amount of time. Transitional housing has individual
living quarters with physical characteristics often similar to a residential hotel (i.e.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

accommodations which provide privacy to residents) and provides a source of interim housing for homeless individuals and families seeking to live independently.

3 $(\underline{o} p)$ The City's public, quasi-public and private social agencies serving the elderly and 4 needy persons often find it difficult to immediately locate suitable housing units for such 5 persons returning to independent living after hospitalization or upon leaving skilled-nursing or 6 intermediate care facilities within a short time after their discharge from a health facility. Such 7 persons often will require minimum supervision and other interim social service support. The 8 provision of a stable number of housing units for such emergency needs until permanent 9 housing can be secured and supportive services arranged are necessary and desirable for the 10 City. Emergency housing will have physical characteristics similar to "transitional housing" and 11 is often intended to be occupied for a period of less than one month.

12 $(\underline{p} \ \underline{q})$ The City also wishes to provide positive incentive to encourage residential hotel 13 owners and operators to comply with the terms of this Chapter. Hotel owners have expressed 14 a need to rent certain residential units on a short term basis during the winter months. In an 15 effort to address this need and to encourage compliance with this Chapter, the City wishes to 16 provide an opportunity to hotel owners who have complied with the terms of this Chapter to 17 rent a limited number of residential units to tourists during the winter months.

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SEC. 41.4. DEFINITIONS.

(a) Certificate of Use. Following the initial unit usage and annual unit usage determination pursuant to the provisions of Sections 41.6 and 41.10 below, every hotel shall be issued a certificate of use specifying the number of residential and tourist units herein.

(b) Comparable Unit. A unit which is similar in size, services, rental amount, and facilities, and *is designated the same category of housing as the existing unit, and which* is located

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Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

within the existing neighborhood or within a neighborhood with similar physical and socioeconomic conditions, *and is similarly affordable for low income, elderly, and disabled persons*.

(a) **Conversion.** The change or attempted change of the use of a residential unit *as defined in subsection (q) below* to a *Tourist or Transienttourist*-use, or the elimination of a residential unit, or the voluntary demolition of a residential hotel. However, a change in the use of a residential hotel unit into a non-commercial use which serves only the needs of the permanent residents, such as <u>a</u> resident's lounge, <u>storeroomcommunity kitchen</u>, or common area, shall not constitute a conversion within the meaning of this Chapter <u>41, provided that the residential hotel owner establishes that eliminating or re-designating an existing tourist unit instead of a residential unit would be infeasible.</u>

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(d) **Disabled Person.** A recipient of disability benefits.

(c) Elderly Person. A person 62 years of age or older.

Emergency Housing. A project which provides housing and supportive services to elderly or low-income persons upon leaving a health facility and which has its primary purpose
 facilitating the return of such individuals to independent living. The emergency housing shall provide services and living quarters pursuant to Section 41.13 herein and may be provided as part of a "transitional housing" project.

18 (g) Hotel. Any building containing six or more guest rooms intended or designed to be used, or which are used, rented, or hired out to be occupied or which are occupied for 19 20 sleeping purposes and dwelling purposes by guests, whether rent is paid in money, goods, or 21 services. It includes motels, as defined in Section 401 Chapter XII, Part II of the San Francisco 22 Municipal Code (Housing Code), but does not include any jail, health facilities as defined by in 23 Section 1250 of the California Health and Safety Code, asylum, sanitarium, orphanage, prison, convent, rectory, residential care facility for the elderly as defined in Section 1569.2 of 24 25 the Health and Safety Code, residential facilities as defined in Section 1502 of the Health and

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Safety Code or other institution in which human beings are housed or detained under legal
 restraint, or any private club and nonprofit organization in existence on September 23, 1979;
 provided, however, that nonprofit organizations which operated a residential hotel on
 September 23, 1979, shall comply with the provisions of Section 41.8 herein.

(h) Interested Party. A permanent resident of a hotel, or his or her authorized
representative, or a former tenant of a hotel who vacated a residential unit within the past 90
days preceding the filing of <u>a</u> complaint or court proceeding to enforce the provisions of this
Chapter <u>41</u>. Interested party shall also mean any nonprofit organization, as defined in <u>this</u>
Section 41.4*(h)*, which has the preservation or improvement of housing as a stated purpose in
its articles of incorporation and/or bylaws.

(i) Low-Income Household. A household whose income does not exceed 60<u>%</u> percent of the <u>Area mM</u>edian iIncome <u>as set forth in Charter Section 16.110</u> for the San Francisco Standard Metropolitan Statistical Area as published by the United States Department of Housing and Urban Development and Housing and Community Development Act of 1974.

(i) **Low-Income Housing.** Residential units whose rent may not exceed 30<u>% percent</u> of the gross monthly income of a *<u>iL</u>ow-<u><i>iL*</u>ncome <u>*h*</u><u>H</u>ousehold as defined <u>*in subsection (i)*</u> above.

(#) Nonprofit Organization. An entity exempt from taxation pursuant to Title 26, Section 501 of the United States Code.

19 (*I*) **Operator.** An $\theta \underline{O}$ perator includes the lessee or any person or legal entity whether or 20 not the owner, who is responsible for the day-to-day operation of a residential hotel and to 21 whom a hotel license is issued for a <u>*r*R</u>esidential <u>*h*H</u>otel.

22 (m) Owner. Owner includes any person or legal entity holding any ownership interest
 23 in a <u>rR</u>esidential <u>hH</u>otel.

24 (n) Permanent Resident. A person who occupies a guest room for at least 32
 25 consecutive days.

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(*o*) **Posting or Post.** Where posting is required by this Chapter <u>41</u>, material shall be posted in a conspicuous location at the front desk in the lobby of the hotel, or if there is no lobby, in the public entranceway. No material posted may be removed by any person except as otherwise provided in this Chapter.

(*p*) **Residential Hotel.** Any building or structure which contains a <u>*r*R</u>esidential <u>*u*U</u>nit as defined $\frac{in}{q}$ below unless exempted pursuant to the provisions of Sections 41.5 or 41.7 below.

(q) Residential Unit. Any guest room as defined in Section <u>401</u>203.7 of Chapter XII, *Part II* of the San Francisco <u>Municipal Code (Housing Code)</u> which had been occupied by a
permanent resident on September 23, 1979. Any guest room constructed subsequent to
September 23, 1979 or not occupied by a permanent resident on September 23, 1979, shall
not be subject to the provisions of this Chapter <u>41</u>; provided however, if designated as a
residential unit pursuant to Section 41.6 of this Chapter or constructed as a replacement unit,
such residential units shall be subject to the provisions of this Chapter.

(r) Tourist Hotel. Any building containing six or more guest rooms intended or
designated to be used for commercial tourist use by providing accommodation to transient
guests on a nightly basis or longer. A tourist hotel shall be considered a commercial use
pursuant to *City*-Planning Code Section <u>790.46216(b)</u> and shall not be defined as group
housing permitted in a residential area under *City*-Planning Code Section 209.12.

Tourist or Transient Use. Any use of a guest room for less than a 32-day term of tenancy by a party other than a Permanent Resident or prospective Permanent Resident.

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(s) **Tourist Unit.** A guest room which was not occupied on September 23, 1979, by a permanent resident or is certified as $\underline{a} \neq \underline{T}$ ourist \underline{wU} nit pursuant to Sections 41.6, 41.7 or 41.8 below. Designation as a tourist unit under this Chapter shall not supersede any limitations on use pursuant to the Planning Code.

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(t) Transitional Housing. A project which provides housing and supportive services to
homeless persons and families or *ILow-iI* ncome *hH*ouseholds at risk of becoming homeless
which has as its purpose facilitating the movement of homeless individuals or at-risk *ILow-i I*ncome *hH*ouseholds to independent living within a reasonable amount of time. The
transitional housing shall provide services and living quarters as approved by the Planning
Commission that are similar to the residential unit being replaced pursuant to Section 41.13
herein and shall comply with all relevant provisions of City ordinances and regulations.

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SEC. 41.9. RECORDS OF USE.

10 (a) **Daily Log.** Each residential hotel shall maintain a daily log containing the status of 11 each room, whether it is occupied or vacant, whether it is used as a residential unit or tourist 12 unit, the name under which each adult occupant is registered, and the amount of rent 13 charged. Each hotel shall also provide receipts to each adult occupant, and maintain copies of the receipts, showing: the room number; the name of each adult occupant; the rental amount 14 and period paid for; and any associated charges imposed and paid, including but not limited to 15 16 security deposits and any tax. The daily log and copies of rent receipts shall be available for 17 inspection pursuant to *the provision of* Section 41.11(c) of this Chapter 41 upon demand by the 18 Director of the Department of Building Inspection or the Director's designee or the City Attorney's Office between the hours of 9 a.m. and 5 p.m., Monday through Friday, unless the 19 20 Director of the Department of Building Inspection or the City Attorney's Office reasonably 21 believe that further enforcement efforts are necessary for specified residential hotels, in which 22 case the Department of Building Inspection or the City Attorney's Office shall notify the hotel owner or operator that the daily logs and copies of rent receipts shall be available for 23 24 inspection between the hours of 9 a.m. and 7 p.m. Each hotel shall maintain the daily logs and 25 copies of rent receipts for a period of no less than 24 months. Should an owner or operator

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1 object to providing records for inspection, the Director of the Department of Building Inspection shall have the authority to issue administrative subpoenas to investigate and enforce this Chapter's 2 3 provisions.

4 In addition to the investigative powers and enforcement mechanisms prescribed in this 5 Chapter, the City Attorney's Office shall have the authority to take further investigative action and bring additional enforcement proceedings including the immediate proceedings under 6 7 California Civil Code Section 1940.1.

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SEC. 41.10. ANNUAL UNIT USAGE REPORT.

(a) **Filing.** On November 1st of each year, every hotel owner or operator subject to this Chapter <u>41 shall file with the Department of Building Inspection, either through an online form on</u> 12 13 the Department's website or a paper copy delivered to the Department, an Annual Unit Usage 14 Report containing the following information:

(1) The total number of units in the hotel as of October 15th of the year of filing;

(2) The number of residential and tourist units as of October 15th of the year of filing;

18 (3) The number of vacant residential units as of October 15th of the year of filing; if more than 50<u>% *percent* of the units are vacant, explain why;</u> 19

20 (4) The average rent for the residential hotel units as of October 15th of the year 21 of filing;

22 (5) The number of residential units rented by week or month as of October 15th 23 of the year of filing; and

24 (6) The designation by room number and location of the residential units and tourist units as of October 15th of the year of filing, along with a graphic floorplan reflecting 25

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1 room designations for each floor. The Oowner or operator shall maintain such designated units 2 as tourist or residential units for the following year unless the owner or operator notifies in writing the Department of Building Inspection of a redesignation of units; the owner or operator 3 4 may redesignate units throughout the year, provided they notify the Department of Building 5 Inspection in writing by the next business day following such redesignation, and update the 6 graphic floorplan on file with the Department of Building Inspection and maintain the proper 7 number of residential and tourist units at all times. The purpose of this provision is to simplify 8 enforcement efforts while providing <u>the</u>owner or operator with reasonable and sufficient 9 flexibility in designation and renting of rooms;

10 (7) The nature of services provided to the permanent residents and whether
11 there has been an increase or decrease in the services so provided;

12 (8) A copy of the Daily Log, showing the number of units which are residential,
13 tourist or vacant on <u>the first Friday of each month October 1st, February 1st, May 1st and August 1st</u>
14 of the year of filing.

(b) Notice of Annual Unit Usage Report. On the day of filing, the owner or operator
shall post a notice that a copy of the Annual Unit Usage Report submitted to the Department
of Building Inspection is available for inspection between the hours of 9:00 a.m. and 5:00 p.m.
Monday through Friday, which notice shall remain posted for 30 days. *The Department shall maintain a list of those properties that have filed or failed to submit annual reports on its website.*

(c) Extension of Time for Filing. Upon application by an owner or operator and upon
 showing good cause therefor, the Director of the Department of Building Inspection may grant
 one extension of time not to exceed 30 days for said filing.

23 (d) Certificate of Annual Unit Usage Report. After receipt of a completed Annual
24 Unit Usage Report, the Department of Building Inspection shall issue a certified
25 acknowledgment of receipt.

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(e) Renewal of Hotel License and Issuance of New Certificate of Use. As of the effective date of this Chapter <u>41</u>, no hotel license may be issued to any owner or operator of a hotel unless the owner or operator presents with his/her license application a certified acknowledgment of receipt from the Department of Building Inspection of the Annual Unit Usage Report for the upcoming year.

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(f) Insufficient Filing; Penalties. The Director of the Department of Building 7 Inspection <u>is</u> authorized to assess a penalty as set forth below for insufficient filing, with 8 interest on the penalty accruing at the rate of <u>1.5% one and one-half percent</u> per full month, compounded monthly from the date the penalty is due as stated in the Director's written 9 10 notification below.

11 If the Director or the Director's designee determines that additional information is 12 needed to make a determination, *he the Director or designee* shall send both the owner and operator a written request to furnish such information within 15 calendar days of the mailing of 13 14 the written request. The letter shall state that if the requested information, or a response 15 explaining why the requested information will not be provided, is not furnished in the time required, the residential and tourist units shall be presumed to be unchanged from the previous year 16 17 and that the Director shall impose a \$500 penalty for failure to furnish the additional 18 information within the 15-day period, and a \$500 penalty for each day after the 15-day period for 19 which the owner or operator fails to furnish the requested information or explanation. If the Director 20 does not timely receive the information, the Director shall notify both the owner and operator, 21 by mail or electronic mail, that the Director is imposing a \$500 per day penalty and that the 22 accumulated penalty which must be paid within 30 days of the mailing of the notification, and 23 that interest on the penalty shall accrue from the expiration of the 30 days at the rate of 24 1.5% one and one-half percent per full month, compounded monthly. The written notification shall 25 state that if the penalty is not paid, a lien to secure the amount of the penalty, plus the

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accrued interest, will be recorded against the real property pursuant to the provisions of 2 Section 41.20(d) of this Chapter 41, and that the Residential Hotel will be not be eligible for any 3 temporary tourist rentals as provided in Section 41.19 for 12 months.

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(g) Failure to File Annual Unit Usage Report; Penalties. The Director of the Department of Building Inspection is authorized to assess penalties as set forth below for failure to file an Annual Unit Usage Report, with interest on penalties accruing at the rate of <u>1.5% one and one-half percent</u> per full month, compounded monthly from the date the penalty is due as stated in the Director's notification below.

9 If the owner or operator fails to file an Annual Unit Usage Report, the Director or the 10 Director's designee shall notify the owner and operator by registered or certified mail and shall 11 post a notice informing the owner and operator that unless submission of the Annual Unit 12 Usage Report and application for renewal of the hotel license is made within 15 calendar days 13 of the mailing of the letter, the residential and tourist units shall be presumed to be unchanged 14 from the previous year, and the Director shall impose a penalty of $\frac{5001,000}{500}$ per month offor each month the annual report is not filed and the Residential Hotel will be not be eligible for any 15 temporary tourist rentals as provided in Section 41.19 for the next 12 months. If the Director does 16 17 not receive the report, the Director shall notify both the owner and operator, by mail that the Director is imposing the appropriate penalty, as prorated, which must be paid within 30 days 18 19 of the mailing of the notification and that interest on the penalty shall accrue from the 20 expiration of the 30 days at the rate of <u>1.5% one-and one-half percent</u> per full month. 21 compounded monthly. The written notification shall state that if the penalty is not paid, a lien 22 to secure the amount of the penalty, plus the accrued interest, will be recorded against the 23 real property pursuant to the provisions of Section 41.20(d) of this Chapter 41.

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SEC. 41.11. ADMINISTRATION.

3 (a) **Fees.** The owner or operator shall pay the following filing fees to the Department of Building Inspection to cover its costs of investigating and reporting on eligibility. See Section 4 5 110A333.2, Hotel Conversion Ordinance Fee Schedule, Table 1A-O, Part II, Chapter 1- of the San 6 Francisco Municipal Code (Building Code) for the applicable fees. The party that brings an 7 unsuccessful challenge to a report pursuant to this *Chapter 41Article* shall be liable for the 8 *ehangecharge* in Section <u>110A333.2</u>, Hotel Conversion <u>Ordinance</u> Fee Schedule,--Unsuccessful 9 Challenge, Table 1A-Q-Part II, Chapter 1- of the San Francisco Municipal Code (Building Code). 10 Fees shall be waived for an individual who files an affidavit under penalty of perjury stating 11 that he or she is an indigent person who cannot pay the filing fee without using money needed 12 for the necessities of life.

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(b) Hearing.

(1) Notice of Hearing. Whenever a hearing is required or requested in this Chapter <u>41</u>, the Director of the Department of Building Inspection shall, within 45 calendar days, notify the owner or operator of the date, time, place, and nature of the hearing by registered or certified mail. The Director of the Department of Building Inspection shall appoint a hearing officer. Notice of such a hearing shall be posted by the Department of Building Inspection. The owner or operator shall state under oath at the hearing that the notice remained posted for at least 10 calendar days prior to the hearing. Said notice shall state that

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SEE SAN FRANCISCO MUNICIPAL CODE

(BUILDING CODE) SECTION 333,2110A, TABLE 1A-Q

HOTEL CONVERSION ORDINANCE FEE SCHEDULE

all permanent residents residing in the hotel may appear and testify at the public hearing, provided that the Department of Building Inspection is notified of such an intent 72 hours prior to the hearing date.

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4 (2) Pre-hearing Submission. No less than three working days prior to any
5 hearing, parties to the hearing shall submit written information to the Department of Building
6 Inspection including, but not limited to, the following: the request or complaint, the statement
7 of issues to be determined by the Hearing Officer; and a statement of the evidence upon
8 which the request or complaint is based.

9 (3) Hearing Procedure. If more than one hearing for the same hotel is 10 required, the Director of the Department of Building Inspection shall consolidate all of the 11 appeals and challenges into one hearing; however, if a civil action has been filed pursuant to 12 the provisions of Section 41.20(e) of the Chapter <u>41</u>, all hearings on administrative complaints 13 of unlawful conversions involving the same hotel shall be abated until such time as final 14 judgment has been entered in the civil action; an interested party may file a complaint in 15 intervention. The hearing shall be tape recorded. Any party to the appeal may, at his/her own 16 expense, cause the hearing to be recorded by a certified court reporter. The hearing officer is 17 empowered to issue subpoenas upon application of the parties seven calendar days prior to 18 the date of the hearing. During the hearing, evidence and testimony may be presented to the hearing officer. Parties to the hearing may be represented by counsel and have the right to 19 20 cross-examine witnesses. All testimony shall be given under oath. Written decision and 21 findings shall be rendered by the hearing officer within twenty 20 working days of the hearing. 22 Copies of the findings and decision shall be served upon the parties to the hearing by 23 registered or certified mail. A notice that a copy of the findings and decisions is available for 24 inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday shall be 25 posted by the owner or operator.

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(4) Administrative Review. Unless otherwise expressly provided in this Chapter <u>41</u>, any decision of the hearing officer shall be final unless a valid written appeal is filed with the Board of <u>Permit</u> Appeals within 15 days following the date of the hearing officer's written determination. Such an appeal may be taken by any interested party as defined by Section $41.4_{(g)}$ herein.

6 (c) **Inspection**. The Director of the Department of Building Inspection shall have the 7 authority to issue administrative subpoenas as necessary or appropriate to conduct inspections 8 pursuant to this Chapter 41. The Director of the Department of Building Inspection shall 9 conduct, from time to time, on-site inspections of the daily logs, other supporting documents. 10 including the graphic floorplan and units listed as vacant in the daily logs, to determine if the 11 owner or operator has complied with the provisions of this Chapter. In addition, the Director of 12 the Department of Building Inspection or the Director's designee shall conduct such an 13 inspection as soon as practicable upon the request of a current or former occupant of the 14 hotel. If, upon such an inspection, the Director or Director's designee determines that an apparent violation of the provisions of this Chapter has occurred, he/she the Director or designee 15 16 shall post a notice of apparent violation informing the permanent residents of the hotel thereof, 17 . or shall take action as set forth in Section 41.11(d) and (e) below. This notice shall remain 18 posted until the Director of the Department of Building Inspection, or the Director's designee, 19 determines that the hotel is no longer in violation of the provisions of this Chapter.

(d) Criminal Penalties for Violations. Any person or entity wilfully failing to maintain
daily logs or provide and maintain receipts as provided in Sections 41.9(a) and (b) of this
Chapter <u>41</u>, or failing to post materials as provided in Sections 41.6(a), (c), and (f), 41.9(b),
41.10(b), (g), and (h), 41.11(b) (3), 41.12(b)(10), and 41.18(b) and (c) of this Chapter or
wilfully providing false information in the daily logs, shall be guilty of an infraction for the first

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such violation or a misdemeanor for any subsequent violation, and the complaint charging such violation shall specify whether the violation charged is a misdemeanor or an infraction.

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If charged as an infraction, the penalty upon conviction therefor shall be not less than \$100 or more than \$500.

If charged as a misdemeanor, the penalty upon conviction therefor shall be a fine of not less than \$500 or more than \$1,000 or imprisonment in the county jail, not exceeding six months, or both fine and imprisonment.

Every day such violation shall continue shall be considered as a new offense.

For purposes of Sections 41.11(d) and (e), violation shall include, but not limited to, intentional disobedience, omission, failure or refusal to comply with any requirement imposed by the aforementioned Sections or with any notice or order of the Director of the Department of Building Inspection or the Director of Public Works regarding a violation of this Chapter.

(e) False Information Misdemeanor. It shall be unlawful for an owner or operator to
wilfully provide false information to the Director of the Department of Building Inspection or the
Director's designees. Any owner or operator who files false information shall be guilty of a
misdemeanor. Conviction of a misdemeanor hereunder shall be punishable by a fine of not
more than \$500 or by imprisonment in the County Jail for a period not to exceed six months,
or by both.

(f) The Director of the Department of Building Inspection may impose a penalty of
\$250500 per violation for failure to maintain daily logs or for failure to provide receipts to
occupants as required under Section 41.9 above and for failure to post materials as required
under Sections 41.6(a), (c), and (f), 41.9(b), 41.10(b), (g), and (h), 41.11(b) (3), 41.12(b)(10),
and 41.18(b) and (c). In order to impose such penalties, the Director shall notify both the
owner and operator by certified mail that the Director is imposing the penalty or penalties,
which must be paid within 30 days of the mailing of the notification. The written notification

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shall state that if the penalty is not paid, a lien to secure the amount of the penalty will be recorded against the real property pursuant to *the provisions of* Section 41.20(d) of this Chapter <u>41</u>.

(g) **Costs of Enforcement.** <u>The Department of Building Inspection shall be entitled to</u> <u>recover costs for enforcement as provided in Building Code Section 102A.7(d).</u> The proceeds from the filing fees and civil fines assessed shall be used exclusively to cover the costs of investigation and enforcement of this ordinance by the City and County of San Francisco. The Director of the Department of Building Inspection shall annually report these costs to the Board of Supervisors and recommend adjustments thereof.</u>

(h) Inspection of Records. The Department of Building Inspection shall maintain a file
for each residential hotel which shall contain copies of all applications, exemptions, permits,
reports, and decisions filed pursuant to the provisions of this Chapter <u>41</u>. All documents
maintained in said files, except for all tax returns and documents specifically exempted from
the California Public Records Act, shall be made available for public inspection and copying.

(i) Promulgation of Rules and Regulations. The Director of the Department of
Building Inspection shall propose rules and regulations governing the appointment of an
administrative officer and the administration and enforcement of this Chapter <u>41</u>. After
reasonable notice and opportunity to submit written comment are given, final rules and
regulations shall be promulgated.

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SEC. 41.12. PERMIT TO CONVERT.

(a) Any owner or operator, or his/her authorized agent, of a residential hotel may apply for a permit to convert one or more residential units by submitting an application and the required fee to the Central Permit Bureau.

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(b) The permit application shall contain the following information:

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1	(1) The name and address of the building in which the conversions are
2	proposed and of the building where replacement housing will be located; and
3 .	(2) The names and addresses of all owners or operators of said building <u>s;</u> and
4	(3) A description of the proposed conversion including <i>the specific method under</i>
5	Section 41.13(a) that the owner or operator selects as the nature of the conversion, the total
6	number of units in the building, <u>and their current uses;</u> and
7	(4) The room numbers and locations of the units to be converted; and
8	(5) Preliminary drawings showing the existing floor plans and proposed floor
9	plans; and
10	(6) A description of the improvements or changes proposed to be constructed
11	or installed and the tentative schedule for start of construction; and
12	(7) The current rental rates for each residential unit to be converted or, if
13	currently unoccupied, the most recent rental rate when last occupied; and
14	(8) The length of tenancy of the permanent residents affected by the proposed
15	conversion; and
16	(9) A statement regarding how one-for-one replacement of the units to be
17	converted will be accomplished, <u>citing the specific provision(s) of Section 41.13(a) the application</u>
18	has selected for replacement, and including sufficiently detailed financial information, such as letters
19	of intent and contracts, establishing how the owner or operator is constructing or causing to construct
20	the proposed location of replacement housing if replacement is to be provided off-site; and
21	(10) A declaration under penalty of perjury from the owner or operator stating
22	that he/she has complied with the provisions of Section 41.14(b) below and his/her filing of a
23	permit to convert. On the same date of the filing of the application, a notice that an application
24	to convert has been filed shall be posted until a decision is made on the application to convert.
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1 (c) Upon receipt of a completed application to convert or demolish, the Department of 2 Building Inspection shall send the application to the *Planning* Department of City Planning for 3 review and shall mail notice of such application to interested community organizations and 4 such other persons or organizations who have previously requested such notice in writing. 5 The notice shall identify the hotel requesting the permit, the nature of the permit, the proposal 6 to fulfill the replacement requirements of Section 41.13 herein, and the procedures for 7 requesting a public hearing. The Oowner or operator shall post a notice informing permanent residents of such information. 8

9 (d) Any interested party may submit a written request within 15 days of the date notice
10 is posted pursuant to subsection (c) above to the *City*-Planning Commission to schedule and
11 conduct a public hearing on the proposed conversion in order to solicit public opinion on
12 whether to approve or deny a permit to convert or demolish residential units and to determine
13 whether proposed replacement units are "comparable units" as defined in Section 41.4(b)
14 herein.

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SEC. 41.13. ONE-FOR-ONE REPLACEMENT.

(a) Prior to the issuance of a permit to convert, the owner or operator shall provide one-for-one replacement of the units to be converted by one of the following methods:

(1) Construct or cause to be constructed a comparable unit to be made available at comparable rent to replace each of the units to be converted; or

(2) Cause to be brought back into the housing market a comparable unit from any building which was not subject to the provisions of this Chapter <u>41</u>; or

(3) Construct or cause to be constructed or rehabilitated apartment units for elderly, disabled, or low-income persons or households which may be provided at a ratio of less than one-to-one; or construct or cause to be constructed transitional housing which may include emergency housing. The construction of any replacement housing under this

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subsection shall be <u>subject to restrictions recorded against title to the real property and be</u>
 evaluated by the *City*-Planning Commission in accordance with the provisions of Section 303
 of the *City*-Planning Code. A notice of said *City*-Planning Commission hearing shall be posted
 by the owner or operator 10 calendar days before the hearing; or

(4) Pay to the City and County of San Francisco an amount equal to 80% *percent* of the cost of construction of an equal number of comparable units plus site acquisition
cost. All such payments shall go into a San Francisco Residential Hotel Preservation Fund
Account. The Department of Real Estate shall determine this amount based upon two
independent appraisals; or

10 (5) Contribute to a public entity or nonprofit organization, whowhich will use the 11 funds to construct comparable units, an amount at least equal to 80<u>% percent</u> of the cost of 12 construction of an equal number of comparable units plus site acquisition cost. The Department of Real Estate shall determine this amount based upon two independent 13 14 appraisals. In addition to compliance with all relevant City ordinances and regulations, the 15 public entity or nonprofit organization and the housing development proposal of such public entity or nonprofit organization shall be subject to approval by the Mayor's Office of Housing 16 17 and Community Development.

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if:

SEC. 41.14. MANDATORY DENIAL OF PERMIT TO CONVERT.

A permit to convert shall be denied by Director of the Department of Building Inspection

(a) The requirements of Sections 41.12 or 41.13, above, have not been fully complied with;

(b) The application is incomplete or contains incorrect information;

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(c) An applicant has committed unlawful action as defined in this Chapter 41 within 12 months *previous prior* to the *issuancefiling of for* a permit to convert *application*; or

(d) The proposed conversion or the use to which the unit would be converted is not permitted by the *City*-Planning Code.

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SEC. 41.19. TEMPORARY CHANGE OF OCCUPANCY.

(a) Temporary Change of Occupancy.

(1) A tourist unit may be rented to a permanent resident, until voluntary vacation of that unit by the permanent resident or upon eviction for cause, without changing the legal 10 11 status of that unit as a tourist unit.

(2) A permanent resident may be relocated for up to 21 days to another unit in 12 the residential hotel for purposes of complying with the Building Code requirements imposed 13 14 by the UMB Seismic Retrofit Ordinance, Ordinance No. 219-92, without changing the 15 designation of the unit.

(3) A residential unit which is vacant at any time during the period commencing 16 17 on May 1st and ending on September 30th annually may be rented as a tourist unit, provided 18 that (Ai) the residential unit was vacant due to voluntary vacation of a permanent resident or 19 was vacant due to lawful eviction for cause after the permanent resident was accorded all the rights guaranteed by State and local laws during his/her tenancy, (Bii) the daily log shows that 20 21 the residential unit was legally occupied for at least 50% percent of the period commencing on 22 October 1st and ending on April 30th of the previous year, unless owner or operator can 23 produce evidence to the Department of Building Inspection explaining such vacancy to the 24 satisfaction of the Department-of Building Inspection, including but not limited to such factors as 25 repair or rehabilitation work performed in the unit or good-faith efforts to rent the unit at fair

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

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market value; *and* (*Ciii*) the residential unit shall immediately revert to residential use upon application of a prospective permanent resident; *and* (*D*) *the owner or operator has not committed unlawful action as defined in this Chapter 41 within 12 months prior to this request.*

25-percent Limit.

5 However, at no time during the period commencing on May 1st and ending on 6 September 30th may an owner or operator rent for nonresidential use or tourist use more than 7 $25\underline{\%}$ percent of the hotel's total residential units unless the owner or operator can demonstrate 8 that (Ai) the requirements of Section 41.19(a)(3) above are met, and (Bii) good-faith efforts 9 were made to rent such units to prospective permanent residents at fair market value for comparable units and that such efforts failed-*and (iii) the owner or operator has not committed* 10 11 unlawful action as defined in this Chapter within 1-2 months prior to this request. Owners or 12 operators who seek to exceed this limit must request a hearing pursuant to Section 41,11(b) 13 above and the decision whether to permit owners or operators to exceed this limit is within the 14 discretion of the hearing officer.

(b) Special Requirements for Hearings on Tourist Season Rental of Residential Units.
Where an owner or operator seeks a hearing in order to exceed the limit on tourist season
rental of vacant residential units pursuant to Section 41.19(a)(3), the requirements of *Section*41.11(b)(1), (b)(2), and (b)(3) above shall be applicable except as specifically modified or
enlarged herein:

* * * *

(5) Determination of the Hearing Officer. Based upon the evidence presented at
the hearing, conducted in accordance with Section 41.11(b)(3) above, the hearing officer shall
make findings as to (i) whether the residential unit was vacant due to voluntary vacation of a
permanent resident or was vacant due to lawful eviction, (ii) whether the residential unit was
occupied for at least 50<u>% percent</u> of the period commencing on October 1 and ending on April

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

1 30# of the previous year, (iii) whether the owner or operator has committed unlawful action under this Chapter 41 within 12 months prior to this request, and (iv) whether the owner or 2 3 operator made good-faith efforts to rent vacant residential units to prospective permanent residents at no more than fair market value for a comparable unit during the tourist season 4 and yet was unable to secure such rentals. Good-faith efforts shall include, but not be limited 5 6 to, advertising the availability of the residential units to the public. In determining fair market 7 value of the residential units, the hearing officer shall consider any data on rental of comparable units, as defined in Section 41.4(b) herein. 8 9 10

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SEC. 41.20. UNLAWFUL CONVERSION; REMEDIES; FINES.

(a) **Unlawful Actions.** It shall be unlawful to:

(1) Change the use of, or to eliminate a residential hotel unit or to demolish a
residential hotel unit except pursuant to a lawful abatement order, without first obtaining a
permit to convert in accordance with the provisions of this Chapter;

(2) Rent any residential unit for *<u>Tourist or Transient Use</u>a term of tenancy less than seven days* except as permitted by Section 41.19 of this Chapter;

18 (3) Offer for rent for *nonresidential use or <u>T</u>*tourist <u>or Transient U</u>use a residential
19 unit except as permitted by this Chapter.

(b) Hearing for Complaints of Unlawful Conversions. Upon the filing of a complaint
 by an interested party that an unlawful conversion has occurred and payment of the required
 fee, the Director of the Department of Building Inspection shall schedule a hearing pursuant to
 the provisions of Section 41.11(b). The complainant shall bear the burden of proving that a unit
 has been unlawfully converted. The hearing officer shall consider, among others, the following
 factors in determining whether a conversion has occurred:

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

(1) Shortening of the term of an existing tenancy without the prior approval of the permanent resident;

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3 (2) Reduction of the basic services provided to a residential unit intended to 4 lead to conversion. For the purpose of this <u>sub</u>section (b)(2), basic services are defined as 5 access to common areas and facilities, food service, housekeeping services, and security;

(3) Repeated failure to comply with order<u>s</u> of the Department of Building
Inspection or the Department of Public Health to correct code violations with intent to cause
the permanent residents to voluntarily vacate the premises;

9 (4) Repeated citations by the Director of the Department of Building Inspection
10 or the Department of Public Health for Code violations;

(5) Offer of the residential units for nonresidential use or tourist use except as
permitted in this Chapter <u>41</u>;

(6) Eviction or attempts to evict a permanent resident from a residential hotel on grounds other than those specified in Sections 37.9(a)(1) through 37.9(a)(8) of the *San Francisco*-Administrative Code except where a permit to convert has been issued; <u>and</u>

(7) Repeated posting by the Director of the Department of Building Inspection of notices of apparent violations of this Chapter <u>41</u> pursuant to Section 41.11(c) above.

(c) Civil Penalties. Where the hearing officer finds that an unlawful conversion has 18 19 occurred, the Director of the Department of Building Inspection shall impose a civil penalty of three times the daily rateup to \$500 per day for each unlawfully converted unit from the day the 20 21 complaint is filed until such time as the unit reverts to its authorized use, for the first unlawful conversion at a Residential Hotel within a calendar year. For the second and any subsequent unlawful 22 23 conversions at the same Residential Hotel within the same calendar year, the Director of the Department of Building Inspection shall impose a civil penalty of up to \$750 per day for each 24 25 unlawfully converted unit from the day the complaint is filed until such time as the unit reverts to its

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1 authorized use. The daily rate shall be the rate unlawfully charged by the hotel owner or operator to 2 *the occupants of the unlawfully converted unit.* The Director may also impose penalties upon the 3 owner or operator of the hotel to reimburse <u>the City or the complainant for the costs, including</u> 4 reasonable attorneys' fees, of enforcement, including reasonable attorneys' fees, of this Chapter. 5 The hearing officer's decision shall notify the parties of this penalty provision and shall state 6 that the Director of the Department of Building Inspection is authorized to impose the 7 appropriate penalty by written notification to both the owner and operator, requesting payment 8 within 30 days. If the penalty imposed is not paid, a lien to secure the amount of the penalty 9 will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter 41. 10

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Section 3. This ordinance has revised Administrative Code Section 41.4 by removing
letter designations for defined terms. The Municipal Code is hereby amended to revise any crossreferences to Section 41.4, including in Administrative Code Sections 41D.1 and 41E.1 and Police
Code Section 919.1, and, at the direction of the City Attorney, anywhere else in the Municipal Code, to
reflect the removal of the letter designations in Section 41.4.

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Section 4. Effective and Operative Dates. This ordinance shall apply to any residential
hotel that has not procured a permit to convert on or before December 1, 2016. This
ordinance shall become effective 30 days after enactment. Enactment occurs when the
Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the
ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's
yeto of the ordinance.

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Section 5. Scope of Ordinance. Except as stated in Section 3 of this ordinance, in enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM: **DENNIS J. HERRERA, City Attorney**

By: ROBB KAPLA Deputy City Attorney

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Supervisor Peskin BOARD OF SUPERVISORS



City and County of San Francisco Master Report

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

	<u>,</u>								
Fì	le Number:	161291	File Ty	be: Ordinand	æ	Status:	Mayors Office		
	Enacted:						Effective:		
	Version:	4	In Contr	ol: Land Use	e and Transp	ortation Con	nmittee		******
	File Name:	Administra Ordinance	tive Code - l	Jpdate Hotel	Conversion	Date	Introduced:	12/06/201	6
	Requester:			Cost:		F	inal Action:	02/07/201	7
	Comment:			Title:	to update th adding or re comparable household; I residential u provisions w short-term re violated prov in the previo Building Insp adding an o Department	e Hotel Con fining definit unit, conver revising prod units; harmor vith the Build entals for re- visions of the bus year; aut pection to is perative date	Iministrative C version Ordinations of tourist sion, and low- cedures for pen- nizing fees an- ling Code; elir sidential hotel e Hotel Conve- thorizing the C sue administra- e; and affirmination tion under the cot.	ance, includ and transid income ermits to counce of penalty minating se s that have ersion Ordir Department ative subpoon of the Plan	ding: t use, nvert asona nance of penas;
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	ory of Legis	lative File		Action		Sent To		Due Date	
		lative File	Date	Action ASSIGNED U DAY RULE	NDER 30	Sent To Land Use ar Transportati Committee			Resu

Supervisor Peskin submitted a substitute Ordinance bearing a new title.

2 Clerk of the Board 12/15/2016 REFERRED TO

DEPARTMENT

Referred legislation (version 2) to Planning Department for environmental review; to Small Business Commission for comment and recommendation; and to Department of Building Inspection, Planning Department, Mayor's Office of Housing and Community Development, Department of Homelessness and Supportive Housing, and Department of Public Health for informational purposes.

2 Planning Department 12/15/2016 RESPONSE RECEIVED Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

City and County of San Francisco

Printed at 8:49 am on 2/8/17

Master Report Continued (161291)

2	Land Use and	01/23/2017	AMENDED, AN	Passed	
	Transportation		AMENDMENT OF THE		
	Committee		WHOLE BEARING SAME TITLE		
	Maria Aviles, Katle Selcraig and Roshann Pressman (Mission SRO Collaborative); Chirag Bhakta (Mission Housing); Tim Houh (Mission SRO Collaborative); Gail Gilman (Department of Building Inspection Commission); Araceli Lara (Mission SRO Collaborative); Tommi Avicolli Mecca (Housing Rights Committee); Randy Shaw, Director (Tenderloin Housing Clinic); Pei Juan Zheng (Community Tenants Association); Jordan Davis (Mission SRO Collaborative); Hui Ying Li and Hui Ling Yu (SRO Families United Collaborative); Raymond Castillo (South of Market Community Action Network); Ian Lewis (Local 2); Juvy Barbonio (South of Market Community Action Network); Male Speaker; Andrea Manzo (Mission SRO Collaborative); Tony Robles (Senior Disability Actlon); Theresa Flandrich (North Beach Tenants Committee); Diana Martinez (Mission SRO Collaborative); Frida Washington (Senior Disability Action); Miriam M. (South of Market Community Action Network); Gall Seagraves (Central City SRO Collaborative); Greg Ledbetter (Mission SRO Collaborative); Ace Washington; Rio Scharf and Michael Harrington (Central City SRO Collaboration); Corey Smlth (San Francisco Housing Commission); Fernando Marti; Raul Fernandez; spoke in				
	Collaboration): Corev Si	min (San Franc	Cisco nousing Commission, remained ward,	Raul Femandez, spoke in	
	support of the hearing n	natter.		Raul Fernandez, spoke in	
	support of the hearing n Supervisors Sheehy and Land Use and Transportation	natter. d Cohen reque:	sted to be added as co-sponsors. RECOMMENDED AS AMENDED		
	support of the hearing n Supervisors Sheehy and Land Use and	natter. d Cohen reque: 01/23/2017	sted to be added as co-sponsors. RECOMMENDED AS AMENDED AMENDED, AN AMENDMENT OF THE WHOLE BEARING	Raur Pernandez, spoke in Passec Passec	
	support of the hearing n Supervisors Sheehy and Land Use and Transportation Committee	natter. d Cohen reque: 01/23/2017 01/31/2017	sted to be added as co-sponsors. RECOMMENDED AS AMENDED AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE	Passed	
\$	support of the hearing n Supervisors Sheehy and Land Use and Transportation Committee Board of Supervisors	atter. d Cohen reque: 01/23/2017 01/31/2017 ed to be added	sted to be added as co-sponsors. RECOMMENDED AS AMENDED AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE	Passed	
3 3	support of the hearing n Supervisors Sheehy and Land Use and Transportation Committee Board of Supervisors Supervisor Yee request	natter. d Cohen reque: 01/23/2017 01/31/2017 ed to be added 01/31/2017	sted to be added as co-sponsors. RECOMMENDED AS AMENDED AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE as a co-sponsor. PASSED ON FIRST READING AS	Passed	

FILE NO. 161291

AMENDED IN BOARD 1/31/2017

[Administrative Code - Update Hotel Conversion Ordinance]
Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion
Ordinance, including: adding or refining definitions of tourist and transit use,
comparable unit, conversion, and low-income household; revising procedures for
permits to convert residential units; harmonizing fees and penalty provisions with the
Building Code; eliminating seasonal short-term rentals for residential hotels that have
violated provisions of the Hotel Conversion Ordinance in the previous year; authorizin
the Department of Building Inspection to issue administrative subpoenas; adding an
operative date; and affirming the Planning Department's determination under the
California Environmental Quality Act.
NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> . Board amendment additions are in <u>double-underlined Arial font</u> . Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.
Be it ordained by the People of the City and County of San Francisco:
Section 1. Environmental Findings.
The Planning Department has determined that the actions contemplated in this
ordinance comply with the California Environmental Quality Act (California Public Resources
Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
Supervisors in File No. 161291 and is incorporated herein by reference. The Board affirms
this determination.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 1

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Section 2. The Administrative Code is hereby amended by revising Sections 41.3, 41.4, 41.9, 41.10, 41.11, 41.12, 41.13, 41.14, 41.19, and 41.20, to read as follows:

SEC. 41.3. FINDINGS

*

(m) Since enactment of this Chapter, residential units have been converted to tourist units and the hotel operators have paid the 40 percent in-lieu fee to the City. This amount, 40 percent of the cost of construction of comparable units plus site acquisition cost, has not been adequate to provide replacement units. Federal, state and local funds were incorrectly assumed at that time to be available and sufficient to make up the shortfall between the 40 percent in-lieu fee and actual replacement costs. For example, in 1979 the federal government was spending 32 billion dollars on housing and is spending only 7 billion dollars in 1989.

 $(\underline{m} n)$ Certain uses provide both living accommodation and services, such as health care, personal care and counseling, to residents of the City. Examples of such uses are hospital, skilled nursing facility, AIDS hospice, intermediate care facility, asylum, sanitarium, orphanage, prison, convent, rectory, residential care facility for the elderly, and community care facility. Such facilities are often operated in building owned or leased by non-profit organizations and provide needed services to the City's residents. To subject such facilities to the provisions of this Chapter may deter future development of such facilities. It is desirable that such facilities exist and the City should encourage construction and operation of such facilities.

 $(\underline{n} \ \theta)$ In addition, a form of housing facilities called "transitional housing" provides housing and supportive services to homeless persons and families and is intended to facilitate the movement of homeless individuals and families to independent living or longer term supportive residences in a reasonable amount of time. Transitional housing has individual living quarters with physical characteristics often similar to a residential hotel (i.e.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 2

039237

accommodations which provide privacy to residents) and provides a source of interim housing for homeless individuals and families seeking to live independently.

 $(\underline{o} p)$ The City's public, quasi-public and private social agencies serving the elderly and needy persons often find it difficult to immediately locate suitable housing units for such persons returning to independent living after hospitalization or upon leaving skilled-nursing or intermediate care facilities within a short time after their discharge from a health facility. Such persons often will require minimum supervision and other interim social service support. The provision of a stable number of housing units for such emergency needs until permanent housing can be secured and supportive services arranged are necessary and desirable for the City. Emergency housing will have physical characteristics similar to "transitional housing" and is often intended to be occupied for a period of less than one month.

 $(\underline{p} \not q)$ The City also wishes to provide positive incentive to encourage residential hotel owners and operators to comply with the terms of this Chapter. Hotel owners have expressed a need to rent certain residential units on a short term basis during the winter months. In an effort to address this need and to encourage compliance with this Chapter, the City wishes to provide an opportunity to hotel owners who have complied with the terms of this Chapter to rent a limited number of residential units to tourists during the winter months.

SEC. 41.4. DEFINITIONS.

(a) **Certificate of Use.** Following the initial unit usage and annual unit usage determination pursuant to the provisions of Sections 41.6 and 41.10 below, every hotel shall be issued a certificate of use specifying the number of residential and tourist units herein.

(b) **Comparable Unit.** A unit which is similar in size, services, rental amount_⊥ and facilities, and *is designated the same category of housing as the existing unit, and which* is located

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 3

PPAR 000206

within the existing neighborhood or within a neighborhood with similar physical and socioeconomic conditions, *and is similarly affordable for low income, elderly, and disabled persons.*

(c) Conversion. The change or attempted change of the use of a residential unit as defined in subsection (q) below to a <u>Tourist or Transienttourist</u>-use, or the elimination of a residential unit, or the voluntary demolition of a residential hotel. However, a change in the use of a residential hotel unit into a non-commercial use which serves only the needs of the permanent residents, such as <u>a</u> resident's lounge, <u>storeroomcommunity kitchen</u>, or common area, shall not constitute a conversion within the meaning of this Chapter <u>41</u>, provided that the <u>residential hotel owner establishes that eliminating or re-designating an existing tourist unit instead of</u> a residential unit would be infeasible.

(d) **Disabled Person.** A recipient of disability benefits.

(e) Elderly Person. A person 62 years of age or older.

(f) **Emergency Housing.** A project which provides housing and supportive services to elderly or low-income persons upon leaving a health facility and which has its primary purpose *of* facilitating the return of such individuals to independent living. The emergency housing shall provide services and living quarters pursuant to Section 41.13 herein and may be provided as part of a "transitional housing" project.

(g) Hotel. Any building containing six or more guest rooms intended or designed to be used, or which are used, rented, or hired out to be occupied or which are occupied for sleeping purposes and dwelling purposes by guests, whether rent is paid in money, goods, or services. It includes motels, as defined in <u>Section 401Chapter XII, Part II</u> of the <u>San Francisco</u> <u>Municipal Code (Housing Code)</u>, but does not include any jail, health facilities as defined by <u>in</u> Section 1250 of the <u>California</u> Health and Safety Code, asylum, sanitarium, orphanage, prison, convent, rectory, residential care facility for the elderly as defined in Section 1569.2 of the Health and Safety Code, residential facilities as defined in Section 1502 of the Health and

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 4

039239

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Safety Code or other institution in which human beings are housed or detained under legal restraint, or any private club and nonprofit organization in existence on September 23, 1979; provided, however, that nonprofit organizations which operated a residential hotel on September 23, 1979, shall comply with the provisions of Section 41.8 herein.

(*h*) Interested Party. A permanent resident of a hotel, or his or her authorized representative, or a former tenant of a hotel who vacated a residential unit within the past 90 days preceding the filing of <u>a</u> complaint or court proceeding to enforce the provisions of this Chapter <u>41</u>. Interested party shall also mean any nonprofit organization, as defined in <u>this</u> Section 41.4(*k*), which has the preservation or improvement of housing as a stated purpose in its articles of incorporation and/or bylaws.

(*i*) Low-Income Household. A household whose income does not exceed 60<u>%</u> percent of the <u>Area mM</u>edian *i*Income <u>as set forth in Charter Section 16.110</u> for the San Francisco Standard Metropolitan Statistical Area as published by the United States Department of Housing and Urban Development and Housing and Community Development Act of 1974.

(i) Low-Income Housing. Residential units whose rent may not exceed 30<u>% *percent*</u> of the gross monthly income of a *IL*ow-*iI*ncome *hH*ousehold as defined *in subsection (i)* above.

(*) **Nonprofit Organization.** An entity exempt from taxation pursuant to Title 26, Section 501 of the United States Code.

(*f*) **Operator.** An ΘQ perator includes the lessee or any person or legal entity whether or not the owner, who is responsible for the day-to-day operation of a residential hotel and to whom a hotel license is issued for a <u>*r*R</u> esidential <u>*h*H</u> otel.

(*m*) **Owner.** Owner includes any person or legal entity holding any ownership interest in a $\#\underline{R}$ esidential $\underline{h}\underline{H}$ otel.

(*n*) **Permanent Resident.** A person who occupies a guest room for at least 32 consecutive days.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

(*o*) **Posting or Post.** Where posting is required by this Chapter <u>41</u>, material shall be posted in a conspicuous location at the front desk in the lobby of the hotel, or if there is no lobby, in the public entranceway. No material posted may be removed by any person except as otherwise provided in this Chapter.

(*p*) **Residential Hotel.** Any building or structure which contains a <u>*r*R</u>esidential <u>*u*U</u>nit as defined *in* (*q*) below unless exempted pursuant to the provisions of Sections 41.5 or 41.7 below.

(q) **Residential Unit.** Any guest room as defined in Section <u>401</u>203.7 of Chapter XII, Part II of the San Francisco <u>Municipal Code</u> (Housing Code) which had been occupied by a permanent resident on September 23, 1979. Any guest room constructed subsequent to September 23, 1979 or not occupied by a permanent resident on September 23, 1979, shall not be subject to the provisions of this Chapter <u>41</u>; provided however, if designated as a residential unit pursuant to Section 41.6 of this Chapter or constructed as a replacement unit, such residential units shall be subject to the provisions of this Chapter.

(*r*) **Tourist Hotel.** Any building containing six or more guest rooms intended or designated to be used for commercial tourist use by providing accommodation to transient guests on a nightly basis or longer. A tourist hotel shall be considered a commercial use pursuant to *City*-Planning Code Section <u>790.46</u>216(b) and shall not be defined as group housing permitted in a residential area under *City*-Planning Code Section 209.12.

<u>Tourist or Transient Use.</u> Any use of a guest room for less than a 32-day term of tenancy by a <u>party other than a Permanent Resident or prospective Permanent Resident</u>.

(s) **Tourist Unit.** A guest room which was not occupied on September 23, 1979, by a permanent resident or is certified as $\underline{a} \neq \underline{T}$ ourist \underline{wU} nit pursuant to Sections 41.6, 41.7 or 41.8 below. Designation as a tourist unit under this Chapter shall not supersede any limitations on use pursuant to the Planning Code.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 6

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(*t*) **Transitional Housing**. A project which provides housing and supportive services to homeless persons and families or *ILow-iI* ncome *hH* ouseholds at risk of becoming homeless which has as its purpose facilitating the movement of homeless individuals or at-risk *ILow-i I* ncome *hH* ouseholds to independent living within a reasonable amount of time. The transitional housing shall provide services and living quarters as approved by the Planning Commission that are similar to the residential unit being replaced pursuant to Section 41.13 herein and shall comply with all relevant provisions of City ordinances and regulations.

SEC. 41.9. RECORDS OF USE.

(a) **Daily Log.** Each residential hotel shall maintain a daily log containing the status of each room, whether it is occupied or vacant, whether it is used as a residential unit or tourist unit, the name under which each adult occupant is registered, and the amount of rent charged. Each hotel shall also provide receipts to each adult occupant, and maintain copies of the receipts, showing: the room number; the name of each adult occupant; the rental amount and period paid for; and any associated charges imposed and paid, including but not limited to security deposits and any tax. The daily log and copies of rent receipts shall be available for inspection pursuant to *the provision of* Section 41.11(c) of this Chapter <u>41 upon demand by the</u> Director of the Department of Building Inspection or the Director's designee or the City Attorney's Office between the hours of 9 a.m. and 5 p.m., Monday through Friday, unless the Director of the Department of Building Inspection or the City Attorney's Office reasonably believe that further enforcement efforts are necessary for specified residential hotels, in which case the Department of Building Inspection or the City Attorney's Office shall notify the hotel owner or operator that the daily logs and copies of rent receipts shall be available for inspection between the hours of 9 a.m. and 7 p.m. Each hotel shall maintain the daily logs and copies of rent receipts for a period of no less than 24 months. Should an owner or operator

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 7

object to providing records for inspection, the Director of the Department of Building Inspection shall have the authority to issue administrative subpoenas to investigate and enforce this Chapter's

provisions.

In addition to the investigative powers and enforcement mechanisms prescribed in this Chapter, the City Attorney's Office shall have the authority to take further investigative action and bring additional enforcement proceedings including *the immediate proceedings under* California Civil Code Section 1940.1.

SEC. 41.10. ANNUAL UNIT USAGE REPORT.

(a) Filing. On November 1st of each year, every hotel owner or operator subject to this
 Chapter <u>41</u> shall file with the Department of Building Inspection, <u>either through an online form on</u>
 <u>the Department's website or a paper copy delivered to the Department</u>, an Annual Unit Usage
 Report containing the following information:

(1) The total number of units in the hotel as of October 15th of the year of filing;

(2) The number of residential and tourist units as of October 15th of the year of filing;

(3) The number of vacant residential units as of October 15*th* of the year of filing; if more than 50<u>% *percent* of the units are vacant, explain why;</u>

(4) The average rent for the residential hotel units as of October 15*th* of the year of filing;

(5) The number of residential units rented by week or month as of October 15*t*/_{*t*}/_{*t*}/_{*t*} of the year of filing; and

(6) The designation by room number and location of the residential units and tourist units as of October 15*th* of the year of filing<u>, along with a graphic floorplan reflecting</u>

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 8

room designations for each floor. The Oowner or operator shall maintain such designated units as tourist or residential units for the following year unless <u>the</u>owner or operator notifies in writing the Department of Building Inspection of a redesignation of units; the owner or operator may redesignate units throughout the year, provided they notify the Department of Building Inspection in writing by the next business day following such redesignation, and update the graphic floorplan on file with the Department of Building Inspection and maintain the proper number of residential and tourist units at all times. The purpose of this provision is to simplify enforcement efforts while providing *the* owner or operator with reasonable and sufficient flexibility in designation and renting of rooms; (7) The nature of services provided to the permanent residents and whether there has been an increase or decrease in the services so provided; (8) A copy of the Daily Log, showing the number of units which are residential, tourist, or vacant on the first Friday of each month October 1st, February 1st, May 1st and August 1st of the year of filing. (b) Notice of Annual Unit Usage Report. On the day of filing, the owner or operator shall post a notice that a copy of the Annual Unit Usage Report submitted to the Department of Building Inspection is available for inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday, which notice shall remain posted for 30 days. The Department shall maintain a list of those properties that have filed or failed to submit annual reports on its website.

(c) Extension of Time for Filing. Upon application by an owner or operator and upon showing good cause therefor, the Director of the Department of Building Inspection may grant one extension of time not to exceed 30 days for said filing.

(d) Certificate of Annual Unit Usage Report. After receipt of a completed Annual Unit Usage Report, the Department of Building Inspection shall issue a certified acknowledgment of receipt.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed **BOARD OF SUPERVISORS**

Page 9

PPAR 000212

(e) Renewal of Hotel License and Issuance of New Certificate of Use. As of the effective date of this Chapter 41, no hotel license may be issued to any owner or operator of a hotel unless the owner or operator presents with his/her license application a certified acknowledgment of receipt from the Department of Building Inspection of the Annual Unit Usage Report for the upcoming year.

(f) Insufficient Filing; Penalties. The Director of the Department of Building Inspection is authorized to assess a penalty as set forth below for insufficient filing, with interest on the penalty accruing at the rate of <u>1.5% one and one-half percent</u> per full month, compounded monthly from the date the penalty is due as stated in the Director's written notification below.

If the Director or the Director's designee determines that additional information is needed to make a determination, he the Director or designee shall send both the owner and operator a written request to furnish such information within 15 calendar days of the mailing of the written request. The letter shall state that if the requested information, or a response explaining why the requested information will not be provided, is not furnished in the time required, the residential and tourist units shall be presumed to be unchanged from the previous year and that the Director shall impose a \$500 penalty for failure to furnish the additional information within the 15-day period, and a \$500 penalty for each day after the 15-day period for which the owner or operator fails to furnish the requested information or explanation. If the Director does not timely receive the information, the Director shall notify both the owner and operator, by mail or electronic mail, that the Director is imposing a \$500 per day penalty and that the accumulated penalty which must be paid within 30 days of the mailing of the notification, and that interest on the penalty shall accrue from the expiration of the 30 days at the rate of 1.5% one and one-half percent per full month, compounded monthly. The written notification shall state that if the penalty is not paid, a lien to secure the amount of the penalty, plus the

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 10

accrued interest, will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter <u>41, and that the Residential Hotel will be not be eligible for any</u> temporary tourist rentals as provided in Section 41.19 for 12 months.

(g) **Failure to File Annual Unit Usage Report; Penalties.** The Director of the Department of Building Inspection is authorized to assess penalties as set forth below for failure to file an Annual Unit Usage Report, with interest on penalties accruing at the rate of <u>1.5%</u> one and one-half percent per full month, compounded monthly from the date the penalty is due as stated in the Director's notification below.

If the owner or operator fails to file an Annual Unit Usage Report, the Director or the Director's designee shall notify the owner and operator by registered or certified mail and shall post a notice informing the owner and operator that unless submission of the Annual Unit Usage Report and application for renewal of the hotel license is made within 15 calendar days of the mailing of the letter, the residential and tourist units shall be presumed to be unchanged from the previous year, and the Director shall impose a penalty of \$5001.000 per month offor each month the annual report is not filed and the Residential Hotel will be not be eligible for any temporary tourist rentals as provided in Section 41.19 for the next 12 months. If the Director does not receive the report, the Director shall notify both the owner and operator; by mail that the Director is imposing the appropriate penalty, as prorated, which must be paid within 30 days of the mailing of the automatication and that interest on the penalty shall accrue from the expiration of the 30 days at the rate of 1.5% one and one-half percent per full month, compounded monthly. The written notification shall state that if the penalty is not paid, a lien to secure the amount of the penalty, plus the accrued interest, will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter 41.

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Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 11

PPAR_000214

SEC. 41.11. ADMINISTRATION.

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(a) **Fees.** The owner or operator shall pay the following filing fees to the Department of Building Inspection to cover its costs of investigating and reporting on eligibility. See Section 110A333.2, Hotel Conversion <u>Ordinance</u> Fee Schedule, <u>Table 1A-Q.-Part II, Chapter 1</u>-of the <u>San</u> Francisco <u>Municipal Code</u> (Building Code) for the applicable fees. The party that brings an unsuccessful challenge to a report pursuant to this <u>Chapter 41Article</u> shall be liable for the <u>ehangecharge</u> in Section <u>110A333.2</u>, Hotel Conversion <u>Ordinance</u> Fee Schedule, <u>Code</u> (Building Code). Fees shall be waived for an individual who files an affidavit under penalty of perjury stating that he or she is an indigent person who cannot pay the filing fee without using money needed for the necessities of life.

SEE SAN FRANCISCO MUNICIPAL CODE (BUILDING CODE) SECTION 333.2110A, TABLE 1A-Q HOTEL CONVERSION ORDINANCE FEE SCHEDULE

(b) Hearing.

(1) **Notice of Hearing.** Whenever a hearing is required or requested in this Chapter <u>41</u>, the Director of the Department of Building Inspection shall, within 45 calendar days, notify the owner or operator of the date, time, place, and nature of the hearing by registered or certified mail. The Director of the Department of Building Inspection shall appoint a hearing officer. Notice of such a hearing shall be posted by the Department of Building Inspection. The owner or operator shall state under oath at the hearing that the notice remained posted for at least 10 calendar days prior to the hearing. Said notice shall state that

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 12

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3

all permanent residents residing in the hotel may appear and testify at the public hearing, provided that the Department of Building Inspection is notified of such an intent 72 hours prior to the hearing date.

(2) **Pre-hearing Submission.** No less than three working days prior to any hearing, parties to the hearing shall submit written information to the Department of Building Inspection including, but not limited to, the following: the request or complaint, the statement of issues to be determined by the Hearing Officer; and a statement of the evidence upon which the request or complaint is based.

(3) Hearing Procedure. If more than one hearing for the same hotel is required, the Director of the Department of Building Inspection shall consolidate all of the appeals and challenges into one hearing; however, if a civil action has been filed pursuant to *the provisions of* Section 41.20(e) of *the* Chapter *41*, all hearings on administrative complaints of unlawful conversions involving the same hotel shall be abated until such time as final judgment has been entered in the civil action; an interested party may file a complaint in intervention. The hearing shall be tape recorded. Any party to the appeal may, at his/her own expense, cause the hearing to be recorded by a certified court reporter. The hearing officer is empowered to issue subpoenas upon application of the parties seven calendar days prior to the date of the hearing. During the hearing, evidence and testimony may be presented to the hearing officer. Parties to the hearing may be represented by counsel and have the right to cross-examine witnesses. All testimony shall be given under oath. Written decision and findings shall be rendered by the hearing officer within twenty 20 working days of the hearing. Copies of the findings and decision shall be served upon the parties to the hearing by registered or certified mail. A notice that a copy of the findings and decisions is available for inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday shall be posted by the owner or operator.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

(4) Administrative Review. Unless otherwise expressly provided in this Chapter <u>41</u>, any decision of the hearing officer shall be final unless a valid written appeal is filed with the Board of *Permit* Appeals within 15 days following the date of the hearing officer's written determination. Such an appeal may be taken by any interested party as defined by Section $41.4_{(g)}$ herein.

(c) **Inspection**. *The Director of the Department of Building Inspection shall have the authority to issue administrative subpoenas as necessary or appropriate to conduct inspections pursuant to this Chapter 41.* The Director of the Department of Building Inspection shall conduct, from time to time, on-site inspections of the daily logs, other supporting documents, <u>including the graphic floorplan</u> and units listed as vacant in the daily logs, to determine if *the* owner or operator has complied with the provisions of this Chapter. In addition, the Director of the Department of Building Inspection or the Director's designee shall conduct such an inspection as soon as practicable upon the request of a current or former occupant of the hotel. If, upon such an inspection, the Director or Director's designee determines that an apparent violation of the provisions of this Chapter has occurred, *he/she the Director or designee* shall post a notice of apparent violation informing the permanent residents of the hotel thereof, or shall take action as set forth in Section 41.11(d) and (e) below. This notice shall remain posted until the Director of the Department of Building Inspection, or the Director's designee, determines that the hotel is no longer in violation of the provisions of this Chapter.

(d) **Criminal Penalties for Violations.** Any person or entity wilfully failing to maintain daily logs or provide and maintain receipts as provided in Sections 41.9(a) and (b) of this Chapter <u>41</u>, or failing to post materials as provided in Sections 41.6(a), (c)_L and (f), 41.9(b), 41.10(b), (g)_L and (h), 41.11(b) (3), 41.12(b)(10)_L and 41.18(b) and (c) of this Chapter or wilfully providing false information in the daily logs_L shall be guilty of an infraction for the first

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

such violation or a misdemeanor for any subsequent violation, and the complaint charging such violation shall specify whether the violation charged is a misdemeanor or an infraction.

If charged as an infraction, the penalty upon conviction therefor shall be not less than \$100 or more than \$500.

If charged as a misdemeanor, the penalty upon conviction therefor shall be a fine of not less than \$500 or more than \$1,000 or imprisonment in the county jail, not exceeding six months, or both fine and imprisonment.

Every day such violation shall continue shall be considered as a new offense.

For purposes of Sections 41.11(d) and (e), violation shall include, but not limited to, intentional disobedience, omission, failure or refusal to comply with any requirement imposed by the aforementioned Sections or with any notice or order of the Director of the Department of Building Inspection or the Director of Public Works regarding a violation of this Chapter.

(e) **False Information Misdemeanor**. It shall be unlawful for an owner or operator to wilfully provide false information to the Director of the Department of Building Inspection or the Director's designees. Any owner or operator who files false information shall be guilty of a misdemeanor. Conviction of a misdemeanor hereunder shall be punishable by a fine of not more than \$500 or by imprisonment in the County Jail for a period not to exceed six months, or by both.

(f) The Director of the Department of Building Inspection may impose a penalty of \$250500 per violation for failure to maintain daily logs or for failure to provide receipts to occupants as required under Section 41.9 above and for failure to post materials as required under Sections 41.6(a), (c), and (f), 41.9(b), 41.10(b), (g), and (h), 41.11(b) (3), 41.12(b)(10), and 41.18(b) and (c). In order to impose such penalties, the Director shall notify both the owner and operator by certified mail that the Director is imposing the penalty or penalties, which must be paid within 30 days of the mailing of the notification. The written notification

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

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2

shall state that if the penalty is not paid, a lien to secure the amount of the penalty will be recorded against the real property pursuant to *the provisions of* Section 41.20(d) of this Chapter <u>41</u>.

(g) **Costs of Enforcement.** <u>The Department of Building Inspection shall be entitled to</u> recover costs for enforcement as provided in Building Code Section 102A.7(d). The proceeds from the filing fees and eivil fines assessed shall be used exclusively to cover the costs of investigation and enforcement of this ordinance by the City and County of San Francisco. The Director of the Department of Building Inspection shall annually report these costs to the Board of Supervisors and recommend adjustments thereof.

(h) **Inspection of Records**. The Department of Building Inspection shall maintain a file for each residential hotel which shall contain copies of all applications, exemptions, permits, reports, and decisions filed pursuant to the provisions of this Chapter <u>41</u>. All documents maintained in said files, except for all tax returns and documents specifically exempted from the California Public Records Act, shall be made available for public inspection and copying.

(i) **Promulgation of Rules and Regulations.** The Director of the Department of Building Inspection shall propose rules and regulations governing the appointment of an administrative officer and the administration and enforcement of this Chapter <u>41</u>. After reasonable notice and opportunity to submit written comment are given, final rules and regulations shall be promulgated.

SEC. 41.12. PERMIT TO CONVERT.

(a) Any owner or operator, or his/her authorized agent, of a residential hotel may apply for a permit to convert one or more residential units by submitting an application and the required fee to the Central Permit Bureau.

(b) The permit application shall contain the following information:

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

1	(1) The name and address of the building in which the conversions are
2	proposed and of the building where replacement housing will be located; and
3	(2) The names and addresses of all owners or operators of said buildings; and
4	(3) A description of the proposed conversion including <i>the specific method under</i>
5	Section 41.13(a) that the owner or operator selects as the nature of the conversion, the total
6	number of units in the building, <u>and their current uses;</u> and
7	(4) The room numbers and locations of the units to be converted; and
8	(5) Preliminary drawings showing the existing floor plans and proposed floor
9	plans; and
10	(6) A description of the improvements or changes proposed to be constructed
11	or installed and the tentative schedule for start of construction; and
12	(7) The current rental rates for each residential unit to be converted or, if
13	currently unoccupied, the most recent rental rate when last occupied; and
14	(8) The length of tenancy of the permanent residents affected by the proposed
15	conversion; and
16	(9) A statement regarding how one-for-one replacement of the units to be
17	converted will be accomplished, citing the specific provision(s) of Section 41.13(a) the application
18	has selected for replacement, and including sufficiently detailed financial information, such as letters
19	of intent and contracts, establishing how the owner or operator is constructing or causing to construct
20	the proposed location of replacement housing if replacement is to be provided off-site; and
21	(10) A declaration under penalty of perjury from the owner or operator stating
22	that he/she has complied with the provisions of Section 41.14(b) below and his/her filing of a
23	permit to convert. On the same date of the filing of the application, a notice that an application
24	to convert has been filed shall be posted until a decision is made on the application to convert.
25	

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

(c) Upon receipt of a completed application to convert or demolish, the Department of Building Inspection shall send the application to the <u>*Planning*</u> Department of *City Planning* for review and shall mail notice of such application to interested community organizations and such other persons or organizations who have previously requested such notice in writing. The notice shall identify the hotel requesting the permit, the nature of the permit, the proposal to fulfill the replacement requirements of Section 41.13 herein, and the procedures for requesting a public hearing. <u>*The Oo*</u> wher or operator shall post a notice informing permanent residents of such information.

(d) Any interested party may submit a written request within 15 days of the date notice is posted pursuant to subsection (c) above to the *City*-Planning Commission to schedule and conduct a public hearing on the proposed conversion in order to solicit public opinion on whether to approve or deny a permit to convert or demolish residential units and to determine whether proposed replacement units are "comparable units" as defined in Section 41.4(*b*) herein.

SEC. 41.13. ONE-FOR-ONE REPLACEMENT.

(a) Prior to the issuance of a permit to convert, the owner or operator shall provide one-for-one replacement of the units to be converted by one of the following methods:

(1) Construct or cause to be constructed a comparable unit to be made available at comparable rent to replace each of the units to be converted; or

(2) Cause to be brought back into the housing market a comparable unit from any building which was not subject to the provisions of this Chapter <u>41</u>; or

(3) Construct or cause to be constructed or rehabilitated apartment units for elderly, disabled, or low-income persons or households which may be provided at a ratio of less than one-to-one; or construct or cause to be constructed transitional housing which may include emergency housing. The construction of any replacement housing under this

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

if:

subsection shall be <u>subject to restrictions recorded against title to the real property and be</u> evaluated by the *City* Planning Commission in accordance with the provisions of Section 303 of the *City* Planning Code. A notice of said *City* Planning Commission hearing shall be posted by the owner or operator 10 calendar days before the hearing; or

(4) Pay to the City and County of San Francisco an amount equal to 80<u>%</u> percent of the cost of construction of an equal number of comparable units plus site acquisition cost. All such payments shall go into a San Francisco Residential Hotel Preservation Fund Account. The Department of Real Estate shall determine this amount based upon two independent appraisals; or

(5) Contribute to a public entity or nonprofit organization, *whowhich* will use the funds to construct comparable units, an amount at least equal to 80<u>% *percent*</u> of the cost of construction of an equal number of comparable units plus site acquisition cost. The Department of Real Estate shall determine this amount based upon two independent appraisals. In addition to compliance with all relevant City ordinances and regulations, the public entity or nonprofit organization and the housing development proposal of such public entity or nonprofit organization shall be subject to approval by the Mayor's Office of Housing *and Community Development*.

* * * *

SEC. 41.14. MANDATORY DENIAL OF PERMIT TO CONVERT.

A permit to convert shall be denied by Director of the Department of Building Inspection

(a) The requirements of Sections 41.12 or 41.13, above, have not been fully complied with;

(b) The application is incomplete or contains incorrect information;

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 19

(c) An applicant has committed unlawful action as defined in this Chapter <u>41</u> within 12 months *previous <u>prior</u>* to the *issuancefiling of for* a permit to convert *application*; or

(d) The proposed conversion or the use to which the unit would be converted is not permitted by the *City*-Planning Code.

* * * *

SEC. 41.19. TEMPORARY CHANGE OF OCCUPANCY.

(a) **Temporary Change of Occupancy.**

(1) A tourist unit may be rented to a permanent resident, until voluntary vacation of that unit by the permanent resident or upon eviction for cause, without changing the legal status of that unit as a tourist unit.

(2) A permanent resident may be relocated for up to 21 days to another unit in the residential hotel for purposes of complying with the Building Code requirements imposed by the UMB Seismic Retrofit Ordinance, Ordinance No. 219-92, without changing the designation of the unit.

(3) A residential unit which is vacant at any time during the period commencing on May 1st and ending on September 30th annually may be rented as a tourist unit, provided that (<u>Ai</u>) the residential unit was vacant due to voluntary vacation of a permanent resident or *was vacant* due to lawful eviction for cause after the permanent resident was accorded all the rights guaranteed by State and local laws during his/her tenancy, (<u>Bii</u>) the daily log shows that the residential unit was legally occupied for at least 50<u>% percent</u> of the period commencing on October 1st and ending on April 30th of the previous year, unless owner or operator can produce evidence to the Department of Building Inspection explaining such vacancy to the satisfaction of the Department-*of Building Inspection*, including but not limited to such factors as repair or rehabilitation work performed in the unit or good-faith efforts to rent the unit at fair

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 20

market value; and (C_{iii}) the residential unit shall immediately revert to residential use upon application of a prospective permanent resident; and (D) the owner or operator has not committed unlawful action as defined in this Chapter 41 within 12 months prior to this request.

25-percent Limit.

However, at no time during the period commencing on May 1*st* and ending on September 30*th* may an owner or operator rent for nonresidential use or tourist use more than $25\underline{\%}$ percent of the hotel's total residential units unless the owner or operator can demonstrate that (<u>A</u>*i*) the requirements of <u>Section</u> 41.19(a)(3) above are met, <u>and (B</u>*ii*) good-faith efforts were made to rent such units to prospective permanent residents at fair market value for comparable units and that such efforts failed <u>and (*iii*) the owner or operator has not committed</u> <u>unlawful action as defined in this Chapter within 12 months prior to this request</u>. Owners or operators who seek to exceed this limit must request a hearing pursuant to Section 41.11(b) above and the decision whether to permit owners or operators to exceed this limit is within the discretion of the hearing officer.

(b) Special Requirements for Hearings on Tourist Season Rental of Residential Units. Where an owner or operator seeks a hearing in order to exceed the limit on tourist season rental of vacant residential units pursuant to Section 41.19(a)(3), the requirements of <u>Section</u> 41.11(b)(1), (b)(2), and (b)(3) above shall be applicable except as specifically modified or enlarged herein:

(5) Determination of the Hearing Officer. Based upon the evidence presented at the hearing, conducted in accordance with Section 41.11(b)(3) above, the hearing officer shall make findings as to (i) whether the residential unit was vacant due to voluntary vacation of a permanent resident or was vacant due to lawful eviction, (ii) whether the residential unit was occupied for at least 50% percent of the period commencing on October 1 and ending on April

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 21

30# of the previous year, (iii) whether the owner or operator has committed unlawful action under this Chapter <u>41</u> within 12 months prior to this request, and (iv) whether the owner or operator made good-faith efforts to rent vacant residential units to prospective permanent residents at no more than fair market value for a comparable unit during the tourist season and yet was unable to secure such rentals. Good-faith efforts shall include, but not be limited to, advertising the availability of the residential units to the public. In determining fair market value of the residential units, the hearing officer shall consider any data on rental of comparable units, as defined in Section 41.4(b)

* * * *

SEC. 41.20. UNLAWFUL CONVERSION; REMEDIES; FINES.

(a) Unlawful Actions. It shall be unlawful to:

(1) Change the use of, or to eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to a lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter;

(2) Rent any residential unit for <u>Tourist or Transient Usea term of tenancy less than</u> seven days except as permitted by Section 41.19 of this Chapter;

(3) Offer for rent for *nonresidential use or <u>T</u>*tourist <u>or *Transient U*u</u>se a residential unit except as permitted by this Chapter.

(b) Hearing for Complaints of Unlawful Conversions. Upon the filing of a complaint by an interested party that an unlawful conversion has occurred and payment of the required fee, the Director of the Department of Building Inspection shall schedule a hearing pursuant to *the provisions of* Section 41.11(b). The complainant shall bear the burden of proving that a unit has been unlawfully converted. The hearing officer shall consider, among others, the following factors in determining whether a conversion has occurred:

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Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 22

(1) Shortening of the term of an existing tenancy without the prior approval of the permanent resident;

(2) Reduction of the basic services provided to a residential unit intended to lead to conversion. For the purpose of this <u>*sub*</u>section <u>(b)(2)</u>, basic services are defined as access to common areas and facilities, food service, housekeeping services, and security;

(3) Repeated failure to comply with orders of the Department of Building Inspection or the Department of Public Health to correct code violations with intent to cause the permanent residents to voluntarily vacate the premises;

(4) Repeated citations by the Director of the Department of Building Inspection or the Department of Public Health for Code violations;

(5) Offer of the residential units for nonresidential use or tourist use except as permitted in this Chapter <u>41</u>;

(6) Eviction or attempts to evict a permanent resident from a residential hotel on grounds other than those specified in Sections 37.9(a)(1) through 37.9(a)(8) of the *San Francisco*-Administrative Code except where a permit to convert has been issued; <u>and</u>

(7) Repeated posting by the Director of the Department of Building Inspection of notices of apparent violations of this Chapter <u>41</u> pursuant to Section 41.11(c) above.

(c) **Civil Penalties.** Where the hearing officer finds that an unlawful conversion has occurred, the Director of the Department of Building Inspection shall impose a civil penalty of *three times the daily rateup to \$500* per day for each unlawfully converted unit from the day the complaint is filed until such time as the unit reverts to its authorized use, *for the first unlawful conversion at a Residential Hotel within a calendar year. For the second and any subsequent unlawful conversions at the same Residential Hotel within the same calendar year, the Director of the Department of Building Inspection shall impose a civil penalty of up to \$750 per day for each*

unlawfully converted unit from the day the complaint is filed until such time as the unit reverts to its

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 23

PPAR_000226

authorized use. The daily rate shall be the rate unlawfully charged by the hotel owner or operator to the occupants of the unlawfully converted unit. The Director may also impose penalties upon the owner or operator of the hotel to reimburse <u>the</u> City or <u>the</u> complainant for the costs, <u>including</u> <u>reasonable attorneys' fees</u>, of enforcement, <u>including reasonable attorneys' fees</u>, of this Chapter. The hearing officer's decision shall notify the parties of this penalty provision and shall state that the Director of the Department of Building Inspection is authorized to impose the appropriate penalty by written notification to both the owner and operator, requesting payment within 30 days. If the penalty imposed is not paid, a lien to secure the amount of the penalty will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter <u>41</u>.

* * * *

Section 3. This ordinance has revised Administrative Code Section 41.4 by removing letter designations for defined terms. The Municipal Code is hereby amended to revise any cross-references to Section 41.4, including in Administrative Code Sections 41D.1 and 41E.1 and Police Code Section 919.1, and, at the direction of the City Attorney, anywhere else in the Municipal Code, to reflect the removal of the letter designations in Section 41.4.

Section 4. Effective and Operative Dates. This ordinance shall apply to any residential hotel that has not procured a permit to convert on or before December 1, 2016. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Supervisors Peskin; Kim, Safai, Sheehy, Cohen, Ronen, Yee, Breed BOARD OF SUPERVISORS

Page 24

PPAR 000227

Section 5. Scope of Ordinance. Except as stated in Section 3 of this ordinance, in enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney

By: **ROBB KAPLA** Deputy City Attorney

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Supervisor Peskin BOARD OF SUPERVISORS

Page 25



File Number: 161291

Date Passed: February 07, 2017

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

January 23, 2017 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

January 23, 2017 Land Use and Transportation Committee - RECOMMENDED AS AMENDED

January 31, 2017 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

January 31, 2017 Board of Supervisors - PASSED ON FIRST READING AS AMENDED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

February 07, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

SRO

File No. 161291

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 2/7/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Mayor

2

Date Approved

City and County of San Francisco

Page 7

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PPAR_000230

SRO































January 20th, 2017

Supervisor Aaron Peskin 1 Dr. Carlton B Goodlett Pl San Francisco, CA 94102

Supervisor Peskin,

United to Save the Mission is writing to you to formally provide our endorsement of the current proposed changes to the Hotel Conversion Ordinance (HCO). More specifically, we are encouraged to know that the loophole long abused by SRO landlords regarding the amount of days a unit must be occupied to be considered "residential" will be closed. We support the shift from 7 days to 32 days, as it will bring clear uniformity with the Rent Ordinance.

We believe the time has come to update the current legislation, and are willing to provide assistance in aiding its passing.

Thank you,

United to Save the Mission

United to Save the Mission

United to Save the Mission is a coalition of community groups and individuals seeking to protect and enhance the Mission neighborhood: the lives of its low-to-moderate income residents, our historical Latinx culture, our artists and arts spaces, our community-serving businesses, our nonprofits, and our blue-collar jobs and their industry spaces.

January 22, 2017

Supervisor Aaron Peskin 1 Dr. Carlton B Pl. Room 244 San Francisco, CA 94102

Dear Supervisor Peskin,

I am writing to you to formally provide my endorsement for the proposed changes to the Hotel Conversion Ordinance (HCO) Chapter 41. This Chapter of the code has needed to be updated for some time.

As a DBI Commissioner, I appreciate the thoughtful and inclusive way that you and your staff went about gathering input, analyzing the current regulations, and formulating the proposed amendments. DBI staff were involved every step of the way, as well as DBI's CBO-funded programs (SRO Collaboratives), and SRO owners.

More specifically, I am excited that the loopholes, such as the amount of days a unit must be occupied to be considered "residential," will be closed, as it will bring clear uniformity between Chapter 41 and the Rent Ordinance. It will also ensure that the conversion process is more transparent and recognizes the reality of today's housing market.

Protecting this type of housing stock is critical to preserve neighborhoods, preventing homelessness among our low-income residents and stopping displacement of the very diversity that makes San Francisco a great city.

Updating Chapter 41 will ensure that the diversity of San Francisco remains, and that current low-income residents of these properties have more protections.

I fully support and endorse these amendments to Chapter 41 and applaud you and your office for taking on this endeavor.

Sincerely,

Gail Gilman **DBI** Commissioner

CC: Supervisor Cohen, Chair Land Use Committee, BOS

From:	Juned Usman Shaikh
То:	Tang, Katy (BOS)
Cc:	Summers, Ashley (BOS); Quizon, Dyanna (BOS); Law, Ray (BOS)
Subject:	Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278
Date:	Friday, January 27, 2017 6:10:22 PM

From: Juned Usman Shaikh, GM - Hotel Tropica

To: Honorable Supervisor Katy Tang

No. of Pages: 3

RE: Proposed HCO Legislation, Affecting Weekly Rentals in SRO Hotels. January 27, 2017

Dear Honorable Supervisor Katy Tang,

Honorable Supervisor Aaron Peskin has proposed legislation to revise HCO Ordinance that will negatively impact thousands of tenants in the City of San Francisco. The proposal calls for a minimum 32 Day Rental of Residential SRO Rooms; eliminating <u>Weekly Rentals</u> which is a flexible and convenient housing option for renters from all walks of life; all over San Francisco

If this legislation passes it will be one of the biggest catastrophes in the San Francisco Housing Market, this legislation will paralyze the already strained housing market in San Francisco. Tenants will be put into the difficult situation of finding first month rent & deposit; not to mention enduring credit check's and income verification. This legislation will Most Definitely Hurt Tenants who are most vulnerable.

If you actually speak to tenants who we live our lives with here in our Hotels and experience what difficulties they face you will understand how impractical this legislation is. Many cases they are trying to balance their budget between rent, food and medicine; and living paycheck to paycheck.

Before you vote, please hear us out at a meeting Scheduled with Supervisor Peskin on Monday January 30th, at 2:30 PM, City Hall – Room # 278.

{Please see attached Letter.}

Sincerely,

Juned Usman Shaikh, GM 663 Valencia Street San Francisco, CA 94110 Office: (415) 701-7666 Cellular: (415) 609-4187

Fax: (415) 701-9329

js@hoteltropica.com

January 26th, 2016 The Honorable Aaron Peskin San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689

Re: Hotel Conversion Ordinance Legislation - Preservation of Weekly Rentals for SRO Hotels.

Dear Honorable Supervisor Peskin,

I hope this letter finds you in the best of spirits. I would like to Thank you wholeheartedly for sitting down with me and my cousin Mr. Nasir Patel a few weeks ago regarding the SRO Ordinance Issue.

I understand and appreciate the time and effort Ms. Sunny Angulo and your staff have devoted to this sensitive matter. Supervisor Peskin When I saw you personally at the meeting I felt relieved and honored that you took time out of your schedule to hear us out.

I am extremely concerned about the changes proposed in the HCO ordinance and how it will affect our Hotel Business and our Local Community.

I look into the immediate future and first and foremost sadly see our Prenatal Homeless Program being stopped immediately if we **cannot** accommodate <u>Weekly Rentals</u>, looking beyond that I see myself not being able to provide housing to so many different people from our Great City.

By eliminating <u>Weekly Rentals</u> you are removing a very affordable and approachable housing option; Fully Furnished, All Utilities included Hotel Rooms with Week to Week Flexibility for San Franciscan's. We are the only housing option left in San Francisco that someone with even questionable credit or even NO Credit or Verifiable References can walk in off the street and take advantage of and receive immediate housing. At our Hotel Tropica and countless others in San Francisco we don't even ask for proof of income or even a deposit at time of check in. By eliminating <u>Weekly</u> <u>Rentals</u> Local San Franciscan's will be unfairly punished by having to come up with thousands of dollars in rent and deposit not to mention red tape just to rent a simple hotel room.

Not all San Franciscan's have the ability to come up with a large amount of an entire monthly rent payment all together at the beginning of each and every month; which is what makes the <u>Weekly Rental</u> option even more critical for persons who are working in industries and sectors where the pay and schedules fluctuate depending on various economic factors; I.e. Taxi Drivers, Restaurant Industry Workers, Blue Collar Jobs, Construction Workers, Couriers and Delivery Guys.

Some of the types of Local People & Social Service Providers we provide housing for are:

- Expecting Mothers & Newborn Babies from Homeless Prenatal Program.
- Local San Franciscan's In between jobs or careers.
- · San Francisco Residents Who need a temporary place to stay while they are

switching apartments or having renovations done.

- UCSF and General Hospital Patients In and out of the hospital.
- Red Cross Sponsored Fire Victims.
- Veterans From Swords to Plowshares
- And Countless Other members of our Local Community from all walks of life who appreciate the Accessibility, Convenience, Flexibility and Value that can be found only in SRO Hotels with <u>Weekly Rentals</u>.

All of the Persons and Social Service Programs mentioned above; had one thing in common they all started off their Tenancies as <u>Weekly</u> Rentals that sometimes continue for 5, 10 and even 20 Years all the while having the Flexibility of making rental payments in Weekly Installments.

Weekly Rentals give San Francisco Locals and City Based Social Services a choice and *quick* go-to option in finding housing in Our Great City. Please Let the Local San Francisco Public Choose for themselves. Don't take an affordable, Flexible, Easily available Housing Option away from the people of San Francisco.

In conclusion I humbly request you Honorable Supervisor Peskin to please <u>remove</u> the <u>32 Day Minimum Stay</u> requirement in your proposed HCO legislation; and let us continue to operate our SRO with <u>Weekly Rental's</u> just like we have been for many decades.

If we eliminate Weekly Rentals from SRO Hotels; Tenants and Landlords will suffer equally. Having spent my entire life in the SRO Hotel Business in San Francisco; I truly believe available SRO Housing Stock Will decrease rather than increase and the people of San Francisco will have more difficulty in finding stable, affordable housing if this Legislation passes. <u>Please allow us to continue Weekly Rentals and continue to serve the Fine Citizens</u> <u>of San Francisco.</u>

Thank you for taking the time to read my letter.

P.S. I live on-site with my family here at "Hotel Tropica" I invite you or your staff over to visit us at any time day or night. You are always most welcome.

Sincerely,

Juned Usman Shaikh, GM 663 Valencia Street San Francisco, CA 94110 Office: (415) 701-7666 Cellular: (415) 609-4187 Fax: (415) 701-9329 js@hoteltropica.com

From:	Juned Usman Shaikh
To:	Lee, Mayor (MYR)
Cc:	Peskin, Aaron (BOS); Breed, London (BOS); Cohen, Malia (BOS); Farrell, Mark (BOS); Fewer, Sandra (BOS); Kim, Jane (BOS); Ronen, Hillary; Safai, Ahsha (BOS); Sheehy, Jeff (BOS); Tang, Katy (BOS); Yee, Norman (BOS)
Subject:	Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278
Date:	Friday, January 27, 2017 7:08:24 PM

January 27, 2017

RE: Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels. - Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278

Dear Honorable <u>Mayor Edwin M. Lee</u> & Honorable San Francisco Board of Supervisors,

Honorable Supervisor Aaron Peskin has proposed legislation to revise HCO Ordinance that will negatively impact thousands of tenants in the City of San Francisco. The proposal calls for a minimum 32 Day Rental of Residential SRO Rooms; eliminating <u>Weekly Rentals</u> which is a flexible and convenient housing option for renters from all walks of life; all over San Francisco

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If you actually speak to tenants who we live our lives with here in our Hotels and experience what difficulties they face you will understand how impractical this legislation is. Many cases they are trying to balance their budget between rent, food and medicine; and living paycheck to paycheck.

Honorable Mayor Edwin M. Lee and Honorable Board of Supervisors – Please hear us out at a meeting Scheduled with Supervisor Peskin & SRO Owners,

Operators & Manager(s) on Monday January 30th, at 2:30 PM, City Hall –

Room # 278.

P.S.

Please scroll down for a detailed letter written to Supervisor Peskin in support of Maintaining <u>Weekly Rentals</u> in SRO Hotels written from an independent SRO Hotel Operator who has been in the SRO Hotel Business all of his life and actually lives with his family and works on-site in an SRO Hotel.

{Please see attached Letter.} Sincerely, Juned Usman Shaikh, GM 663 Valencia Street

San Francisco, CA 94110

Office: (415) 701-7666

Cellular: (415) 609-4187

PPAR_000241

Fax: (415) 701-9329

js@hoteltropica.com

January 26th, 2016 The Honorable Aaron Peskin San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689 Re: Hotel Conversion Ordinance Legislation - Preservation of Weekly Rentals for SRO Hotels.

Dear Honorable Supervisor Peskin,

I hope this letter finds you in the best of spirits. I would like to Thank you wholeheartedly for sitting down with me and my cousin Mr. Nasir Patel a few weeks ago regarding the SRO Ordinance Issue.

I understand and appreciate the time and effort Ms. Sunny Angulo and your staff have devoted to this sensitive matter. Supervisor Peskin When I saw you personally at the meeting I felt relieved and honored that you took time out of your schedule to hear us out.

I am extremely concerned about the changes proposed in the HCO ordinance and how it will affect our Hotel Business and our Local Community.

I look into the immediate future and first and foremost sadly see our Prenatal Homeless Program being stopped immediately if we **cannot** accommodate **Weekly Rentals**, looking beyond that I see myself not being able to provide housing to so many different people from our Great City.

By eliminating <u>Weekly Rentals</u> you are removing a very affordable and approachable housing option; Fully Furnished, All Utilities included Hotel Rooms with Week to Week Flexibility for San Franciscan's. We are the only housing option left in San Francisco that someone with even questionable credit or even NO Credit or Verifiable References can walk in off the street and take advantage of and receive immediate housing. At our Hotel Tropica and countless others in San Francisco we don't even ask for proof of income or even a deposit at time of check in. By eliminating <u>Weekly Rentals</u> Local San Franciscan's will be unfairly punished by having to come up with thousands of dollars in rent and deposit not to mention red tape just to rent a simple hotel room.

Not all San Franciscan's have the ability to come up with a large amount of an entire monthly rent payment all together at the beginning of each and every month; which is what makes the <u>Weekly Rental</u> option even more critical for persons who are working in industries and sectors where the pay and schedules fluctuate depending on various economic factors; I.e. Taxi Drivers, Restaurant Industry Workers, Blue Collar Jobs, Construction Workers, Couriers and Delivery Guys.

Some of the types of Local People & Social Service Providers we provide housing for are:

- Expecting Mothers & Newborn Babies from Homeless Prenatal Program.
- Local San Franciscan's In between jobs or careers.

- San Francisco Residents Who need a temporary place to stay while they are switching apartments or having renovations done.
- UCSF and General Hospital Patients In and out of the hospital.
- Red Cross Sponsored Fire Victims.
- Veterans From Swords to Plowshares
- And Countless Other members of our Local Community from all walks of life who appreciate the Accessibility, Convenience, Flexibility and Value that can be found only in SRO Hotels with **Weekly Rentals**.

All of the Persons and Social Service Programs mentioned above; had one thing in common they all started off their Tenancies as <u>Weekly</u> Rentals that sometimes continue for 5, 10 and even 20 Years all the while having the Flexibility of making rental payments in Weekly Installments.

Weekly Rentals give San Francisco Locals and City Based Social Services a choice and *quick* go-to option in finding housing in Our Great City. Please Let the Local San Francisco Public Choose for themselves. Don't take an affordable, Flexible, Easily available Housing Option away from the people of San Francisco.

In conclusion I humbly request you Honorable Supervisor Peskin to please <u>remove</u> the <u>32 Day Minimum Stay</u> requirement in your proposed HCO legislation; and let us continue to operate our SRO with <u>Weekly Rental's</u> just like we have been for many decades.

If we eliminate Weekly Rentals from SRO Hotels; Tenants and Landlords will suffer equally. Having spent my entire life in the SRO Hotel Business in San Francisco; I truly believe available SRO Housing Stock Will decrease rather than increase and the people of San Francisco will have more difficulty in finding stable, affordable housing if this Legislation passes. <u>Please allow us to continue Weekly Rentals and continue to serve the Fine Citizens</u> of San Francisco.

Thank you for taking the time to read my letter.

P.S. I live on-site with my family here at "Hotel Tropica" I invite you or your staff over to visit us at any time day or night. You are always most welcome.

Sincerely,

Juned Usman Shaikh, GM

663 Valencia Street

San Francisco, CA 94110

Office: (415) 701-7666

Cellular: (415) 609-4187

Fax: (415) 701-9329

js@hoteltropica.com

From:	Vinay Patel
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS)
Subject:	Please support a continuance to Hotel Conversion Ordinance
Date:	Tuesday, January 31, 2017 1:21:09 PM

Dear Supervisors,

I'm writing to urge you to support a continuance on the vote for changes to the Hotel Conversion Ordinance today.

Over 50 hotel operators and tenant showed up yesterday for a meeting with Supervisor Peskin after they found out about the proposed changes only on the Friday before. For over 40 years this community has worked with this city and to not be engaged in potential changes is very disturbing.

This community is not against stopping the stock of SRO rooms from dropping but certain changes will have some undesired consequences. The community is also not against reporting reforms.

The community is very concerned about the 7 to 32 day rental change. One consequence is many potential renters not able to afford a month's rent and deposit because they are check to check. Also it will change the way screenings will take place for these private hotels to feel comfortable in entering long term agreements.

We are asking for a continuance so the dozens of San Francisco operators can have a two way conversation on what would be best for the city.

Below is a letter written to Supervisor Peskin for your review.

All the best, Vinay Patel

> January 26th, 2016 The Honorable Aaron Peskin San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689

Re: Hotel Conversion Ordinance Legislation - Preservation of Weekly Rentals for SRO Hotels.

Dear Honorable Supervisor Peskin,

I hope this letter finds you in the best of spirits. I would like to Thank you wholeheartedly for sitting down with me and my cousin Mr. Nasir Patel a few weeks ago regarding the SRO Ordinance Issue.

I understand and appreciate the time and effort Ms. Sunny Angulo and your staff have devoted to this sensitive matter. Supervisor Peskin When I saw you personally at the meeting I felt relieved and honored that you took time out of your schedule to hear us out.

I am extremely concerned about the changes proposed in the HCO ordinance and how it will affect our Hotel Business and our Local Community.

I look into the immediate future and first and foremost sadly see our Prenatal Homeless Program being stopped immediately if we<u>cannot</u> accommodate <u>Weekly Rentals</u>, looking beyond that I see myself not being able to provide housing to so many different people from our Great City.

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· Local San Franciscan's - In between jobs or careers.

• San Francisco Residents - Who need a temporary place to stay while they are switching apartments or having renovations done.

- · UCSF and General Hospital Patients In and out of the hospital.
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<u>Weekly</u> Rentals give San Francisco Locals and City Based Social Services a choice and *quick* go-to option in finding housing in Our Great City. Please Let the Local San Francisco Public Choose for themselves. Don't take an affordable, Flexible, Easily available Housing Option away from the people of San Francisco.

In conclusion I humbly request you Honorable Supervisor Peskin to please <u>remove</u> the <u>32</u> <u>Day Minimum Stay</u> requirement in your proposed HCO legislation; and let us continue to operate our SRO with <u>Weekly Rental's</u> just like we have been for many decades.

If we eliminate Weekly Rentals from SRO Hotels; Tenants and Landlords will suffer equally. Having spent my entire life in the SRO Hotel Business in San Francisco; I truly believe available SRO Housing Stock Will decrease rather than increase and the people of San Francisco will have more difficulty in finding stable, affordable housing if this Legislation passes. <u>Please allow us to continue Weekly</u> <u>Rentals and continue to serve the Fine Citizens of San Francisco.</u>

Thank you for taking the time to read my letter.

P.S. I live on-site with my family here at "Hotel Tropica" I invite you or your staff over to visit us at any time day or night. You are always most welcome. Sincerely,

Juned Usman Shaikh, GM

From:	Brad Patel
То:	Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS); Farrell, Mark (BOS)
Subject:	Please vote for continuation for Hotel Conversion Ordinance Amendment
Date:	Monday, February 06, 2017 7:41:50 PM

Dear Supervisors

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as they may not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely Concerned Hotelier

From:	Mukesh Patel
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)
Subject:	Please vote for continuation for Hotel Conversion Ordinance Amendment
Date:	Monday, February 06, 2017 8:36:34 PM

Dear Supervisors

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as they may not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely,

Concerned Hotelier

MILLER STARR REGALIA

1331 N. California Blvd. Fifth Floor Walnut Creek, CA 94596 T 925 935 9400 F 925 933 4126 www.msrlegal.com

Bryan W. Wenter Direct Dial: 925 941 3268 bryan.wenter@msrlegal.com

February 7, 2017

VIA E-MAIL

London Breed, President, and Honorable Supervisors City and County of San Francisco Legislative Chamber, Room 250 City Hall, 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689 E-Mail: London.Breed@sfgov.org

Re: February 7, 2017 Board of Supervisors Agenda Item #13 161291 — Administrative Code - Update Hotel Conversion Ordinance And Public Act Records Request

Dear President Breed and Honorable Supervisors:

This law firm represents the San Francisco SRO Hotel Coalition, whose members own and operate numerous residential hotels in San Francisco that would be affected by the amendments proposed by the above-referenced agenda item ("Proposed Amendments") to the City's Hotel Conversion Ordinance ("HCO"). While we understand and appreciate the City's desire to maintain the existing stock of residential hotels, the Proposed Amendments would directly affect the property rights of some 500 hoteliers and they are virtually certain to have myriad unintended and adverse consequences for the environment - including the very vulnerable human population the Proposed Amendments are purportedly intended to benefit. This letter is written in part to highlight those negative consequences, to object to adoption of the Proposed Amendments as currently drafted, and to urge further consideration and study prior to adopting these or any HCO revisions. This letter also identifies a range of procedural issues and problems with the proposed enactment and explains why approving the Proposed Amendments to the HCO in the manner now proposed and on the current record would violate the California Environmental Quality Act ("CEQA"; Pub. Resources Code, § 21000 et seq.) and the CEQA Guidelines (14 Cal. Code Regs., § 15000 et seg.).

We also request that the City produce relevant documents pursuant to the California Public Records Act, (Gov. Code, § 6250 *et seq.*), as set forth in <u>Attachment A</u> to this letter.

BZW\99999\1063168.1

The proposed HCO Amendments would lead to a range of unintended, and detrimental, consequences to tenants.

Attached hereto as Exhibit A is a copy of an email setting forth the content of a January 26, 2017 letter delivered on that date to Supervisor Aaron Peskin by Juned Usman Shaikh, owner of the Tropicana Hotel, and one of the many hoteliers whose properties and businesses would be affected by the Proposed Amendments. As underscored by the Shaikh letter, the most serious unintended consequence of the Proposed Amendments' elimination of rentals for less than a 32-day period (i.e., hotel elimination of weekly rentals, which have been allowed for almost 40 years, since the HCO's inception) will be a dramatic reduction in the number of SRO housing units available to possible users - and consequent displacements of large numbers of SRO tenants directly into the City's streets and/or homeless shelters. Hundreds of residential hotels will be affected by the Proposed Amendments, exposing multiple hundreds of short-term rental SRO tenants to displacement and possible homelessness. As the California Supreme Court has aptly observed in upholding a prior version of the City's HCO against various takings challenges: "While a single room without a private bath and kitchens may not be an ideal form of housing, such units accommodate many whose only other options might be sleeping in public spaces or in a City shelter. Plaintiffs do not dispute that San Francisco has long suffered from a shortage of affordable housing or that residential hotel units serve many who cannot afford security and rent deposits for an apartment." (San Remo Hotel v. City and County of San Francisco (2002) 27 Cal.4th 643, 674, emph. added.)

As demonstrated by the Shaikh letter previously submitted to the Board, and as confirmed by our client, many SRO units will not be able to be rented under the Proposed Amendments requiring minimum rentals of not less than 32 days because most SRO users cannot come up with a full month's rent or deposit, and most operators cannot have units occupied on a weekly installment payment basis because of difficulties in evicting non-paying longer-term occupants. The result of this will be that many short-term users and renters will no longer have the benefit of these SRO units. The monthly rental value of SRO units in most cases will be beyond the means of low income, disabled, elderly, and "transient" users, resulting in the units remaining vacant under the proposed HCO Amendments. As noted, this will also foreseeably cause a displacement of such tenants into the City's streets or shelters, with resulting direct and reasonably foreseeable indirect adverse environmental impacts that have not been studied, or even acknowledged, by the City.

Other adverse consequences will ensue. Due to their unusual character, severe economic impacts, and interference with longstanding investment-backed expectations, the Proposed Amendments will effect an unlawful taking of private property rights of affected hoteliers. (*See, e.g., Lingle v. Chevron U.S.A. Inc.* (2005) 544 U.S. 528 and *Penn Central Transportation Co. v. New York City* (1978) 438 U.S. 104.) Additionally, there will be a concomitant serious reduction of staff/labor

because of operators' inability to rent out SRO units on a weekly basis, resulting in lower SRO hotel revenues. The ultimate economic consequence for SRO hotel employees will be a greater volume of lay-offs for lower wage earners, including those with families.

Further, the Amendments do not define "prospective Permanent Resident" or even give any helpful guidance or assistance on this issue. An unintended consequence of this will be encouraging deception and lack of transparency on this issue.

The Proposed Amendments appear to have been planned and passed as a matter of political expediency for certain constituents without a larger vision as to real housing solutions and practical environmental, human and economic impacts. In addition to the very real adverse but unstudied environmental and human impacts, this will only delay and divert the City from productively engaging in the hard work and committing the resources necessary to create more adequate "residential" units for the truly very low income.

The City's meeting agendas are inadequate under the Brown Act and the City's own Sunshine Ordinance, and they fail to follow the City Attorney's Good Government Guide.

The Ralph M. Brown Act (Cal. Gov. Code, § 54950 *et seq.*¹) is designed to encourage public participation in government decision making. (*Bell v. Vista Unified School Dist.* (2000) 82 Cal.App.4th 672, 681.) "[T]he keystone of the Brown Act is the requirement that '[a]ll meetings of the legislative body of a local agency shall be open and public' " (*Roberts v. City of Palmdale* (1993) 5 Cal.4th 363, 375.)

The Brown Act begins with a forceful declaration of the Legislature's purpose:

In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created. § 54950.

¹ All statutory references in this section are to the California Government Code,

In relevant part, the Brown Act requires that "[a]t least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting . . . A brief general description of an item generally need not exceed 20 words." § 54954.2. In addition, "[n]o action or discussion shall be undertaken on any item not appearing on the posted agenda " § 54954.2(a)(3).

The courts have explained that agenda drafters must give the public a fair chance to participate in matters of particular or general concern by providing the public with more than mere clues from which they must then guess or surmise the essential nature of the business to be considered by a local agency. Thus, in *Moreno v. City of King* (2005) 127 Cal.App.4th 17, although a city was considering taking disciplinary action against its finance director, including possible termination, its agenda item was inadequate because it merely stated that in closed session the city would consider: " 'Per Government Code Section 54957: Public Employee (employment contract).' " (*Id.* at p. 21)

In holding this failed to give notice to either the public, or the finance director, that the council was considering disciplining or terminating him, the court stated: "It was undisputed that at least a quarter of the meeting was actually devoted to a discussion of [the finance director] and whether to terminate him . . . The agenda's description provided no clue that the dismissal of a public employee would be discussed at the meeting." (*Id.* at pp. 26–27)

Importantly, the court went on to point out how easily the city council could have met the requirements of the Brown Act: "[A]n agenda that said simply 'Public Employee Dismissal' would have provided adequate public notice of a closed session at which the Council would consider [the finance director's] dismissal." (*Moreno, supra*, at p. 27)

The Sunshine Ordinance (San Francisco Administrative Code Chapter 67) provides a notable twist on the Brown Act's minimum noticing requirement. Instead of requiring a "brief general description" the Sunshine Ordinance requires that the City "post an agenda containing a meaningful description of each item of business to be transacted or discussed at the meeting." (Sunshine Ordinance at § 67.7(a)) The Sunshine Ordinance explains that "[a] description is meaningful if it is sufficiently clear and specific to alert a person of average intelligence and education whose interests are affected by the item that he or she may have reason to attend the meeting or seek more information on the item. The description should be brief, concise and written in plain, easily understood English." (*Id.* at § 67.7(b))

In *The Good Government Guide*, the City Attorney explains that "[i]n particular instances, it may be unclear whether the description of an agenda item satisfies the 'meaningful description' standard. And on occasion there can be tension between a

description that is meaningful and one that is brief and concise. In such cases, it often is better to err on the side of a longer, more informative description."

Here, the January 31, 2017, and February 7, 2017 meeting agendas for the Proposed Amendments merely provide as follows:

[Administrative Code - Update Hotel Conversion Ordinance] Sponsors: Peskin; Kim, Safai, Sheehy, Cohen, Ronen and Yee

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

Instead of fairly describing the "essential nature" of the Proposed Amendments, the agendas provide a sanitized description that fails to disclose that the Proposed Amendments are intended to dramatically reshape the City's SRO market by imposing strict limits on the ways hoteliers may operate and use their properties. The key feature of the Proposed Amendments is to prohibit SRO rentals for less than 32 days, yet the agendas fail to say anything about that attempt at central planning. Instead, with respect to this issue, the agendas simply state "adding or refining definitions of tourist and transient use." Moreover, the agendas fail to say that the Proposed Amendments would impose new application requirements, sharply increase penalties on hoteliers, and increase reporting requirements.

In short, the notices provided by the City in connection with adoption of the Proposed Amendments fail to comply with the minimum requirements of the Brown Act and the City's Sunshine Ordinance. The City must not only comply with state law, but with its own code requirements, including those of the Sunshine Ordinance. (*Woody's Group, Inc. v. City of Newport Beach* (2015) 233 Cal.App.4th 1012 ("the city's incantation of a 'policy and practice' in direct violation of its own code cannot conform that alleged policy and practice to due process."].)

The HCO and Proposed Amendments constitute a zoning ordinance, subject to the procedural requirements for adopting and amending such ordinances.

The HCO is organized structurally as part of the City's Administrative Code, which regulates on a wide range of issues such as nondiscrimination in contracts, sick leave, jails and prisoners, payroll procedure, and public health. As a practical matter, however, the HCO regulates land use and zoning, and as such the HCO and the Proposed Amendments are subject to the requirements of the state's Planning and Zoning Laws and in particular Government Code section 65850(a), which states that the legislative body may adopt ordinances that "[r]egulate the use of buildings,

structures, and land as between industry, business, residences, open space, including agriculture, recreation, enjoyment of scenic beauty, use of natural resources, and other purposes."

The Court of Appeal interpreted and applied section 65850 recently in *People v. Optimal Global Healing, Inc.* (2015) 241 Cal.App.4th Supp. 1. There, a medical marijuana business argued that a ballot initiative to regulate such businesses affected land use and, as such, contained a zoning component subject to section 65850. (*Id.* at p. 7-9) Among other things, the initiative makes it a misdemeanor to makes it a misdemeanor to "own, establish, operate, use, or permit the establishment or operation of" a medical marijuana business. (*Id.*) Rejecting the City of Los Angeles' argument that the initiative was "a nuisance ordinance related to public health, safety and morals, not a zoning ordinance," the Court held that the initiative "must also have the effect of "[r]egulat[ing] the use of buildings, structures, and land." (*Id.*)

The Legislative Digest that accompanies the Proposed Amendments makes clear precisely how the HCO and the Proposed Amendments are a zoning ordinance. In particular, the Legislative Digest explains that

The Hotel Conversion Ordinance ("HCO"), Administrative Code Chapter 41, regulates some 18,000 residential units within 500 residential hotels across the City. The HCO prohibits residential hotel operators from demolishing or converting registered residential units to tourist or transient use. The HCO defines conversion as eliminating a residential unit, renting a residential unit for a less than 7-day tenancy, or offering a residential unit for tourist or nonresidential use. The HCO allows seasonal tourist rentals of residential units during the summer if the unit is vacant because a permanent resident voluntarily vacated the unit or was evicted for cause by the hotel operator.

The HCO requires hotel owners or operators who wish to convert or demolish a residential unit to seek a permit to convert from the Department of Building Inspection ("DBI"). The permit to convert application process does not require submission of all the essential information that DBI needs to make a preliminary determination on an application, such as the location of the proposed replacement units and the last known rent of the units to be converted.

As a zoning ordinance, the HCO and the Proposed Amendments "shall be adopted in the manner set forth in Sections 65854 to 65857, inclusive." (Gov. Code, § 65853.) There are numerous procedures and notice requirements that must be followed for the adoption and amendment of zoning ordinances under those sections. For example, the planning commission must hold a public hearing on the

Proposed Amendments with notice to be given pursuant to Government Code § 65090 "and, if the proposed ordinance or amendment to a zoning ordinance affects the permitted uses of real property, notice shall also be given pursuant to Section 65091." The latter section requires notice to be given in numerous ways: "(1) ... mailed or delivered at least 10 days prior to the hearing to the owner of the subject real property Notice shall also be mailed to the owner's duly authorized agent. if any, and to the project applicant ..., (4) Notice of the hearing shall be mailed or delivered at least 10 days prior to the hearing to all owners of real property ... within 300 feet of the real property that is the subject of the hearing" (Gov. Code, § 65091(a)(1), (4).)) The notice must include the information specified in § 65094 (Gov. Code, § 65091(b)), which includes "a general explanation of the matter to be considered, and a general description, in text or by diagram, of the location of the real property, if any, that is the subject of the hearing." Other procedural and notice requirements apply to city council hearings on zoning ordinances, for which notice pursuant to Section 65090 must be given. (Gov. Code, § 65856.) None of these procedures have been followed to provide the legally required notice of the Proposed Amendments to the affected hoteliers/property owners here.

The proposed amendments would have significant adverse and unstudied environmental effects, including those resulting from displacement of vulnerable low-income tenants.

Contrary to the City's determination, adoption of the Proposed Amendments is a discretionary CEQA "project" undertaken by the City and is not categorically exempt. A "project" for purposes of CEQA is any activity that may cause a direct or reasonably foreseeable indirect change in the environment. (Pub. Resources Code, § 21065; CEQA Guidelines, § 15378.) Zoning ordinances like the Proposed Amendments that affect land use are clearly CEQA projects. Substantial evidence supports at the very least a fair argument that the Proposed Amendments may cause significant adverse direct environmental impacts subject to mandatory CEQA review, study and analysis, including hundreds and hundreds of displaced tenants and the resulting increase in homelessness and people living on the City's streets and in its public spaces. (See, e.g. Muzzy Ranch v. Solano County Airport Land Use Commission (2007) 41 Cal.4th 372 [holding that development displaced by density limits is not too speculative of an impact to require CEQA analysis].)

It is reasonably foreseeable that adverse changes to the physical environment from such massive tenant displacement will also include public trash, human feces, urination, pollution of waterways, waters, and City public and private spaces, and adverse impacts to the displaced human beings themselves from lack of water and livable accommodations, exposure, cold, suffering, and disease. The City's Department of Public Health (SFDPH) has for years routinely included residential displacement analyses in its Environmental Impact Assessments ("EIAs") for other projects (e.g., demolition and rezoning) to assess adverse effects on human

populations and housing, and the Board should require no less under CEQA here. Substantial record evidence and common sense show the HCO Amendments will or may lead to decreases in residential housing options for hundreds of low income residents, and resulting increased voluntary and involuntary displacements of residents incapable of renting on more than a week-to-week basis. CEQA requires the City to conduct an analysis of these reasonably foreseeable and significant environmental impacts, and develop and consider alternatives and mitigation measures that would avoid or ameliorate them, before further proceeding with its project to adopt the Proposed Amendments.

Sincerely,

MILLER STARR REGALIA

Bryan W. Wenter, AICP

BWW/klw

Attachments

cc: Angela Calvillo, Clerk of the Board (angela.calvillo@sfgov.org) San Francisco SRO Hotel Coalition Arthur F. Coon, Esq.

ATTACHMENT A

Pursuant to the Public Records Act and all applicable law, we hereby formally request that the City make available for inspection and copying the following public records that are within its possession, custody, or control: all "writings" (as defined in California Evidence Code, § 250) that comprise, constitute, or relate to all of the following:

- The person, persons, organizations, or entities that suggested the Proposed Amendments or that in any way initiated the Proposed Amendments or caused the Proposed Amendments to be initiated.
- The rationale or justification for the Proposed Amendments.
- CEQA review or studies for any aspect of the Proposed Amendments or potential environmental effect of the Proposed Amendments, including but not limited to displacement of tenants.
- The City's record retention policies.

With regard to all of the requested documents, the public records we seek include all writings, regardless of physical form or characteristics, prepared, kept, owned, received, used, or provided to or by City, whether such records are on a publicly owned or privately owned computer, tablet, phone, or electronic device, and whether on a publicly owned and maintained or privately owned and maintained account or server.

"Records" should be broadly construed to include any handwriting, typewriting, electronic mail, text message, voicemail, printing, photostatting, photography, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds or symbols or any combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents.

"City" should be broadly construed to include any council, board, commission, department, committee, official, officer, council member, commissioner, employee, agent, or representative of the City.

This request reasonably describes identifiable public records or information to be produced from those public records. If the City contends it is unable to comply with this request because the City believes the request is not sufficiently focused, then pursuant to California Government Code section 6253.1(a), we request that the City (1) assist us in identifying the records and information that are responsive to our request and/or to the purpose of our request, (2) describe the information technology and physical location in which the records exist, and (3) provide us with suggestions for overcoming any practical basis for denying access to the records or information we are seeking.

Under Government Code section 6253(b), we ask that the City make the records promptly available for inspection and copying. This is a matter of some urgency to my clients given the pendency of their appeal to the Planning Commission.

We do not believe any provision of law exempts the records from disclosure. However, if the City determines that a portion of the records we have requested is exempt from disclosure, Government Code section 6253(a) requires segregation and deletion of those materials so that the remainder of the records may be promptly released. Article I, § 3(b)(2) of the California Constitution requires a broad construction of any statute, court rule, or other authority intended to further the people's right of access and a narrow construction of any statute, court rule, or other authority if it limits the right of access. If the City determines that an express provision of law exempts from disclosure all or a portion of the records requested, Government Code section 6253(c) requires the City to promptly notify us of that determination and the reasons for it with 10 days from receipt of this request. In addition, Government Code section 6253(d) prohibits the use of the 10-day period or any other provision of the PRA to delay or obstruct the inspection or copying of public records.

For any responsive public record kept in electronic format, we request that an electronic copy of the document be produced in that format, pursuant to Government Code section 6253.9.

Please notify us by phone or email when any portion of the documents is ready, and we will arrange for its pick up by courier. Also, please notify us regarding the reasonable copying costs, and we will promptly send payment.

If documents are voluminous, then please indicate in your response the approximate volume of documents responsive to this request, and the location, dates, and times upon which inspection will be allowed. If you can provide documents in response to one or more of the above requests sooner than for others, please so indicate, and we will arrange for their pick up as such documents become available.

If you have any questions or concerns, or need additional information to comply with this request, please contact the undersigned at your earliest convenience. Thank you in advance for your prompt attention to this request.

From: "Juned Usman Shaikh" <js@hoteltropica.com> Date: January 26, 2017 at 11:22:27 AM PST To: <<u>Aaron.Peskin@sfgov.org</u>>, <<u>Sunny.Angulo@sfgov.org</u>>, <<u>Lee.Hepner@sfgov.org</u>> Cc: <<u>sdarbar@aol.com</u>>, <<u>dipakstavinsf@gmail.com</u>>, <<u>sp@bmshotels.com</u>>, <<u>amotawala@live.com</u>>, <<u>anilpatel855@yahoo.com</u>>, <<u>vikcpatel@gmail.com</u>>, <<u>nap310@sbcglobal.net</u>>, <<u>rstratton@hansonbridgett.com</u>>, <<u>nayno33@sbcglobal.net</u>>, <<u>dpatel46@sbcglobal.net</u>>, <<u>rstratton@hansonbridgett.com</u>>, <<u>clubrio232@aol.com</u>>, <<u>laynehotel@aol.com</u>>, "Kiran Patel"" <<u>km_patel@yahoo.com</u>>, <<u>kenpatel04@gmail.com</u>>, <<u>kbthakor@gmail.com</u>>, <<u>dannypatel73@yahoo.com</u>>, <<u>winsor206@sbcglobal.net</u>>, <<u>akshayamin@sbcglobal.net</u>>, <<u>rpatel1541@gmail.com</u>>, <<u>hasir24@aol.com</u>> Subject: RE: Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels. - January 26th, 2016 To: Honorable Supervisor Aaron Peskin Reply-To: <js@hoteltropica.com>

January 26th, 2016

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

Re: Hotel Conversion Ordinance Legislation - Preservation of Weekly Rentals for SRO Hotels.

Dear Honorable Supervisor Peskin,

I hope this letter finds you in the best of spirits. I would like to Thank you wholeheartedly for sitting down with me and my cousin Mr. Nasir Patel a few weeks ago regarding the SRO Ordinance Issue.

I understand and appreciate the time and effort Ms. Sunny Angulo and your staff have devoted to this sensitive matter. Supervisor Peskin When I saw you personally at the meeting I felt relieved and honored that you took time out of your schedule to hear us out.

I am extremely concerned about the changes proposed in the HCO ordinance and how it will affect our Hotel Business and our Local Community.

I look into the immediate future and first and foremost sadly see our Prenatal Homeless Program being stopped immediately if we <u>cannot</u> accommodate <u>Weekly Rentals</u>, looking beyond that I see myself not being able to provide housing to so many different people from our Great City.

By eliminating <u>Weekly Rentals</u> you are removing a very affordable and approachable housing option; Fully Furnished, All Utilities included Hotel Rooms with Week to Week Flexibility for San Franciscan's. We are the only housing option left in San Francisco that someone with even questionable credit or even NO Credit or Verifiable References can walk in off the street and take advantage of and receive immediate housing. At our Hotel Tropica and countless others in San Francisco we don't even ask for proof of income or even a deposit at time of check in. By eliminating <u>Weekly Rentals</u> Local San Franciscan's will be unfairly punished by having to come up with thousands of dollars in rent and deposit not to mention red tape just to rent a simple hotel room.

Not all San Franciscan's have the ability to come up with a large amount of an entire monthly rent payment all together at the beginning of each and every month; which is what makes the <u>Weekly Rental</u> option even more critical for persons who are working in industries and sectors where the pay and schedules fluctuate depending on various economic factors; I.e. Taxi Drivers, Restaurant Industry Workers, Blue Collar Jobs, Construction Workers, Couriers and Delivery Guys.

Some of the types of Local People & Social Service Providers we provide housing for are:

- Expecting Mothers & Newborn Babies from Homeless Prenatal Program.
- Local San Franciscan's In between jobs or careers.
- San Francisco Residents Who need a temporary place to stay while they are switching apartments or having renovations done.
- UCSF and General Hospital Patients In and out of the hospital.
- Red Cross Sponsored Fire Victims.
- Veterans From Swords to Plowshares
- And Countless Other members of our Local Community from all walks of life who appreciate the Accessibility, Convenience, Flexibility and Value that can be found only in SRO Hotels with <u>Weekly Rentals</u>.

All of the Persons and Social Service Programs mentioned above; had one thing in common they all started off their Tenancies as <u>Weekly</u> Rentals that sometimes continue for 5, 10 and even 20 Years all the while having the Flexibility of making rental payments in Weekly Installments.

<u>Weekly</u> Rentals give San Francisco Locals and City Based Social Services a choice and *quick* go-to option in finding housing in Our Great City. Please Let the Local San Francisco Public Choose for themselves. Don't take an affordable, Flexible, Easily available Housing Option away from the people of San Francisco.

In conclusion I humbly request you Honorable Supervisor Peskin to please <u>remove</u> the <u>32</u> <u>Day Minimum Stay</u> requirement in your proposed HCO legislation; and let us continue to operate our SRO with <u>Weekly Rental's</u> just like we have been for many decades.

If we eliminate Weekly Rentals from SRO Hotels; Tenants and Landlords will suffer equally. Having spent my entire life in the SRO Hotel Business in San Francisco; I truly believe available SRO Housing Stock Will decrease rather than increase and the people of San Francisco will have more difficulty in finding stable, affordable housing if this Legislation passes. <u>Please allow us to continue Weekly Rentals and continue to serve the Fine Citizens of</u> <u>San Francisco.</u>

Thank you for taking the time to read my letter.

P.S. I live on-site with my family here at "Hotel Tropica" I invite you or your staff over to visit us at any time day or night. You are always most welcome.

Sincerely,

Juned Usman Shaikh, GM 663 Valencia Street San Francisco, CA 94110 Office: (415) 701-7666 Cellular: (415) 609-4187 Fax: (415) 701-9329 js@hoteltropica.com

From:	Juned Usman Shaikh	
Cc:	Peskin, Aaron (BOS); Breed, London (BOS); Cohen, Malia (BOS); Farrell, Mark (BOS); Fewer, Sandra (BOS); Kim, Jane (BOS); Ronen, Hillary; Safai, Ahsha (BOS); Sheehy, Jeff (BOS); Tang, Katy (BOS); Yee, Norman (BOS)	
Subject:	Dear San Francisco Board of Supervisors, Please vote for continuation for Hotel Conversion Ordinance Amendment We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment.	
Date:	Tuesday, February 07, 2017 4:49:23 AM	

February 7, 2017

Dear San Francisco Board of Supervisors,

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as they may not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

By eliminating Weekly Rentals you are removing a very affordable and approachable housing option; Fully Furnished, All Utilities included Hotel Rooms with Week to Week Flexibility for San Franciscan's. We are the only housing option left in San Francisco that someone with even questionable credit or even NO Credit or Verifiable References can walk in off the street and take advantage of and receive immediate housing. At our Hotel and hundreds of others in San Francisco we do not even ask for proof of income or even a deposit at time of check in. By eliminating Weekly Rentals Local San Franciscan's will be unfairly punished by having to come up with thousands of dollars in rent and deposit not to mention red tape just to rent a simple hotel room.

Not all San Franciscan's have the ability to come up with a large amount of an entire monthly rent payment all together at the beginning of each and every month; and many times residents incomes fluctuate; which is what makes the Weekly Rental option even more critical for persons who are working in industries and sectors where the pay and schedules fluctuate depending on various economic factors; I.e. Taxi Drivers, Restaurant Industry Workers, Blue Collar Jobs, Construction Workers, Couriers and Delivery Guys.

We are hoping for a continuance.

Sincerely, Concerned Hotelier, Juned Usman Shaikh js@hoteltropica.com

From:	Hemant	
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	Please vote for continuation for Hotel Conversion Ordinance Amendment	
Date:	Tuesday, February 07, 2017 7:04:41 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as they may not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely Hotelier

From:	Aashik Patel
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)
Subject:	Please vote for continuation for Hotel Conversion Ordinance Amendment
Date:	Tuesday, February 07, 2017 8:30:42 AM

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as they may not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely,

Aashik Patel Concerned Hotelier

From:	Pete	
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	SRO Ordinance	
Date:	Tuesday, February 07, 2017 11:05:35 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators. I was born in San Francisco and was raised in an SRO South of Market and later in the Tenderloin. I lived in an SRO for the first 28 years of my life.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment including the ones I have interest in. We feel that our input is vital to creating a holistic policy for our collective future. All of us are immigrants, children or grand children of immigrants. We are a minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied a seat at the table.

We feel strongly that the undesired consequences for transitional residents will be tragic as that many low income individuals will not have the ability to pay a full month's rent and security deposit. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. Many of our residents live pay check to pay check and are only able to gather together a week's rent, and they will be left out in the cold with this ordinance. Further, the initial weekly stay allows operators to screen tenants without tenants having to come up with a security deposit prior to them able to obtain full residential rights. We believe that the many of the organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely

Pete Patel

From:	Pete	
то:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	SRO Ordinance	
Date:	Tuesday, February 07, 2017 11:05:38 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators. I was born in San Francisco and was raised in an SRO South of Market and later in the Tenderloin. I lived in an SRO for the first 28 years of my life.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment including the ones I have interest in. We feel that our input is vital to creating a holistic policy for our collective future. All of us are immigrants, children or grand children of immigrants. We are a minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied a seat at the table.

We feel strongly that the undesired consequences for transitional residents will be tragic as that many low income individuals will not have the ability to pay a full month's rent and security deposit. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. Many of our residents live pay check to pay check and are only able to gather together a week's rent, and they will be left out in the cold with this ordinance. Further, the initial weekly stay allows operators to screen tenants without tenants having to come up with a security deposit prior to them able to obtain full residential rights. We believe that the many of the organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely

Pete Patel

From:	PETE KUMAR	
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	Request for Continuance-SRO Ordinance	
Date:	Tuesday, February 07, 2017 11:20:53 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. All of us are immigrants and are a minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as that many low income individuals will not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many of the organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely

Pravin Patel

From:	PETE KUMAR	
To:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	Request for Continuance-SRO Ordinance	
Date:	Tuesday, February 07, 2017 11:20:54 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. All of us are immigrants and are a minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as that many low income individuals will not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many of the organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely

Pravin Patel

From:	raisf@aol.com	
То:	Peskin, Aaron (BOS); Farrell, Mark (BOS); Sheehy, Jeff (BOS); Tang, Katy (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	Continuation of HCO ordinance	
Date:	Tuesday, February 07, 2017 11:37:41 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators. I lived in SRO's since I was 6 years old and to this day still live in one. I have owned and operated for the past 25 years. My struggles have been many and the struggles of other owners and operators. It's not easy to to maintain, repair, upgrade and pay the bills along with other regulations and city agency fees. Rent control, though I understand it, does not help SRO's and the new ordinance will make it even more difficult for us. No matter the letters the city and non-profits give us, at the end of the day, these were and should be hotels...Daily, Weekly, and Monthly... The business or property should determine how they wish to operate them, of course, following all building and health dept. regulations.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as they may not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely

Roger Patel Concerned Hotelier

From:	prime hotel	
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	SRO	
Date:	Tuesday, February 07, 2017 11:58:08 AM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. All of us are immigrants and are a minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

We feel strongly that the undesired consequences for transitional residents will be tragic as that many low income individuals will not have the ability to pay a full month's rent. We've worked with many residents over the decades and conclude that this ordinance does not seem to have their best interests in mind. We believe that the many of the organizations who endorsed this HCO Amendment were shortsighted to the needs of all communities seeking affordable housing.

We are hoping for a continuance.

Sincerely

Vishnu Shah

From:	<u>Kiran Thakor</u>	
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)	
Subject:	Please vote for continuation for Hotel Conversion Ordinance Amendment	
Date:	Tuesday, February 07, 2017 1:41:47 PM	

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

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We are hoping for a continuance.

Sincerely,

Concerned Hotelier Kiran Thakor - District 6

Regards,

Kiran Thakor 151 Leavenworth Street San Francisco, CA. 94102 pho: 415.602.0928 fax: 415.447.0499 email: kbthakor@gmail.com

CONFIDENTIALITY NOTICE

This information is confidential, intended for the use of the addressee listed above. If you are neither the intended recipient nor the employee or agent responsible for delivering this transmission to the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this transmission is strictly prohibited. If you have received this transmission in error, please immediately notify us.

From:	<u>Kiran Thakor</u>
То:	Farrell, Mark (BOS); Tang, Katy (BOS); Sheehy, Jeff (BOS); Ronen, Hillary; Cohen, Malia (BOS); Safai, Ahsha (BOS); Kim, Jane (BOS); Peskin, Aaron (BOS); Breed, London (BOS); Fewer, Sandra (BOS); Yee, Norman (BOS)
Subject:	Please vote for continuation for Hotel Conversion Ordinance Amendment
Date:	Tuesday, February 07, 2017 1:41:48 PM

We are imploring you to vote for a continuance on the Hotel Conversion Ordinance Amendment. Our hotel community is and have been a vital and integral member of this city spanning over 40 years and over three generations of hotel operators.

We are asking for a continuance in this matter because we have not been reached out to nor been asked for input in reshaping this ordinance. There are approximately 400 hotels in the City and County of San Francisco who had no prior knowledge of this proposed HCO Amendment. We feel that our input is vital to creating a holistic policy for our collective future. Many of us are immigrants and operate minority owned businesses. We have not been invited to the table as a stakeholder and this seems extremely against San Francisco's principles of openness and inclusion. We want to work together with the City and its' residents that is fair for everyone involved. We have been denied due process.

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We are hoping for a continuance.

Sincerely,

Concerned Hotelier Kiran Thakor - District 6

---D

Regards,

Kiran Thakor 151 Leavenworth Street San Francisco, CA. 94102 pho: 415.602.0928 fax: 415.447.0499 email: kbthakor@gmail.com

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From:	Lea Artis
To:	Cohen, Malia (BOS)
Subject:	Preserve SROs for Residents
Date:	Sunday, February 12, 2017 2:59:07 PM

Displacement is a fight for the soul of San Francisco, and protecting SROs are essential to protecting each other, our elders, our artists, and the very essence that keeps the embers of San Francisco alive: http://www.sfchronicle.com/bayarea/article/Chinatown-elderly-suffer-during-building-s-10887500.php

I write to urge you to support the legislation to update and strengthen our city's Residential Hotel Conversion law. SROs are an essential part of our City's affordable housing supply. They are the last source of unsubsidized housing affordable to working class families and seniors relying on Social Security. SROs are essential to our city's racial, social, and cultural diversity.

But SROs as homes for San Franciscans are at risk. Contrary to the intent of the law, SROs are being used increasingly as rentals for tourists. For this reason it is extremely important that SROs designated as housing for permanent residents should not be rented out for less than thirty days. Units for permanent residents should be rented for a minimum of a month. Such a requirement will increase our supply of SRO units for permanent residents of the city and enable the ordinance to achieve its intended purpose.

Sincerely,

Lea Artis

94117

From:	Maybaum, Erica (BOS)
To:	Low, Jen (BOS)
Subject:	FW: RESPONSE REQUIRED BY 2/15/17: Public Records Request - File No. 161291: Update Hotel Conversion Ordinance
Date:	Wednesday, February 15, 2017 9:31:22 AM

Hi Jen- Below is the only correspondence related to the Sunshine request File 161291.

From: Juned Usman Shaikh [mailto:js@hoteltropica.com]
Sent: Friday, January 27, 2017 7:13 PM
To: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>
Cc: Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Breed, London (BOS)
<london.breed@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Farrell, Mark (BOS)
<mark.farrell@sfgov.org>; Fewer, Sandra (BOS) <sandra.fewer@SFGOV1.onmicrosoft.com>; Kim,
Jane (BOS) <jane.kim@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Safai, Ahsha (BOS)
<ahsha.safai@sfgov.org>; Sheehy, Jeff (BOS) <jeff.sheehy@sfgov.org>; Tang, Katy (BOS)
<katy.tang@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>
Subject: Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO
Hotels. - Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278

January 27, 2017

RE: Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels. - Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278

Dear Honorable Mayor Edwin M. Lee & Honorable San Francisco Board of Supervisors,

Honorable Supervisor Aaron Peskin has proposed legislation to revise HCO Ordinance that will negatively impact thousands of tenants in the City of San Francisco. The proposal calls for a minimum 32 Day Rental of Residential SRO Rooms; eliminating <u>Weekly Rentals</u> which is a flexible and convenient housing option for renters from all walks of life; all over San Francisco

If this legislation passes it will be one of the biggest catastrophes in the San Francisco Housing Market, this legislation will paralyze the already strained housing market in San Francisco. Tenants will be put into the difficult situation of finding first month rent & deposit; not to mention enduring credit check's and income verification. This legislation will Most Definitely Hurt Tenants who are most vulnerable.

If you actually speak to tenants who we live our lives with here in our Hotels and experience what difficulties they face you will understand how impractical this legislation is. Many cases they are trying to balance their budget between rent, food and medicine; and living paycheck to paycheck.

Honorable Mayor Edwin M. Lee and Honorable Board of Supervisors – Please hear us out at a meeting Scheduled with Supervisor Peskin & SRO Owners, Operators & Manager(s) on <u>Monday January 30th, at 2:30 PM, City Hall</u> – Room # 278.

P.S.

Please scroll down for a detailed letter written to Supervisor Peskin in support of Maintaining <u>Weekly Rentals</u> in SRO Hotels written from an independent SRO Hotel Operator who has been in the SRO Hotel Business all of his life and actually lives with his family and works on-site in an SRO Hotel.

{Please see attached Letter.}

Sincerely,

Juned Us	man Shaikh, GM
663 Valer	ncia Street
San Franc	cisco, CA 94110
Office:	(415) 701-7666
Cellular:	(415) 609-4187
Fax:	(415) 701-9329
js@hotelt	ropica.com

January 26th, 2016 The Honorable Aaron Peskin San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689

Re: Hotel Conversion Ordinance Legislation - Preservation of Weekly Rentals for SRO Hotels.

Dear Honorable Supervisor Peskin,

I hope this letter finds you in the best of spirits. I would like to Thank you wholeheartedly for sitting down with me and my cousin Mr. Nasir Patel a few weeks ago regarding the SRO Ordinance Issue.

I understand and appreciate the time and effort Ms. Sunny Angulo and your staff have devoted to this sensitive matter. Supervisor Peskin When I saw you personally at the meeting I felt relieved and honored that you took time out of your schedule to hear us out.

I am extremely concerned about the changes proposed in the HCO ordinance and how it will affect our Hotel Business and our Local Community.

I look into the immediate future and first and foremost sadly see our Prenatal Homeless

Program being stopped immediately if we <u>cannot</u> accommodate <u>Weekly Rentals</u>, looking beyond that I see myself not being able to provide housing to so many different people from our Great City.

By eliminating <u>Weekly Rentals</u> you are removing a very affordable and approachable housing option; Fully Furnished, All Utilities included Hotel Rooms with Week to Week Flexibility for San Franciscan's. We are the only housing option left in San Francisco that someone with even questionable credit or even NO Credit or Verifiable References can walk in off the street and take advantage of and receive immediate housing. At our Hotel Tropica and countless others in San Francisco we don't even ask for proof of income or even a deposit at time of check in. By eliminating <u>Weekly</u> <u>Rentals</u> Local San Franciscan's will be unfairly punished by having to come up with thousands of dollars in rent and deposit not to mention red tape just to rent a simple hotel room.

Not all San Franciscan's have the ability to come up with a large amount of an entire monthly rent payment all together at the beginning of each and every month; which is what makes the <u>Weekly Rental</u> option even more critical for persons who are working in industries and sectors where the pay and schedules fluctuate depending on various economic factors; I.e. Taxi Drivers, Restaurant Industry Workers, Blue Collar Jobs, Construction Workers, Couriers and Delivery Guys.

Some of the types of Local People & Social Service Providers we provide housing for are:

- Expecting Mothers & Newborn Babies from Homeless Prenatal Program.
- Local San Franciscan's In between jobs or careers.
- San Francisco Residents Who need a temporary place to stay while they are switching apartments or having renovations done.
- UCSF and General Hospital Patients In and out of the hospital.
- Red Cross Sponsored Fire Victims.
- Veterans From Swords to Plowshares
- And Countless Other members of our Local Community from all walks of life who appreciate the Accessibility, Convenience, Flexibility and Value that can be found only in SRO Hotels with <u>Weekly Rentals</u>.

All of the Persons and Social Service Programs mentioned above; had one thing in common they all started off their Tenancies as <u>Weekly</u> Rentals that sometimes continue for 5, 10 and even 20 Years all the while having the Flexibility of making rental payments in Weekly Installments.

Weekly Rentals give San Francisco Locals and City Based Social Services a choice and *quick* go-to option in finding housing in Our Great City. Please Let the Local San Francisco Public Choose for themselves. Don't take an affordable, Flexible, Easily available Housing Option away from the people of San Francisco.

In conclusion I humbly request you Honorable Supervisor Peskin to please <u>remove</u> the <u>32 Day Minimum Stay</u> requirement in your proposed HCO legislation; and let us continue to operate our SRO with <u>Weekly Rental's</u> just like we have been for many decades.

If we eliminate Weekly Rentals from SRO Hotels; Tenants and Landlords will suffer equally. Having spent my entire life in the SRO Hotel Business in San Francisco; I truly believe available SRO Housing Stock Will decrease rather than increase and the people of San Francisco will have more difficulty in finding stable, affordable housing if this Legislation passes. <u>Please allow us to continue Weekly Rentals and continue to serve the Fine Citizens</u> of San Francisco.

- 202

- 324

- 723

Thank you for taking the time to read my letter.

P.S. I live on-site with my family here at "Hotel Tropica" I invite you or your staff over to visit us at any time day or night. You are always most welcome.

Sincerely,

- 193

Juned Usman Shaikh, GM 663 Valencia Street San Francisco, CA 94110 Office: (415) 701-7666 Cellular: (415) 609-4187 Fax: (415) 701-9329 js@hoteltropica.com

100

Lim, Victor (MYR)

From:	Lee, Mayor (MYR)
Sent:	Tuesday, October 10, 2017 7:32 AM
То:	Lim, Victor (MYR)
Subject:	FW: Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278

Selina Sun

Assistant to the Chief of Staff Office of the Mayor City and County of San Francisco 415-554-6147 www.sfgov.org liselina.sun@sfgov.org



Get Connected with Mayor Ed Lee <u>www.sfmayor.org</u> Twitter @mayoredlee

From: Juned Usman Shaikh [mailto:js@hoteltropica.com]

Sent: Friday, January 27, 2017 7:13 PM

To: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>

Cc: Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Breed, London (BOS) <london.breed@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Farrell, Mark (BOS) <mark.farrell@sfgov.org>; Fewer, Sandra (BOS) <sandra.fewer@SFGOV1.onmicrosoft.com>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Sheehy, Jeff (BOS) <jeff.sheehy@sfgov.org>; Tang, Katy (BOS) <katy.tang@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>

Subject: Hotel Conversion Ordinance Legislation (HCO) - Preservation of Weekly Rentals for SRO Hotels. - Hotel Owner / Operator Meeting- Monday January 30,2017 at 2:30 pm- Room 278

January 27, 2017

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Honorable Mayor Edwin M. Lee and Honorable Board of Supervisors –

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P.S.

Please scroll down for a detailed letter written to Supervisor Peskin in support of Maintaining <u>Weekly Rentals</u> in SRO Hotels written from an independent SRO Hotel Operator who has been in the SRO Hotel Business all of his life and actually lives with his family and works on-site in an SRO Hotel.

{Please see attached Letter.}

Sincerely,

Juned Usman Shaikh, GM 663 Valencia Street San Francisco, CA 94110 Office: (415) 701-7666 Cellular: (415) 609-4187 Fax: (415) 701-9329 js@hoteltropica.com

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I am extremely concerned about the changes proposed in the HCO ordinance and how it will affect our Hotel Business and our Local Community.

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- Local San Franciscan's In between jobs or careers.
- San Francisco Residents Who need a temporary place to stay while they are switching apartments or having renovations done.
- UCSF and General Hospital Patients In and out of the hospital.
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- And Countless Other members of our Local Community from all walks of life who appreciate the Accessibility, Convenience, Flexibility and Value that can be found only in SRO Hotels with <u>Weekly</u>
- <u>Rentals</u>.

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In conclusion I humbly request you Honorable Supervisor Peskin to please <u>remove</u> the <u>32 Day Minimum</u> <u>Stay</u> requirement in your proposed HCO legislation; and let us continue to operate our SRO with <u>Weekly</u> Rental's just like we have been for many decades. If we eliminate Weekly Rentals from SRO Hotels; Tenants and Landlords will suffer equally. Having spent my entire life in the SRO Hotel Business in San Francisco; I truly believe available SRO Housing Stock Will decrease rather than increase and the people of San Francisco will have more difficulty in finding stable, affordable housing if this Legislation passes. <u>Please allow us to continue Weekly Rentals and continue to serve the Fine Citizens of San Francisco.</u>

Thank you for taking the time to read my letter.

P.S. I live on-site with my family here at "Hotel Tropica" I invite you or your staff over to visit us at any time day or night. You are always most welcome.

4

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> MYR 006173 PPAR_000508

City and County of San Francisco



Legislation Introduced:

Office of Economic Analysis Response December 6, 2016

Office of Economic Analysis

Economic Reports for legislation introduced on December 6, 2016.

- YES: indicates "Economic impact report will be filed by OEA."
- NO: indicates "Economic impact report will not be filed by OEA"
- Pending Further Review: indicates "OEA is inquiring if material economic impact exists, and will inform the Clerk our determination"

Submitted to Clerk's Office on December 14, 2016 by

(Ted Egan, OEA, Controller's Office)

File #	Name	Туре	OEA Determination
140877	Planning Code - Downtown Support Special Use District; Fees in Lieu of On-Site Open Space	Ordinance	No
161291	Administrative Code - Update Hotel Conversion Ordinance	Ordinance	No
161316	Administrative, Business and Tax Regulations, Police Codes - Elimination of Fees	Ordinance	No
161315	Affirming Support for the Use of Force Policy Recommendations by the San Francisco Police Commission and the United States Department of Justice	Resolution	No
161317	Transfer of Affordable Housing Property Assets - Office of Community Investment and Infrastructure - Mayor's Office of Housing and Community Development	Resolution	No
161318	Grant Agreement - Preservation of Affordable Housing Units - Bayside Village Associates, L.P Bayside Village Apartments (3 Bayside Village Place) - \$21,680,000	Resolution	No
161319	Accept and Expend Grant - California Department of Public Health - Prescription Drug Overdose Prevention Project - \$434,777	Resolution	No
161320	Accept and Expend Grant - Prospect Silicon Valley - MarketZero Project - \$150,000	Resolution	No
161321	Accept and Expend Grant - San Francisco Community Clinic Consortium - Health Care for the Homeless - Oral Health Expansion - \$207,500	Resolution	No
161322	Accept and Expend Grant - California Department of Health - California Project LAUNCH - \$367,968	Resolution	No
161323	Urging the Evaluation and Allocation of Properties for Urban Agriculture	Resolution	No
161324	Declaration of Election Results of the November 8, 2016, Consolidated General Election	Resolution	No
161325	Recognizing the Youth Commission's 20th Anniversary	Resolution	No
161326	Commending Supervisor John Avalos	Resolution	No
161327	Commending Supervisor David Campos	Resolution	No
161328	Commending Supervisor Eric Mar	Resolution	No
161329	Hearing - Plans to Protect Immigrant Families from Deportation	Hearing	No
161330	Petitions and Communications	Communication	No

BOARD of SUPERVISORS



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

MEMORANDUM CLERK'S OFFICE - BOARD OF SUPERVISORS

TO: Budget Analyst

FROM: Angela Calvillo, Clerk of the Board

- DATE: December 9, 2016
- SUBJECT: Fiscal Impact Determination (Legislation Introduced by Supervisors and by the President at the request of Departments on **December 6, 2016**.

Pursuant to Administrative Code Section 2.6-3, the attached list of legislation is being referred to you for fiscal impact determination.

Please return this document no later than Tuesday, December 13, 2016, with your comments to bos.legislation@sfgov.org, Legislation Division.

Budget Analyst

12/12/16

Date

Attachments : Legislation Introduced

Board of Supervisors



City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689 Tel. No. 554-5184 TDD No. 554-5227

Legislation Introduced at Roll Call

Tuesday, December 6, 2016

Introduced by a Supervisor or the Mayor

Pursuant to Charter Section 2.105, an Ordinance or Resolution may be introduced before the Board of Supervisors by a Member of the Board, a Committee of the Board, or the Mayor and shall be referred to and reported upon by an appropriate Committee of the Board.

Ordinances

140877	[Planning Code - Downtown Support Special Use District; Fees in Lieu of On-Site Open Space] Sponsor: Kim
Not Applicabl (NA)	Ordinance amending the Downtown Support Special Use District to authorize a monetary contribution (in lieu fee) to satisfy required on-site open space requirements, exclude certain features from floor area ratio and gross floor area calculations, and dedicate the monetary contribution for lighting and safety improvements at Victoria Manolo Draves Park; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. SUBSTITUTED AND ASSIGNED to Land Use and Transportation Committee.
161291	[Administrative Code - Update Hotel Conversion Ordinance] Sponsor: Peskin
No	Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act. SUBSTITUTED AND ASSIGNED to Land Use and Transportation Committee.
161316	[Administrative, Business and Tax Regulations, Police Codes - Elimination of Fees] Sponsor: Yee
No	Ordinance amending the Administrative, Business and Tax Regulations, and Police Codes to

eliminate various fees imposed by the City. ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee.

BUD 004314 PPAR_000546



City and County of San Francisco

Meeting Agenda

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

Land Use and Transportation Committee

Members: Malia Cohen, Aaron Peskin, Jeff Sheehy

Clerk: Alisa Somera (415) 554-7711

Monday, January 23, 2017

1:30 PM City Hall, Legislative Chamber, Room 250 Regular Meeting

ROLL CALL AND ANNOUNCEMENTS

AGENDA CHANGES

REGULAR AGENDA

1. 161165

[Subdivision Code - Requirements for Communications Services Facilities]

Sponsor: Farrell

Ordinance amending the Subdivision Code to require that the design of a subdivision for a tentative map or parcel map provide for communications services facilities to each parcel; and affirming the Planning Department's determination under the California Environmental Quality Act.

10/25/16; ASSIGNED UNDER 30 DAY RULE to the Land Use and Transportation Committee.

11/1/16; REFERRED TO DEPARTMENT.

11/10/16; RESPONSE RECEIVED.

2. <u>161291</u> [Administrative Code - Update Hotel Conversion Ordinance] Sponsor: Peskin

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

11/29/16; ASSIGNED UNDER 30 DAY RULE to the Land Use and Transportation Committee.

12/6/16; SUBSTITUTED AND ASSIGNED to the Land Use and Transportation Committee.

12/15/16; REFERRED TO DEPARTMENT.

12/15/16; RESPONSE RECEIVED.

Printed at 1:37 pm on 1/19/17

<u>161291</u> [Administrative Code - Update Hotel Conversion Ordinance] Sponsors: Peskin; Kim, Sheehy, Cohen and Safai

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

11/29/16; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 12/29/2016.

12/06/16; SUBSTITUTED AND ASSIGNED to Land Use and Transportation Committee. Supervisor Peskin submitted a substitute Ordinance bearing a new title.

12/15/16; REFERRED TO DEPARTMENT. Referred legislation (version 2) to Planning Department for environmental review; to Small Business Commission for comment and recommendation; and to Department of Building Inspection, Planning Department, Mayor's Office of Housing and Community Development, Department of Homelessness and Supportive Housing, and Department of Public Health for informational purposes.

12/15/16; RESPONSE RECEIVED. Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Maria Aviles, Katie Selcraig and Roshann Pressman (Mission SRO Collaborative); Chirag Bhakta (Mission Housing); Tim Houh (Mission SRO Collaborative); Gail Gilman (Department of Building Inspection Commission); Araceli Lara (Mission SRO Collaborative); Tommi Avicolli Mecca (Housing Rights Committee); Randy Shaw, Director (Tenderloin Housing Clinic); Pei Juan Zheng (Community Tenants Association); Jordan Davis (Mission SRO Collaborative); Hui Ying Li and Hui Ling Yu (SRO Families United Collaborative); Raymond Castillo (South of Market Community Action Network); Ian Lewis (Local 2); Juvy Barbonio (South of Market Community Action Network); Male Speaker; Andrea Manzo (Mission SRO Collaborative); Tony Robles (Senior Disability Action); Theresa Flandrich (North Beach Tenants Committee); Diana Martinez (Mission SRO Collaborative); Frida Washington (Senior Disability Action); Miriam M. (South of Market Community Action Network); Gail Seagraves (Central City SRO Collaborative); Greg Ledbetter (Mission SRO Collaborative); Ace Washington; Rio Scharf and Michael Harrington (Central City SRO Collaboration); Corey Smith (San Francisco Housing Commission); Fernando Marti; Raul Fernandez; spoke in support of the hearing matter.

Supervisors Sheehy and Cohen requested to be added as co-sponsors.

Vice Chair Peskin moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 6, Line 21, by striking 'or prospective Permanent Resident' after 'Permanent Resident'. The motion carried by the following vote:

Ayes: 3 - Cohen, Peskin, Sheehy

Vice Chair Peskin moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Cohen, Peskin, Sheehy

Chair Cohen recessed the meeting at 2:54 p.m. and recovened at 3:54 p.m.

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

December 15, 2016

File No. 161291

Lisa Gibson Acting Environmental Review Officer Planning Department 1650 Mission Street, Ste. 400 San Francisco, CA 94103

BOARD of SUPERVISORS

Dear Ms. Gibson:

Attachment

On December 6, 2016, Supervisor Peskin introduced the following substitute legislation:

File No. 161291

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clark of the Board a Somera, Legislative Deputy Director Land Use and Transportation Committee

c: Joy Navarrete, Environmental Planning Jeanie Poling, Environmental Planning Joy Navarrete 12/15/16

4329

SAN FRANCISCO ADMINISTRATIVE CODE CHAPTER 41 RESIDENTIAL HOTEL UNIT CONVERSION & DEMOLITION (HCO) ORIGIN & PURPOSE

Provides Protection for Diminishing Housing Stock:

- The continuing and primary purpose of the HCO is to preserve residential guest rooms that provide crucial housing for the elderly, disabled, and low income persons. Prior to the HCO adoption the Planning Department estimated that 6098 residential guest rooms were lost from 1975-1979.
- In 1981 the city declared *a housing emergency* impacting elderly, disabled, and low income households as a result of the loss of residential guest room units from the rental market.

Current Jurisdiction:

- The HCO regulates the preservation of approximately 20,000 residential guest rooms in 500 hotels throughout the city.
- The Department of Building Inspection is responsible for HCO implementation and enforcement.





SAN FRANCISCO ADMINIST ATIVE CODE CHAPTER 41 RESIDENTIAL HOTEL UNIT CONVERSION & DEMOLITION (HCO) SUMMARY OF ORDINANCE UPDATES

Key elements of the HCO must be fully functional to properly monitor and implement residential guest room preservation. To ensure the strongest and most effective protections are in place these amendments proposes to:

- **Clarify pertinent definitions**
- Update the Record-keeping provisions
- Revise the Annual Reporting Requirements
- Refine the criteria necessary for Permit to Convert submittals
- Modernize antiquated Enforcement Tools



PPAR_000704

4333

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38. <u>170016</u> [Emergency Declaration - Temporary Replacement and Repair of Dewatering Equipment - Oceanside Wastewater Treatment Plant - Total Estimated Cost of Work and Contract \$435,450]

Resolution approving an emergency declaration of the San Francisco Public Utilities Commission (SFPUC) pursuant to Administrative Code, Section 21.15(c), for the temporary replacement and repair of the dewatering equipment at the Oceanside Wastewater Treatment Plant, with a total estimated cost of \$435,450. (Public Utilities Commission)

(Fiscal Impact)

Question: Shall this Resolution be ADOPTED?

Recommendations of the Land Use and Transportation Committee

Present: Supervisors Cohen, Peskin, Sheehy

39. <u>160925</u> [Planning Code - Transportation Demand Management Program Requirement] Sponsors: Cohen; Sheehy

Ordinance amending the Planning Code to establish a citywide Transportation Demand Management (TDM) Program, to require Development Projects to incorporate design features, incentives, and tools that support sustainable forms of transportation; create a new administrative fee to process TDM Plan applications and compliance reports; make conforming amendments to various sections of the Planning Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Planning Commission)

Question: Shall this Ordinance be PASSED ON FIRST READING?

40. <u>161165</u> [Subdivision Code - Requirements for Communications Services Facilities] Sponsor: Farrell

Ordinance amending the Subdivision Code to require that the design of a subdivision for a tentative map or parcel map provide for communications services facilities to each parcel; and affirming the Planning Department's determination under the California Environmental Quality Act.

Question: Shall this Ordinance be PASSED ON FIRST READING?

41. <u>161291</u> [Administrative Code - Update Hotel Conversion Ordinance] Sponsors: Peskin; Kim, Sheehy, Cohen and Safai

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

Question: Shall this Ordinance be PASSED ON FIRST READING?

REVISED LEGISLATIVE DIGEST

(1/31/2017, Amended in Board)

[Administrative Code - Update Hotel Conversion Ordinance]

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

The Hotel Conversion Ordinance ("HCO"), Administrative Code Chapter 41, regulates roughly 18,000 residential units within 500 residential hotels across the City. The HCO prohibits residential hotel operators from demolishing or converting registered residential units to tourist or transient use. The HCO defines conversion as eliminating a residential unit, renting a residential unit for a less than 7-day tenancy, or offering a residential unit for tourist or nonresidential use. The HCO allows seasonal tourist rentals of residential units during the summer if the unit is vacant because a permanent resident voluntarily vacated the unit or was evicted for cause by the hotel operator.

The HCO requires hotel owners or operators who wish to convert or demolish a residential unit to seek a permit to convert from the Department of Building Inspection ("DBI"). The permit to convert application process does not require submission of all the essential information that DBI needs to make a preliminary determination on an application, such as the location of the proposed replacement units and the last known rent of the units to be converted.

The HCO requires hotel operators to maintain records to demonstrate compliance with the ordinance and to provide these records for inspection by DBI. DBI does not have administrative subpoena power to compel production if a hotel operator objects to providing records for inspection.

Amendments to Current Law

The proposed legislation defines tourist and transient use as the rental of a residential unit for less than 32 days to a party other than a permanent resident. The proposed legislation revises the definition of unlawful conversions to prohibit renting or offering to rent a residential unit for tourist or transient use. This change would allow hotel operators to rent residential units to permanent residents of the hotel for any duration of tenancy. The change also

FILE NO. 161291

clarifies that residential units are reserved for residential use and cannot be rented for tenancies of less than 32-days to parties other than permanent residents. Similarly, the proposed legislation would make it unlawful to offer a residential unit for a tenancy of less than 32 days to a party other than a permanent resident.

The proposed legislation would eliminate seasonal tourist rentals of vacant residential units for hotels that have violated any provision of the Chapter in the last calendar year.

The proposed legislation would update the requirements for permit to convert applications, by requiring that applicants provide information about where replacement units will be located and the most recent rental amount for the units to be converted. The updated definition of "comparable unit" would also require any replacement housing to be the same category of housing as the residential unit being replaced, and affordable to a similar resident, including the disabled, elderly and low income tenant.

The proposed legislation would authorize DBI to issue administrative subpoenas to compel production of records where a hotel operator objects to producing them for inspection.

The proposed legislation also updates the penalty provisions and amounts for: insufficient and late filing of annual unit usage reports, failure to maintain daily logs, and unlawful conversions. The proposed legislation revises the administrative costs provisions to harmonize with the applicable Building Code cost provisions.

The legislation would apply to any residential hotels that have not procured a permit to convert on or prior to December 1, 2016.

Background Information

The HCO was first enacted in 1981. The HCO's purpose is to "benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, elderly, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." The HCO includes findings that the City suffers from a severe shortage of affordable rental housing; that many elderly, disabled and low-income persons reside in residential hotel units, making it in the public interest to regulate and provide remedies for unlawful conversion of residential hotel units.

The Board last amended and updated the provisions of the HCO in 1990. The proposed legislation is designed to update key provisions and clarify the application of the HCO in response to issues that have arisen over the last 26 years.

This legislative digest reflects amendments adopted by the Land Use and Transportation Committee on January 23, 2017 to further amend the definition of "Tourist or transient use."

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Recommendations of the Land Use and Transportation Committee

Present: Supervisors Cohen, Peskin, Sheehy

12. <u>160925</u> [Planning Code - Transportation Demand Management Program Requirement] Sponsors: Cohen; Sheehy, Farrell, Breed and Safai

Ordinance amending the Planning Code to establish a citywide Transportation Demand Management (TDM) Program, to require Development Projects to incorporate design features, incentives, and tools that support sustainable forms of transportation; create a new administrative fee to process TDM Plan applications and compliance reports; make conforming amendments to various sections of the Planning Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Planning Commission)

01/31/2017; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

01/31/2017; PASSED ON FIRST READING AS AMENDED.

Question: Shall this Ordinance be FINALLY PASSED?

13. <u>161291</u> [Administrative Code - Update Hotel Conversion Ordinance] Sponsors: Peskin; Kim, Safai, Sheehy, Cohen, Ronen and Yee

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

01/31/2017; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

01/31/2017; PASSED ON FIRST READING AS AMENDED.

Question: Shall this Ordinance be FINALLY PASSED?

City and County of San Francisco

1	history of a rather complicated ordinance that
2	has been around since 1936. Shortly before the
3	ordinance was adopted in 1981, there was a
4	moratorium that the city actually passed to
5	protect these units because it was seeing these
6	residential guestrooms disappear. And at the
7	time, the city then declared that there was a
8	housing emergency for this type of housing
9	because it was being occupied primarily by low-
10	income, elderly, and disabled.
11	So, as you said, Supervisor, this
12	ordinance really has not been amended since 1990-
13	1992, and was adopted in 1981, so it's been
14	around a while. And we do have currently
15	antiquated measures to enforce the ordinance.
16	Primarily to keep these residential units from
17	being converted, there are approximately 20,000
18	a little less than 20,000 residential guestrooms
19	at about 500 hotels. About 300 of those are for-
20	profit hotels; the rest are run by nonprofits.
21	A lot of thosea lot of the nonprofit
22	buildings participate in city programs. And a lot
23	of the problems we do have is really with the
24	for-profit hotels and a conversion of a lot of
25	the residential guestrooms to weekly tourist

Page 7

Veritext Legal Solutions 866 299-5127 RESPONSE'TO THE APPEAL OF THE PRELIMINARY NEGATIVE DECLARATION FOR THE RESIDENTIAL HOTEL CONVERSION AND DEMOLITION ORDINANCE

1. CONCERN: The Ordinance would generate increased demands for urban services used by residential hotel tenants.

RESPONSE: Inasmuch as the Ordinance would not change any existing uses, it would not have any direct environmental impacts. The amounts of services (transit, gas, water, electricity, medical, safety, etc.) used by residential hotel tenants will not change as a result of the Ordinance. Therefore, this does not constitute a substantial adverse change in environmental conditions.

2. CONCERN: The one-for-one replacement housing provision of the Ordinance would generate significant numbers of replacement units.

RESPONSE: The Board of Supervisors first established interim regulations on the conversion and demolition of residential hotel units in November, 1979. The Ordinance in its present form (Ordinance No. 331-81) was adopted in June, 1981, and has been in effect since then.

Past experience with the Ordinance in effect has shown that the one-for-one replacement housing provision does not generate significant numbers of replacement units. In the three and a half years since some form of the Ordinance was adopted, only two proposals to convert have been presented. Neither of these proposals resulted in the construction of new residential hotels in the city because the project sponsors are utilizing alternative methods of replacement housing proposal would be governed by existing zoning regulations and would be subject to environmental review. Based on this past experience, it is anticipated that the construction of new replacement units would be at a minimum, with minimum attendant impacts on the physical environmenta.

3. CONCERN: The Ordinance would create a shortage of affordable hotel units in San Francisco.

RESPONSE: Currently, there is no shortage of affordable hotel units in San Francisco. Vacancy rates for moderately priced hotel rooms have risen from 13% in 1979 to 33% in 1982. In addition, the Ordinance provides for the use of vacant residential hotel units as tourist units during the tourist season. The demand for moderately priced hotel units depends on factors that are not land use related, such as economic conditions. However, any shortage of hotel units or increase in hotel rates, were they to occur, would not in themselves be physical environmental issues, and therefore are not subject to CEQA.

. CONCERN: The Ordinance would create pressure in outlying areas of the city and on the San Francisco peninsula to build additional hotel units.

RESPONSE: The vacancy rates for moderately-priced hotel units both within San Francisco and in San Mateo and Santa Clara counties during the past

Planning

008237

three and a half years do not indicate any pressure to build hotel units in outlying areas. Since the Ordinance was implemented, there have been no proposals for hotels in outlying areas other than those proposed in established tourist areas. In addition, current zoning regulations define areas where hotels are permitted uses, and any tourist hotel proposals would be subject to environmental review. Based on this past experience, it is concluded that the Ordinance would not give rise to construction of new moderately priced hotel units in outlying areas, that were not otherwise planned regardless of the presence or absence of the Ordinance, and therefore would not have a significant environmental effect.

5. CONCERN: The Ordinance would affect traffic congestion and transit patterns due to visitors occupying more moderately priced hotel units south of San Francisco.

RESPONSE: Since there is no indication that the Ordinance has resulted in a trend toward tourist hotel construction in outlying areas, there is no evidence that the Ordinance will have an effect on traffic construction and transit from outlying areas. In addition, tourists tend to travel during non-peak periods of the day when transit and street systems are not near capacity, and do not generally contribute to peak hour and transit congestion. Therefore, it is concluded that the Ordinance could not have significant transportation effects.

6. CONCERN: Alternative methods of obtaining adequate housing for residential hotel tenants should be discussed.

RESPONSE: The Residence Element of the Comprehensive Plan is specific in its goal of preserving residential hotels. Objective 3, Policy 1 seeks to "Discourage the demolition of existing housing"; Policy 2 expresses the need to "Restrict the conversion of housing in commercial and industrial areas"; and Policy 3 calls for "Preserv(ing) the existing stock of residential hotels."

In addition, projects that do not have significant effects on the environment do not require discussion of project alternatives.

DOCKET COPY DO NOT REMOVE

PROPOSED AMENDMENTS TO THE PRELIMINARY NEGATIVE DECLARATION FOR 83.52E: RESIDENTIAL HOTEL CONVERSION AND DEMOLITION ORDINANCE

1. Page 1, paragraph 4 - Replace paragraph with the following:

"The Ordinance is consistent with the Residence Element of the San Francisco Master Plan, and particularly addresses the following: Objective 3, Policy 1: "Discourage the demolition of existing housing.", Policy 2: "Restrict the conversion of housing in commercial and industrial areas.", and Policy 3: "Preserve the existing stock of residential hotels.""

2. Page 2, paragraph 2, lines 3, 7 and 10 - Change "principle" to "principal".

3. Page 6, paragraph 2 - Replace paragraph with the following:

" All of the known proposed amendments to the Ordinance are merely procedural in nature, affecting only the administration of the Ordinance. Therefore, these procedural amendment proposals would not affect the conclusions stated above." RESPONSE TO THE APPEAL OF THE PRELIMINARY NEGATIVE DECLARATION FOR THE RESIDENTIAL HOTEL CONVERSION AND DEMOLITION ORDINANCE

- 1. CONCERN: The Ordinance would generate increased demands for urban services used by residential hotel tenants.
 - RESPONSE: Inasmuch as the Ordinance would not change any existing uses, it would not have any direct environmental impacts. The amounts of services (transit, gas, water, electricity, medical, safety, etc.) used by residential hotel tenants will not change as a result of the Ordinance. Therefore, this does not constitute a substantial adverse change in environmental conditions.
- 2. CONCERN: The one-for-one replacement housing provision of the Ordinance would generate significant numbers of replacement units.

RESPONSE: The Board of Supervisors first established interim regulations on the conversion and demolition of residential hotel units in November, 1979. The Ordinance in its present form (Ordinance No. 331-81) was adopted in June, 1981, and has been in effect since then.

Past experience with the Ordinance in effect has shown that the one-for-one replacement housing provision does not generate significant numbers of replacement units. In the three and a half years since some form of the Ordinance was adopted, only two proposals to convert have been presented. Neither of these proposals resulted in the construction of new residential hotels in the city because the project sponsors are utilizing alternative methods of replacing residential units which the Ordinance provides for. In addition, any replacement housing proposal would be governed by existing zoning regulations and would be subject to environmental review. Based on this past experience, it is anticipated that the construction of new replacement units would be at a minimum, with minimum attendant impacts on the physical environment.

3. CONCERN: The Ordinance would create a shortage of affordable hotel units in San Francisco.

RESPONSE: Currently, there is no shortage of affordable hotel units in San Francisco. Vacancy rates for moderately priced hotel rooms have risen from 13% in 1979 to 33% in 1982. In addition, the Ordinance provides for the use of vacant residential hotel units as tourist units during the tourist season. The demand for moderately priced hotel units depends on factors that are not land use related, such as economic conditions. However, any shortage of hotel units or increase in hotel rates, were they to occur, would not in themselves be physical environmental issues, and therefore are not subject to CEQA.

4. CONCERN: The Ordinance would create pressure in outlying areas of the city and on the San Francisco peninsula to build additional hotel units.

RESPONSE: The vacancy rates for moderately-priced hotel units both within San Francisco and in San Mateo and Santa Clara counties during the past

Planning

007840

three and a half years do not indicate any pressure to build hotel units in outlying areas. Since the Ordinance was implemented, there have been no proposals for hotels in outlying areas other than those proposed in established tourist areas. In addition, current zoning regulations define areas where hotels are permitted uses, and any tourist hotel proposals would be subject to environmental review. Based on this past experience, it is concluded that the Ordinance would not give rise to construction of new moderately priced hotel units in outlying areas, that were not otherwise planned regardless of the presence or absence of the Ordinance, and therefore would not have a significant environmental effect.

CONCERN: The Ordinance would affect traffic congestion and transit patterns due to visitors occupying more moderately priced hotel units south of San Francisco.

5.

6.

RESPONSE: Since there is no indication that the Ordinance has resulted in a trend toward tourist hotel construction in outlying areas, there is no evidence that the Ordinance will have an effect on traffic construction and transit from outlying areas. In addition, tourists tend to travel during non-peak periods of the day when transit and street systems are not near capacity, and do not generally contribute to peak hour and transit congestion. Therefore, it is concluded that the Ordinance could not have significant transportation effects.

CONCERN: Alternative methods of obtaining adequate housing for residential hotel tenants should be discussed.

RESPONSE: The Residence Element of the Comprehensive Plan is specific in its goal of preserving residential hotels. Objective 3, Policy 1 seeks to "Discourage the demolition of existing housing"; Policy 2 expresses the need to "Restrict the conversion of housing in commercial and industrial areas"; and Policy 3 calls for "Preserv(ing) the existing stock of residential hotels."

In addition, projects that do not have significant effects on the environment do not require discussion of project alternatives.

the information filed is correct.

Sec. 41.16. Unlawful Conversion; Remedies; Fines

(a) Unlawful Actions

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It shall be unlawful to:

(1) Change the use of, or to eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to an lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter.

(2) Rent any residential unit for a daily or weekly term of tenancy unless specifically provided for in subsection (3) below.

(3) Offer for rent for non-residential use or tourist use a residential unit except as follows:

(A) A tourist unit may be rented to a permanent resident without changing the legal status of that unit as a tourist unit upon voluntary vacation of that unit by the permanent resident or upon eviction for cause;

(B) A residential unit which is vacant at any time during the period commencing on May 1 and ending on September 30 annually may be rented as a tourist unit, provided that the residential unit was vacant due to voluntary vacation of a permanent resident or was vacant due to lawful eviction for cause after the tenant was accorded all the rights guaranteed by State and local laws during his/her tenancy, and further provided that that residential hotel unit shall immediately revert to residential use on application of a prospective permanent resident.

(C) <u>Rental of a Residential hotel unit for a weekly</u> <u>term shall be considered tourist use unless the resident of</u> <u>the unit occupies the unit for at least thirty-two</u> (32) <u>consecutive days</u>.

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Planning

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PPAR 001309

THIS NOTICE AND FILINGS PRE-EMPTS ALL PREVIOUS NOTIFICATIONS AND FILINGS !! City and County of San Francisco

Department of Public Works **Bureau of Building Inspection**



CHAPTER 41 NOTIFICATION & SUMMARY "HOTEL CONVERSION AND DEMOLITION ORDINANCE"

Div. Apt & Htl Inspn 450 McAllister #205 SF CA 94102

Dear hotel owner/operator,

Effective 11/23/79, ord. #564-79 established an Interim moratorium on the demolition or conversion of residential hotel units or apartments to tourist or any other use until a set of permanent and comprehensive controls could be drafted. Ordinance #330-81, effective 7/27/81, amended chapter 41 of the San Francisco Administrative Code, providing such regulations concerning residential hotel units. Entitled: the Hotel Conversion and Demolition Ordinance, (HCDO), the ordinance supercedes the interim moratorium and a previously-enacted version of the ordinance. All prior notification is superceded.

If you are the owner/operator of a hotel, you are subject to the new version of chapter 41, which now requires a Certificate of Use to be issued to every hotel not exempt from the ordinance, in addition to the Permit of Occupancy and the Hotel License presently required of every San Francisco hotel. The Certificate of Use will specify the number of tourist units and residential units allowed within a Residential Hotel. It is unlawful to convert or eliminate a residential hotel unit from a Residential Hotel except as provided in the ordinance.

The Hotel Conversion and Demolition Ordinance establishes criteria by which certain types of hotels will be declared exempt from the ordinance,, and criteria by which the initial unit usage status will be determined. There are also new procedural regulations to which each Residential Hotel owner must adhere, (such as the posting of certificates and reports, keeping of daily logs, etc.), and standards under which an owner may lawfully convert all or some of his or her residential hotel units. The HCDO also provides civil remedies and penalties for violation of the ordinance.

To establish whether or not you qualify for exemption from the HCDO, or the number of tourist units to which you are entitled under the ordinance, you must submit, along with all available documentary evidence to support your filing, the appropriate filing form and fee within 60 days of the effective date of the ordinance. (See attached forms and instructions for filing tourist usage. Owners of a hotel which may qualify for an exemption under the ordinance may file either a Statement of Exemption, a Claim of Exemption Based on Low Income Housing, or a Claim of Exemption Based on a Partially-Completed Conversion. All others must file an Initial

(415) 558- 4505

FORM 6 DAHI-HCO-8/81

861-

450 McAllister Street

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San Francisco 94102

Planning

General Reasons the HCO Requires Extensive Update

- To effectively achieve the legislative intent of the HCO in today's economic market, residential use of a guest room certified for protection by Chapter41, should be defined as a thirty-two (32) day minimum rental. This is consistent with the HCO definition of a" Permanent Resident", and the Rent Ordinance. In addition, low income, elderly, and disabled persons should be allowed to pay in seven (7) day increments so they, as the target population to be served, have access to this housing.
- Definitions should to be updated to reflect current hotel usage, be consistence with the Planning Code, and preserve the housing goals of the HCO.
- Current residential hotel record keeping requirements are outdated, easily subject to misrepresentation, and do not reflect actual business activities.
- For-profit hotel annual reporting should be more comprehensive to ensure ongoing business activities are compliant with the HCO.
- HCO code enforcement provisions reflect a thirty year old methodology, and do not require substantive consequences for illegal conversion /failure to maintain required records.
- The Permit to Convert methods delineated for replacement units, i.e., in-lieu fees, and construction costs have not been updated since 1992 and do not reflect contemporary financial benchmarks.
- The current Permit to Convert replacement criteria does not require deed restrictions for constructing, or causing to construct units which could result in replacement housing that is unavailable to low income, elderly, and disabled persons.
- Replacement assistance, notification, and moving expenses provided to permanent residents (displaced by Permit to Convert proposals) are grossly insufficient, and not in keeping with the present-day economic realities necessary to secure alternate housing (when life time leases are not an option).
- Privileges associated with temporary changes in occupancy require amendment to discourage and penalize illegal conversions and diminish residential guest room housing inventory.

Definitions (Section 41.4): (Where applicable recommended additions are underlined and deletions are indicated with a strikeout.)

- Comparable Unit: A unit which is similar in size, services, rental aunt and facilities, and which is located within the existing neighborhood or within a neighborhood with similar physical and socioeconomic conditions - that is affordable for low income, elderly, and disabled persons.
- **Conversion:** The change or attempted change of the use of a residential unit as defined in subsection (q) below to a tourist use, <u>short term rental</u>, or the elimination of a residential unit or the voluntary demolition of a residential hotel. However, a change in the use of a residential hotel unit into a non-commercial use which serves only the needs of the permanent residents, such as resident's lounge, <u>storeroom community kitchen</u>, or common area, shall not constitute a conversion within the meaning of this chapter <u>provided that such guest room redesignations are first acquired from any existing tourist units within the hotel</u>.
- <u>Tourist or Transient Use: A guest room rented to other than a permanent</u> <u>resident.</u> (Further research is needed to be consistent with Planning Code and capture current business practices that illegally convert residential units).
- Update the following definitions further research is required: Low-Income Household, Low-Income Housing, Permanent Resident (strengthen this provision), Residential Hotel, Residential Unit, Tourist Hotel, Transitional Housing.
- Identify additional definitions that should be added.

Records of Use (Section 41.9):

- The Daily Logs, Weekly Reports, and corresponding receipts are too easily manipulated to convey that the residential hotel is compliant with Chapter 41 when actual business activities are sponsoring illegal conversions.
- The "records of use" format has not been modified in thirty-five (35) years.
 - New tools and techniques are necessary to document, track, and enforce the record keeping provisions that are consistent with HCO goals, and reflect actual business activities, and best practices.
 - The HCO should be amended to require "real" business records similar to those produced when a residential hotel is served with a civil subpoena for business records by the City Attorney.

- The HCO should expressly require that receipts be given at the same time the rental payment is received.
- At the time of a site inspection the hotel operator should be required to provide DBI with copies of any required HCO records requested and/or inspected.
- More effective consequences/penalties should be imposed when a residential hotel violates this section. See discussion regarding the following sections Administration (Section 41.11) and Unlawful Demolition (Section 41.20).

Annual Unit Usage Report (AUUR) (Section 41.10):

- The Annual Unit Usage Report and required attachments are too easily manipulated to indicate that the residential hotel is compliant with Chapter 41 when actual business activities are sponsoring illegal conversions.
- The Annual Unit Usage Report format has not been modified in thirty-five (35) years.
 - New tools and techniques are necessary to document, track, and enforce the AUUR filings that are consistent with HCO goals, and reflect actual business activities, and best practices.
 - In addition to a yearly submittal the residential hotels should be required to file more that a four (4) day sampling of daily rental information. The HCO should be amended to require the filing of a substantial sampling of daily rental documentation quarterly to DBI.
 - The AUUR & daily rental information should be more transparent.
 - The residential hotel operators should be required to file an on-line form that would free staff time to address enforcement for failure to file the requisite records, and be readily available for stake holder review.
 - More effective consequences/ penalties should be imposed when a residential hotel violates this section.
 - Failure to file the AUUR (affirmed through the administrative process of this section and Section 41.11) should result in an automatic denial of the temporary occupancy privileges identified in Section 41.19.

Administration (Section 41.11):

- Penalties for failure to maintain the records of use should be more substantial than \$250.00 per violation.
- Notice of Apparent Violation (41.11(c): This Section should be amended to change Notices of Apparent Violation to Notices of Violation and be subject to Assessments of Costs similar to that for Housing and Building Code enforcement cost recovery.
- Costs of Enforcement (41.11(g): Filing Fees and civil fines do not currently cover investigation and enforcement costs.

Permit to Convert (Section 41.12):

- Updates to Section 41.12(b) should include:
 - 41.12(b) (1)&(2): The applicant should provide the name and contact information for all property owners associated with the parcel(s) that are to provide replacement housing.
 - 41.12(b)(3)&(9): The applicant should be required to specify the method(s) to be utilized that are delineated in Section 41.13(a).
 - 41.12(b)(3)&(9): If the replacement unit includes constructing or causing to construct units off-site (other than the original hotel site seeking to convert), the applicant shall provide detailed financial information how this is to be achieved, to include but not be limited to letters of intent, contracts, etc.

One-For-One Replacement (Section 41.13):

- Updates to Section 41.13(a) should include:
 - 41.13(a)(1)(2): Require financial information and other documentation delineating how the applicant has constructed or caused to be constructed the replacement units including but not be limited to letters of intent, contracts, etc. Deed restrictions should be added to all proposals to construct new housing to ensure these units are affordable for low income, elderly, or disabled persons.
 - 41.13(a)(4)&(5) Construction and acquisition costs need to be increased in keeping with current market economic benchmarks.

Mandatory Denial of Permit to Convert (Section 41.14):

- Update Section 41.14(c) Amend as follows:
 - An applicant has committed unlawful action as defined in this Chapter within 12 months previous to the issuance filing of the permit to convert application.

Unlawful Conversion; Remedies; Fines (Section 41.20):

 Section 41.20(a)(3): Revise this section to require a thirty-two (32) day minimum rental but and payment on a seven (7) day increment to allow low income, elderly, and disabled persons to have economic access to these residential units.

City and County of San Francisco Department of Building Inspection



Edwin M. Lee, Mayor Tom C. Hui, S.E., C.B.O., Director

MEMORANDUM

September 25, 2015

TO:

AnnMarie Rodgers, Senior Policy Advisor, City Planning

FROM: Rosemary Bosque, Chief Housing Inspector, DBI

RE: Residential Hotel Data For 2015 Housing Balance Report Residential Hotel Unit Conversion & Demolition Ordinance. Chapter 41 of the Administrative Code (HCO)

Dear Ms. Rogers:

Policies/Factors that Affect Data Adjustments & Fluctuations

Delineated below is available data for the years 2012 through 2014. This information has been adjusted from previous DBI information provided to the Planning Department for the Housing Element based on the same criteria delineated for building and guest room changes. These totals fluctuate due to: (1) re-categorization of residential hotels through approved Permits to Convert, (2) conversions to nonprofit status, (3) previous Ellis Act filings, (4) restoration of guest rooms previously unavailable due to egress requirements, and (5) data base updates/corrections.

FOR-PROFIT RESIDENTIAL HOTELS NON-PROFIT TOTAL #								
YEAR	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	CERTIFIED # OF TOURIST ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	
2012	414	13680	2805	88	5230	502	18910	
2013	414	13903	2942	87	5105	501	19008	
2014	412	13678	2901	91	5434	503	19112	

Summary of Proposed Guest Room Conversions:

DBI is currently processing a Permit to Convert application which proposes to convert 238 residential guest rooms from five (5) residential hotels to newly constructed dwelling units at 361 Turk Street and 145 Leavenworth Street. It is anticipated that this DBI application will be amended by the project proponents as the parallel Conditional Use applications proceed through the Planning Code process.

Please let me know if you require further information.

CC: Dan Lowrey Bill Strawn Andv Karcs HCO Correspondence File

> HOUSING INSPECTION SERVICES 1660 Mission Street-San Francisco, Ca. 94103 Office (415) 558-6220 - Fax (415) 558-6249 - www.sfdbi.org

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DEPARTMENT OF BUILDING INSPECTION



City & County of San Francisco 1660 Mission Street, San Francisco, California 94103-2414

INTEROFFICE MEMORANDUM

July 27, 2006

To: Claudia Flores, Department of City Planning

From: Jul Lynn Parsons, Housing Inspection Services

Re: Residential Hotel Data Request

1

Pages:

Delineated below is the data you have requested. The table reflects current totals from the Residential Hotel database for these categories. The differences from 2004 to 2005 are caused by re-categorization of residential hotels due to Permits to Convert, conversions to nonprofit status, Ellis Act filings and database updates and corrections.

FOR PROFIT RESIDENTIAL HOTELS					PROFIT FIAL HOTELS	TOTAL NUMBER	
YEAR	# OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	CERTIFIED # OF TOURIST ROOMS	# OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	# OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS
2004	455	15,767	3,239	65	3,652	520	19,491
2005	435	15,106	3,345	71	4,217	506	19,323

Please note that the figures in the *For Profit Residential Hotels* portion of the table represent the number of residential guest rooms certified (authorized) by the HCO for Residential Hotels which file an Annual Unite Usage Report. Note that this is dated material, subject to future hotel status changes.

Also note that the table above does not include 1,129 for 2004 and 1,235 for 2005 Tourist Guest Rooms (certified by the HCO) that are contained in the 65 and 71 Residential Hotels operated by nonprofit agencies – which are generally used as residential guest rooms.

If you have any questions or need further information please contact Oscar at 415.558.6101, fax 415.558.6249.

Cc: Oscar Williams

P:\JLP\JLP2\DCP\MM HCO2005.doc

HOUSING INSPECTION SERVICES MEMORANDUM

December 29, 2004

TO: Sue Exline, DCP

FROM: Rosemary Bosque, HIS

RE: Residential Hotel Data Request

Delineated below is the data you have requested. The table reflects current totals compiled from the Residential Hotel database for these categories. The differences from 2003 to 2004 are caused by recategorization of residential hotels due to Permits to Convert, conversions to Nonprofit status, Ellis Act filings, and database updates and corrections.

FOR-PROFIT RESIDENTIAL HOTELS NON-PROFIT TOTAL # RESIDENTIAL HOTELS							
YEAR	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	CERTIFIED # OF TOURIST ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS
2003	455	15,878	3,520	62	3,495	517	19,373
2004	455	15,767	3,239	65	3,652	520	19,419

Please note that the figures in the *For Profit Residential Hotels* portion of the table represent the number of residential guest rooms certified (authorized) by the HCO for Residential Hotels which file an Annual Unit Usage Report. Note that this is dated material, subject to future hotel status changes:

Also note that the table above does not include 1,035 for 2003 and 1,129 for 2004 Tourist Guest Rooms (certified by the HCO) that are contained in the 62 and 65 Residential Hotels operated by Non-Profit agencies - which are generally used as residential guest rooms.

If you have any questions or need further information please contact Oscar at (415) 558-6191, Fax (415) 558-6249.

cc: Jul Lynn Parsons

Chief=s Correspondence File

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HOUSING INSPECTION SERVICES MEMORANDUM

May 30, 2003

TO: Teresa Ojeda, DCP

FROM: Rosemary Bosque, HIS

RE: 2002 Housing Inventory, Request for Residential Hotel data. As authorized by the Residential Hotel Unit Conversion & Demolition Ordinance. Chapter 41 of the Administrative Code (HCO)

Dear Teresa:

Delineated below is the data you requested for the DCP **2002 Housing Inventory**. The table reflects current totals compiled from the Residential Hotel data base for the categories you requested. The differences from 2001 to 2002 are caused by recategorization of residential hotels due to Permits to Convert, conversions to Nonprofit status, Ellis Act filings, and data base updates/ corrections.

FOR-PROFIT RESIDENTIAL HOTELS NON-PROFIT TOTAL #							
YEAR	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	CERTIFIED # OF TOURIST ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS
2002	457	15902	3846	61	3473	518	19375

Please note that the figures in the *For Profit Residential Hotels* portion of the table represent the number of residential guest rooms certified (authorized) by the HCO for Residential Hotels which file an Annual Unit Usage Report. Note that this is dated material, subject to future hotel status changes.

Also note that the table above does not include 966 Tourist Guest Rooms (certified by the HCO) that are contained in the 61 Residential Hotels operated by Non-Profit agencies - which are generally used as residential guest rooms.

If you have any questions or need further information please contact me at (415) 558-6202, Fax (415) 558-6249.

cc: Jul Lynn Parsons HCO File Chief=s Correspondence File

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HOUSING INSPECTION SERVICES MEMORANDUM

February 14, 2001

TO: Teresa Ojeda, DCP

FROM: Rosemary Bosque, HIS

RE: 2000 Housing Inventory, Request for Residential Hotel data. As authorized by the Residential Hotel Unit Conversion & Demolition Ordinance. Chapter 41 of the Administrative Code (HCO)

Dear Teresa:

Delineated below is the data you requested for the DCP **2000 Housing Inventory**. The table reflects current totals compiled from the Residential Hotel data base for the categories you requested. The differences from 1999 to 2000 are caused by recategorization of residential hotels due to Permits to Convert, conversions to Nonprofit status, Ellis Act filings, and data base updates/ corrections.

FO	R-PROFIT I	RESIDENTIAL H	OTELS	 A state of the sta	PROFIT	то	FAL #
YEAR	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	CERTIFIED # OF TOURIST ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS	NO. OF BUILDINGS	CERTIFIED # OF RESIDENTIAL ROOMS
2000	457	16331	3781	61	3314	518	19645

Please note that the figures in the *For Profit Residential Hotels* portion of the table represent the number of residential guest rooms certified (authorized) by the HCO for Residential Hotels which file an Annual Unit Usage Report. Note that this is dated material, subject to future hotel status changes.

Also note that the table above does not include 1120 Tourist Guest Rooms (certified by the HCO) that are contained in the 61 Residential Hotels operated by Non-Profit agencies - which are generally used as residential guest rooms.

If you have any questions or need further information please contact me at (415) 558-6202, Fax (415) 558-6249.

cc: David Gogna Jul Parsons HCO File

P:\RVB\HCO\DCPInfoFebruary142001.rvb.wpd

General Reasons the HCO Requires Extensive Update

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- To effectively achieve the legislative intent of the HCO in today's economic market, residential use of a guest room certified for protection by Chapter41, should be defined as a thirty-two (32) day minimum rental. This is consistent with the HCO definition of a" Permanent Resident", and the Rent Ordinance. In addition, low income, elderly, and disabled persons should be allowed to pay in seven (7) day increments so they, as the target population to be served, have access to this housing.
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- For-profit hotel annual reporting should be more comprehensive to ensure ongoing business activities are compliant with the HCO.
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- Update the following definitions further research is required: Low-Income Household, Low-Income Housing, Permanent Resident (strengthen this provision), Residential Hotel, Residential Unit, Tourist Hotel, Transitional Housing.
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• The HCO should be amended to require "real" business records similar to those produced when a residential hotel is served with a civil subpoena for business records by the City Attorney.

Page 3 of 5

Brief Highlights of HCO Deficiencies by Section (continued)

- The HCO should expressly require that receipts be given at the same time the rental payment is received.
- At the time of a site inspection the hotel operator should be required to provide DBI with copies of any required HCO records requested and/or inspected.
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PPAR 001353

 Failure to file the AUUR (affirmed through the administrative process of this section and Section 41.11) should result in an automatic denial of the temporary occupancy privileges identified in Section 41.19.

Page 4 of 5

Brief Highlights of HCO Deficiencies by Section (continued)

Administration (Section 41.11):

- Penalties for failure to maintain the records of use should be more substantial than \$250.00 per violation.
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- Costs of Enforcement (41.11(g): Filing Fees and civil fines do not currently cover investigation and enforcement costs.

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One-For-One Replacement (Section 41.13):

• Updates to Section 41.13(a) should include:

- 41.13(a)(1)(2): Require financial information and other documentation delineating how the applicant has constructed or caused to be constructed the replacement units including but not be limited to letters of intent, contracts, etc. Deed restrictions should be added to all proposals to construct new housing to ensure these units are affordable for low income, elderly, or disabled persons.
- 41.13(a)(4)&(5) Construction and acquisition costs need to be increased in keeping with current market economic benchmarks.

Page 5 of 5

Brief Highlights of HCO Deficiencies by Section (continued)

Mandatory Denial of Permit to Convert (Section 41.14):

• Update Section 41.14(c) Amend as follows:

\$

• An applicant has committed unlawful action as defined in this Chapter within 12 months previous to the issuance filing of the permit to convert application.

Unlawful Conversion; Remedies; Fines (Section 41.20):

 Section 41.20(a)(3): Revise this section to require a thirty-two (32) day minimum rental but and payment on a seven (7) day increment to allow low income, elderly, and disabled persons to have economic access to these residential units. San Francisco Leasing Strategies Report - DRAFT - CONFIDENTIAL

SAN FRANCISCO LEASING STRATEGIES REPORT DRAFT

Introduction	an a	
Financial Strategies		
1. Risk Mitigation Pools		
2. Protective Payee Programs		1
3. Tenant Vetting & Holding Fees		
3. Tenant Vetting & Holding Fees 4. Increased Security Deposits	1	
5. Pre-Leasing Incentives: Leasing Bonuses and	d Broker's Fees	
Non-Financial Strategies	•	
1. Tenant Supports		······
2. Landlord Supports		/
3. Landlord Outreach & Marketing		
4. Master Leasing		······································
Other Community Experiences		
1. Landlord Liaison Project: King County, Seatt	le	11
2. Home Forward: Portland, Oregon		12
3. Housing Stability Plus: New York City		
Recommendations for San Francisco	•	
1. Tenant Success		·*····································
2. Cost-Effective Financial Incentives	······································	
3. Building Landlord Relationships		14 1 A
4. Relatively Low Cost Supportive Strategies	· · · · · · · · · · · · · · · · · · ·	

* HomeBase (Advancing) Solutions to Home Advised

NOT THE REAL

HSH-HSA 002215

The hardest-to-house populations – persons with felony records, multiple evictions, behavioral health challenges, and histories of long-term or chronic homelessness – have historically faced difficulties affording market rate rental units and meeting the screening criteria set by property owners, managers, and landlords. In order to enable these vulnerable populations to overcome these barriers to access and retain housing, it is critical to affirmatively engage in landlord outreach.

Understanding landlord interests and behavior is a key consideration in selecting strategies for engagement. Agencies implementing housing programs must keep in mind how to balance landlord needs with those of the program participants and the agencies. As business people, landlords are driven by financial incentives, including profit, stability of income, protection of their assets, and minimizing tenant conflict and legal action.

Another important factor is the unique context of San Francisco's current rental market. While the federal government set the Fair Market Rent in 2015 at \$1,635¹ for a onebedroom apartment, the private sector reports that the median rent for one bedroom apartments hit a record high in January at \$3,410.² In a city where two-thirds of the population are renters, skyrocketing high-wage job creation and lack of housing production have reinforced the rental housing crunch. Any strategy must into take into account that even "desirable" tenants have a hard time finding and maintaining affordable housing.

The following is a list of strategies for encouraging landlords to rent their properties to those who are, were, or are at risk of being homeless.

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Financial incentives can help mitigate the real and perceived risks associated with renting to homeless households, such as non-payment of rent, property damage, or the burden of having to deal with other potential problems caused by tenants. The following is a list of potential financial strategies that may help convince landlords that it is in their financial interest to provide housing to vulnerable households.

¹ http://www.huduser.org/portal/datasets/fmr/fmrs/FY2015_code/2015summary.odn ² http://www.huffingtonpost.com/2015/02/03/san-francisco-rent-2015-most-expensivecity_n_6609396.html

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1. RISK MITIGATION POOLS

"Risk mitigation pools," also known as insurance pool grants and landlord guarantee funds, reduce landlord exposure to financial risks caused by excessive damage costs and non-payment of rent. Risk mitigation pools create a reserve fund that can be accessed by landlords to reimburse payments for damage and inconveniences that are not covered by a security deposit. These pools also enable programs to guarantee full and timely rent in circumstances where a client cannot pay.

Some examples of risk mitigation pools in practice include the Landlord Liaison Project in King County, Washington (Seattle); the Home Forward Program in Portland; The South Hampton Roads Insurance Pool Grant in Norfolk, Virginia; and the Risk Mitigation Pool of the City of Portland that is held and administered on behalf of the City of Portland Bureau of Housing and Community Development. King County provides funding for and holds management and oversight of the risk mitigation pool; staff oversee the process of approving and submitting claims to the County for damages. Examples of typical costs include: carpet, vinyl floor, wall damage, cleaning, garbage hauling, and legal costs.³

Several restraints and guidelines that are common across risk mitigation pools include the following:

- Claims against tenants for funds from the risk mitigation pool must be above and beyond those costs covered by the security deposit
- Most risk mitigation pools do not cover normal operating costs for landlords such as repainting or replacement of furniture for reasons such as "wear and tear"
- Landlords must provide receipts for repairs caused by excessive damage in order to be reimbursed through the risk mitigation pool
- Funds from the risk mitigation pool are usually capped between \$1,000-2,000 per household
- Financial guarantees are often time-limited, expiring after six to twelve months of responsible tenancy

COST OF IMPLEMENTATION

Risk mitigation pools vary in size, but are often between \$800,000 and \$1,000,000.⁴

³ www.kingcounty.gov/.../DCHS/Levy/ProcurementPlans/VHS_Levy_2_3.ashx

⁴ http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf, http://www.homeforward.org/landlords/section-8-features, http://www.endhomelessness.org/page/-/files/MOU%20for%20Insurance%20Pool%20Funds.pdf.

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EFFECTIVENESS

Establishing a fund that can help mitigate risk for landlords by guaranteeing timely rent and/or covering costs above a security deposit is an especially popular strategy because it provides landlords with confidence that they will not incur significant losses.

However, managing and raising money for such a fund may be a significant challenge if clients are constantly drawing from the fund. Programs must find a way to sustain this funding pool, whether through private or government funding.

2. PROTECTIVE PAYEE PROGRAMS

Protective payee programs hold a client's monthly income in an escrow account that is managed by a third party who becomes responsible for making rent payments on behalf of the tenant. Protective payee services should not be confused with representative payee services; the latter are targeted for individuals deemed incapable of handling their own finances (e.g., severely disabled individuals on SSI), while the former have no legal requirements for participation.

Protective payee programs encourage landlords and management companies to relax screening criteria while enabling program participants to build budgeting and financial management skills. For example, the Shelter to Independent Living (SIL) Program in Lancaster, Pennsylvania uses a protective payee program on a time-limited basis as a means of addressing landlords concerns about high income-to-rent ratios and poor credit histories among hard to house clients.⁵

COST OF IMPLEMENTATION

In 2012, Milwaukee's Protective Payee Program cost about \$32 per month, per client.⁶ At this rate, the estimated cost for providing this service for 500 residents would be \$192,000 per year. However, it is possible that this system could be automated for the clients who receive regular income or housing subsidies, such as Section 8, Continuum of Care permanent supportive housing or rapid re-housing funding, or SSI; this could significantly reduce the cost to \$100,000 per year.

EFFECTIVENESS

The effectiveness of this program depends on how long a program plans to implement a protective payee framework for individual clients. While a client would ideally transition to independence over time, this program may provide the temporary assistance needed to help the client access and retain the housing at an early stage when more support is needed.

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^b http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf. ⁶ http://publicpolicyforum.org/sites/default/files/ProtectivePayeeReport.pdf

3. TENANT VETTING & HOLDING FEES

Some programs provide landlords with financial incentives through costs saved in tenant vetting and referral processes, as well as holding fees while the agencies conduct background checks. Tenant vetting programs broadly involve checking referral, credit, and assessment information for the client to create a comprehensive character reference and background check for the landlord to evaluate. Landlords may view those clients as more attractive potential tenants if they have been thoroughly vetted and referred by a program that has a vested interest in that client's success.⁷

Payment of administrative costs and holding fees can also serve as a financial incentive for landlords. For example, the Rapid Exit Program in Hennepin County, Minnesota pays holding fees for vacant units while a landlord considers a client's application.⁸

COST OF IMPLEMENTATION

The cost of conducting background checks for clients ranges from \$50-\$100 per client, and holding fees could cost around \$100 per unit. For 500 SRO units, the vetting could cost \$25,000 to \$50,000, and holding fees could cost around \$50,000.

EFFECTIVENESS

Having programs conduct background checks for clients is one way to ensure that tenant selection is not unnecessarily restrictive; programs could more thoroughly consider clients who have questionable credit or other histories. However, programs must be careful not to be overly permissive, as they need to build trust with landlords. It may also be challenging for programs to build the capacity to conduct thorough yet efficient background checks; one possible strategy is to have a centralized agency conduct these checks to create economies of scale.

Since the San Francisco rental market moves so quickly, holding fees may be a key incentive for landlords to maintain a vacancy long enough for the agency to conduct a background check.

4. INCREASED SECURITY DEPOSITS

Some programs provide landlords with increased security deposit payments as an incentive. Programs can negotiate with landlords to determine new security deposit amounts to reflect the real and perceived risks for landlords. For example, the Rapid Exit Program in Hennepin County, Minnesota pays double security deposits for clients with poor rental history.⁹

⁷ http://www.crisis.org.uk/data/files/publications/Youth%20&%20PRS%20report.pdf.

⁸ http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf.
 ⁹ http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf.

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Rapid rehousing providers often utilize ESG and TANF funds to pay for modest incentives including paying security deposits for program participants or negotiating increases in deposit amounts. CalWORKS provides move-in costs, such as last month's rent, security deposits, utility deposits, and cleaning fees, provided that the total rent does not exceed eighty percent of the family's total monthly income. Generally, this assistance is only available once in a lifetime, unless the homelessness was the result of domestic violence or a natural disaster.¹⁰¹¹ Yolo County's 2014 strategic plan outlines an objective to partner with the Center for Families to ensure that this resource is reaching eligible families.¹²

The Emergency Solutions Grant program (ESG) includes the following eligible costs for financial assistance: rental application fees, security deposits, last month's rent, utility deposits, utility payments, and moving costs.¹³ In Los Angeles County, the Department of Public Social Services is using ESG funding to provide security and utility assistance for families moving into permanent housing and those enrolled in a rapid re-housing program.¹⁴

COST OF IMPLEMENTATION

The 2015 FMR for SROs in San Francisco is \$942,¹⁵ Assuming security deposits range from 1-2 months rent, the cost to provide security deposits for 500 units would range from \$471,000- \$942,000.

EFFECTIVENESS

This practice is a straightforward way to reduce risk for landlords without significantly increasing costs because the security deposit is ultimately returned if no damage occurs. This provides incentive both for programs and for clients to prevent property damage.

However, start-up costs may be considerable to ensure sufficient funding for increased security deposits; programs will have to consider how to raise and maintain these funds.

5. PRE-LEASING INCENTIVES: LEASING BONUSES AND BROKER'S FEES

Leasing bonuses can be provided to landlords or real estate brokers as a non-refundable reward for leasing to "hard-to-house" tenants.¹⁶ There are two types of leasing bonuses in practice:

- ¹⁴ http://documents.lahsa.org/Programs/funding/2014/rfp/HFSS/FINAL-2014-HFSS-RFP-AND-APP.pdf
- ¹⁵ http://www.huduser.org/portal/datasets/fmr/fmrs/FY2015_code/2015summary.odn

¹⁶ http://partnering-for-change.org/wp-content/uploads/2011/07/Brief_RehsingStrategiesFINAL.pdf.

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¹⁰ http://www.lafla.org/service.php?sect=govern&sub=help;

¹¹ http://www.211scc.org/downloads/CalWORKs%20Resource%20Guide%202014.pdf

¹² http://www.yolocounty.org/home/showdocument?id=26136

¹³ https://www.hudexchange.info/resources/documents/ESG-Program-Components-Quick-Reference.pdf

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- A fixed bonus amount provided to landlords for each unit they rent to clients (Example: \$35 bonus administrative fee/unit rented)
- A fixed-scale system where the leasing bonus provided is determined by the type of unit (Example for unit size: \$200/studio)

COST OF IMPLEMENTATION

Bonuses could range from \$35 to cover administrative fees to more significant bonuses of \$100-200 per unit. A \$35 administrative/pre-leasing fee for 500 SROs would be about \$17,500, while a \$100 bonus per unit for 500 SROs would be \$50,000.

EFFECTIVENESS

Since San Francisco is currently experiencing a housing crunch where many renters in the mainstream rental market are willing to pay above asking price, there may not be sufficient funding to provide a bonus that makes housing a "hard-to-house" tenant more profitable.

TERHARWARGEN STRATEGIES

While financial incentives can be helpful to gain landlord interest, community examples show that financial incentives alone are insufficient to substantially increase and maintain landlord participation in rental assistance programs. Programs with the greatest success in recruiting landlords, housing residents, and retaining both tenants and landlords alike provide robust nonfinancial as well as financial incentives for landlords.¹⁷

The primary categories of nonfinancial incentives are tenant supports, landlord supports, landlord outreach and marketing, engaging real estate brokers, and master leasing.

1. TENANT SUPPORTS

Supporting homeless persons in both accessing and maintaining housing is critical for encouraging landlords to accept them as tenants. The following are ways that programs can provide support to tenants to help them in this process:

- Accessing Housing:
 - Tenant education and certification programs that provide hard-to-house clients with training in areas such as budgeting, tenant rights and duties, repairing credit, and other life skills to help them become a responsible tenant. Clients who complete the program receive certificates of completion

¹⁷ http://partnering-for-change.org/wp-content/uploads/2011/07/Brief_RehsingStrategiesFINAL.pdf.

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or recommendation letters that allow them to apply for housing from landlords partnered with the program.

 Character recommendation letters from case managers and/or respected third parties, such as religious leaders, employers, or even parole officers, describing how the head of household or individual concerned has participated in specialized services (e.g., substance abuse treatment, mental health counseling, financial education classes) and has made great strides in overcoming personal problems indicates to a landlord a level of commitment, motivation, and ability to turn one's life around.

o Co-signing leases with a client to reduce or eliminate risk for landlords.

- Maintaining Housing:
 - On-site and off-site case management and support services provided during transitional housing period (ex. mental health, chemical dependency, treatment, counseling, life skills).
 - Tenant peer support groups.

COST OF IMPLEMENTATION

The cost for these supports varies widely, depending on the extent of training and services provided. Ideally, project coordinators and/or case managers would provide both the trainings and the case management services as needed during a tenant's transition into housing. These services would be more intensive before and at the beginning of tenancy, with the objective to phase out over time, with the exception of those who need permanent supportive housing services due to disability or chronic condition. Many of these case management supportive services could be contracted or leveraged from social service agencies and organizations, reducing the cost.

EFFECTIVENESS

Tenant education and training, as well as supportive services and case management, are essential for ensuring that hard-to-house persons are equipped to live independently in mainstream housing. Certification and character letters, while not necessary for the tenants themselves, may be the official markers necessary to assuage any concerns that a landlord might have in light of poor rental, credit, and/or criminal history.

2. LANDLORD SUPPORTS

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In addition to supporting tenants, programs can incentivize landlords to provide housing for persons who were, are, or are at risk of being homeless by providing special assistance to them in the following ways:

- Landlord access to support hotlines / responsive staff specialized in landlord management.
- Quick turnaround on issuing checks to landlords for agencies that provide rent payment or other financial services.

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- Mediation services for any landlord-tenant conflicts.
- Property maintenance for client-occupied units provided by rental assistance program or associated agencies.
- Landlord recognition programs (e.g. thank you cards from staff and clients, hosting owner appreciation breakfasts at which partners receive plaques or other type of recognition).
- Creating landlord support network Inviting landlords to open houses where they can meet staff, agency leadership, and each other.

COST OF IMPLEMENTATION

The cost of these strategies vary based on extent of services provided – the primary cost would be hiring program staff to manage these services, with each FTE costing around \$80,000 to \$110,000 depending on the skill and experience desired. For 500 SRO units, three to five coordinators at an estimated cost of \$95,000, or \$285,000 to \$475,000 total.

EFFECTIVENESS

Providing responsive, knowledgeable, and effective service to landlords is key in building the trust necessary to convince landlords to rent to clients who are otherwise more challenging. For this reason, many programs hire staff to provide some level of landlord relationship management. Note that these positions can also be combined with landlord outreach and marketing (see below).

3. LANDLORD OUTREACH & MARKETING

Increasing the number of landlords willing to rent to homeless persons is necessary to ensure sufficient housing for more challenging tenants. The following list includes ways programs can expand the pool of landlords, and thereby housing, available for hard-tohouse clients:

- Marketing campaigns that explain the financial and social benefits of providing housing to these populations, as well as the many safeguards in place to reduce risk. Sample marketing strategies including brochures, letters, community forums and presentations, media (email, news), individual meetings, and tours.
- Create a Landlord Advisory Committee to build a core group of landlords who are willing to commit to the program, provide feedback on program design and evaluation, and engage their peers.
- Searching for Landlords
 - Housing Authority listings for Section 8 are more likely to rent to hardest-tohouse populations.
 - Reach out to real estate brokers and provide them with finders' fees or add them to program advisory boards/committees to increase engagement

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- Cold calling can work, but landlords who use mainstream housing sources (such as Craigslist) may not be willing to participate in a supported housing program.
- Creating and regularly updating a spreadsheet of landlords to keep track of engagement efforts.

Note: In outreach, it is critical that programs be consistent in their messaging about housing need and a Housing First framework (i.e. providing housing will enable vulnerable populations to stabilize and address their challenges, such as drug and alcohol use and/or mental illness).

COST OF IMPLEMENTATION

The most significant costs for marketing lie in the initial development of landlord education materials and presentations. Depending on whether these efforts can be supported by program staff or outside marketing consultants, the cost could range from \$5,000 to \$20,000 for a comprehensive outreach campaign.

Subsequent marketing, landlord search, and tracking can be implemented by program staff, including those who provide landlord supports (see above).

EFFECTIVENESS

Marketing and education for landlords is critical to combat the stigma against renting to homeless or formerly homeless persons. For this reason, creating and broadly disseminating persuasive marketing materials, in addition to actively soliciting landlords, are necessary to increase the number of rental units available for hard-to-house persons.

4. MASTER LEASING

Under master leasing, an agency or housing provider rents units, and then subleases them to individual clients. As the primary lease-holder, the agency assumes responsibility for the clients.

COST OF IMPLEMENTATION

Establishing a master lease can be a costly and time-intensive endeavor, as it requires setting up the legal structure and active management of the property. The primary cost would be staff time, as well as any repairs or upkeep needed to maintain the unit at a certain level.

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EFFECTIVENESS

Some agencies have traditionally provided master leases, especially in situations where they can master lease an entire complex with multiple units. Landlords may favor this option if they have many units available, as it reduces their work and places most of the liability on the agency managing the master lease. However, many agencies are wary of this option because of the challenges of managing property and tenants.

The following are examples of how several major cities across the country have implemented landlord engagement strategies, as well as their outcomes.

L LANDLORD HAISON PROJECT: KING COUNTY, SEATTLE

The Landlord Liaison Project (LLP) began in March 2009, as a means of increasing access to private market and non-profit owned rental housing for vulnerable populations moving out of homelessness into permanent housing. The LLP is supported by the King County Department of Community and Human Services, the City of Seattle, King County, Representative of the United Way of King County, and a broad array of service and nonprofit housing providers.¹⁸

The Landlord Liaison Project provides landlords with the following services:

- Access to qualified, vetted applicants to fill vacant units
- Access to LLP's 24-hour hotline to address immediate issues
- Rapid response to landlord concerns by partnering agencies and the YWCA
- Access to a Landlord Risk Reduction Fund in the case of excessive property damage and/or the nonpayment of rent. The Risk Reduction Fund established in King County is \$1 million.

The LLP provides clients with important services as well, such as move-in costs and rental assistance, eviction prevention, tenant trainings, mediation with landlords, and access to support services through partner agencies for at least the first year of their tenancy in permanent housing.

During its first 10 months, the Landlord Liaison Project placed 147 households in permanent housing with a retention rate of 96% of households after 6 months of tenancy. 68% of the tenants were subsidy holders. During the same time period there were 87 interventions/mediations on behalf of housed clients between the landlords and case managers, but no calls placed after hours to the 24-hour emergency hotline. In 2009, the LLP used only \$2,663 from the Risk Reduction Fund for repairs to damage

¹⁸ http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf.

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caused in three client units. Finally, 71% of landlords involved in the program stated that they were "satisfied" or "very satisfied", with 79% ranking the financial guarantees of the LLP as the most important factor for their participation.^{19 20}

2. HOME FORWARD: PORTLAND, OREGON

Home Forward, the housing authority in Multnomah County, Oregon, has emphasized the need to provide better housing choices and accessibility to rental properties for Section 8 voucher holders. The program provides landlords with financial incentives to take on Section 8 voucher holders as tenants, while still allowing landlords to charge market rate for their units. Home Forward pays a set amount, directly to the landlord, and the renter pays the difference. Landlord rents have to be reasonable compared to rents for similar units in the same market area.

Home Forward has created the Landlord Incentive Fund, which is a \$100 leasing bonus paid directly to the landlord each time he or she rents a unit in a low-poverty census tract to a Section 8 participant. The housing authority has also established the Landlord Guarantee Fund (LGF), which will reimburse up to two months of rent for damage beyond wear and tear that exceeds \$1,000 in a client's unit.²¹

Home Forward has experienced mixed results through its Section 8 housing and landlord incentive program. In the first six months of 2012 alone, the program helped 301 voucher-holders find rental units in low-poverty neighborhoods.²² However, the program also received criticisms for not strictly enforcing their policies on renting in low-poverty census tracts and allowing clients to rent substandard units in high-poverty census tracts through Home Forward. Furthermore, the \$100 leasing bonus was incorporated into Home Forward policy after the Landlord Guarantee Fund failed to recruit or retain Section 8 landlords.²³ Home Forward's director of rent assistance has indicated that the new financial incentive has not resulted in a substantial increase in landlord participation.

3. HOUSING STABILITY PLUS: NEW YORK CITY

Housing Stability Plus (HSP) provided rental subsidies to long-term clients in the City's homeless service system, while also providing landlord incentives to encourage the leasing of units to subsidy holders and "hard to house" tenants.

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 $^{^{19}}$ All statistics found in the Landlord Liaison Project 2010 Performance and Evaluation Report. γ

²⁰ For more information, see: http://www.landlordliaisonproject.org/.

²¹ http://www.homeforward.org/landlords/section-8-features.

²² http://www.oregonlive.com/portland/index.ssf/2013/02/oregon_bill_would_end_section.html.

²³ http://www.oregonlive.com/portland/index.ssf/2014/03/home_forward_plans_to_give_low.html.

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The financial incentives provided to landlords through HSP were substantial, including²⁴:

- Advanced payment of three months rent to landlords
- Increased security deposit payments consisting of one month's rent
- 15% finder's fee for real estate brokers who found apartments for HSP clients to lease²⁵
- Streamlined application and inspection process for lease signing

The Program received about 50% of its funding from Temporary Assistance for Needy Families/Social Security Insurance, 25% from State contributions and 25% from city levy taxes.

During its three years, the program served 6,400 households with children and 1,600 without children, with only 100 households vacating their tenancy early or dropping out of the program.²⁶ Despite the incentives, family homelessness rose to a record high for the city, as there was a 23% increase in the number of families entering the system and an 11% decline in the number of families moving into permanent housing in 2006.²⁷

Landlords and program administrators identified two fundamental causes for the limitations of the HSP program:

- The program's requirement that participants be on welfare resulted in frequent stoppage of rent payments because any disruption in welfare caused automatic cessation of rent payment. During the course of the program, 65% of families faced welfare disruptions; rather than the 20% expected. This resulted in uncertainty among landlords, who dropped out of the program.²⁸
- 2) The rigidity of the housing process, time limits placed upon participation, and an annual decline of 20% in the value of the subsidies resulted in instability in housing retention, further decreasing landlord participation.

These three issues - among others - caused New York City to discontinue the program in 2007 in favor of an alternative rental subsidy program designed to rectify these issues. The lessons of the Housing Stability Plus program should inform the design of a new San Francisco rental subsidy program, in particular financial guarantees designed to alleviate and eliminate landlord insecurity and maintain or increase the available housing stock and a flexible system of subsidies that accounts for the housing needs of clients and the financial needs of landlords.

- ²⁵ http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordincentivesProtections.pdf.
- ²⁶ http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf
- ²⁷ http://www.nytimes.com/2007/03/19/nyregion/19homeless.html?pagewanted=all&_r=0
- ²⁸ http://www.nytimes.com/2007/03/19/nyregion/19homeless.html?pagewanted=all

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²⁴ http://coalhome.3cdn.net/0fc1b9afcc11c89627_dgm6vdpb8.pdf, http://partnering-for-change.org/wp-content/uploads/2011/07/LandlordIncentivesProtections.pdf

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Given San Francisco's extremely competitive rental market and general lack of affordable housing, the City should focus first on the landlord engagement strategies most likely to result in successful access to and maintenance of housing for challenging populations, followed by the most cost-effective financial incentives for landlords to rent to these clients, building relationships with landlords, and utilizing any relatively low-cost strategy that can reinforce these efforts.

1. TENANT SUCCESS

Strategies that promote tenant success should be prioritized because landlords will not rent to challenging clients unless they are confident that these tenants will be just as profitable as any other. The primary strategies supporting this objective are:

- Tenant education programs (with or without certification)
- Case management & supportive services
- Tenant peer support groups

2. COST-EFFECTIVE FINANCIAL INCENTIVES

In order to combat the stigma and risk regarding housing homeless and other vulnerable persons, the City will need to provide additional financial incentives and/or risk mitigation to demonstrate to landlords that renting to these clients makes good business sense. Out of the many financial incentives options, the City should select the strategies that provide the most value to the landlords at the lowest cost, which include:

- Risk Mitigation Pools
- Increased Security Deposits
- Protective Payee Program

3. BUILDING LANDLORD RELATIONSHIPS

The City must educate and build relationships with landlords so that they are informed of the successful tenancy of these hard-to-house populations and the financial benefits of renting to them. The following strategies have been the most effective in engaging landlords on these issues:

Marketing campaign to landlords

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- Landlord support hotline / mediation services
- Creating a landlord support network and/or Landlord Advisory Committee
- Quick turnaround for payments for agencies that provide payments

4. RELATIVELY LOW COST SUPPORTIVE STRATEGIES

Finally, there are several strategies which reinforce the above objectives in a costeffective manner, and are worth adding on if additional resources are available:

- Character recommendation letters for prospective tenants
- Supporting the background check process
- Searching for landlords
- Tracking landlord engagement efforts on a spreadsheet

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File No. 162-81-4

AMENDING THE SAN FRANCISCO ADMINISTRATIVE CODE BY AMENDING CHAPTER 41 THEREOF, REVISING DEFINITIONS, NOTICE REQUIREMENTS, REPORTING REQUIREMENTS, TIME LIMITS, EXEMPTIONS AND PENALTIES OF THE RESIDENTIAL BOTEL UNIT CONVERSION AND DEMOLITION ORDINANCE.

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ORDINANCE No. 330-81

6 Be it ordained by the people of the City and County of San 7 FIRELECD:

8 Section 1. The provisions of Ordinance 15-81 as amended by .0 Ordinance 106-81 are hereby repealed; however, this section may 10 not be interpreted to have abolished any cause of action arising 11 out of Ordinance 564-79 and Ordinance 15-81 as amended by 12 Ordinance, 106-81 and which cause of action is pending before the 33 Superior Court or the Department of Public Works as of the 14 effective date of this ordinance.

15 Section 2. Chapter 41 of the San Francisco Administrative 16 Code is hereby mended to read as follows:

CHAPTER 41

.Residential Botel Unit Conversion and Demolition Bec. 41.1. Title.

This Chapter shall be known as the Residential Hotel Unit Conversion and Desolition Ordinance.

Sec. 41.2. Purpose.

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23 It is the purpose of this ordinance to benefit the general public by minimizing adverse inpact on the housing supply and on displaced low income, selderly, and disabled persons resulting from the loss of residential shotel units through their conversion and demolition. This is to be accomplished by establishing the status of residential hotel units, by regulating the demolition and conversion of residential hotel units to other uses, and by appropriate administrative and judicial remedies.

Sec. 41.3. Findings.

The Board of Supervisors finds that

(a) There is a severe shortage of decent, safe, sanitary and affordable rental housing in the City and County of San Francisco and this shortage affects most severely the elderly, 10 the disabled and low-income persons.

(b) The people of the City and County of San Francisco, 11 cognizant of the housing shortage in San Francisco, on November 12 13 4, 1980, adopted a declaration of policy to increase the city's housing supply by 20,000 units. 14

15 (C) Many of the elderly, disabled and low-income persons and households reside in residential hotel units. 16

17 (d) A study prepared by the Department of City Planning estimated that there were only 36,884 residential hotel units in 18 the City in December of 1979, a decrease of 6098 such units from 19 1975. The decrease is caused by vacation, conversion or 20 demolition of residential hotel units. Continued vacation, 21 22 conversion or demolition of residential hotel units will 23 aggravate the existing shortage of affordable, safe and sanitary 24 housing in the City and County of San Francisco.

25 (e) As a result of the removal of residential hotel units 26 from the rental housing market, a housing emergency exists within

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the City and County of San Francisco for its elderly, disabled and low-income households.

(f) Residential hotel units are endangered housing resources and must be protected.

(9) The Board of Supervisors and the Mayor of the City and County of San Francisco recognized this housing emergency and enacted an ordinance which established a moratorium on the demolition or conversion of residential hotel units to any other use. The moratorium ordinance became effective on November 23, 1979.

(h) The conversion of residential hotel units affects
12 those persons who are least able to cope with displacement in San
13 Francisco's housing market.

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14 (1) It is in the public interest that conversion of
15 residential hotel units be regulated and that remedies be
16 provided where unlawful conversion has occurred, in order to
17 protect the resident tenants and to conserve the limited housing
18 resources.

19 (j) The tourist industry is one of the major industries of 20 the City and County of San Prancisco. Tourism is essential for 21 the economic well being of San Francisco. Therefore, it is in 22 the public interest that a certain number of moderately priced 23 tourist hotel units be maintained especially during the annual 24 tourist season between May 1 and September 30. 25 /// Sec. 41.4. Definitions.

(a) <u>Hotel</u>

Any building containing six or more quest rooms intended or designed to be used, or which are used, rented or hired out to be occupied or which are occupied for sleeping purposes and dwelling purposes by guests, whether rent is paid in money, goods, or services. It includes motels, as defined in Chapter XII, Part II of the San Prancisco Municipal Code, (Housing Code) but does not include any jail, hospital, asylum, sanitarium, orphanage, prison detention home or other institution in which human beings are 10 housed and detained under legal restraint, or nursing home or any 11 private club and non-profit organization in existence on 12 September 23, 1979; provided, however, that no building excluded 13 from the terms of this Chapter as a result of operation by a non-34 profit organization shall be excluded if the non-profit 15 organization seeks to demolish the building or to remove units 16 17 within the building from housing use, or sells the building. For the purposes of this ordinance a non-profit organization shall 18 19 mean an entity exempt from taxation pursuant to Title 26, Section 20 501 of the United States Code.

(b) <u>Residential Hotel</u>

Any building or structure which contains a residential
hotel unit as defined in (c) below unless exempted pursuant to
the provisions of Sections 41.5 and 41.6 below.

(c) <u>Residential Unit</u>

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Any guest room as defined in Section 203.7 of Chapter XII,

Part II of the San Francisco Municipal Code (Housing Code) which had been occupied by a permanent resident on September 23, 1979, or any guest room designated as a residential unit pursuant to Sections 41.6 or 41.7 below.

(d) Permanent Resident

A person who occupies a guest room for at least thirty-two (32) consecutive days.

(e) Tourist Unit

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A guest room which was not occupied on September 23, 1979, by a permanent resident or is certified as a tourist unit pursuant to Sections 41.6 and 41.7 below.

(f) <u>Conversion</u>

The change or attempted change of the use of a residential 13 unit as defined in subsection (c) above to a tourist use, or the 14 elimination of a residential unit contrary to the provisions of 15 this Chapter or the voluntary demolition of a residential hotel. 36 17 However, a change in the use of a residential hotel unit into a non- commercial use which serves only the needs of the permanent 18 residents, such as residents' lounge, storeroom or common area 19 20 shall not constitute a conversion within the meaning of this Chapter. 21

(g) Low-Income Household

A household whose income does not exceed eighty percent
 (80%) of the median income for the San Francisco Standard
 Hetropolitan Statistical Area as published by the United States
 Department of Housing and Urban Development and adjusted

according to the determination of that Department pursuant to the Housing and Community Development Act of 1974 (b) Low-Income Housing Residential units whose rentemay not exceed thirty percente (30%) of the gross monthly income of a low-income household as the defined in subsection (g) above. (i) Elderly Person A person 62 years of age or older. 9 (j) Disabled Person A recipient of disability benefits. 10 11 (k) Owner Owner includes any person or legal entity holding any 12 13 ownership interest in a residential hotel. 14 (1) Operator 15 An operator includes, the lessee or any person or legal entity whether or not the owner, who is responsible for the 16 17 day-to-day operation of a residential hotel and to whom a hotel 18 license issued for a residential hotel. 19 (m) Interested Party 20 A permanent resident of a hotel, or his or her authorized. 21 representative, or a former tenant of a hotel who vacated a - 22 residential unit within the past ninety (90) days preceding the 23 filing of complaint or court proceeding to enforce the provisions. 24 of this Chapter, or a tenants' organization provided that such a second state st organization certifies under the penalty of perjury that the 25 alleged unlawful act or acts have been committed by the owner or 26

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operator against five (5) or more permanent residents within the past ninety (90) days preceding the filing of the complaint or court proceeding to enforce the provisions of this Chapter.

(n) <u>Certificate of Use</u>

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Policwing the initial unit usage and annual unit usage determination pursuant to the provisions of Sections 41.6 and 41.7 below, every motel shall be issued a certificate of use specifying the number of residential and tourist units therein. 8 (o) Posting or Post ψ

Where posting is required by this Chapter, material shall 10 be posted in a conspicuous location at the front desk in the lobby of the hotel or, if there is no lobby, in the public 12 entranceway. No material posted may be removed by any person 13 except as otherwise provided in this Chapter. 14

Section 41.5. Applicability of this Chapter.

The provisions of this Chapter shall not apply to:

17 (a) The change in use of a residential unit where the unit has been found to be unfit for human habitation prior to 38 November 23, 1979 and ordered to be wacated by the Department of 19 20 Public Health; pr

21 (5) A hotel wherein ninety-five percent (95%) of the guest 22 rooms were tourist units on September 23, 1979; or

23 (c) A unit which rents for over one thousand dollars 24 (\$1,000.D0) per month.

(2) A hotel in which ninety-five percent (958) of the 25 total number of guest rooms are either tourist units or rented 26

for more than one thousand dollars (\$1,000.00) per month on September 23, 1979; or

(e) A building which was unlawfully converted to a rooming house or hotel in violation of the provisions of the City Planning Code; or

(f) A building which meets the requirements of Section 41.6 (3) below for a claim of exemption for partially-completed conversions; or

(g) A building which meets the requirements of Section 41.6 (2) below for a claim of exemption for low-income housing. Sec. 41.6. Initial Status Determinations; Exemptions.

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(a) Distribution of Summary of Ordinance and Reporting Forms for Initial Unit Usage Report

No later than four (4) weeks after the effective date of 14 this ordinance, the Bureau of Building Inspection of the 15 Department of Public Works shall provide to every known owner or 16 17 operator, a summary of the requirements of this ordinance, and prescribed forms for filing an initial unit usage report, a 18 statement of exemption and a claim of exemption. The 19 motification shall clearly indicate that any prior notification 20 has been superceded. This notice requirements is intended to be 21 directory in so far as the failure to give this notice shall not 22 release any owner or operator of his/her obligations under this 23 ordinance or preclude the City or any person with standing to 24 initiate an enforcement proceeding under the provisions of this 25 26 Chapter.

Page 7

Planning

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(b) Filing of Initial Status Determinations; Time Limit	1	(2) <u>Claim of Exemption Based on Low-Income Housing</u>
Within thirty (30) calendar days of the mailing date of the	2	To qualify for a claim of exemption based on
summary of the ordinance and the prescribed reporting forms, the	З	low-income housing, the units to be rehabilitated must meet
owner or operator of each hotel shall file either asstatement of	4	the following requirements:
exemption, a claim of exemption based on low-income housing, a	5	(A) A claim for this exemption has been filed and the
claim of exemption based on partially completed conversion, or an	6	requisite fees paid to the Bureau of Building
initial unit usage report as specified below. All filing shall	7	Inspection no later than sixty (60) calendar days
be accompanied by supporting evidence. However, upon application	8	after the effective date of this ordinance;
by an owners or operators and upon showing of good cause therefor,	9	(B) With the exception of ground floor commercial
the Superintendent of the Bureau of Building Inspection may grant	10	space, the entire building must be completely occupie
an extension of time not to exceed thirty (30) days for said	11	as low income housing;
filing. A notice that a copy of the initial status determination	12	(C) The Superintendent of the Bureau of Building
comment filed with the Superintendent of the Bureau of Building	13	Inspection finds that the proposed elimination of a
inspection is available for inspection between the hours of 9:00	14	unit is necessary to comply with Building Code and
and 5:00 p.m. Monday through Friday shall be posted on the	15	Bousing Code requirements; and
lay of filing.	16	(D) Alternate guest rooms are made available within
(1) Statement of Exemption	17	the building to the displaced permanent residents; or
Any hotel claiming exemption under the provisions of	18	(E) In those circumstances where it is necessary to
Sections 41.5(a) through 41.5(d) shall file a statement of	19	relocate a permanent resident offsite, the permanent
exemption specifying the basis for the exemption. Any	20	resident shall receive the actual moving expenses and
hotel claiming exemption under the provisions of Sections	21	the difference between the rent at the time of
41.5(b) through 41.51c) shall also state the total number	22	relocation and the rent of the temporary housing
So of guest rooms and the number of residential hotel units	23	during the period of rehabilitation.
with monthly rent, over one thousand dollars (\$1,000.00) per	24	(F) The owner or operator and successors in interest
manth.	25	shall continue to maintain all units in the
1 / 1	26	rehabilitated hotel as low-income housing for
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Page 9		Page 10

Planning

twenty-five (25) years. A deed restriction on such building to tourist units as of November 23, 1979. use shall be submitted to the City Attorney's Office Satisfactory evidence of intention to convert may be for approval. WAn approved copy shall be forwarded to demonstrated by the following factors, including but the Superintendent of the Bureau of Building not limited to: Inspection and the original shall be filed with the (i) Whether an architect has been engaged to Becorder by the owner or operator. prepare plans and specifications; or (3) Claim of Exemption Based on Partially Completed (ii) Whether bids for construction work have Conversion been received; or A claim of exemption based on partially completed (iii) Whether applications for the necessary conversion shall not be approved until and unless all of permits have been submitted to all relevant city 10 the following requirements are met: 17: departments; or (A) An application for a partially completed 12 Whether a building permit has been issued. (iv) conversion was filed no later than sixty (60) calendar 13 (D) Each permanent resident displaced by the days after the effective date of this ordinance; conversion is offered relocation assistance as set (B) The owner or operator has commenced work on 35 forth in Section 41.13 below; and extensive Capital Improvements and Rehabilitation For each vacant residential unit converted, but 16 (E) Mork, prior to November 23, 1979, as defined in 17 not occupied by a permanent resident, a sum of two Section 37.2 of the San Francisco Administrative Code hundred and fifty dollars (\$250.00) per unit not to 18 [the San Francisco Rent Stabilization and Arbitration 19 exceed a total of ten thousand dollars (\$10,000.00) Ordinance) and has completed such work on at least 20 shall be deposited in the San Francisco Residential thirty-five percent (35%) of the units intended to be 21 Hotel Preservation Account of the Repair and converted or has expended forty percent (40%) of the 22 Demolition Fund established pursuant to Section 203.L total sum budgeted for said work; 23 of the San Francisco Building Code (being Chapter I, (C) The owner or operator or previous owner or 24 Article 2, Part II of the San Francisco Municipal operator shall have clearly demonstrated his intention 25 Code) to be used exclusively for the repair, purchase to convertall of the residential units in the subject 26 and rehabilitation of residential hotel units by Page 11

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agencies of the City and County of San Francisco and to be administered by the Department of Public Works.

(4) Filing of Initial Unit Usage Report

All hotels not covered by the above filings must file an initial unit usage report containing the following: (A) The number of residential and tourist units in the hotel as of September 23, 1979;

 (B) The designation by room number and location of the residential units and tourist units as of seven
 (7) calendar days prior to the date of filing the report;

(C) The total number of residential and tourist rooms in the hotel as of seven (7) calendar days prior to the date of filing the report.

(c) <u>Insufficient Filing</u>

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If the Superintendent of the Bureau of Building Inspection 16 17 or his designee determines that additional information is needed to make a determination, he shall request the additional 18 information in writing. The owner or operator shall furnish the 19 requested information within fifteen (15) calendar days upon 20 receipt of the written request and post a notice that a copy is 21 available for inspection between the hours of 9:00 a.m. and 5:00 22 23 p.m. Monday through Friday, on the same date as it is furnished, 24 of the information requested. If the requested information is not furnished, all the guest rooms not supported by evidence 25 shall be deemed to be residential units. 26

(d) <u>Certification of Units</u>

The Superintendent of the Bureau of Building Inspection shall review the information and accompanying supporting data. A certified copy of hotel tax returns for the calendar year 1979 may be used to establish the number of tourist units. If, in the opinion of the Superintendent of the Bureau of Building Inspection, the initial unit usage report is supported by adequate supporting evidence, he shall certify the number of residential and tourist units within ninety (90) calendar days of its submission. The owner or operator shall have the burden of proving the humber of tourist units claimed by a preponderance of evidence.

Notwithstanding any other provisions in this Chapter, if an 13 owner or operator took possession of the hotel operation after 14 September 23, 1979 and before June 15, 1981, and if the owner or 15 operator can demonstrate that good cause exists why he/she cannot 16 obtain supporting evidence from the previous owner or operator to 17 file the initial report, the owner or operator shall base his 18 filing on information available to him two weeks after he took 19 20 possession of the hotel; any units which are vacant on that date 21 shall be allocated equally between tourist and residential uses; 22 provided that a permanent resident may rebut this presumption by 23 clear and convincing evidence.

After the Superintendent of the Bureau of Building
Inspection certifies the number of residential and tourist units,
he shall issue a certificate of use for one year. A notice that

Page 13

copy of the certificate of use is available for inspection between the bours of 9:00 a.m. and 5:00 p.m. Monday through Friday must be posted.

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(e) **Failure** to File Statement of Exemption, Claim of Second Statement Statemen

If no initial units usage report, or statement of exemption, or a claim of exemption based on partially completed conversion, or a claim of exemption based on low-income housing for all of the guest rooms, is filed for a hotel within the time set forth in Section 41.6(b), the Superintendent of the Bureau of 10 Building Inspection shall mail a notice to the owner or operator 31 of record by registered or certified mail stating that all the 12 rooms in the hotel shall be deemed residential units unless the 13 conner or operator files a unit usage report within ten (10) 14 calendar days of the mailing date of said notice and that a late 15 filing fee of Fifty Dollars (\$50.00) will be assessed in addition 16 77 to the fee set Forth in Section 41.8 of this Chapter. If the owner or operator fails to submit a unit usage report within ten 18 79 (10) calendar days after notification by the Bureau of Building Inspection, a certificate of use for residential units only shall _20 be issued. 21

(f) Appeal of Initial Determination

23 An owner or operator may appeal the initial unit status
24 determination by the Superintendent of the Bureau of Building
25 Inspection provided that there was no challenge pursuant to the
26 provisions of subsection (g) below, and further provided that an

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appeal is filed within ten (10) calendar days of the mailing of the certification. If an appeal is filed, a copy of the notice of appeal shall be posted by the owner or operator and a hearing pursuant to the provisions of Section 41.8(b) shall be scheduled.

(g) Challenge; Standing; Statute of Limitation

Challenges to the information contained in the initial status determination report filed by the owner or operator may be filed by an interested party in writing provided that it is submitted within fifteen (15) calendar days from the date the report to the Bureau of Building Inspection is filed. Upon 10 receipt of a challenge, a hearing shall be held by the 11 Superintendent of the Bureau of Building Inspection or his 12 13 designee pursuant to the provisions of Section 41.8(b). The owner or operator shall have the burden of proving by a 14 15 preponderance of evidence that the information filed is correct. 16 (h) Daily Log

17 Following the effective date of this ordinance, each 18 residential hotel shall maintain a daily log containing the 19 status of each room, whether it is occupied or vacant, whether it 20 is used as residential unit or tourist unit and the name under which the occupant is registered. Each hotel shall also maintain 21 22 copies of rent receipts showing the amount and period paid for. 23 The daily log shall be available for inspection pursuant to the 24 provision of Section 41.8(c) of this Chapter upon demand between 25 the hours of 9:00 a.m. and 5:00 p.m. between Monday and Friday. 111 26

Planning

Sec. 41.7. Annual Unit Usage Report.

(a) Posting

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Pollowing the initial status determination, an owner or operator of residential units shall post on each Monday before 12 noon the following information:

(1) The number of tourist units to which the owner or operator is currently entitled and the date of the

certification of use was last issued.

(2) The number of guest rooms which each day of the preceding week were used as tourist units. Evidence of compliance with the requirements imposed hereunder shall be preserved by the owner or operator for a period of not less than two (2) years after the date each posting is required to be made. The owner or operator shall permit the Superintendent of the Bureau of Building Inspection or his designee, to inspect the hotel records and other supporting evidence to determine the accuracy of the information posted.

(b) Filing

(1) On October 15, 1982, and on October 15 of each
succeeding year thereafter, every hotel owner or operator
required to file an initial unit usage report shall file
with the Bureau of Building Inspection an Annual Unit Usage
Report containing the following information:
(A) The number of rooms in the hotel as of September

30 of the year of filing;

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(B) The number of residential and tourist units as of September 30 of the year of filing;

(C) The number of vacant residential units as of

September 30 of the year of filing;

(D) The average rent for the residential hotel units as of September 30 of the year of filing; and

(E) The number of residential hotel units rented by

week or month as of September 30 of the year of filing;

(F) The designation by room number and location of the residential units and tourist units as of

September 30 of the year of filing;

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(2) The nature of services provided to the permanent residents and whether there has been an increase or decrease in the services so provided. This information will not be used for determining the entitlement of residential or tourist units.

(3) On the day of filing, the owner or operator shall post a notice that a copy of the Annual Unit Usage Report submitted to the Bureau of Building Inspection is available for inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday which notice shall remain posted until a new certificate of use has been issued.

23 However, upon application by an owner or operator and upon
24 showing of good cause therefor, the Superintendent of the Bureau
25 of Building Inspection ay grant one extension of time not to
26 exceed thirty (30) days for said filing.

assessed against the owner or operator for failure to furnish the requested information and a lien for the amount so assessed shall be recorded by the Superintendent of the Bureau of Building Inspection.

(f) Failure to File Annual Unit Usage Report

If the owner or operator fails to file an Annual Unit Usage Report, the Bureau of Building Inspection shall notify the owner or operator by registered or certified mail and shall post a notice informing the owner or operator that unless submission of the Annual Unit Usage Report and application for renewal of the 10 hotel license is made within fifteen (15) calendar days, the 11 residential and tourist units shall be presumed to be unchanged 12 from the previous year. A civil penalty of three hundred dollars 13 (\$300.00) for each month the annual report is not filed shall be 14 assessed against the owner or operator and a lien for the amount 15 so assessed shall be recorded by the Superintendent of the Bureau 16 17 of Building Inspection.

(9) Appeal of Annual Usage Determination

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19 An owner or operator may appeal the annual unit usage 20 determination by the Superintendent of the Bureau of Building Inspection provided that there was no challenge pursuant to the 21 provisions of subsection (h) below, and further provided that an 22 appeal is filed within twenty (20) calendar days from the date of 23 24 issuance of the certificate of use. If an appeal is filed, a copy of the notice of appeal shall be posted by the owner or 25 operator and a hearing oursuant to the provisions of Section 26

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(c) <u>Certification of Annual Unit Usage Report</u> After receipt of the Annual Unit Usage Report, the Bureau

of Building Inspection shall issue a certified acknowledgment of receipt.

(d) ... Renewal .of Hotel License and Issuance of New Certificate of Use

As of the effective date of this ordinance, no hotel license may be issued to any owner or operator of a hotel unless the owner or operator presents with his/her license application a certified acknowledgment of receipt from the Bureau of Building 10 Inspection of the Annual Unit Usage Report for the upcoming year. Upon payment of the license fee. the Tax Collector shall notify the Bureau of Building Inspection that a current certificate of use for the ensuing year may be issued. The 14 Bureau of Building Inspection shall issue said permit within 15 forty five (45) working days of payment of that license fee. (e) Insufficient Filing

. If the Superintendent of the Bureau of Building Inspection 18 or his designee determines that additional information is needed 19 to make a determination, he shall request the additional 20 information in writing. The owner or operator shall furnish the .21 requested information within fifteen (15) calendar days upon . 22 receipt of the written request. If the requested information is .23 not furnished in the time required, the residential and tourist 24 units shall be presumed to be unchanged from the previous year. 25 A civil penalty of five hundred dollars (\$500.00) shall be 26

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Planning

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1	41.8(b) shall be scheduled.	twenty five dollars (\$125.00.) if no challenge is filed.
2	(h) Challenge; Standing; Statute of Limitation 2	If a challenge is filed, the party with the adverse
. 3	Any interested party may file a challenge to the	decision shall be assessed an additional two hundred
. 4	information contained in the annual unit usage report filed by	dollars (\$200.00) to reimburse the City for costs of public
5	the owner or operator provided that such a challenge is in 5	hearing prior to the issuance of a certificate of use as
6	writing and is submitted within fifteen (15) calendar days from 6	
. 7	the date the report to the Bureau of Building Inspection is 7	(5) Annual Unit Usage Report: Twenty dollars
. 8	filed. Open receipt of a challenge, a hearing pursuant to the	
9	provisions of Section 41.8(b) shall be scheduled. The owner or 9	
10	operator shall have the burden of proving by a preponderance of 10	
-14	evidence that the information filed is correct.	
12	Sec. 41.8. Administration.	
. 13	(a) <u>Pees</u> 33	(5) Permit to convert: Two hundred dollars (\$200.00).
14	The owner or operator shall pay the following filing fees	
15	to the Bureau of Building Inspection to cover its costs of	
16	investigating and reporting on eligibility. Pres shall be waived	
37	for an individual who files an affidavit under penalty of perjury 17	(8) Complaint of unlawful conversion: Ten dollars
76	stating that he or she is an indigent person who cannot pay the 18	•
. 79	filing fee without using money needed for the necessities of life.	(9) Appeal of initial or annual status determination:
.20	[1] Statement of exemption: One bundred and twenty 20	fifty dollars (\$50.00). The party with the adverse
- 21	21	decision shall be assessed an additional two hundred
. 22	22 Claim of exemption based on low-income housing:	dollars (\$200.00) to reimburse the City for costs of public
.23	23 One ~hundred and stwenty five dollars (\$125.00).	bearing prior to the issuance of a certificate of use as
- 24	13) Claim of exemption based on partially completed 24	defined in Section 41.4(n).
25	conversion: Two hundred and fifty dollars (\$250.00). 25	(10) Determination by Department of Real Estate:
26	(4) Initial Unit Usage Report: One hundred and 26	Seven hundred and fifty dollars (\$750.00) and the actual
	Page 21	Page 22
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Planning

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amount necessary to reimburse the Department for obtaining independent appraisals. (b) <u>Hearing</u> (1) Notice of Hearing Whenever a hearing is required or requested in this Chapter, the Superintendent of the Bureau of Building Strain Sinspection Shall within forty five (45), calendar days motify the owner or operator of the date, time, place and mature of the hearing by registered or certified mail. The 10 Superintendent of the Bureau of Building Inspection shall appoint a 11 thearing officer. Notice of such a hearing shall be posted by the Bureau of Building Inspection. The owner or operator shall state under oath at the hearing that the motice remained posted for at least ten (10) calendar days prior.to the hearing. Said notice shall state that all permanent residents residing in the hotel may appear and testify at the public hearing, provided that the Bureau of Building Inspection is motified of such an intent 72 hours prior to the hearing date. (2) Hearing Procedure "If more than one hearing for the same hotel is required, the Superintendent of the Bureau of Building chaltenges into one hearing; however, if a civil action has been filed pursuant to the provisions of Section 41.16(d)

of this Chapter, all hearings on administrative complaints of unlawful conversions involving the same notel shall be abated until such time as final judgment has been entered in the civil action; an interested party may file a complaint in intervention. The hearing shall be tape recorded. Any party to the appeal may, at his/her own expense, cause the hearing to be recorded by a certified court reporter. The hearing officer is empowered to issue subpoenas upon application of the parties three (3) calendar days prior to the date of the hearing. During the hearing, evidence and testimony may be presented to the hearing officer. Parties to the hearing may be represented by counsel and have the right to cross-examine witnesses. All testimony shall be given under oath. Written decision and findings shall be rendered by the hearing officer within twenty (20) working days of the hearing. Copies of the findings and decision shall be served upon the parties to the hearing by registered or certified mail. A notice that a copy of the findings and decision is available for inspection between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday shall be posted by the owner or operator. (3) Judicial Review

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The decision of the hearing officer shall be final unless judicial review pursuant to Section 1094.5 of the Code of Civil Procedure is filed with a court of competent

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Planning

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jurisdiction within thirty (30) calendar days of the maintained in said files, execpt for all tax returns and wissuance of the written decision. documents specifically exempted from the California Public Record (C) Inspection Act, shall be made available for public inspection and copying. The Superintendent of the Bureau of Building Inspection (f) Promulgation of Rules and Regulations shall conduct from time to time on-site inspections of the daily 5 The Superintendent of the Bureau of Building Inspection logs and other supporting documents to determine if the shall propose rules and regulations governing the appointment of provisions of this Chapter have been complied with. In addition, 7 an administrative officer and the administration and enforcement the Superintendent of the Bureau of Building Inspection or his 8 of this Chapter. After reasonable notice and opportunity to designee shall conduct such an inspection as soon as practiciable submit written comment are given, final rules and regulations upon the request of a permanent resident of the hotel. If upon 10 shall be promulgated. 10 such an inspection, the Superintendent or his designee determines 11 Sec. 41.9. Permit to Convert 111 that an apparent violation of the provisions of this Chapter has 12 (a) Any owner or operator, or his authorized agent, of a 12 occurred, he shall post a notice of apparent violation informing 13 residential hotel may apply for a permit to convert one or more 13 the permanent residents of the hotel thereof. 14 residential units by submitting an application and the required 14 15 (d) Costs of Enforcement fee to the Central Permit Bureau. 15 The proceeds from the filing fees and civil fines assessed 16 (b) The permit application shall contain the following 16 shall be used exclusively to cover the costs of investigation and 17 17 information: enforcement of this ordinance by the City and County of San 18 (1) The name and address of the building in which the 18 Francisco. The Superintendent of the Bureau of Building 19 conversions are proposed; and 19 Inspection shall annually report these costs to the Board of 20 (2) The names and addresses of all owners or 20 Supervisors and recommend adjustments thereof. operators of said building; and 21 (e) Inspection of Records (3) A description of the proposed conversion 22 Seathe Bureau of Building Inspection shall maintain a file for 23 including the nature of the conversion, the total number of each residential hotel which shall contain copies of all 24 24 units in the building, their current uses; and applications, exemptions, permits, reports and decisions filed 25 (4) The room numbers and locations of the units to be pursuant to the provisions of this Chapter. All documents 26 converted; and Page 25

Page 25

PPAR_001439

1	(5) Preliminary drawings showing the existing floor	٦	comparable rent to replace each of the units to be
2	plans and proposed floor plans; and	2	Converted; or
់3	(6) A description of the improvements or changes	3	(2) Cause to be brought back into the housing market
÷4	proposed to be constructed or installed and the tentative	4	a comparable unit from any building which was not subject
5	Schedule for starteof construction; and	5	to the provisions of this Chapter to be offered at
ن.	(7) The current rental rates for each residential	6	comparable rent to replace each unit to be converted; or
² 7	simulation beconverted; and	7	(3) Construct or cause to be constructed or
8	spectrum date ((8)) the There length of tenancy of the permanent residents	8	rehabilitated apartment units for elderly, disabled or
9	affected by the proposed conversion; and	9	low-income persons or households at a ratio of less than
10	(9) A statement regarding how one-for-one replacement	10	one-to-one to be determined by the City Planning Commission
- 13	of the units to be converted will be accomplished,	11	in accordance with the provisions of Section 303 of the
12	including the proposed location of replacement housing if	12	City Planning Code: A notice of said City Planning
13	replacement is to be provided off-site; and	13	Commission hearing shall be posted by the owner or operator
-14	(10) A declaration under penalty of perjury from the	14	seven (7) calendar days before the hearing.
15	owner or operator stating that he has complied with the	15	(4) Pay to the City and County of San Francisco an
16	provisions of Section 41.14(b) below and his filing of a	16	amount equal to Forty percent (40%) of the cost of
17	permit to convert. On the same date of the filing of the	17	construction of an equal number of comparable units plus
18	application, a notice that an application to convert has	18	site acquisition cost All such payments shall go into a
19	been filed shall be posted until a decision is made on the	19	San Francisco Residential Hotel Preservation Fund Account
20	application to convert.	20	The Department of Real Estate shall determine this amount
21	Sec. 41.10. <u>One-for-One Replacement</u> .	21	based upon two independent appraisals.
.22	(a) Priorsto the issuance of a permit to convert, the	· 22	(b) Any displaced permanent resident relocated to
23	owner or poperator shalls provide one for one replacement of the	23	replacement units provided under subdivision (a) above shall be
24	units to be converted by one of the following methods:	24	deemed to have continued his occupancy in the converted unit for
25	(1) Construct or cause to be constructed a	25	the purpose of administering Subsection (k) of Section 37.2, San
26	substantially comparable-sized unit to be made available at	26	
	Page 27		Page 28

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	and Arbitration Ordinance).	- 1	Superintendent of the Bureau of Building Inspection shall issue a
	2 Sec. 41.11. Mandatory Denial of Permit to Convert.	2	new certificate of use which shall state the newly certified
	3 *** > A Permit to convert shall be denied by Superintendent of	3	number of residential mnits and tourist units.
	the Bureau of Building Inspection if:	. 4	Sec. 41.13. Appeal of Denial or Approval of Permit to
2	5 (a) Any of the requirements in Sections 41.9 pr 41.10,	5	Convert.
	6 above that have not been fally complied with;	. 1 0	(a) Denial or approval of a permit application may be
•	7 (b) The application is incomplete or contains incorrect	7	appealed to the Board of Permit Appeals, pursuant to Sections 8
	8 A Acinformation;	38	et seq, Part III of the San Francisco Municipal Code.
	(c) An applicant has committed unlawful action as defined	70	(b) The owner or operator shall submit a statement under
1	in this Chapter within twelve (12) months previous to the	10	the penalty of perjury that he has notified all the affected
1	issuance for a permit to convert.	11	permanent residents of his appeal and of the day, time, and place
Ľ	Sec. 41.12. Approval and Issuance of Permit to Convert.	2	
1	The Superintendent of the Bureau of Building Inspection	13	Salendar mays prior to the scheduled hearing.
.	shall issue a penait to convert, provided that:	74	(E) The owner or operator shall have the burden of proving
1	(a) The requirements of Section 41.9 have been met;	15	
- 1 - 1	(b) Rvidence of compliance with the requirements of	16	
1	Section 41.10 has been submitted. Satisfactory evidence of	र रह	Bec. 41-14. Rights of Permanent Residents and Relocation
1	Compliance may be:	18	Assistance.
1	(a) (1) % A certification of final completion or permit of	. 19	(a) Rights of Permanent Residents
2	occupancy on the replacement housing; or		(1). All permanent residents residing in said building
21	A receipt from the City Treasurer, that the	21	at the time of an application for a permit to convert and
Z	in line payment determined by the Department of Real Estate	22	thereafter shall be timely informed of all public hearings
24	and has been received; and	23	and administrative decisions concerning said conversion;
	(3) Evidence of compliance with the requirements of	24	said notices shall be posted by the owner or operator;
.25		25	12) A permanent resident has the right to occupy
. 26	Concurrent with the issuance of a permit to convert, the	36	his/her residential unit for sixty (60) calendar days from
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the issuance of the permit to convert:

(3) A permanent resident shall be offered comparable available units in the building or to any replacement housing provided pursuant to subdivision 41.10(a)(1) or (2); and

(4) All displaced permanent residents are entitled to relocation assistance as provided for in subsection (b) below.

(5) Seven (7) calendar days prior to the filing of an application for a permit to convert, the owner or operator shall notify, in writing, by personal service, or

registered or certified mail, every permanent resident affected by the proposed conversion of his/her intent to convert designated units.

(5) The notification required by subsection (4) above shall also inform the permanent residents of their rights under subsections (1) through (3) above.

(b) Relocation Assistance

(1) A permanent resident, who as a result of the conversion of his/her unit must relocate off site, shall be reimbursed the actual moving expenses not to exceed three hundred dollars (\$300.00) or may consent to be moved by the Comer or operator:

24 [2] A flisplaced permanent resident shall have the
25 right of first refusal for the rental or leasing of
26 replacement onits, if any, provided pursuant to the

Page 31

provisions of Sections 41.10(a)(1) or 41.10(a)(2);

(3) A permanent resident displaced by partially
completed conversion under the provisions of Section 41.6
(c) (3) shall be entitled to a displacement allowance of one thousand dollars (\$1,000.00) per displaced person.

Sec. 41.15 Demolition.

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(a) This section shall apply only to demolition of buildings pursuant to an abatement order of the Director of Public Works or the Superior Court of the State of California.

(b) Upon submission of an application for a demolition permit, the owner or operator shall post a copy of said application.

13 (c) Upon notification by the Central Permit Bureau that a demolition permit has been issued, the owner or operator shall 14 post a notice explaining the procedure for challenging the 15 issuance of the demolition permit to the Board of Permit Appeals. 16 17 (d) When issued a demolition permit, the owner or operator shall provide written notice of the demolition within ten (10) 18 calendar days of issuance of the permit to each residential 19 20 permanent resident. Each permanent resident shall be notified in 21 writing of his/her rights to relocation assistance and to occupy 22 the same unit for a period of up to sixty (60) days after 23 issuance of the demolition permit.

(a) The subsequent issuance of a building permit For
 25 construction on the demolished site shall be conditioned on the
 26 owner or operator's agreement to replace, on a one-for-one basis

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008229 PPAR_001443 the demolished residential units as required by the provisions of Section 41.10. No building permit shall be issued until the provisions of Section 41.10 have been complied with.

(f) The conditions for issuance of a demolition permit set forth in subsection (e) above shall be recorded by the Bureau of Building Inspection at the time of issuance of the demolition permit in order to provide notice of said conditions to all subsequent purchasers and interested parties.

Sec. 41.16. Unlawful Conversion: Remedies; Fines.

(a) <u>Unlawful Actions</u>

It shall be unlawful to:

(1) Change the use of, or to eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to an lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter.

(2) Rent any residential unit for a daily term of tenancy unless specifically provided for in subsection (3) below.

(3) Offer for rent for non-residential use or tourist use a residential unit except as follows:

(A) A courist unit may be rented to a permanent resident without changing the legal status of that unit as a tourist unit upon voluntary vacation of that unit by the permanent resident or upon eviction for cause;

Page 33

(B) A residential unit which is vacant at any time during the period commencing on May 1 and ending on September 30 annually may be rented as a tourist unit, provided that the residential unit was vacant due to voluntary vacation of a permanent resident or was vacant due to lawful eviction for cause after the tenant was accorded all the rights guaranteed by State and local laws during his/her tenancy, and further 9 provided that that residential hotel unit shall 10 immediately revert to residential use on application of a prospective permanent resident. 11 12 (b) Hearing Standards to Be Applied 13 Upon the filing of a complaint by an interested party that an unlawful conversion has occurred and payment of the required 14 fee, the Superintendent of the Bureau of Building Inspection 15 shall schedule a hearing pursuant to the provisions of Section 16 41.8(b). The Complainant shall bear the burden of proving that a 17 unit has been unlawfully converted. The hearing officer shall 18 consider, among others, the following factors in determining 19 whether a conversion has occurred: 20 21 (1) Shortening of the term of an existing tenancy without the prior approval of the permanent resident; 22 23 (2) Reduction of the basic services provided to a 24 residential hotel unit intended to lead to onversion. For 25 the purpose of this section, basic services are defined as 26 access to common areas and facilities, food service,

(3) Repeated failure to comply with orders of the Bureau of Building Inspection or the Department of Public Realth to correct code violations with intent to cause the Permanent residents to voluntarily vacate the premises;

(4) Repeated citations by the Superintendent of the Bureau of Building Inspection or the Department of Public Health of code violations;

(5) Offer of the residential units for non-residential use or tourist use except as provided in this Chapter;

(6) Eviction or attempt to evict a permanent resident from a residential hotel on grounds other than those specified in Sections 37.9(a)(1) through 37.9(a)(8) of the San Francisco Administrative Code except where a permit to convert has been issued.

(c) <u>Civil Penalties</u>

where it is determined by the hearing officer and any 18 subsequent appeal therefrom that an unlawful conversion has 19 occurred, a civil penalty of three (3) times the daily rate per 20 day for each unlawfully converted unit from the day the complaint 21 22 is filed until such time as the living unit reverts to its authorized use, not to exceed the total sum of Five Thousand 23 Dollars (\$5,000.00) shall be imposed. A lien in the amount of 24 the civil penalty assessed shall be recorded by the 25 Superintendent of the Bureau of Building Inspection. 26

(d) Civil Action

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A permanent resident injured by any action unlawful under this Chapter shall be entitled to injunctive relief and damages in a civil action. Counsel for the permanent resident shall notify the City Attorney's Office of the City and County of San Francisco of any action filed pursuant to this section. In determining whether an unlawful conversion has occurred, the Court may consider, among other factors, those enumerated in Section 41.16(b) of this Chapter.

10 Sec. 41.17. <u>Annual Review of Residential Rotel Status</u>.
11 (a) The Department of City Planning shall prepare and
12 submit to the Board of Supervisors an annual status report
13 containing the following:

(1) Current data on the number of residential hotels and the number of residential units in each of the residential hotels in the City and County of San Francisco, including. to the extent feasible, information regarding rents, services provided, and violations of the City's codes;
(2) Current data on the number of residential hotel units converted pursuant to a permit to convert;

(3) Current data on the number of residential hotel units demolished or eliminated due to code abatement proceedings and fire;

(4) Current data on the number of residential hotel units illegally converted;

(5) Current data on the number of replacement housing

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units rehabilitated or constructed;

(5) A summary of the enforcement efforts by all City
agencies responsible for the administration of this Chapter;
(7) An analysis of the effectiveness of this Chapter
relative to the preservation of and construction of low and
moderate income housing and the availability of moderately
priced tourist units in the City and County of San
Francisco.

9 (b) The Planning, Housing and Development Committee of the
10 Board of Supervisors shall conduct a hearing on the annual report
11 submitted by the Department of City Planning and shall recommend
12 appropriate actions to be taken by the Board of Supervisors.

Sec. 41.18. Construction.

14 (a) Nothing in this Chapter may be construed to supersede
15 any other lawfully enacted ordinance of the City and County of
16 San Francisco.

(b) Clauses of this Chapter are declared to be severable
and if any provision or clause of this Chapter or the application
thereof is held to be unconstitutional or to be otherwise invalid
by any court of competent jurisdiction, such invalidity shall not
affect other provisions of this Chapter.

22 Approved as to form 23 24 Deputy City Attorney

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June 11, 1981.

Read Second Time and Finally Passed Passed for Second Reading Board of Supervisors, San Francisco Board of Supervisors, San Francisco JUN 8 1981 Ayes: Supervisors Britt, Dolson, Hongisto, Kennedv. Kopp Molinari, Nelder, Renne, Silver, Walker. Ayes: Supervisors Trive Dolson. Hongisto, Kennedy Kopp, Molinari. Nelder, Renne, Silver, Will Ward. Ward. BRITT Noes: Supervisors New Supervisory. Absent: Supervisors WALKER 3 Absent: Supervisor I hereby certify that the foregoing ordinance use finally passed by the Board of Supervisors of the City and County of San Francisco. Clerk Mayor Approved Read Second Time and Finally Passed Passed for Second Reading Board of Supervisors, San Francisco Board of Supervisors, San Francisco LIUN 22 1981 JUN 15 1981 Ayes: Supervisors Brite Dolson Hongisto Ayes: Supervisors Britt. Dolson, Hongisto, Kennedy, Kopp, Molinari, Nelder, Renne, Silver, Walker, Ward. Kennedy, Kopp, Molinari, Nelder, Renne. Ward. BRITT WALKER BRIT WALKER Noes: Supervisors. Noes: Supervisors. STLVER Absent: Supervisors I hereby certify that the foregoing ordinance was finally passed by the Board of Supervisors of the City and County of San Francisco Willon Clerk JUN 2 # 198 Мауот Approved

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4	CARL I.I. CLOWRI, Clark
5	EX HELEN JUZIX
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8	CALIFORNIA SUPERIOR COURT
9	CITY AND COUNTY OF SAN FRANCISCO
10	DEPARTMENT NUMBER TEN
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12	TERMINAL PLAZA CORPORATION,)
13	a California corporation,)
14	Plaintiff,) No. 786779
15	vs.)
15	CITY AND COUNTY OF SAN FRANCISCO,) <u>TENTATIVE DECISION</u> et al.,
	· · · · · · · · · · · · · · · · · · ·
17	Defendants.))
18) JIM PARODI and CHINATOWN)
19	COALITION FOR BETTER HOUSING,
20	Intervenors.
21	· · · · · · · · · · · · · · · · · · ·
22	Portions of this case were argued in Court on August 4, 1982,
23	and the matter was thereafter submitted on briefs on October 18,
24	1982. The case involves several challenges to the validity of the
25	Residential Hotel Unit Conversion and Demolition Ordinance, here-
26	after referred to as "Residential Conversion Ordinance". The ordi-
27	nance is an amendment of Chapter 41 of the San Francisco Municipal
28	Code, which prohibits the conversion of rooms in various hotels

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throughout the city from permanent or periodic residential use by elderly and economically disadvantaged persons to use as transient overnight accommodations for tourists. Over 26,000 living units defined as "Residential Hotel Units" were essentially frozen in that status after September 23, 1979. The ordinance establishes data collection, verification and reporting procedures for the regulated hotels by which the Bureau of Building Inspection can insure that the net unit count is not decreased without the prior issuance of a Conversion Permit.

Conditions precedent to the issuance of a Conversion Permit include relocation assistance for displaced permanent tenants and the creation of replacement housing or payment of certain sums "in lieu" thereof.

The plaintiffs allege that the ordinance in effect creates new land use classification and, consequently, falls within the mandate of City Charter section 7.501 which requires that all matters relating to zoning and the use of land and structures within the city be heard and considered by the Planning Commission. The Court finds that the Residential Conversion Ordinance regulates and controls the use or related aspects of buildings and land. Adoption of the ordinance without it first having been submitted to the Planning Commission for hearings and consideration, therefore, resulted in a violation of the City's charter. The adoption of the ordinance having been procedurally defective, plaintiffs' request for injunctive relief will be granted, prohibiting enforcement of the Residential Conversion Ordinance until such time as the Board of Supervisors takes action consistent with the findings and opinions expressed herein.

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Plaintiffs further allege that it cannot be seen with

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certainty that the implementation of the ordinance will create <u>no</u> possibility of a significant impact on the environment. The replacement housing requirement in itself creates the possibility of a significant impact on the physical environment. Since the ordinance has been determined to be a land use regulation, it qualifies as a "project" within the meaning of 14 Calif. Admin. Code section 15037(a) (1) and (c). Because the exercise of discretion is required in the process through which a Conversion Permit is issued, the ordinance constitutes a discretionary project requiring at least an initial study. Failure to undertake such a study violated the provisions of the California Environmental Quality Act, hereinafter referred to as "CEQA".

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29 30 Plaintiffs allege that the replacement housing requirement is in effect a conversion tax and, as such, constitutes a "special tax" adopted in violation of Article XIIIA of the state constitution. The Court has determined that the replacement requirement does not constitute such a tax, and, even if it did, it would not be a "special tax" within the meaning or contemplation of Article XIIIA.

As to the plaintiffs' two remaining allegations, the Court finds that on its face the ordinance does not violate state or federal constitutional requirements regarding Due Process and Equal Protection. Facts and arguments which would permit the determination of whether those rights are violated by the ordinance in its application are not before this Court.

Section 7.501 of the City Charter provides in pertinent part that the Planning Commission <u>shall</u> consider and hold hearings on proposed ordinances and amendments thereto regulating or controlling, among other things, the "use or related aspects of any

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building or structure or land, including but not limited to the zoning ordinance." San Francisco Planning Code section 102.24 defines "use" as "the purpose for which land or a structure, or both, are designed, constructed, arranged, or intended, or for which they are occupied or maintained, let or leased."

The Residential Conversion Ordinance regulates the purposes for which certain hotels may be occupied or maintained. Those establishments which have been determined pursuant to section 41.5 of the ordinance to contain residential hotel units, must continue to offer that type of occupancy to persons meeting the low-income criteria defined in section 41.4 until relieved of that obligation through compliance with one of the relevant provisions of the ordinance. The Residential Conversion Ordinance requires that units so designated be maintained for the purpose of providing low-income housing. The ordinance, therefore, regulates the use of those structures falling within its ambit...

The ordinance regulates and controls the purpose for which certain hotel units may be <u>let</u>. Those units classified as residential hotel units may be let only for the purpose of providing permanent residences for qualified low income persons. Once thus defined, the unit may not be let for another purpose, specifically for overnight transient tourist accommodation, without first obtaining a Conversion Permit pursuant to section 41.6.

Defendants argue that the ordinance in essence only regulates the economic relationship between certain parties who may occupy the positions of landlord and tenant or master leaseholder with respect to each other. The ordinance, however, actually creates new rights in the tenants of residential hotel units, and specifies

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the conditions under which those rights can be abrogated. The obligations placed on residential hotel landlords by the ordinance are based on the Board of Supervisors' finding of necessity in the public interest, and are argued by the City to be a valid exercise of the City's police power in the protection of the public health, safety and morals. Defendants urge that the ordinance regulates a segment of the hotel business community, that it does not alter the areas in which such a business may be conducted, and, therefore, does not constitute a land use regulation.

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It has been recognized, however, that an ordinance regulating a business under the general police power may also constitute a land use regulation under the narrower and more specific standards of zoning law. <u>City of Escondido v. Desert Outdoor Advertising</u>, <u>Inc. (1974), 8 Cal.3d 785.</u> In the case at bar, the ordinance not only has the effect of regulating and controlling the use of certain properties, it also contains mechanisms which are tantamount to land use regulations, such as a Conditional Use Permit.

The Conversion Permit required by section 41.6 has the same major elements as the typical Conditional Use Permit. It applies to a specific parcel of property, allowing a specific use, for a specific purpose, under specific conditions. (See California Land Use Regulations by Longtin, section 2.112[1] p. 229; analyzing <u>Essick v. City of Los Angeles</u> (1950), 34 Cal.3d 614.622.) The requirement that such a permit be obtained prior to changing a unit from a residential to a tourist use applies to specific parcels within zoning districts throughout the city which permit hotel,motel and certain group housing uses as defined in sections 209.2 and 216 of the Planning Code. The specific use permitted is for overnight

accommodations, and the specific purpose is for catering to the city's tourist trade, as opposed to meeting the demand for housing. Among the specific conditions precedent to the issuance of a conversion permit is proof of compliance with the replacement housing requirement of section 41.7 of the ordinance. This latter requirement alone could bring a would-be converter fully within the purview of the zoning ordinance and require approval by the planning commission. The primary distinction between the conditional use permit and the conversion permit is that the latter is required in order to change or to discontinue an existing use, rather than to initially put a property or structure to a particular use.

Looking thus at the overall effect of the Residential Conversion Ordinance, it is determined that the ordinance regulates and controls the use or related aspects of buildings and land in addition to its impacts on the conduct of certain hotel businesses.

II.

Further support for the proposition that the Charter requires submission of the Residential Conversion Ordinance to the Planning Commission for consideration may be found in section 7.500 of the Charter and in section 175 of the Planning Code. Charter section 7.500 provides that: "no permit or license that is dependent on or affected by the zoning, set-back or other ordinances of the city or county administered by the city planning department shall be issued except on prior approval of the city planning commission." While the Residential Conversion Ordinance is administered by the Bureau of Building Inspection, issuance of a Conversion Permit is affected by the Planning Code. The relevant section thereof states: "no application for a building permit or other permit or license,

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or for a Permit of Occupancy, shall be approved by the Department of City Planning, and no permit or license shall be issued by any city department, which would authorize a new use, a change of use or maintenance of an existing use of any land or structure contrary to the provisions of this code. (emphasis added.)

The residential hotel unit is no longer a use within the definition of Hotel in Planning Code section 209.2 (e) or 216(b) since it is not "offered primarily for the accommodation of transient overnight guests." Such use is in fact prohibited. The use which it most closely resembles is Group Housing, defined in sections 209.2(a) and 216(a) as: "providing lodging or both meals and lodging, without individual cooking facilities, by prearrangement for a week or more at a time and housing six or more persons in a space not defined by this code as a dwelling unit." The "living units" referred to in the ordinance are characterized by the lack of cooking facilities.

The various "R" and "C" zones in which hotel or group housing uses are permitted as principal uses or conditional uses vary significantly. To allow the Bureau of Building Inspection to issue a permit for a change from a residential to a commercial use within a zone permitting either, but under different conditions, would be to allow the issuance of a permit covered by section 175 contrary to the provisions of the Planning Code relating to use changes.

The Court need not determine whether the residential hotel unit constitutes a new land use classification, and specifically rejects the plaintiffs' contention that the ordinance effects a "reclassification of property" under City Charter section 7.501.

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As used there, that phrase is parenthetically qualified by "change in district boundaries". Such is clearly not the case here.

As the intervenors observed in referring to Miller v. Board of Public Works (1925), 195 Cal.477 486, zoning regulations are enactments that divide a city into districts and impose restrictions on real estate within each prescribed district or zone. The restrictions fall within two classes: (1) those which regulate the height or bulk of buildings within certain designated districts - in other words, those regulations which have to do with the structural and architectural designs of the buildings, and (2) those which prescribe the use to which buildings within certain designated districts may be put. The Residential Conversion Ordinance does not affect the boundaries of any designated use district, but does regulate and control uses within those districts which permit the conduct of hotel and group housing businesses. Consequently, it constitutes a land use regulation and should have been referred to the City Planning Commission prior to its adoption by the Board of Supervisors. As the court observed in City of Escondido v. Desert Outdoor Advertising, Inc., supra, 790, "We emphasize that ordinarily municipalities must follow statutory. or charter zoning procedures strictly whenever they propose a substantial interference with land use, for such procedures are constitutionally mandated to insure that private property owners receive due process of law." C.f. Taschner v. City Council (1973) 31 Cal.App.3d 48.

III.

Having thus determined that the Residential Conversion

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Ordinance is a land use regulation, it may also be determined that, as such, the ordinance constitutes a "project" within the meaning of Public Resources Code section 21080 and 14 Cal.Admin.Code 15037 (a) (1) requiring at least an initial environmental evaluation. The Planning Department's finding pursuant to 14 California Administrative Code section 15060 that it could be seen with certainty that there is no possibility that the ordinance would have a significant impact on the environment is without foundation. While it is argued that the ordinance merely maintains the <u>status</u> <u>quo</u> and therefore is neutral in its environmental impact, the one-for-one replacement housing required for issuance of a Conversion Permit creates the very real possibility of a significant environmental impact. This impact is magnified by its cumulative potential.

Prior to the enactment of the current ordinance, sections 21100 and 21151 of the Public Resources Code were amended to restrict the consideration of environmental impacts to physical conditions. Considering the scarcity of undeveloped property within the city and the limited opportunities for creating replacement housing without increasing the density of urban development, a physical impact would appear to be presented to which some study should be given. The necessity and desirability of an environmental document's informational use where serious public controversy exists has been stressed as an integral element in the analytical process of CEQA. <u>No Oil Inc. v. City of Los Angeles</u> (1974), 13 Cal.3d 68.

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It may be assumed that some of those hotel owners whose

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properties fall within the ambit of the Residential Conversion Ordinance will seek a Conversion Permit. The issuance of that permit involves various actions requiring the exercise of discretion. (See <u>San Diego Trust and Savings Bank v. Friends of Gil</u> (1981), 121 Cal.App.3d 203, 211.) Although much of the regulation required by the ordinance is ministerial in nature, the combination of both ministerial and discretionary elements requires that the ordinance be deemed to be discretionary and therefore subject to CEQA review. <u>People v. Dept. of H.C.D.</u> (1975), 45 Cal.App.3d 185, 194. At a minimum, the ordinance should receive an initial study to determine whether a Negative Declaration or a full E.I.R. is required.

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Finally, the plaintiffs are not barred from an attack on the city's failure to undertake an environmental review. The current ordinance under review by this Court was passed in June of 1981 and became effective the following month. Plaintiff's complaint was filed in October of 1981 and is therefore within the 180-day limitation period contained in Public Resources Code section 21167(a). <u>California Mfrs. Assn. v. Industrial Welfare Com</u>. (1980), 109 Cal.App.3d 95.

IV.

The plaintiff's argument that the Residential Conversion Ordinance violates Article XIIIA of the California Constitution is based on the premise that the replacement housing requirement is actually a conversion tax, and as such, constitutes a "special tax" adopted without the two-thirds vote of San Francisco's citizenry required by that article.

The general means for determining whether a governmental

ENVIRONMENTAL EVALUATION CHECKLIST (Initial Study)

			<u>.</u>	
File No:	83.52.E Title: Resid	enhal Hotel Ordina	Inc	2
Street A	ddress: <u>City-Wide</u>	Assessor's Block	<td>Various</td>	Various
Initial	Study Prepared by: On Minu	Riddefoot		•
A. COMPA	TIBILITY WITH EXISTING ZONING AN	ID PLANS. Could the project:	YES	NO DISCUS
. 61	quire a variance, special author ty Planning Code or Zoning Map?			<u>~</u>
*2. Co of	nflict with the Comprehensive Pl San Francisco?	an of the City and County	•	
*3. Co go	nflict with any other adopted en als of the City or Region?	vironmental plans and		
B. ENVIR	ONMENTAL EFFECTS. Could the pro	ject:		· .
	nd Use			· .
*a.	Disrupt or divide the physical established community?	arrangement of an		
b.	Have any substantial impact upo of the vicinity?	n the existing character		
	sual Quality ,			i.
	Have a substantial, demonstrabl			<u> </u>
	Substantially degrade or obstru now observed from public areas?			
	Generate obstrusive light or gla impacting other properties?	are substantially		
	pulation			
	Induce substantial growth or con			
	Displace a large number of peop housing or employment)?			$\underline{\vee}$
с.	Create a substantial demand for San Francisco, or substantially	additional housing in reduce the housing supply?		
	insportation/Circulation			
*a.	Cause an increase in traffic whi relation to the existing traffic street system?	ich is substantial in c load and capacity of the		\mathcal{O}
	Interfere with existing transpor substantial alterations to circu traffic hazards?	rtation systems, causing Mation patterns or major		
• .				

ED3.11, 12/82

Planning

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- YES NO DISCUSSEI
- c. Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity?
- d. Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities?
- 5. <u>Noise</u>
 - *a. Increase substantially the ambient noise levels for adjoining areas?
 - b. Violate Title 25 Noise Insulation Standards, if applicable?
 - .c. Be substantially impacted by existing noise levels?
- 6. <u>Air Quality/Climate</u>
 - *a. Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation?
 - *b. Expose sensitive receptors to substantial pollutant concentrations?
 - c. Permeate its vicinity with objectionable odors?
 - d. Alter wind, moisture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region?
- 7. Utilities/Public Services
 - *a. Breach published national, state or local standards relating to solid waste or litter control?
 - *b. Extend a sewer trunk line with capacity to serve new development?
 - c. Substantially increase demand for schools, recreation or other public facilities?
 - d. Require major expansion of power, water, or communications facilities?
- 8. Biology
 - *a. Substantially affect a rare or endangered species of animal or plant or the habitat of the species?
 - *b. Substantially diminish habitat for fish, wildlife or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species?
 - c. Require removal of substantial numbers of mature, scenic trees?
- 9. Geology/Topography
 - *a. Expose people or structures to major geologic hazards (slides, subsidence, erosion and liquefaction).
 - b. Change substantially the topography or any unique geologic or physical features of the site?

ED3.11, 12/82

YES NO DISCUSSED

- 10. Water
 - *a. Substantially degrade water quality, or contaminate a public water supply?
 - *b. Substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge?
 - *c. Cause substantial flooding, erosion or siltation?
- 11. Energy/Natural Resources
 - *a. Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?
 - b. Have a substantial effect on the potential use, extraction, or depletion of a natural resource?
- 12. Hazards
 - *a. Create a potential public health hazard or involve the use, production or disposal of materials which pose a hazard to people or animal or plant populations in the area affected?
 - *b. Interfere with emergency response plans or emergency evacuation plans?
 - c. Create a potentially substantial fire hazard?
- 13. <u>Cultural</u>
 - *a. Disrupt or adversely affect a prehistoric or historic archaeological site or a property of historic or cultural significance to a community or ethnic or social group; or a paleontological site except as a part of a scientific study?
 - *b. Conflict with established recreational, educational, religious or scientific uses of the area?
 - c. Conflict with preservation of any buildings of City landmark quality?

C. OTHER

Require approval of permits from City Departments other than DCP or BBI, or from Regional, State or Federal Agencies?

- D. MITIGATION MEASURES
 - 1. If any significant effects have been identified, are there ways to mitigate them?
 - 2. Are all mitigation measures identified above included in the project?

ED3.11, 12/82

YES

NO

N/A

DISCUSSE

E. MANDATORY FINDINGS OF SIGNIFICANCE

- *1. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?
- *2. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?
- *3. Does the project have possible environmental effects which are individually limited, but cumulatively considerable? (Analyze in the light of past projects, other current projects, and probable future projects.)
- *4. Would the project cause substantial adverse effects on human beings, either directly or indirectly?
- *5. Is there a serious public controversy concerning the possible environmental effect of the project?

F. ON THE BASIS OF THIS INITIAL STUDY:

- I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the Department of City Planning.
- I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because the mitigation measures, numbers _____, in the discussion have been included as part of the proposed project. A NEGATIVE DECLARATION will be prepared.

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

V. J. Bash

Alec S. Bash Environmental Review Officer

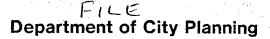
for

Dean L. Macris Director of Planning

Date:

007903

City and County of San Francisco





May 5, 1983

William A. Falik Hodge, Falik & Dupree 300 Montgomery Street, Suite 1200 San Francisco, CA 94104

83.52E, Residential Hotel Conversion Ordinance Re:

Dear Mr. Falik:

We have received your letter of April 27, 1983, concerning the subject project. On April 15, 1983 the Department prepared a preliminary negative declaration and posted that determination at its offices, advertised the determination in the San Francisco Progress, and mailed the document to a number of interested organizations.

Apparently you were not on our mailing list for this determination. Although the 10-day period for an appeal specified in San Francisco Administrative Code Section 31.24(d) has passed, clearly Terminal Plaza Corporation is an interested party. Accordingly, we have consulted with the City Attorney's Office as to whether your letter may be accepted as an appeal. Under these special circumstances we will agree to consider your letter as an appeal, provided that you remit: the \$35 fee specified in Administrative Code Section 31.46(a)3. This fee must be received by the Department prior to a public hearing on the appeal.

We have calendared the public hearing before the City Planning Commission on this matter for May 12, 1983 at 3:30 P.M. in Room 282, City Hall.

Please do not hesitate to call me or Ginny Puddefoot of this Department if you have any questions concerning this matter.

Sincerely,

Ale S. Eash

Alec S. Bash Environmental Review Officer

cc: Alice Barkley, Deputy City Attorney

ASB/11

(415) 558-4656

450 McAllister Street

San Francisco, CA 94102

Planning

William A. Falik May 16, 1983 Page 2

Regarding the amounts of services used by residential hotel tenants, this represents no change in current conditions and therefore does not constitute a substantial adverse change in environmental conditions. This is discussed in the preliminary negative declaration on pages 2 and 3.

As you know, these and other issues related to the Ordinance will be the subject of a public hearing before the City Planning Commission on May 19, 1983 at 7:00 PM in Room 282 of City Hall.

Please contact me or Ginny Puddefoot of this Department if you have questions regarding the above.

Sincerely,

W. Bach

Alec S. Bash Environmental Review Officer

cc: Alice Barkley Ginny Puddefoot Robert D. Links

ASB:GP:rs1

One concern raised is that the ordinance would generate increased demands for urban services used by residential hotel tenants. This is not the case. The amounts of services used by residential hotel tenants will not change as a result of the ordinance. Inasmuch as the ordinance would not change any existing uses, it would not have any direct environmental impacts.

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8 A second concern raised is that the one-for-9 one replacement housing provision of the ordinance would 10 generate significant numbers of replacement units. Past 11 experience with the ordinance in effect has shown that 12 this is not true. In the three and a half years since 13 some form of the ordinance was adopted, only two 14 proposals to convert have been presented. Neither of 15 these has resulted in construction of new residential 16 hotels.

17 A third concern raised is that the ordinance 18 would create a shortage of affordable hotel units in San 19 Currently there is no shortage of affordable Francisco. 20 hotel units in the City. Vacancy rates for moderately 21 priced hotel rooms have risen from 13 percent in 1979 to 22 However, any shortage of hotel 33 percent in 1982. 23 units or increase in hotel rates, were they to occur, 24 would not in themselves be physical environmental issues 25 and, therefore, are not subject to CEQA.

> ADAMS CONVENTION REPORTING

-3-

FILE NO.

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ORDINANCE NO.

ADOPTING FINAL NEGATIVE DECLARATION, FINDING AND DETERMINING THAT AMENDMENT OF THE ADMINISTRATIVE CODE CONCERNING RESIDENTIAL HOTEL UNIT CONVERSIONS AND DEMOLITIONS WILL HAVE NO SIGNIFICANT IMPACT ON THE ENVIRONMENT, AND ADOPTING AND INCORPORATING FINDINGS OF FINAL NEGATIVE DECLARATION. WHEREAS, On April 15, 1983, the Department of City Planning issued a

preliminary negative declaration 83.52E, for the proposed amendment of the Administrative Code concerning residential hotel unit conversions and demolitions, and

WHEREAS, On April 27, 1983, the preliminary negative declaration 83.52E for the proposed amendment was appealed to the City Planning Commission and that said Commission approved the issuance of the negative declaration with modification; and

WHEREAS, On , this Board of Supervisors received a copy of the final negative declaration 83.52E issued by the Department of City Planning; and

WHEREAS, This Board has conducted a public hearing on the matter of adoption of the final negative declaration, prior to consideration of the proposed amendment of the Administrative Code concerning residential hotel unit conversions and demolitions; now, therefore be it

RESOLVED, That this Board of Supervisors has considered and reviewed the final declaration and adopts said final negative declaration; and be it

FURTHER RESOLVED, That this Board of Supervisors hereby finds and determines that the proposed adoption of an ordinance amending the Administrative Code with respect to residential hotel unit conversions and demolitions will have no significant impact on the environment; and be it

BOARD OF SUPERVISORS

EURTHER RESOLVED, That this Board of Supervisors adopts and incorporates herein by reference the findings of the final negative declaration, 83.52E, issued by the Department of City Planning on June 23, 1983, a copy of which is on file with the Clerk of the Board of Supervisors.

RECOMMENDED: CITY PLANNING COMMISSION

Вy Macris De an Director of Planning

EOARD OF SUPERVISORS

File No. 83.52E Motion No. M

Residential Hotel Conversion & Demolition Ordinance June 23, 1983

DAFT

MOTION

ADOPTING FINDINGS RELATED TO THE APPEAL OF THE NEGATIVE DECLARATION, FILE NO. 83.52E, FOR THE PROPOSED ADDITION OF CHAPTER 41 TO THE SAN FRANCISCO ADMINISTRATIVE CODE, COMMONLY REFERRED TO AS THE RESIDENTIAL HOTEL CONVERSION AND DEMOLITION ORDINANCE ("PROJECT"), WHICH REGULATES THE CONVERSION AND DEMOLITION OF RESIDENTIAL HOTELS.

(MOVED, that the San Francisco Planning Commission ("Commission") hereby AFFIRMS the decision to issue a Negative Declaration, with modifications to the text of the preliminary Negative Declaration, based on the following findings:

1. On February 9, 1983, pursuant to the provisions of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines, and Chapter 31 of the California Administrative Code, the Department of City Planning ("Department") began an initial evaluation to determine whether the Residential Hotel Conversion and Demolition Ordinance (hereinafter "Project") might have a significant impact on the environment.

2. On April 15, 1983, the Department determined, based on an Initial Study, that the Project could not have a significant effect on the environment.

3. On April 15, 1983, a notice of determination that a Preliminary Negative Declaration would be issued for the Project was duly published in a newspaper of general circulation in the City, was posted in the Department offices, and was mailed to a number of interested parties, all in accordance with law.

4. On April 27, 1983, an appeal of the decision to issue a Negative Declaration was filed by William Falik, on behalf of Terminal Plaza Corporation.

5. On May 19, 1983, the Commission held a duly noticed and advertised public hearing on the appeal of the Negative Declaration and at its conclusion, closed the public hearing and continued the matter to June 2, 1983 for decision.

6. The Preliminary Negative Declaration has been amended to correct typographical error, to make correct reference to the newly adopted Residence Element of the Master Plan, and to correct the description of the amendments to the Project.

7. The Residence Element of the Comprehensive Plan is specific in its goal of preserving residential hotels. Objective 3, Policy 1 seeks to "Discourage the demolition of existing housing"; Policy 2 expresses the need to "Restrict the conversion of housing in commercial and industrial areas"; and Policy 3 calls for "Preserv(ing) the existing stock of residential hotels."

8. The Project would not change any existing uses; it would not have any environmental impacts. The amounts of services (transit, gas, water, electricity, medical, safety, etc.) used by residential hotel tenants would not change as a result of the Project. Therefore, this Project would not cause a substantial adverse change in environmental conditions.

9. The Board of Supervisors first established interim regulations on the conversion and demolition of residential hotel units in November, 1979. The Project is identical to Ordinance No. 331-81, which was adopted in June, 1981, and has been in continuous effect since that date.

File No. 83.52E Motion No. Page Two

10. Past experience with Ordinance No. 331-81 and its predecessors has shown that the one-for-one replacement housing provision does not generate significant numbers of replacement units. In the three and a half years since some form of the Ordinance was adopted, only two proposals to convert have been presented. Neither of these proposals resulted in the construction of new residential hotels in the city because the project sponsors are utilizing the alternative methods of replacing residential units provided for by the Ordinance The in-lieu fee option will not generate construction of new residential hotel units in that these funds will be more efficiently used for the purpose of rehabilitating existing housing units. Based on this past experience, it is anticipated that the construction of new replacement units, if any, resulting from this Project, would not constitute a significant effect on the environment.

11. Currently, there is no shortage of affordable hotel units in San Francisco. Vacancy rates for moderately priced hotel rooms have risen from 13% in 1979 to 33% in 1982. In addition, the Project provides for the use of vacant residential hotel units as tourist units during the tourist season. The demand for moderately priced hotel units depends on factors, such as economic conditions, that are not land use related. However, any shortage of hotel units or increase in hotel rates, were they to occur, would not in themselves be physical environmental issues, and therefore are not subject to CEOA.

12. The vacancy rates for moderately-priced hotel units both within San Francisco and in San Mateo and Santa Clara counties during the past three and a half years do not indicate any pressure to build hotel units in outlying areas. Since some form of Ordinance No. 331-81 was implemented, there have been no proposals for hotels in outlying areas of San Francisco other than those proposed in established tourist areas. Hotels in outlying areas near the San Francisco International Airport have been predominantly used by corporate business and convention travelers and are chosen because of their proximity to the airport. Based on the above, it is concluded that the Project would not cause the construction of new moderately priced hotel units in outlying areas, and therefore would not have a significant environmental effect.

13. There is no indication that any form of Ordinance 331-81 has resulted in a trend toward tourist hotel construction in outlying areas. In addition, tourists tend to travel during non-peak periods of the day when transit and street systems are not near capacity. Therefore, there is no evidence that the Project will have an effect on traffic congestion and transit from outlying areas, and the Project could not have significant transportation effects.

14. In reviewing the Negative Declaration issues for the Project, the Commission has had available for its review and consideration all studies, letters, plans and reports pertaining to the Project in the Department's case file.

15. The City Planning Commission HEREBY DOES FIND that the proposed Project could not have a significant effect on the environment and HEREBY DOES AFFIRM the decision of the Department of City Planning to issue a Negative Declaration, as amended.

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NEGATIVE DECLARATION

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DO NOT REMOVE Date of Publication of Preliminary Negative Declaration: April 15, 1983 Lead Agency: City and County of San Francisco, Department of City Planning, 450 McAllister St. - 5th Floor, San Francisco, CA 94102 Tel: (415) 558-5261 Agency Contact Person: Ginny Puddefoot Project Title: 83.52E: Project Sponsor: Board of Supervisors Residential Hotel Conversion and Project Contact Person: Robert Passmore Demolition Ordinance Project Address: City and County of San Francisco Assessor's Block(s) and Lot(s): Various City and County: San Francisco Project Description: The proposed project is the addition to the San Francisco Administrative Code of Chapter 41, commonly referred to as the Residential Hotel Conversion and Demolition Ordinance, which regulates the conversion and demolition of residential hotels. THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15081 (Determining Significant Effect), 15082 (Mandatory Findings of Significance) and 15084 (Decision to Prepare an EIR), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached: See Attached And the second Mitigation measures, if any, included in this project to avoid potentially significant effects: None Final Negative Declaration adopted and issued on June 23, 1983, as omended Robert Passmore cc:--Dan Sullivan Joe Fitzpatrick George Williams Lois Scott W. Bash Mike Estrada Alec Bash, Environmental Review Officer Alice Barkley Paul Wartelle Distribution List DCP Bulletin Board Board Of Supervisors

Planning

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Negative Declaration Hotel Conversion Ordinance

The proposed project is the addition of Chapter 41 to the San Francisco Municipal Code, commonly referred to as the Residential Hotel Conversion and Demolition Ordinance (hereinafter "Ordinance"), which regulates the conversion and demolition of residential hotels.

The Ordinance is city-wide in scope. While residential hotels exist throughout the City, they are concentrated in three major sub-areas of the Citi: Chinatown/North Beach, Union Square/ North of Market, and South of Market. Over two-thirds of all residential hotel units in San Francisco are in these three general areas. Eighty-six percent (86%) are located in commercially-zoned districts.

The Board of Supervisors first established interim regulations on the conversion and demolition of residential hotel units in November, 1979. The Ordinance in its present form (Ordinance No. 331-81) was adopted in June, 1981. Ordinance No. No. 331-81 was declared invalid by the Superior Court because its adoption was procedurally defective. The Superior Court stayed enforcement of its order until July 29, 1983 in order that the City may reconsider adoption of a similar ordinance.

The Ordinance is consistent with the Residence Element of the San Francisco Master Plan, and particularly addresses the following: Objective 3, Policy 1: "Discourage the demolition of existing housing.", Policy 2: "Restrict the conversion of housing in commercial and industrial areas.", and Policy 3: "Preserve the existing stock of residential hotels."

The Ordinance seeks to maintain uses that currently exist. Inasmuch as the Ordinance will not change any existing uses, it would not have any direct environmental impacts. The environmental effects of the Ordinance, if any, are limited to the following potential indirect effects:

- The construction of new residential hotels to replace residential hotel units to be converted or demolished, and
- 2. The construction of new medium priced tourist hotels in the City as a result of stringent regulations against conversion or demolition of existing residential hotel units.

Residential hotels and tourist hotels are permitted as Conditional Uses in RC (Residential-Commercial, Combined) They are permitted as principal uses in all commercial Districts. districts with the exception of Special Use Districts where a Special Use permit may be required. Motels, as defined in Section 216(c) and (d) of the City Planning Code, are permitted as principal uses in C-1 Districts provided that the entrance to the motel is within 200 feet of and immediately accessible from a They are major thoroughfare as designated in the Master Plan. permitted as principal uses in C-2 (Community Business), C-3-G (Downtown General Commercial), C-3-S (Downtown Support), and C-M (Heavy Commercial) Districts (again, with the exception of Special Under the present Planning Code, new residential Use Districts). hotels may be constructed in any of the aforementioned districts

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throughout the City. As will be fully discussed below, the potential environmental effects, however, would be negligible.

Almost one-third (1/3) of the tenants residing in residential hotel units are elderly (61 years or older); twenty-six percent (26%) of this population consists of minority households; and one in five of these residential tenants are physically disabled. Therefore, residential hotel tenants have a lower rate of car ownership and generate less vehicular traffic and off-street parking demand. This segment of the population also generate fewer trips than any other residential dwellers because of less social activity. Because of the high percentage of elderly and disabled households among this population, they tend to travel in non-peak hours. Thus, they do not contribute to the peak hour traffic or affect existing Muni peak hour services. Any replacement housing constructed would not increase usage of energy, water and other City services. In fact, energy usage should decrease because the existing residential hotel structures are old and are not energy efficient; new residential hotel structures, which must comply with new State energy standards, would be much more energy efficient.

Since the City has adopted some form of control on the conversion of residential hotel units, only two proposals to convert have been presented. These two proposals would result in a conversion of a total of 70 units from residential hotel use to nonresidential (tourist hotel) use. Neither of these proposals will result in the construction of new residential hotels in the

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city because one of the developers will use the in-lieu fee contribution provision, and the other proposal involves apartment rehabilitation. Based on past experience, it is anticipated that the construction of new replacement units would be at a minimum with minimum attendant impacts on the physical environment. Since the Ordinance provides for alternative methods of replacing residential units which are proposed to be converted or demolished, quantification of new residential hotel construction would be, at best, speculative.

Turning to the effect of the Ordinance on the potential construction of new tourist hotels, the Department concludes that its effects are equally impossible to quantify because: (1) the Ordinance provides for the use of vacant residential hotel units as tourist units during the tourist season and (2) the demand of moderately priced hotel units depends on factors which are not land use related; such as, financing and other economic conditions. An examination of the City's permit history over a five-year period from 1975 to 1980, prior to adoption of the Ordinance indicates that about 2,500 residential hotel units were converted to tourist use. Assuming a similar trend, this would mean a demand for construction of about 500 tourist hotel units per year. This assumption is flawed in that it presumes an indefinite increased demand for tourist hotels, whereas the tourist hotel vacancy rate has increased. This increase in vacancy rates is particularly noticeable in moderately priced (under \$55 per night) hotels: from a 13% vacancy rate in 1979 to

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a high of 33% in 1982. Therefore, any increase in tourists to San Francisco in the near future could be accommodated by the existing tourist hotels.

A review of applications received by the Department of City Planning for the construction of new tourist hotels since 1979 (when regulation of conversion of residential hotel units began) also supports a conclusion that the Ordinance would not lead to massive construction of new moderately priced tourist hotel units. Since November of 1979, a total of 6,666 tourist hotel

units have been proposed . Among these proposed tourist hotel rooms, 4,307 units are classified as first-class or deluxe and are located in the downtown area. 636 of these proposed hotel units would fall into the moderately-priced category; a majority of these are located along the Lombard Street corridor and in Fisherman's Wharf. No proposals were received for hotels in other outlying commercial areas; and no motel proposals were received. Therefore, it is concluded that the Ordinance would not give rise to construction of new moderately priced motel or hotel units in the outlying areas of San Francisco.

¹ Of the approximately 6,700 new tourist hotel rooms, 2,200 rooms would be located at the Yerba Buena Center, 800 rooms at the Rincon Point/South Beach Redevelopment Area, 2,107 rooms in the downtown area, 250 rooms at Fisherman's Wharf, 261 rooms along the Lombard Street corridor, and 125 rooms in a hotel in Van Ness Avenue. Proposals for 923 rooms in the downtown area were withdrawn.

Assuming that new proposals to construct moderately priced hotels and motels would be forthcoming for outlying areas of the City, these proposals would not be concentrated in any particular area. Therefore, the impacts on the physical environment, if any, would depend on the precise location proposed and would be subject to further environmental evaluation. Moreover, any proposals for new tourist hotels or replacement residential hotels must comply with the height, bulk, density, use and other provisions of the City Planning code, which contains provisions designed to ensure compatibility with existing neighborhoods and uses. If, in the future, there are indicia of a trend to construct either moderately-priced tourist hotel units or residential hotel units with potentially significant adverse environment effects on outlying areas, measures could be taken at that time to ensure no adverse changes. These measures could include amendments to the City Planning Code related to parking or the principal permitted uses in C-1, C-2, and RC districts.

All of the known proposed amendments to the Ordinance are merely procedural in nature, affecting only the administration of the Ordinance. Therefore, these procedural amendment proposals would not affect the conclusions stated above.

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The Ordinance and any proposed amendments require approval of the City Planning Commission and the Board of Supervisors.

Given the many other factors that contribute to the demand for tourist hotels, the lack of any newly constructed replacement housing proposals, and the above discussion, the Residential Hotel Conversion and Demolition Ordinance could not have a significant effect on the environment.

Sources:

1. "A Study of the Conversion and Demolition of Residential Hotel Units", prepared for the Board of Supervisors of the City and County of San Francisco by the Department of City Planning, November, 1980.

2. "Report on the Operation of San Francisco's Residential Hotel Conversion and Demolition Ordinance," prepared by the Department of City Planning, February, 1983.

3. "Trends in the Hotel Industry, Northern California," 1982 Annual Results, December 1982 (prepared by Pannell Kerr Forster, Certified Public Accountants).

These reports are on file with the Cffice of Environmental

Review.

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NEGATIVE DECLARATION	N	E	GA	T	I	۷	E.	D	E	CL	A	R/	٩	Т	I	0	N
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Date of Publication of Preliminary Negative Declaration: April 15, 1983 Lead Agency: City and County of San Francisco, Department of City . Planning, 450 McAllister St. - 5th Floor, San Francisco, CA 94102 Agency Contact Person: Ginny Puddefoot Tel: (415) 558-5261 Project Title: 83.52E: Project Sponsor: Board of Supervisors Residential Hotel Conversion and Project Contact Person: Robert Passmore Demolition Ordinance Project Address: City and County of San Francisco Assessor's Block(s) and Lot(s): Various City and County: San Francisco Project Description: The proposed project is the addition to the San Francisco Administrative Code of Chapter 41, commonly referred to as the Residential Hotel Conversion and Demolition Ordinance, which regulates the conversion and demolition of residential hotels. THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15087 (Determining Significant Effect), 15082 (Mandatory Findings of Significance) and 15084 (Decision to Prepare an EIR), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached See Attached Mitigation measures, if any, included in this project to avoid potentially significant effects:

None

Final Negative Declaration adopted and issued on June 23, 1983 ac amended Robert Passmore cc: Dan Sullivan Joe Fitzpatrick George Williams tois Scott> Mike Estrada Alec Bash, Environmental Review Officer Alice Barkley Paul Wartelle Distribution List DCP Bulletin Board Board Of Supervisors 008248 Planning

Negative Declaration Hotel Conversion Ordinance

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The Board of Supervisors first established interim regulations on the conversion and demolition of residential hotel units in November, 1979. The Ordinance in its present form (Ordinance No. 331-81) was adopted in June, 1981. Ordinance No. No. 331-81 was declared invalid by the Superior Court because its adoption was procedurally defective. The Superior Court stayed enforcement of its order until July 29, 1983 in order that the City may reconsider adoption of a similar ordinance.

The Ordinance is consistent with the Residence Element of the San Francisco Master Plan, and particularly addresses the following: Objective 3, Policy 1: "Discourage the demolition of existing housing.", Policy 2: "Restrict the conversion of housing in commercial and industrial areas.", and Policy 3: "Preserve the existing stock of residential hotels."

The Ordinance seeks to maintain uses that currently exist. Inasmuch as the Ordinance will not change any existing uses, it would not have any direct environmental impacts. The environmental effects of the Ordinance, if any, are limited to the following potential indirect effects:

- The construction of new residential hotels to replace residential hotel units to be converted or demolished, and
- The construction of new medium priced tourist hotels in the City as a result of stringent regulations against conversion or demolition of existing residential hotel units.

Residential hotels and tourist hotels are permitted as Conditional Uses in RC (Residential-Commercial, Combined) Districts. They are permitted as principal uses in all commercial districts with the exception of Special Use Districts where a Special Use permit may be required. Motels, as defined in Section 216(c) and (d) of the City Planning Code, are permitted as principal uses in C-1 Districts provided that the entrance to the motel is within 200 feet of and immediately accessible from a major thoroughfare as designated in the Master Plan. They are permitted as principal uses in C-2 (Community Business), C-3-G (Downtown General Commercial), C-3-S (Downtown Support), and C-M (Heavy Commercial) Districts (again, with the exception of Special Use Districts). Under the present Planning Code, new residential hotels may be constructed in any of the aforementioned districts

throughout the City. As will be fully discussed below, the potential environmental effects, however, would be negligible.

Almost one-third (1/3) of the tenants residing in residential hotel units are elderly (61 years or older); twenty-six percent (26%) of this population consists of minority households; and one in five of these residential tenants are physically disabled. Therefore, residential hotel tenants have a lower rate of car ownership and generate less vehicular traffic and off-street parking demand. This segment of the population also generate fewer trips than any other residential dwellers because of less social activity. Because of the high percentage . of elderly and disabled households among this population, they tend to travel in non-peak hours. Thus, they do not contribute to the peak hour traffic or affect existing Muni peak hour services. Any replacement housing constructed would not increase usage of energy, water and other City services. In fact, energy usage should decrease because the existing residential hotel structures are old and are not energy efficient; new residential hotel structures, which must comply with new State energy standards, would be much more energy efficient.

Since the City has adopted some form of control on the conversion of residential hotel units, only two proposals to convert have been presented. These two proposals would result in a conversion of a total of 70 units from residential hotel use to nonresidential (tourist hotel) use. Neither of these proposals will result in the construction of new residential hotels in the

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city because one of the developers will use the in-lieu fee contribution provision, and the other proposal involves apartment rehabilitation. Based on past experience, it is anticipated that the construction of new replacement units would be at a minimum with minimum attendant impacts on the physical environment. Since the Ordinance provides for alternative methods of replacing residential units which are proposed to be converted or demolished, quantification of new residential hotel construction would be, at best, speculative.

Turning to the effect of the Ordinance on the potential construction of new tourist hotels, the Department concludes that its effects are equally impossible to quantify because: (1) the Ordinance provides for the use of vacant residential hotel units." as tourist units during the tourist season and (2) the demand of moderately priced hotel units depends on factors which are not land use related; such as, financing and other economic conditions. An examination of the City's permit history over a five-year period from 1975 to 1980, prior to adoption of the Ordinance indicates that about 2,500 residential hotel units were converted to tourist use. Assuming a similar trend, this would mean a demand for construction of about 500 tourist hotel units per year. This assumption is flawed in that it presumes an indefinite increased demand for tourist hotels, whereas the tourist hotel vacancy rate has increased. This increase in vacancy rates is particularly noticeable in moderately priced (under \$55 per night) hotels: from a 13% vacancy rate in 1979 to

a high of 33% in 1982. Therefore, any increase in tourists to San Francisco in the near future could be accommodated by the existing tourist hotels.

A review of applications received by the Department of City Planning for the construction of new tourist hotels since 1979 (when regulation of conversion of residential hotel units began) also supports a conclusion that the Ordinance would not lead to massive construction of new moderately priced tourist hotel units. Since November of 1979, a total of 6,666 tourist hotel

units have been proposed . Among these proposed tourist hotel rooms, 4,307 units are classified as first-class or deluxe and are located in the downtown area. 636 of these proposed hotel units would fall into the moderately-priced category; a majority of these are located along the Lombard Street corridor and in Fisherman's Wharf. No proposals were received for hotels in other outlying commercial areas; and no motel proposals were received. Therefore, it is concluded that the Ordinance would not give rise to construction of new moderately priced motel or hotel units in the outlying areas of San Francisco.

¹ Of the approximately 6,700 new tourist hotel rooms, 2,200 rooms would be located at the Yerba Buena Center, 800 rooms at the Rincon Point/South Beach Redevelopment Area, 2,107 rooms in the downtown area, 250 rooms at Fisherman's Wharf, 261 rooms along the Lombard Street corridor, and 125 rooms in a hotel in Van Ness Avenue. Proposals for 923 rooms in the downtown area were withdrawn.

Assuming that new proposals to construct moderately priced hotels and motels would be forthcoming for outlying areas of the City, these proposals would not be concentrated in any particular Therefore, the impacts on the physical environment, if any, area. would depend on the precise location proposed and would be subject to further environmental evaluation. Moreover, any proposals for new tourist hotels or replacement residential hotels must comply with the height, bulk, density, use and other provisions of the City Planning code, which contains provisions designed to ensure compatibility with existing neighborhoods and uses. If, in the future, there are indicia of a trend to construct either moderately-priced tourist hotel units or residential hotel units with potentially significant adverse environment effects on outlying areas, measures could be taken at that time to ensure no adverse changes. These measures could include amendments to the City Planning Code related to parking or the principal permitted uses in C-1, C-2, and RC districts.

All of the known proposed amendments to the Ordinance are merely procedural in nature, affecting only the administration of the Ordinance. Therefore, these procedural amendment proposals would not affect the conclusions stated above.

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The Ordinance and any proposed amendments require approval of the City Planning Commission and the Board of Supervisors.

Given the many other factors that contribute to the demand for tourist hotels, the lack of any newly constructed replacement housing proposals, and the above discussion, the Residential Hotel Conversion and Demolition Ordinance could not have a significant effect on the environment.

Sources:

1. "A Study of the Conversion and Demolition of Residential Hotel Units", prepared for the Board of Supervisors of the City and County of San Francisco by the Department of City Planning, November, 1980.

2. "Report on the Operation of San Francisco's Residential Hotel Conversion and Demolition Ordinance," prepared by the Department of City Planning, February, 1983.

3. "Trends in the Hotel Industry, Northern California," 1982 Annual Results, December 1982 (prepared by Pannell Kerr Forster, Certified Public Accountants).

These reports are on file with the Office of Environmental

Review.

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August 17, 1983

MEMORANDUM

TO: GINNY PUDDEFOOT

FROM: MIKE ESTRADA

RE: AMENDMENTS TO THE RESIDENTIAL HOTEL CONVERSION AND DEMOLITION ORDINANCE

Attached are the remaining two sets of amendments to the Residential Hotel Ordinance(BOS file #'s 131-82, and 131-82-1). These two sets, plus the two sets that I gave you at our August 10 meeting (BOS file #'s 151-83-2 and 113-83-1), are the complete package of amendments which the CPC must review and pass back to the Board. A quick review of the new amendments indicates that they can all be covered in a Negative Declaration, following the same arguments that we raised at the Aug. 10 meeting. The only potential area of disagreement could be the summer/winter clause(file #131-82-1, Sec. 41.16). I would argue that the change would have no environmental impact, as summer/winter tourist use is still allowed, but would now be limited to only 20% of the residential units in any hotel. Unless someone can document that more than 20% of the residential units (not all the units) in residential hotels, in addition to the existing tourist hotels plus existing tourist units in residential hotels, are needed for the summer, no impact would be generated. Even if one could make the case for such demand, it would be difficult to argue that limiting conversion to 20% of the units would have an impact, such as leading to new construction.

For the purposes of getting this project off the ground, Lois will be including all of the amendments in the Negative Declaration that she will be preparing and submitting for OER review.

cc Williams, Bash, Scott

5295A

ENVIRONMENTAL EVALUATION CHECKLIST (Initial Study)

File No: <u>83.600ETT</u> Title: <u>Chinatown-North Beach Rep</u> Street Address: <u>Chinatown-North Beach</u> Moratorium Street Address: <u>Chinatown-North Beach</u> Assessor's Bloc See attached map Initial Study Prepared by: <u>Gunny Fuddefoot</u>	k/Lot:	vanio	Hotel 2113- ocks
A. COMPATIBILITY WITH EXISTING ZONING AND PLAMS. Could the project:	YES	NO	DISCUSSED
 Require a variance, special authorization, or change to the City Planning Code or Zoning Map? 	~		~
*2. Conflict with the Comprehensive Plan of the City and County of San Francisco?			المسينا
*3. Conflict with any other adopted environmental plans and goals of the City or Region?		<u> </u>	
B. ENVIRONMENTAL EFFECTS. Could the project:			
1. Land Use			
*a. Disrupt or divide the physical arrangement of an established community?		1	<u> </u>
b. Have any substantial impact upon the existing character of the vicinity?		L	$\underline{\vee}$
2. <u>Visual Quality</u>			
*a. Have a substantial, demonstrable negative aesthetic effect?		~	-
b. Substantially degrade or obstruct any scenic view or vista now observed from public areas?		$\underline{\vee}$	
c. Generate obstrusive light or glare substantially impacting other properties?		<u> </u>	
3. <u>Population</u>			
*a. Induce substantial growth or concentration of population?		<u> </u>	V
*b. Displace a large number of people (involving either housing or employment)?		<u>_</u>	V
c. Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply?		<u>~</u>	<u> </u>
4. Transportation/Circulation			
*a. Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system?		<u> </u>	
b. Interfere with existing transportation systems, causing substantial alterations to circulation patterns or major traffic hazards?		\checkmark	· .

* Derived from State EIR Guidelines, Appendix G, normally significant effect.

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- c. Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity?
- d. Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities?
- 5. Noise
 - *a. Increase substantially the ambient noise levels for adjoining areas?
 - b. Violate Title 25 Noise Insulation Standards, if applicable?
 - c. Be substantially impacted by existing noise levels?
- 6. <u>Air Quality/Climate</u>
 - *a. Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation?
 - *b. Expose sensitive receptors to substantial pollutant concentrations?
 - c. Permeate its vicinity with objectionable odors?
 - d. Alter wind, moisture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region?
- 7. <u>Utilities/Public Services</u>
 - *a. Breach published national, state or local standards relating to solid waste or litter control?
 - *b. Extend a sewer trunk line with capacity to serve new development?
 - c. Substantially increase demand for schools, recreation or other public facilities?
 - d. Require major expansion of power, water, or communications facilities?
- 8. Biology
 - *a. Substantially affect a rare or endangered species of animal or plant or the habitat of the species?
 - *b. Substantially diminish habitat for fish, wildlife or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species?
 - c. Require removal of substantial numbers of mature, scenic trees?

9. <u>Geology/Topography</u>

- *a. Expose people or structures to major geologic hazards (slides, subsidence, erosion and liquefaction).
- b. Change substantially the topography or any unique geologic or physical features of the site?

YES

NO DISCUSSED

	(3)				
10. <u>W</u> a	*au		YES	NO	DISCUSSED
	Substantially degrade water quality, or contaminate a				
	public water supply?			\checkmark	
*D.	Substantially degrade or deplete ground water resources or interfere substantially with ground water recharge?	,		$\underline{\checkmark}$	
*c.	Cause substantial flooding, erosion or siltation?			\leq	
11. <u>E</u> n	ergy/Natural Resources				
*a.	Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?			~	
b.	Have a substantial effect on the potential use, extraction, or depletion of a natural resource?			~	
12. <u>Ha</u>	zards				
*a.	Create a potential public health hazard or involve the use, production or disposal of materials which pose a hazard to people or animal or plant populations in the area affected?			<u>~</u>	
*b.	Interfere with emergency response plans or emergency evacuation plans?				
с.	Create a potentially substantial fire hazard?			4	···
13. <u>Cu</u>	tural				•
*a.	Disrupt or adversely affect a prehistoric or historic archaeological site or a property of historic or cultura significance to a community or ethnic or social group; or a paleontological site except as a part of a scientif study?				
*b.	Conflict with established recreational, educational, religious or scientific uses of the area?			~	
С.	Conflict with preservation of any buildings of City landmark quality?			~	
OTHER					
Requi than	re approval of permits from City Departments other DCP or BBI, or from Regional, State or Federal Agencies?	2	V		<u> </u>
		YES	<u>NO</u>	<u>N/A</u>	DISCUSSEE
	TION MEASURES				
1. If way	any significant effects have been identified, are there s to mitigate them?			<u>~</u>	
2. Are in	all mitigation measures identified above included the project?			$\underline{\checkmark}$	

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E. MANDATORY FINDINGS OF SIGNIFICANCE

- *1. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?
- *2. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?
- *3. Does the project have possible environmental effects which are individually limited, but cumulatively considerable? (Analyze in the light of past projects, other current projects, and probable future projects.)
- *4. Would the project cause substantial adverse effects on human beings, either directly or indirectly?
- *5. Is there a serious public controversy concerning the possible environmental effect of the project?

F. ON THE BASIS OF THIS INITIAL STUDY:

I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the Department of City Planning.

I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because the mitigation measures, numbers _____, in the discussion have been included as part of the proposed project. A NEGATIVE DECLARATION will be prepared.

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Planning

New S. Bash

Alec S. Bash Environmental Review Officer

for .

Dean L. Macris Director of Planning

Date: February 16, 1954

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	ENVIRONMENTAL EVALUATION CHECKLIST
	(Initial Study)
File No:	84.564ET/84.236ETTILLE: Residential Hotel Conversion Ord. Amendm
Street Ad	iress: Residential Hotels throughout SF. Assessor's Block/Lot: VARIOUS
Initial St	udy Prepared by: Catherine Bauman

A. COMPATIBILITY WITH EXISTING ZONING AND PLANS		Not Applicabl	e Discussed
 Discuss any variances, special authorizations, or changes pro- posed to the City Planning Code or Zoning Map, if applicable. 			V
*2) Discuss any conflicts with the Comprehensive Plan of the City and County of San Francisco, if applicable.		\checkmark	
*3) Discuss any conflicts with any other adopted environmental plans and goals of the City or Region, if applicable.		Ľ	
B. ENVIRONMENTAL EFFECTS - Could the project:			
 Land Use (a) Disrupt or divide the physical arrangement of an established community? 	YES	NO V	DISCUSSED
(b) Have any substantial impact upon the existing character of the vicinity?		Ľ	
2) Visual Quality			
<pre>*(a) Have a substantial, demonstrable negative</pre>		~	·
(b) Substantially degrade or obstruct any scenic view or vista now observed from public areas?		\checkmark	
(c) Generate obstrusive light or glare substantially impacting other properties?			an a
3) Population			
 *(a) Induce substantial growth or concentration of population? *(b) Displace a large number of people (involving either 		\checkmark	
housing or employment)?			
(c) Create a substantial demand for additional housing in San Francisco, or substantially reduce the nousing supply?			
4) Fransportation/Circulation			
*(a) Cause an increase in traffic which is substantial in relation to the existing traffic load and			
capacity of the street system? (b) Interfere with existing transportation systems, causing substantial alterations to circulation		1	
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capacity?		<u> </u>	
(d) Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities?		<u>_</u>	
5) Noise			
*(a) Increase substantially the ambient noise levels for adjoining areas?		\checkmark	
(b) Violate Title 25 Noise Insulation Standards, if applicable?			
(c) Be substantially impacted by existing noise levels?		Ľ.	

* Derived from State EIR Guidelines, Appendix G, normally significant effect.

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 *(a) Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation? *(b) Expose sensitive receptors to substantial pollutant concentrations? (c) Permeate its Vicinity with objectionable odors? (d) Alter wind, molsture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region? 7) Utilities/Public Services *(a) Breach published national, state or local standards relating to solid waste or litter control? *(b) Extend a sever trunk line with capacity to serve new development? (c) Substantially increase demand for schools, recreation or other public facilities? (d) Require major expansion of power, water, or communications facilities? *(a) Substantially diffect a rare or endangered species of animal or plant or the habitat of the species? *(b) Substantially diffect a rare or endangered species? *(c) Substantially diffect a for fish, wildlife or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species? *(a) Substantially the topography or any unique geologic or physical features of the site? *(a) Substantially degrade water quality, or contaminate a public water supply? *(a) Substantially degrade or deplete ground water resources, or interfere substantially with ground water readreg? *(c) Cause substantial flooding, erosion or siltation? *(d) Substantially degrade so the deplete ground water readreg? *(e) Cause substantial flooding, erosion or siltation?
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12) Hazards
*(a) Create a potential public health hazard or involve the
use, production or disposal of materials which pose a hazard to people or animal or plant populations in the
area affected? *(b) Interfere with emergency response plans or emergency
evacuation plans?
(c) Create a potentially substantial fire hazard?
13) Cultural
*(a) Disrupt or adversely affect a prenistoric or historic archaeological site or a property of historic or
cultural significance to a community or ethnic or
alchaeological site or a property of historic or

(c) Conflict with preservation of any buildings of City landmark quality?

Page 2

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a. -

C. OTHER

Require approval of permits from City Departments other than Department of City Planning or Bureau of Building Inspection, or from Regional, State or Federal Agencies?

- D. MITIGATION MEASURES
 - If any significant effects have been identified, are there ways to mitigate them?
 - 2) Are all mitigation measures identified above included in the project?

E. MANDATORY FINDINGS OF SIGNIFICANCE

- *1) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or pre-history?
- *2) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?
- *3) Does the project nave possible environmental effects which are individually limited, but cumulatively considerable? (Analyze in the light of past projects, other current projects, and probable future projects.)
- Would the project cause substantial adverse effects on human beings, either directly or indirectly?
- *5) Is there a serious public controversy concerning the possible environmental effect of the project?

F. ON THE BASIS OF THIS INITIAL STUDY

- I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the Department of City Planning.
- I find that although the proposed project could have a significant effect on the environment, there there WILL NOT be a significant effect in this case because the mitigation measures, numbers _____, in the discussion have been included as part of the proposed project. A NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

AUS

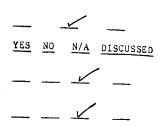
ALEC S. BASH Environmental Review Officer for

DEAN L. MACRIS Director of Planning

DATE:



Page 3



DISCUSSED

NO

YES

YES NO DISCUSSED

NEGATIVE DECLARATION

	Preliminary Negative Declaration: December 28,1984
	Lead Agency: City and County of San Francisco, Department of City Planning, 450 McAllister St 5th Floor, San Francisco, CA 94102
	Agency Contact Person: Catherine Bauman Tel: (415) 558-5261
	Project Title: 84.236ET(84.564ET Project Sponsor: Board of Supervisors Amendments to
	Residential Hotel Project Contact Person: John Taylor Conversion Ordinance
	Project Address: Residential Hotels throughout the City
	Assessor's Block(s) and Lot(s): various
	City and County: San Francisco
	Project Description:
	Amendments to the Residential Hotel Conversion and Demolition Ordinance affecting defini tion of interested parites, time limits for compliance, and penalties for violation and other aspects of administration of the Ordinance.
	THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15081 (Determining Significant Effect), 15082 (Mandatory Findings of Significance) and 15084 (Decision to Prepare an EIR), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached:
	The project consists of several amendments to Chapter 41 of the San Francisco Administrative Code, commonly refered to as the Residential Hotel Conversion and Demolition Ordinance (hereinafter "Ordinance"), which regulates the conversion of rooms in residential hotels to other uses, including tourist occupancy, and demolition of such rooms. It would affect residential hotels throughout the city.
	The Ordinance was adopted in June 1981 in response to concerns about the loss of residential hotels as a housing resource because of the conversion of these hotels to tourist occupancy and other uses. The 1981 ordinance received environmental review, with a final negative declaration (File 83.52E) adopted and issued on June 23, 1983.
	The currently proposed amendments to the Ordinance are primarily procedural and administrative in nature. One amendment, File 84.236ET (Board of Supervisors File 113-84-1) would expand the definition of interested parties to include certain non-profit organizations with a demonstrated interest in housing issues.
•	-over-
	Mitigation measures, if any, included in this project to avoid potentially significant effects:
	NONE
	Final Negative Declaration adopted and issued on January 9,1985 cc: Katherine Pennypacker, City Attorney's Office
	Glenda Skiffer Lois Scott Peter Burns, BBI
	R. Passmore //// CO a
	DCP Builetin Board

Planning

008145 PPAR_001692 The remaining amendments are contained in File 84.564ET (Board of Supervisors File 113-84-2). They include provisions directing the Superintendent of the Bureau of Building Inspection to impose interest on penalties resulting from the failure of the owner and operator of a hotel to file complete and timely Annual Usage Reports. The amendments would not change the contents of Annual Usage Reports or the requirement that they be filed. The project would extend the time limit to file a challenge to an Annual Usage Report from fifteen to thirty days. It would also raise the fee for filing an Annual Usage Report from twenty to forty dollars.

The project would require that notices of apparent violation of the Ordinance remain posted until the Superintendent of the Bureau of Building Inspection determines that the hotel is no longer in violation of the Ordinance. Penalties would be imposed on hotel owners and operators who fail to maintain daily logs, or to post materials as required by the Ordinance.

The project would result in a change of burden of proof requirement from the owner or operator of the hotel to the appellant in appeals of the decision to issue or deny permits to convert. It would require the owner, rather than the Bureau of Building Inspection, to record conditions for issuance of demolition permits. The proposal would direct hearing officers to consider the repeated posting by the Superintendent of the Bureau of Building Inpection of notices of apparent violation of the Ordinance as a factor at hearings on unlawful conversion.

The proposal would authorize the Superintendent of the Bureau of Building Inspection to impose the penalties included in the Ordinance and establishes lien procedures to be followed by the Superintendent where penalties remain unpaid. The proposed amendments include a new section, Section 41.16A, which makes the filing of false information under the ordinance a misdemeanor punishable by a fine of not more than \$500 or by imprisonment for up to six months or both.

These amendments are intended to assist in the administration and enforcement of the Ordinance. They would not change the standards of the Ordinance and would not mandate the conversion of a greater or smaller number of hotel rooms from residential occupancy to other uses. Increased compliance with the Ordinance and a resulting decrease in illegal conversions of residential hotel rooms would be a likely result of the incorporation of the proposed amendments into the Ordinance, The City Planning Commission, when it affirmed the negative declaration following an appeal, determined that the Ordinance could not have significant effect on the environment. It was the Commission's assumption that the Ordinance would be enforced and that hotel owners and operators would comply with the terms of the Ordinance. Clearly, these amendments to the Ordinance, which are purely procedural in nature, could not have a significant effect on the environment. Gene Porter:

The ordinance says that so long as non-profit operators use the units as housing they are exempt but if they demolish or convert then they are subject to the RHO replacement requirement. The problem is that we don't know what they are doing. BBI annually sends non-profit RH operators a letter asking them if they still operate as non-profits. Perhaps this letter could be expanded to site purpose of ordinance and require reporting the number of residential hotel units and vacancies. Perhaps we need a minimal reporting or monitoring of non-profit residential hotels.

Richard Livingston:

I think non-profits are the biggest problem in conversions and loss of residential hotel units from the market place. There has only been one for profit tourist conversion with the loss of a small number of units compared to the thousands of units converted to the operation of the City's homeless program and thousands of other units used by non-profits for the operation of their programs. Many of those who use to rent transient hotels are now housed under the City's homeless program. Much of the problem is also with the operators of some of these hotels and the \$3 million a year drug business in the area.

ISSUES 2 & 3.:

Differences in Types of Hotels and Problems in Regulation by Monthly vs daily or weekly rentals.

This is a new issue discussed by Richard Livingston from the Cadillac Hotel and long time community activist. Others in the meeting participated in this discussion although they are not coded in this summary.

Distinction between residential, transient, and tourist hotels. Residential hotels are unique in that often they serve to mix of users which include lower income tourists/visitors, local transients on a daily, weekly or monthly rates, and more permanent residents which rent on a monthly basis for years. The problem with the ordinance is that it separates buildings of units in the building according to the length of occupancy (less than 31 days as transient or tourist and 32 days or more as residential units) when the mix of residential, transient and tourist units always vary from time to time. The more important distinction is the lower income housing market they serve and not whether they rent to a person for a night, a week, 2 weeks or more than a month. Often, there is a need to stabilize and balance this mix in terms of an operator's cash flow, changing population, demand, and neighborhood impact.

Some operators are renting the residential hotel units on a weekly basis provided that the occupant signs a note

saying that they plan to stay for a month or longer. If the occupant leaves before 32 days the operator can say that the occupant broke the agreement.

Some hotels have a large number of transient units (non-residential hotel designated units) because when they claimed most of the units as tourist when they were first required to report the units. Now transient hotels are scared to rent to anyone over 30 days because they don't want these units classified as residential hotel units. However, in terms of a balance mix the ordinance is a disincentive for many operators to rent for 32 days or more at a time. Many operators would rather leave the residential hotel units vacant.

More positive incentives are needed such as the transient tax threshold which has raised from \$5 to \$20 a night. Renting a room for \$10 to \$20 a night is not bad. There is a lower income transient population which needs these kind of places. Tenants may travel between different cities (Reno, San Francisco, Sacramento, etc.), some are locals who move around the city, others are low budget backpackers from other states or Europe, and there were the traditional seamen.

Richard Livingston would like the option of renting by the week or month to test tenants behavior. Operators don't want to be stuck with bad tenants that would take months to get out. The Cadillac Hotel was built to have both transient and more permanent residents. Some residential hotels are better designed for transient use (the St. George - 33 room walk up and no kitchen or bathrooms). Some hotels have switched from being tourist to residential and to homeless program.

David Prowler:

Marsha Rosen:

Roger Herrera:

Where would the rent cut off be if the ordinance regulated the hotel this way instead of how long the resident stayed. Could we say no more than \$11 per night.

What legal basis would there be for such a cut off. How could you structure the regulations or incentives. Where is the balance point? How do you prevent from totally transforming to high cost and tourist use?

The rent on residential hotels range from \$45 to \$1,500 for some units which offer full health care for the elderly. The average is more in the lower range below \$250. Current data indicates that there has been no significant increase in rents since the last reporting period in 1984.

Ed Lee:

Chinatown has a more stable residential hotel population with units renting for \$45 a month to seniors that have lived there for over 30 years. The Tenderloin and Sixth Street may be more transient.

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Roger Herrera Brad Paul Perhaps what we need is residential hotels which would differ by district such as Chinatown, North Beach, South of Market, Tenderloin, etc. and that may have thresholds on tourist, residential and transient units. A neighborhood approach can recognize the different needs between neighborhoods. We were addressing the whole city in the ordinance when different parts of the city have different problems. The Tenderloin and Sixth Street may need to serve a more transient lower income population. (This discussion flowed from a number of participants.)

Richard Livingston:

Transient lower income population. In the past some residential hotels were part of a more extended community (such as the I-Hotel) which related in other ways than just whether it was 30 days or 1 night occupancy. Conversion to upscale tourist is in a certain type of hotel and location: Fisherman's Wharf, North Beach, and Union Square, etc. and not Sixth Street or Tenderloin. [Can these hotels, areas be identified?]

<u>ISSUE 4</u> .	Is the City's Residential Hotel Homeless	Program in conflict with
	the Residential Hotel Ordinance?	

Richard Livingston: Some of the hotels for the homeless have become shooting galleries. These type of hotels need to have a better balance of transient and resident occupants. These hotels and the neighborhood would improve if some low income tourist use would be allowed. This relates to the no more than 50% homeless proposal by Supervisor Maher.

Brad Paul:

The Social Service Commission has thrown out the bids because some of the hotels are including residential hotel units in the units proposed for the homeless program. [City Attorney Rick Judd has indicated that the Social Service Homeless Program wants to respect the Residential Hotel Ordinance, but that some amendments may be considered.]

ISSUE 5. Definition of residential hotels. The addition of kitchens to residential hotels is not allowed by the ordinance because that would upgrade the units to apartment.

Brad Paul:

The RHO does not allow addition of kitchens because the ordinance wanted to prevent the loss of rooms to mergers and expanded units with kitchens.

Richard Livingston: The Cadillac Hotel was told by BBI that they could not put in just one kitchen. It was either none or one kitchen for every 10 units. But no more than 12 kitchens or else it becomes an apartment building.

Gene Porter:

The residential hotel at 1405 Van Ness wanted to put kitchens and bathrooms so they could quality for elderly Section 8 but BBI would not allow it.

ENVIRONMENTAL EVALUATION CHECKLIST (Initial Study)			
File No: 87.351E Title: RESIDENTIAL HOTEL	CONVE	h BEAC	H MORATORIUM
			E DESCRIPTIO
Initial Study Prepared by: _ANDREA_MACKENZIE			
A. COMPATIBILITY WITH EXISTING ZONING AND PLANS		<u>No</u> Applic	t able <u>Discussed</u>
 Discuss any variances, special authorizations, or changes p posed to the City Planning Code or Zoning Map, if applicabl 	ro- e.		\checkmark
*2) Discuss any conflicts with any adopted environmental plans and goals of the City or Region, if applicable.		\checkmark	
B. ENVIRONMENTAL EFFECTS - Could the project:			
1) Land Use	YES	NO	DISCUSSED
 *(a) Disrupt or divide the physical arrangement of an established community? *(b) Have any substantial impact upon the existing character of the vicinity? 		レレ	
2) <u>Visual Quality</u>			
 *(a) Have a substantial, demonstrable negative aesthetic effect? (b) Substantially degrade or obstruct any scenic view or vista now observed from public areas? (c) Generate obtrusive light or glare substantially impacting other properties? 		17 17 17	
3) Population			
<pre>*(a) Induce substantial growth or concentration of population?</pre>			
 *(b) Displace a large number of people (involving either housing or employment)? (c) Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply? 			
	<u></u>	\checkmark	
4) <u>Transportation/Circulation</u>			
 *(a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system? (b) Interfere with existing transportation systems, causing substantial alterations to circulation 		\checkmark	
patterns or major traffic hazards? (c) Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit		\checkmark	
<pre>capacity? (d) Cause a substantial increase in parking demand which Cannot be accommodated by existing parking facilities?</pre>	·	<u>\</u>	
5) <u>Noise</u>			I
*(a) Increase substantially the ambient noise levels for adjoining areas?	·	-	÷
(b) Violate Title 24 Noise Insulation Standards, if		<	ana anta
applicable? (c) Be substantially impacted by existing noise levels?		X	
* Derived from State EIR Guidelines, Appendix G, normally signific	ant eff	ect.	
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6)	Air Quality/Climate *(a) Violate any ambient air quality standard or contribute substantially to an existing or projected air quality	YES	<u>NO</u>	DISCUSSED
	<pre>violation? *(b) Expose sensitive receptors to substantial pollutant concentrations? () Numerical interview with chientine blanders?</pre>		N N	
	 (c) Permeate its vicinity with objectionable odors? (d) Alter wind, moisture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community 		\checkmark	
	or region?		\checkmark	—
7)	Utilities/Public Services			
	*(a) Breach published national, state or local standards			
	relating to solid waste or litter control? *(b) Extend a sewer trunk line with capacity to serve new		\checkmark	
	development?		\checkmark	
	(c) Substantially increase demand for schools, recreation			
	or other public facilities? (d) Require major expansion of power, water, or communica-		\checkmark	
	tions facilities?		~	
- 1		· .		
8)	Biology *(a) Substantially affect a rare or endangered species of			
	animal or plant or the habitat of the species?		\checkmark	
	*(b) Substantially diminish habitat for fish, wildlife or		<u> </u>	
	plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species?			
	(c) Require removal of substantial numbers of mature.		<u>~</u>	
	scenic trees?		\checkmark	
9)	Geology/Topography			
	*(a) Expose people or structures to major geologic hazards			
	(slides, subsidence, erosion and liquefaction).		$\underline{\checkmark}$	
	(b) Change substantially the topography or any unique geologic or physical features of the site?		. /	
			$\underline{\nu}$	
10)	Water			
	*(a) Substantially degrade water quality, or contaminate a public water supply?		./	
	*(b) Substantially degrade or deplete ground water re-			
	sources, or interfere substantially with ground		1	
	<pre>water recharge? *(c) Cause substantial flooding, erosion or siltation?</pre>		Ľ,	
11)	Energy/Natural Resources *(a) Encourage activities which result in the use of			
	large amounts of fuel, water, or energy, or use			
	these in a wasteful manner?		\checkmark	
	(b) Have a substantial effect on the potential use, extraction, or depletion of a natural resource?			
			$\underline{\checkmark}$	
12)	Hazards			
	*(a) Create a potential public health hazard or involve the use, production or disposal of materials which pose a			
	hazard to people or animal or plant populations in the			
	area affected?		\checkmark	
	*(b) Interfere with emergency response plans or emergency evacuation plans?			
	(c) Create a potentially substantial fire hazard?	<u> </u>	~	
3)	Cultural			
,	*(a) Disrupt or adversely affect a prehistoric or historic		• •	•
	archaeological site or a property of historic or			
	cultural significance to a community or ethnic or			
	social group; or a paleontological site except as a part of a scientific study?			
	(b) Conflict with established recreational, educational		~	
	religious or scientific uses of the area? (c) Conflict with the preservation of buildings subject		\leq	-
	LO THE Drovisions of Article 10 or			
	Article 11 of the City Planning Code?		/	

13)

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с.	OTHER		YES		<u>N0</u>	DISCUSSED
	Require approval and/or permits from City Department of City Planning or Bureau of Or from Regional, State or Federal Agenci	Building Inspection,	an 		<u> </u>	• • • • • • •
D.	MITIGATION MEASURES		YES	<u>N0</u>	N/A	DISCUSSED
	 If any significant effects have been id ways to mitigate them? 	entified, are there			~	÷
	 Are all mitigation measures identified the project? 	above included in			\checkmark	,
Ε.	ANDATORY FINDINGS OF SIGNIFICANCE		YE	<u>S</u>	<u>N0</u>	DISCUSSED
	1) Does the project have the potential of the environment, substantially re a fish or wildlife species, cause a population to drop below self-sustai to eliminate a plant or animal commu number or restrict the range of a ra plant or animal, or eliminate import major periods of California history	duce the habitat of fish or wildlife ning levels, threaten nity, reduce the re or endangered ant examples of the			~	
7	 Does the project have the potential to the disadvantage of long-term, en- 	to achieve short-term, vironmental goals?			~	
3	3) Does the project have possible envir are individually limited, but cumulat (Analyze in the light of past project projects, and probable future project	tively considerable?			\checkmark	
7	 Would the project cause substantial human beings, either directly or ind 	adverse effects on irectly?			2	· :
F. 🤇	N THE BASIS OF THIS INITIAL STUDY					
~	I find the proposed project COULD NOT ha and a NEGATIVE DECLARATION will be prepa	ave a significant effe ared by the Department	ct on of C	the ity	envi Plann	ronment, ing.
	I find that although the proposed project environment, there there WILL NOT be a s mitigation measures, numbers, in of the proposed project. A NEGATIVE DEC	ignificant effect in the discussion have be	this (en in	rase	beca	use the
	I find that the proposed project MAY hav and an ENVIRONMENTAL IMPACT REPORT is re	equired.			,	
· • • • • • • • • • • • • • • • • • • •		Dailiara li	1). A	a	hM	1
		BARBARA W. SAHM Environmental Review (for				
DATE	and an terr	DEAN L. MACRIS Director of Planning		•		
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BWS: OER:						

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Page 3

008176 PPAR_001701 NEGATIVE DECLARATION

Date of Publication of Preliminary Negative Declaration: July	y 31, 1987
Lead Agency: City and County of San 1 450 McAllister Street,	Francisco, Department of City Planning 5th Floor, CA 94102
Agency Contact Person: Andrea Macken:	zie Telephone: (415) 558-6388
Project Title: 87.351ET 12-Month Extension of Chinatown - North Beach Residential Hotel Conversion Moratorium	Project Sponsor: Board of Supervisors Project Contact Person: Robert Passmore
Project Address: 43 Block Area Within	n Chinatown - North Beach (see map)
Assessor's Block(s) and Lot(s): A/B 191-196, 208-212, 224-227, 241, 242, 288/25,294/21.	s: 134, 143-148, 159-164, 165/10, 175-180, 257, 258, 269/5, 270,271,272/8,285-287,
City and County: San Francisco	
Project Description: Amend Sections Administrative Code to extend for two convert residential hotel units in the	s 41B.2 and 41B.11 of the San Francisco elve months, the moratorium on permits to e Chinatown-North Beach area .

Building Permit Application Number, if Applicable: None

THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance) and 15070 (Decision to Prepare a Negative Declaration), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached:

The proposed project would be an amendment to sections 418.2 and 418.11 of the San Francisco Administrative Code for the purpose of extending the current Chinatown - North Beach Residential Hotel Unit Moratorium Ordinance for 12 months. The ordinance covers a 43-block area of Chinatown-North Beach, generally from Vallejo and Green Streets on the north to Sutter Street on the south, and from Mason Street on the west to Sansome Street on the east.

Mitigation measures, if any, included in this project to avoid potentially significant effects: None

Final	, Negative	Declaration	adopted	and	issued
on	8/11/87				e de la companya de l
	7 7				

cc: Robert Passmore Lois Scott Paul Rosetter Sponsor Distribution List Bulletin Board Master Decision File

BWS:ALM:emb ALM:72

BARBARA W. SAHM

Environmental Review Officer

PPAR 001702

Planning

As of September, 1984, there were approximately 4,818 residential hotel units within the moratorium area. This number represents a decrease of 322 units since 1980, despite the existence of the Residential Hotel Unit Conversion Ordinance. As of 1984, the average monthly rent within the Chinatown-North Beach Moratorium area was \$127.87 per month.

The purpose of the moratorium ordinance is to prohibit the approval of any permit:

(a) to convert any residential hotel unit to another use including conversion to apartment use.

(b) that would cause the demolition of any residential hotel unit or prevent its use.

On May 24, 1987 the Chinatown Mixed Use District Controls, which established the Chinatown Community Business, Chinatown Visitor Retail and Chinatown Residential Neighborhood Commercial Districts, became permanent. The provisions established within the controls prohibit the conversion or demolition of residential hotel units within the three-district boundaries. Extension of the moratorium would afford protection to some areas that do not fall within the area covered by the Chinatown Mixed Use District controls.

It is necessary to extend the moratorium for an additional year to allow the Board of Supervisors sufficient time to review the Residential Hotel Conversion and Demolition Ordinance and adopt amendments to this Ordinance. The extension would also allow the Department of City Planning to complete an ongoing study of housing demolition and conversion controls which would result in conditional use standards for demolitions and conversions, citywide.

The Board of Supervisors first established interim regulations on the conversion and demolition of residential hotel units in November 1979. Since June 1981, residential hotel conversions have been regulated by Chapter 41 of the San Francisco Administrative Code, commonly known as the Residential Hotel Conversion and Demolition Ordinance. This Ordinance is permanent and citywide in scope. It was evaluated by the Department of City Planning in order to determine any potential environmental effects. The Department determined that the Ordinance could not have a significant effect on the environment, and a Final Negative Declaration was issued on June 23, 1983. (File No. 83.52E, on file at the Office of Environmental Review).

The findings contained in the Final Negative Declaration prepared for the Residential Hotel Conversion and Demolition Ordinance (File No. 83.52E) are hereby incorporated by reference. That Negative Declaration concluded that the potential environmental effects, both direct and indirect resulting from the citywide Ordinance would be negligible. It included the relevant Residence Element (Comprehensive Plan) policies dealing with conservation of existing housing resources. It determined that, since the Ordinance seeks to maintain uses that currently exist, it would not have any direct environmental effects. It further determined that, based on past experience with some form of control of conversions in effect and the many other factors involved in development decisions, the Ordinance would not be likely to generate a substantial amount of new residential or tourist hotel construction.

The Chinatown-North Beach Moratorium differs from the citywide Ordinance in the following ways:

- 1) It affects the Chinatown-North Beach area only
- 2) It would be in effect for a temporary period
- 3) It contains no provision for in-lieu fees or replacement of
- existing residential hotel units proposed for conversion
- 4) It contains no provision for summer conversion to tourist use.

-2-

On February 17, 1984, the Department of City Planning determined the Chinatown-North Beach Residential Hotel Unit Moratorium could not have a significant effect on the environment and a Final Negative Declaration was issued on February 29, 1984 (File No. 83.600 ETT). The findings contained in the Final Negative Declaration for 83.600 ETT, the Chinatown-North Beach Moratorium, are hereby incorporated by reference. The potential effects that were analyzed were:

- Potential increase in conversion or demolition of other types of residential uses or other land uses to office or commercial use
- 2) Potential increase in summer conversions of residential hotel units outside of the Chinatown-North Beach area.
- Potential increase in demand for new moderately priced hotel rooms during the summer months.

The Negative Declaration concluded that the potential environmental effects of adopting the moratorium for one year would be indirect and minimal. Previous extensions, cases 85.87ETZ and 86.247E, also received Negative Declarations adopted May 1, 1985 and May 29, 1986, respectively. The facts and findings of these negative declarations are hereby incorporated by reference.

The proposed extension of the Moratorium would require approval by the Board of Supervisors.

In November 1986, the voters of San Francisco approved Proposition M, the "Accountable Planning Initiative", which establishes eight Priority Policies. These policies are: preservation and enhancement of neighborhood-serving retail uses; protection of neighborhood character; preservation and enhancement of affordable housing; discouragement of commuter automobiles; protection of industrial and service land uses from commercial office development and enhancement of residential employment and business ownership; earthquake preparedness; landmark and historic building preservation; and protection of open space. Prior to issuing a permit for any project which requires an Initial Study under CEQA or adopting any zoning ordinance or development agreement, the City is required to find that the proposed project or legislation is consistent with the Priority Policies.

The issue, for the purposes of this environmental review, is whether the proposed extension of the moratorium would have the potential to cause effects on the environment beyond those analyzed in the environmental review on the initial one year ordinance.

Because the moratorium applies to only a limited area of the City and to a limited proportion of the City's total residential hotel stock (which is regulated by permanent controls similar to, but somewhat less restrictive than, the current moratorium), the extension of the current moratorium for any length of time could not cause a measurable increase in the minimal impacts which were discussed in Negative Declarations 83.600ET, 85.87ETZ, and 86.247E.

Given the above discussion, the proposed extension of the Chinatown-North Beach Residential Hotel Conversion Moratorium could not have a significant effect on the environment.

-3-



City and County of San Francisco Department of City Planning

450 McAllister Street San Francisco, CA 94102

ADMINISTRATION (415) 558-6414 / 558-6411 CITY PLANNING COMMISSION (415) 558-6414 PLANS AND PROGRAMS (416) 558-6264 IMPLEMENTATION / ZONING (415) 558-6377

March 11, 1988

REPORT ON RESIDENTIAL HOTELS POLICY AND LEGISLATIVE ISSUES

INTRODUCTION

In the fall of 1987 the Department of City Planning conducted a series of meetings to discuss the operation of the Residential Hotel Ordinance with Bureau of Building Inspection staff, community housing groups, and residential hotel owners and operators. This report summarizes the principal findings and recommendations resulting from these meetings and solicit further public review of the issues and refinement of the proposals.

Follow-up workshop meetings will be scheduled this Spring to attempt to build consensus on a legislative package to amend the Ordinance and improve its workability.

In conjuction with this report, a separate informational report has been prepared which contains data on the status of all residential hotels, including information on the number of residential and tourist units, neighborhood subarea totals, rents, vacancies, and Bureau of Building Inspection enforcement efforts. The informational report finds that the Residential Hotel Ordinance has been largely effective in preserving the stock of residential hotels, although there are a number of important issues which need to be addressed.

These issues are listed and grouped under substantative areas pertaining to Operation, Affordability, Replacement, and Administration. Some background information is provided on each of the ten issues discussed, followed by either proposals or alternative recommendations.

SYNOPSIS

OPERATIONAL ISSUES

- 1. Transient Low Income Users (32 day rule)
- 2. Vacant Units
- 3. Homeless Program

AFFORDABILITY ISSUES

- 4. Rent Stabilization
- 5. Funding for Seismic Upgrading

REPLACEMENT ISSUES

- 6. More Public Input/Notice
- 7. More Specificity About Location

ADMINISTRATIVE ISSUES

- 8. Reporting by Non-Profits
- 9. Revisions to Reporting Requirement
- 10. Consistent Definition of Residential Hotel Units.

ISSUES AND PROPOSALS

OPERATIONAL ISSUES

ISSUE 1: Transient Low Income Users (32 day rule)

The Residential Hotel Ordinance prohibits residential hotel units from renting for less than 32 days. Units rented for less than 32 days can be cited and fined by BBI as violating the Ordinance. Residential hotel operators are having a difficult time complying with this provision because residential hotels were designed for temporary use with very small rooms without kitchens or bathrooms and traditionally they have exercise some flexibily on whether a unit is rented on a monthly, weekly, or daily basis. The 32 day rental requirement often works against the rental of vacant residential hotel units as operators have to refuse occupancy to weekly tenants, even though some residential hotel units may have been vacant for long periods. Temporary rentals (less than 32 days) traditionally filled up vacant residential hotel units as transient hotel users often become permanent hotel residents. Weekly rentals are used by operators to screen potential trouble making tenants. Without this option, operators are leaving units vacant rather than risk renting to potentially troublesome tenants on a monthly basis. This provision combined with the "summer-winter" clause encourages vacancies because units are not rented for transient or residential use and are left vacant to be rented as tourist units during the summer.

The availability of transient hotel units has been decreasing as a result of the Residential Hotel Ordinance. Most hotel units are now either residential hotel units (renting for 32 days or more), tourist units (renting for less than 32 days), non-profit hotel units primarily for program or membership use, or hotel units used by the homeless program. As with the "summer-winter" tourist conversion option a window of flexibility is needed to permit a limited number of units to be rented for transient hotel use.

Some transient and economy tourist use off-sets low rents on many residential hotel units. The Ordinance attempts to balance between residential, tourist, and transient hotel needs during the summer with the "summer-winter" clause which permits operators of residential hotels to rent up to 25% of the vacant residential hotel units for less than 32 days from May to September. The Ordinance prohibits renting any residential hotel unit for less than 32 days during the off-season from November to April. However, a balance between residential, transient, and tourist use needs to be maintained all year around. The following proposals provide some alternatives.

Alternatives:

- (1) Create a window of flexibility for residential hotels operators so that up to 25% of the residential hotel units could be rented for periods less than 32 days provided that rents in such units are prorated affordable to occupants with very low incomes (below 50% of the HUD median income). In 1986 this would have been a monthly rent of \$377. or a daily rate of \$12.50. This provision would permit greater flexibility in renting vacant residential hotel units to lower income transient and residential hotel users and would be separate and different from the existing summer tourist conversion clause.
- (2) Permit a 25% increase in the number of tourist units provided that the "summer-winter" tourist conversion provision is eliminated. This alternative would simplify enforcement and eliminate the incentive to keep units vacant during the winter to convert them to tourist units during the summer, and permit some year around flexibility between daily, weekly and monthly rentals.
- (3) Instead of permitting a blanket increase in the number of tourist

units as in Alternative (2), it may be more appropriate to simply extend the existing 25% summer tourist conversion option throughout the year on a case-by-case basis base on a demostrated need by individual residential hotel operators. A further refinement of this proposal would be to limit the off-season (November to April) conversion option to 25% of a hotel's total number of units, including any tourist units it may have.

Under this proposal all existing residential hotel units would continue to be protected by the Ordinance, and operators would still be permitted to exercise the summer tourist conversion option as presently permitted except that during the off-season some vacant residential hotel units could be rented on a weekly basis, provided that the number of hotel units which exercise this option does not exceed 25% of the total number of units in the hotels (including tourist units), and provided that the units are first offered as residential as per the "summer-winter" conversion clause. This provision takes into account the fact that some residential hotels have no tourist units and others have a great number of tourist units which can exercise greater discretion in renting to transient, tourist, or residential hotel users. As with other City Planning Code, this provision would be permitted only in neighborhood areas that do not have more restrictive Planning Code regulations.

(4) Eliminate the distinction between residential hotel units and transient hotel units provided that rental vacancy controls and a rental cap be established for residential hotel units. Vacant residential hotel units could then be rented on a daily, weekly, or monthly basis provided that rent increases on vacant units do not exceed the annual rent stabilization ordinance rate, and provided that rents do not exceed an affordability threshold of \$400 per month or \$13.00 per day (95% of all the residential hotel units rent for less than \$400). This is about the maximum that very low income single room occupants could afford at 50% of the HUD median income. A lower rental threshold may be appropriate in very low income residential hotels.

Higher annual rates could be permitted on vacant units if the City's Rent Arbitration Board determines that comparable rents for similar units are substantially higher, and provided that the maximum affordability threshold is not exceeded. Designated tourist units as well as "summer only tourist units" could continue to be exempt from any affordability requirements.

This alternative would provide residential hotel renters greater affordability protection and give operators greater flexibility on whether units are rented on a daily, weekly, or monthly basis.

In conjunction with this proposal, some economic incentives need to be developed which would encourage long term affordability for low income residential hotel units. These incentives could include favorable low income housing tax credits, sales tax exemptions, and other more favorable tax treatments. Currently, only new construction or major renovation can use federal low income tax credits.

(5) Tailor residential hotel regulations to neighborhood areas and hotel types, e.g. stable residential hotels in Chinatown versus more transient residential hotels in the North and South of Market areas, or North Beach tourist oriented hotels. This approach would require more extensive research and additional staff resources to develop and implement.

ISSUE 2: Vacant Hotel Units

In 1986 20 residential hotels were reported totally vacant and in additional 10 buildings were 70% or more vacant. These 30 hotels accounted for about 1,000 units of the 2,687 vacant units reported in 1986. High vacancies reduce the limited stock of affordable low income residential hotel housing units.

Community groups have voiced their concerns over high vacancies in residential hotels and the need to eliminate regulations which encourage vacancies and develop regulations which prohibit owners from willfully keeping buildings vacant.

Proposal:

Require owners of buildings with more than 50% vacancies report the reason for vacancies to BBI and that the City develop a program to bring these vacant units back into use, which may include building code enforcement, restoration financing incentives, fines, or acquisition by non-profit housing groups with City assistance. In addition, require that Building Inspectors verify reported vacancy data as part of routine and scheduled Building Code and Residential Hotel inspections.

Adjustment of the 32 day rule may also help to increase the utilization of vacant units.

ISSUE 3: Homeless Program in Residential Hotels

The City's homeless program uses approximately 1,900 residential hotel units to house the homeless. The homeless use these units for five days or less. This practice may be in conflict with the Residential Hotel Ordinance's 32 day minimal rental requirement. Operators claim that the City uses a double standard by using residential hotel units on a daily and weekly basis while it prohibits residential hotel operators from doing the same, and community groups object to the use of residential hotel to house the homeless because it diminishes the availability of residential and transient units. There is also concern over increases in crime and blight from the use of residential hotels by the homeless.

<u>Proposal</u>:

As a City policy require that the homeless program contract only with operators of transient hotel units, or exempt residential hotel units used by the homeless from the 32 day minimum rental requirement.

AFFORDABILITY ISSUES

ISSUE 4. Protection From Rent Escalation

Residential hotel units are protected by the rent control ordinance because these units must be rented on a monthly basis. However, rapid turnover rates in residential hotels and vacancy decontrol permitted rent escalations of 20% per year from 1980 to 1984. According to the information provided by redidential hotel operators rents have leveled off at about \$250 per month since 1985. Residential hotels remain among the most affordable units in the City.

Residential hotel units could be exempt from the vacancy decontrol provision of the rent control ordinance because the affordability of residential hotel units is more endangered by rapid turnover rates and vacancy decontrol than apartment units. The affordability of many residential hotel units can be again threatened if rent escalation in vacant units were to resume.

Proposal:

Eliminate vacancy decontrol of vacant residential hotel units with a provision that would permit higher rent increases on vacant units if the owner demonstrates to the Rent Arbitration Board that higher rents are merited because of major new improvements or because the units are significantly underpriced compared to other similar units.

ISSUE 5. Funding for Major Renovation and Retrofitting

Approximately 44% of the residential hotel buildings are high-risk unreinforced masonry buildings. In the event of a major earthquake collapse of these buildings, up to 4,000 deaths may occur per 10,000 occupants. To minimize these hazardous conditions, some earthquake retrofitting measures are needed. Seismic upgrading would cost at a minimum about \$10,000 per unit.

The costs for required renovation and retrofitting would pose a severe economic hardship on both owners and tenant of low income residential hotels. Community groups claim that even minor renovation costs passed on to existing low income residential hotel tenants can lead to displacement and increase in the homeless population. Meanwhile residential hotel operators complain that they are already squeezed by regulations which protect low income residential hotel users and additional building code requirements which increase their costs.

Proposal:

Develop a financing assistance program for building code rehabilitation, and seismic upgrading of residential hotels serving low income tenants. This issue will be addressed through the seismic upgrade study which the City has initiated.

REPLACEMENT ISSUES

ISSUE 6: More Public Review for Conversions and Demolition Permits

The RH Ordinance permits conversions and demolitions as a matter-of-right provided that replacement or in-lieu fees and other requirements are satisfied. No public review is required although BBI now as a matter of practice notifies City Planning and interested community groups of any pending demolition or conversion permit application. Even though only a few demolition and conversion applications have been processed by BBI, community groups claim that notification and public review has been inadequate and that it could become a bigger problem if residential hotel owners begin to exercise the "buy-out" option as a way of avoiding replacement.

Community groups proposed to make demolitions and conversions subject to a public review process similar to the Planning Commission Conditional Use Review process which requires formal notification, a public hearing, and permits discretion as to whether a project should be approved or denied based on established criteria.

Proposal

Retain permit review authority within BBI but require that interested community groups and the Department of City Planning be formally notified when a demolition or conversion permit application is received and require that BBI conduct a public hearing to solicit public input on a proposed demolition or conversion permit application, or complaint of conversion. These procedures would formalize a practice which BBI already has initiated. Amend the Ordinance to require notification and solicit public review of each demolition or conversion application.

ISSUE 7: More Specificity About Location in Replacement Units Requirements

Additional criteria are needed in determining what are acceptable replacement units for units proposed for conversion or demolition. The Ordinance is silent as to location and this is an important consideration in determining comparable units. Consequently an operator attempted to replace residential hotel units in North Beach for units in a less desirable area South of Market. In this case BBI denied the application but in another case comparable units could be interpreted narrowly and such a conversion may be approved because the ordinance requires only that the units be replaced with comparable units similar in size. Chinatown community groups have proposed that replacement units be located within the existing neighborhood because to relocate elderly and other tenants outside their community would impose a severe hardship on existing tenants.

Proposal:

Amend the Ordinance to require that replacement units be located within the existing neighborhood or within a neighborhood similar in character.

ADMINISTRATIVE ISSUES

ISSUE 8. Reporting Requirements for Non-Profit Residential Hotels

Residential hotels operated by non-profit organizations are exempt under the RH Ordinance from reporting information but not from the conversion or demolition replacement requirements. To qualify as a non-profit residential hotel, a hotel must have a 501(c)(3) IRS status. As non-profit hotels, they do not have to maintain daily logs, post weekly summaries, or prepare annual unit usage reports as other residential hotels are required.

Without such base-line information it is difficult for BBI to enforce the Ordinance's one-for-one replacement requirement if a non-profit applies for a legal conversion.

With 57 hotels with approximately 2,845 residential units as non-profiteexempt hotels, there is a definite potential for tourist conversions to occur within these hotels. To comply with the Residential Hotel Ordinance, some minimal reporting requirements are needed from non-profit operated hotels.

Proposal:

Require that non-profit status residential hotels file an initial unit usage report, if they have not done so already, to determine the precise number of residential and tourist units each non-profit hotel may have; and require that a minimal status report be submitted annually to BBI indicating the number of units used as residential, tourist, or program use and any changes in the usage of the units.

<u>ISSUE 9:</u> <u>Improvement of Enforcement and Reporting Records</u>

The Ordinance requires that operators prepare (1) a daily log with information on the status of each hotel room, (2) a weekly report on the number of tourist units, and (3) an annual usage report on the status of each hotel room as of September 30 of each year. This reporting system has been unwieldy to maintain and not very useful in verifying compliance with the Ordinance. Operators find the daily log they must keep too time consuming to complete and argue that this information is already contained in their own accounting records. The information on the weekly tourist reports is also redundant and not very useful either in terms of verifying compliance. BBI inspectors are not trained as accountants to be able to sort through often incomplete record to determine compliance with the Ordinance's 32 day rental requirements for residential units.

The Annual Unit Usage report requires that operators report number of tourist and residential units on the last day of the summer tourist season when operator have the greatest flexibility in the number of tourist units. Consequently the information provided on the Annual Units Usage reports is not very useful in identifying discrepancies between the number of tourist units permitted and the actual number of units used as tourist units.

Proposal:

Improve and streamline the Ordinance's information reporting requirements by replacing the current daily, weekly, and annual reports with monthly posting and biannual units usage reports to BBI which would contain information on the number of residential and tourist units, vacancies, and rental rates. Information provided in these reports could need to be verifiable from the hotel's own accounting receipts and records which BBI inspectors could review. If records are not properly maintained by operators or if incomplete, operators would be fined or charged for required accounting work in exess of what is acceptable. A reporting system base on monthly residential hotel unit use and biannual reports to BBI would permit monitoring summer and winter changes in unit usage and would be simpler to administer and enforce. However, additional BBI staff may be required to improve monitoring and compliance.

ISSUE 10: Definition of Residential Hotel Units

The definition of Residential Hotels is contained within the Administrative Code. Neither the Building Code nor the Planning Code contain any language with reference to residential hotels. The City Planning Code considers residential hotels as group housing although residential hotels are not specifically mentioned as a type of group housing. Group housing is considered residential in the Planning Code, but residential hotels may have both residential units and tourist units which are considered commercial in the Planning Code. A consistent definition of residential hotels needs to be established which takes into account these definition and mixed usage problems.

There are also definition problems in the treatment of residential hotel units in the Building Code and Housing Code. A dwelling unit is defined in the Building Code as a unit having both a kitchen and a bathroom, but residential hotel units generally have neither kitchens nor bathrooms.

There is a problem with the definition of a residential hotel unit as a guest room and the exclusion of units with kitchens or bathrooms. Residential hotel units vary in that some motel units may have small kitchens but no individual bathrooms and others may have individual bathroom but no kitchens. If a unit has both a kitchen and a bathroom then it is considered an apartment which as an apartment it is exempt from the Ordinance.

The Ordinance prohibits kitchens from being added to individual residential hotel units and requires that shared kitchens can not serve more than 10 guest rooms. Requiring that a kitchen be added for every 10 guest rooms is unworkable in most residential hotels. To operate as residential hotels more cooking facilities are needed to improve the residential quality of these units, provided that such improvements comply with appropriate health and safety codes and they do not substantially reduce the number of residential hotel units. Mini kitchens can prevent the use of unathorized hot plates which are a fire hazards.

There is also a problem with units which clearly are not residential in some motels but which are classified residential because the owners never submitted a unit usage report and were classified residential hotels by default.

The supply of residential hotels needs to be replenished and expanded with new construction. There is a need to develop planning controls which would encourage new construction of affordable residential hotel units and expand the supply of low cost single room occupancy units (SRO's).

Proposals:

- (1) Resolve residential hotel definition inconsistencies between the City Planning Code, Building Code, and Administrative Code.
- (2) Develop controls which which would permit residential hotels to become more residential in character by permitting small individual kitchens or the creation of "microapartments" provided that they remain subject to the Ordinance, and permit greater flexibility in the number of shared kitchens that may be added.

(3) Clarify applicable residential hotel Planning Code regulations and develop City Planning Code which would facilitate the construction of new single room occupancy (SRO's) residential hotels where consistent with existing land uses.

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(4) Permit residential hotels which never submitted a unit usage report to resubmit a unit usage report for the effective date of the Ordinance. Failure to comply could be subject to a fine and suspension of any tourist usage.

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POTENTIAL HOMELESS POPULATION AND SUPPLY OF TRANSIENT HOTEL UNITS

The homeless come from a variety of backgrounds, including individuals in formerly middle-class families, families with children, and teenagers and elderly individuals. Some of them are homeless because they can not afford to pay for even the least expensive housing. The study and understanding of the very low income housing market is crucial to any plan for at least this group of the homeless. Economic trends and shifts which affect those at the lowest end of the housing market, as well as regulations which affect the availability of transient and very low income housing are important aspects of such a plan.

A. REDUCTION IN THE SUPPLY OF TRANSIENT HOTEL UNITS

Before 1975, there was a larger supply of inexpensive residential hotels where transients could stay for a night, a week or longer before they moved to another hotel or to other more permanent housing. However, the supply of low income transient units has diminished significantly as many of these units have since been (1) converted to tourist use, (2) classified residential so they no longer are available for transient use, (3) classified non-profit for program users only, or (4) contracted with the city's homeless program. Consequently there are fewer private sector units available for transient low income use.

A Study of the Conversion and Demolition of Residential Hotel Units conducted by the Department of City Planning in 1980 showed that there were about 610 low income hotels with about 33,000 units. These hotels by-and-large served both transient and long term residents. With the adoption of the Residential Hotel Ordinance in 1980, these units have been classified either residential or tourist. Currently there are about 500 residential hotels with about 18,700 residential units and about 4,700 tourist units; an additional 57 hotels with about 2,800 units are classified non-profit hotels. Of the designated residential units about 2,000 units participate in the City's Homeless Program and about 2,500 units are reported vacant. Conversions and demolitions since 1980 account for the loss of about 200 units. That leaves a balance of about 6,600 units out of the 33,000 units available for transient use prior to 1980. These units are in hotels classified tourist hotels and other hotels which by definition are not considered residential hotels subject to the Residential Hotel Ordinance.

BBI does not know how many low income transient hotel units there are because these hotels are not regulated. However, most of these unregulated hotels are either tourist hotels or transient hotels which contract with the City's Homeless Program, leaving fewer private sector transient hotels units.

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Letter to B. Paul Aug. 7, 1989 page 2

> The existing law allows operators who would desire to violate the law to do so with relative impunity since gaining access to each and every room to determine usage is virtually impossible. This proposal will simplify the verification process of both room count and the log books. The proposal also allows operators to change these designations by providing written notification to the Bureau.

Summer Tourist Use

The original ordinance provided for renting to tourists during the summer with certain limitations. It appears that the ordinance may encourage operators to leave those rooms vacant during the winter months so that they will be available for tourist rental during the summer. The records show an 18% vacancy rate as of Nov. 1, 1988 according to the Annual Unit Usage Report filed by operators.

The amending ordinance to encourage the rental of guest rooms to residents in the winter would be consistent with the spirit of the ordinance and may also improve the operator's profitability. The proposal would require that a residential unit must have been occupied for at least 50% of the winter season (October 1 through April 30) before it can be rented on a tourist basis. There is a provision in the ordinance that will address and accommodate extenuating circumstances when this requirement cannot be met.

The proposal would allow more than the 25% tourist rental normally permitted provided that certain conditions are met, including a showing that units were occupied during the winter period. This is an additional incentive for the operator to rent rooms during the winter, opening up more rooms for permanent residents.

Weekly Rentals

The ordinance states that rentals of residential units for less than 32 days is unlawful. The problem was that many tenants could not afford to pay on a monthly basis and thus landlords were technically violating the ordinance by renting weekly. The proposed change will allow landlords to rent weekly, with certain conditions and restrictions. This change will resolve the legal dilemma of the landlord, facilitate occupancy of residential rooms by low income permanent residents who might not otherwise be accommodated and provide a control mechanism for the Bureau to detect illegal tourist rentals.

Strengthened Enforcement Mechanisms

The present ordinance restricted the ability of the Bureau to perform thorough and unannounced inspections, particularly in cases where there were allegations of violations of the ordinance. While most operators do

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City and County of San Francisco Department of City Planning

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September 22, 1989

MEMORANDUM

T0:

Files 83.52E: Residential Hotel Conversion and Demolition Ordinance, and 84.236ET/84.564ET: Amendments to Residential Hotel Conversion Ordinance

FROM: Carol Roos, Office of Environmental Review

RE: MODIFICATION OF THE PROJECT

82.522

On June 23, 1983, the Department of City Planning issued a Final Negative Declaration for Chapter 41 of the San Francisco Administrative Code, commonly referred to as the Residential Hotel Conversion and Demolition Ordinance. The Negative Declaration analyzed the ordinance which regulates conversion of rooms in residential hotels to other use, including tourist occupancy, and demolition of such rooms, for residential hotels citywide.

On January 9, 1985, the Department of City Planning issued a Final Negative Declaration for amendments to the ordinance affecting definition of interested parties, time limits for compliance, penalties for violation, and other aspects of administration of the ordinance.

Currently, amendments are proposed revising definitions, notice requirements, reporting requirements, time limits, replacement requirements, exemptions and penalties of the ordinance, and amending Part II, Chapter 1 of the San Francisco Municipal (Building Code), Section 333.2, to amend the hotel conversion fee schedule.

Section 31.35(c) of the San Francisco Administrative Code states that a modified project must be reevaluated and that, "If on the basis of such reevaluation, the Department of City Planning determines that there could be no substantial change in the environmental effects of the project as a result of such modification, this determination and the reasons therefore shall be noted in the case record, and no further evaluation shall required by this Chapter."

Principally, the proposed amendments include: 1) clarification of, and more detailed, reporting requirements; 2) expansion of reporting requirements for non-profit organizations; 3) notice requirement of intent to convert from residential hotel to other uses and of hearings on complaints; 4) an increase in the fee to be paid to the City in lieu of building replacement units for those converted, from 40% to 80% of the construction costs; 5) clarification of the requirements regarding temporary conversions, including authorization to use some units as tourist hotel units during the summer season under defined limited circumstances, or as weekly rather than monthly rentals during winter months under defined limited circumstances; 6) addition and clarification of enforcement mechanisms; 7) requirements that permits to convert to non-residential hotel use be consistent with the City Planning Code; 8) requirements that units demolished due to major fires, natural causes or accidents be replaced on a one-for-one basis prior to issuance of a building permit for new construction on the affected site; and 9) numerous small technical and procedural corrections and clarifications such as increased fees, additions to and reorganization of definitions, changes in penalties for conversion and language corrections.

The proposed amendments would be largely procedural and housekeeping measures to improve operation and enforcement of the ordinance. The increase in lieu replacement fees from 40% to 80% of construction costs is an adjustment based on lack of supplemental funds. It might increase the amount of replacement units made available through the City funding mechanism, but not in proportion to the increase in money, since the original ordinance at 40% did assume other subsidies would be available. If any increase in construction of replacement units were to occur, it would be impossible to assess any impacts at this time, because there is no way to predict when, where or how many additional units might be built.

The new requirement that demolitions caused by major fires or other natural causes be replaced on a one-for-one basis could also mean that more than one-for-one replacement would occur on some sites. As with the in lieu fee, it is impossible to analyze any potential physical effects resulting from this new provision because when, where and how many new units might be built cannot be established. Both of these provisions would result in building permit applications for replacement units; these applications would be reviewed pursuant to CEQA in the usual course of plan checking, so any direct physical effects would be more appropriately analyzed then.

Many of the proposed revisions, as noted, are procedural in nature, affecting only the administration of the ordinance. Clearly, they could have no physical effect on the environment.



The proposed amendments are intended to assist in the administration and enforcement of the ordinance. They would not change the standards of the ordinance and would not mandate the conversion of a greater or smaller number of hotel rooms from residential occupancy to other uses. Increased compliance with the ordinance and a resulting decrease in illegal conversions of residential hotel rooms would be a likely result of the incorporation of the proposed amendments into the ordinance. The City Planning Commission, when it affirmed the original negative declaration following an appeal, determined that the ordinance could not have a significant effect on the environment. The Department of City Planning in issuing a subsequent Final Negative Declarations on amendments to the ordinance, similarly determined that amendments to the ordinance could not have a significant effect on the environment. It was the assumption of the City Planning Commission and the Department of City Planning that the ordinance would be enforced and that hotel owners and operators would comply with the terms of the ordinance.

Because of the nature of the currently proposed amendments, and their effects as discussed above, the revisions to the previously analyzed project would not cause the impacts described in the Negative Declaration to change substantially from those described.

It is clear that the proposed modifications do not have the potential to involve "new significant environmental impacts not considered" in the Negative Declaration. There have been no substantial changes in the environmental setting which would require revisions to the Negative Declaration, and no new information is now available which would change the conclusion of the Negative Declaration that the project could not have a significant impact on the environment. Therefore, pursuant to Section 15162 of the California Environmental Quality Act Guidelines and Section 31.35 of Chapter 31 of the San Francisco Administrative Code, no additional environmental review is needed.

CFR143

Exhibit A HCO Annual Reports Initiated by DBI in 2000

INSPECTION SERVICES

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HOUSING INSPECTION SERVICES

Hotel Unit Conversion and Demolition Ordinance

Legislative History

The Residential Hotel Unit Conversion and Demolition Ordinance (HCO) was originally adopted by the Board of Supervisors as Ordinance No. 330-81 on June 26, 1981. The Board found that the Ordinance was necessary to preserve the existing stock of residential guest rooms as housing for low-income, elderly, and disabled persons. The Board noted in 1981 that the residential guest room housing stock had been decreasing at an alarming rate due to vacation, conversion and demolition of these units to tourist and other uses. The Board found that this reduction created a housing emergency, and adopted Chapter 41 of the San Francisco Administrative Code to minimize the conversion and demolition of residential guest rooms.

Residential Hotel Certification

Beginning in 1981, the HCO required all hotel and apartment house owners and operators with guest rooms to report to the Bureau of Building Inspection (now the Department of Building Inspection) how the guest rooms were being used on September 23, 1979. If the guest room was actually occupied by a tenant for thirty-two consecutive days or longer, the room was designated as residential. If the guest room was occupied for less than thirty-two days the room was designated tourist. The property owner/operator had fifteen days to appeal the certification of these designations by the Bureau of Building Inspection.

Residential Hotel Description

A hotel is considered residential if it has one or more residential guest rooms as certified by the HCO. Approximately five hundred and six (506) hotels are designated residential by Chapter 41 of the S. F. Administrative Code, which includes those hotels owned or operated by non profit organizations. The overall number of residential hotels can fluctuate because the Ordinance permits a hotel to change its residential designation upon approval of a Permit to Convert. Residential guest rooms can be legally converted to tourist uses with approval by the Director of Building Inspection. The Permit to Convert requires the hotel owner to replace the converted residential guest rooms with in lieu (replacement housing) fees, the construction of new units, or the creation of new residential guest rooms in an existing building.

Reports And Records Required

All residential hotels which do not have documentation on file with the Department of Building Inspection indicating that the hotel is operated by a nonprofit (recognized by the IRS) must file an Annual Unit Usage Report on November 1st every calendar year. These residential hotels must also maintain daily logs, weekly reports and corresponding receipts for up to two years. The Certificate of Use indicating the number of residential and tourist guest rooms assigned to the hotel must be posted at the hotel lobby along with the weekly report.

Residential hotel owners and operators must rent residential guest rooms certified by the HCO for seven days or longer. From May 1st through September 30th a residential hotel operator may rent twenty-five percent of their residential guest rooms on a nightly basis provided that the guest room is legitimately vacant and offered for residential use first.

The Housing Inspection Services Division maintains files on residential hotels which are available for public review. These files contain documentation required by Chapter 41 of the San Francisco Administrative Code, such as the Certificate of Use, filed Annual Unit Usage Reports and Complaint Tracking Data regarding enforcement activities.

Within the last five years, no winter rentals have been applied for pursuant to Sections 41.19(a)(3) and 41.19(c) of Chapter 41of the S. F. Administrative Code.

Funds deposited into the San Francisco Residential Hotel Preservation Fund Account are transmitted to the Mayor's Office of Housing for dispersal pursuant to Section 41.13 of the Chapter 41 of the S. F. Administrative Code. During this fiscal year three Permits to Convert were approved which required replacement housing fees to be deposited in the San Francisco Residential Hotel Preservation Fund Account.

41

Hotel Unit Conversion And Demolition Ordinance

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Summary Of Enforcement Efforts:

Delinquent notices are sent to those residential hotel owners/operators who have not filed their Annual Unit Usage Report (due November 1st, every year) or are missing other historical information.

RESIDENTIAL HOTEL UNIT CONVERSION AND DEMOLITION ORDINANCE ANNUAL REPORT Fiscal Year 2005 - 2006

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P:\/LPVLP2\ANNUAL REPORT\AnnRepo2005-6.doc Page 2 of 3



Patricia Beasley and Paul Landsdorf work diligently helping customers

RESIDENTIAL HOTEL CERTIFICATION:

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REPORTS AND RECORDS REQUIRED:

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SAN FRANCISCO PLANNING DEPARTMENT

ILL'.	Tocessing Guidance. Not a project under CEQA	• Fax:
RE:	Processing Guidance: Not a project under CEQA	Reception: 415.558.6378
FROM:	Sarah Jones, Environmental Review Officer	CA 94103-2479
TO:	San Francisco Planning Department	Suite 400 San Francisco,
DATE:	September 18, 2013	1650 Mission St.

PURPOSE

415.558.6409 Planning

Information: 415.558.6377

In evaluating the appropriate level of environmental review, the lead agency must first establish whether the proposed activity is considered a project under the California Environmental Quality Act (CEQA). This memorandum lists permit activities, reviewed by the San Francisco Planning Department, that are not considered a project, as defined by CEQA Section 21065 and State CEQA Guidelines Section 15378. Therefore, they are not subject to CEQA review.

CEQA defines a "project" as "an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment" and is undertaken, supported, or approved by a public agency. (Pub. Res. Code, § 21065.) Approvals, including any Planning permits, for these activities should receive no further action under CEQA.

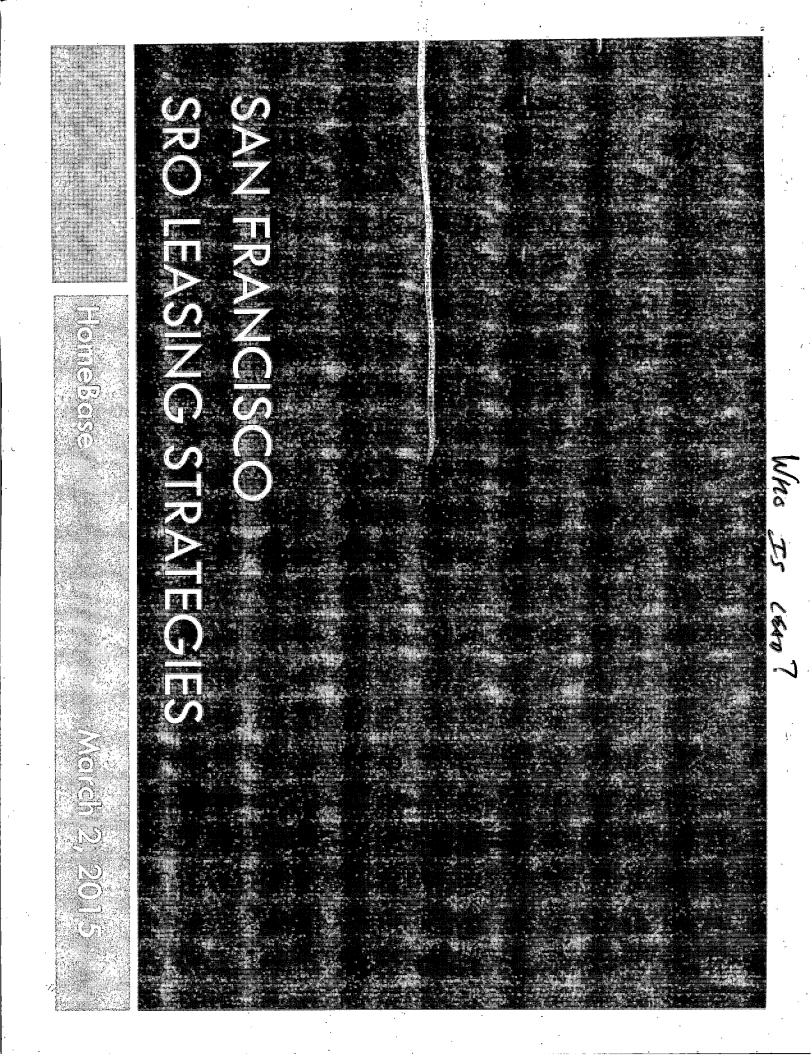
The following activities have been deemed as "not a project" by the San Francisco Planning Department:

- Interior renovations of structures, where the interiors are not publicly accessible, the renovations do not increase the density or intensity of use (i.e. no new units), and there are no exterior modifications;
- Exterior in-kind repair or replacement work on portions of an existing structure not visible from the public right-of-way involving no expansion of the structure (i.e. in-kind repair or replacement of windows, stairs, fences, stucco, siding, roofing and decks);
- Interior renovations of publicly-accessible structures involving no change or expansion of use, where the interior of the structure is not historically significant and/or does not contribute to the building's historic significance;
- Legalization of existing, occupied uses or units;
- Condominium conversions that: (1) involve no activity subject to a building permit or are limited to permitted work not considered a project; and (2) do not require a Planning Commission authorization.

No exemptions shall be issued for any of the activities listed above.

Memo

Planning 004151

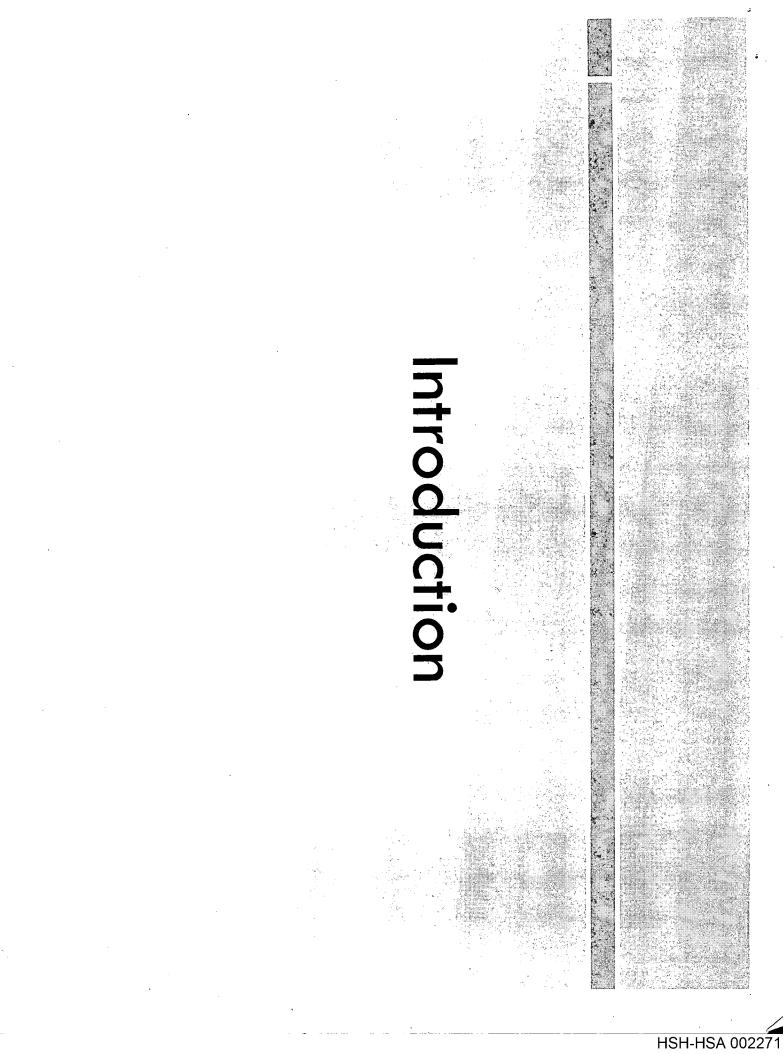


HSH-HSA 002269 PPAR_003379

Overview

- Introduction
- Financial Strategies
- Non-Financial Strategies
- Community Experiences
- Recommendations

HSH-HSA 002270 PPAR_003380



PPAR_003381

Key Principles

Understand landlord interests and behavior

- Profitability
- Consistent income
- Asset protection
- Minimizing conflict / legal action
- Balance landlord needs with program/agency and program participants
- Account for San Francisco's tight rental market

nancial strategies

Pre-Leasing Incentives

- Leasing Bonuses
 - Fixed bonus for each unit
 - Fixed-scale bonus for each type of unit
- Cost One-Time
 - \$35 administrative fee x 500 SROs = \$17,500
 - \$100 bonus x 500 SROs = \$50,000
- Effectiveness
 - Token amount may not be compelling in tight market

Protective Payee

Third party Management of Escrow Account

- □ Cost Monthly
 - \$32 /mo x 500 client= \$16,000 /mo
 - Likely cheaper if scaled up / automated

Effectiveness

Cost-effective if temporary and cost is reduced by automating and scaling up НS

Tenant Vetting & Holding fees

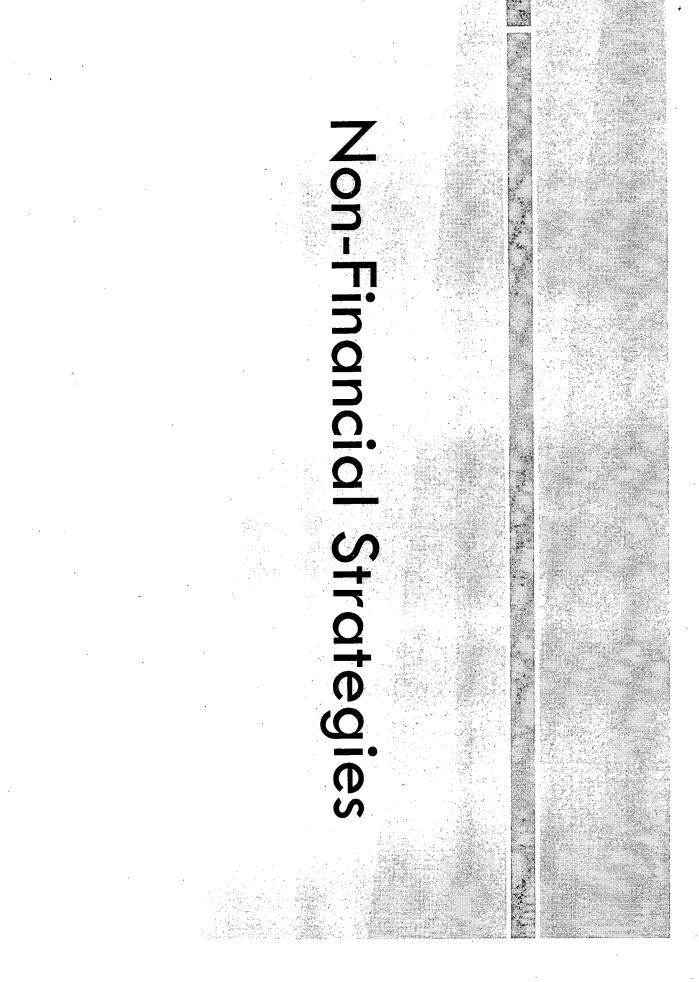
- Conduct background check & provide holding fees
- Cost One-time
 - \$50-100/background check (credit) x 500 clients = \$25,000-\$50,000
 - 100/client holding fee x 500 clients = 50,000
- Effectiveness
 - Depends on economies of scale
 - Holding fee = insufficient incentive due to rapid turnover and competitive rental market

Risk Mitigation Pools

- Insurance pool grants, landlord guarantee funds.
- Covers: damage (not covered by security deposit), unpaid/late rent
- Cost Requires consistent fundraising
 \$800,000 \$1,000,000
- Effectiveness
 - Significantly reduces risk for landlords

Increased security deposits

- Higher deposit for higher risk tenants
- □ Cost Requires consistent fundraising
 - \$942-\$1884/security deposit x 500 units = \$471,000-\$942,000
- Effectiveness
 - Provides incentive to programs to help prevent damage



HSH-HSA 002279 PPAR_003389

Tenant Supports

- □ Accessing Housing
 - Tenant education & certification programs

HSH-HSA 002

- Character recommendation letters
- Co-signing leases
- Maintaining Housing
 - Case management & Supportive Services
 - Tenant peer support groups

Tenant Supports

Varies widely depending on service

Effectiveness

- Case management & Supportive Services are essential
- Certification, co-signing leases, character letters, & peer support groups may be helpful

 Т S H

Landlord Supports

- Support hotlines / responsive landlord management staff
- Rapid turnaround on providing financial services
- Neutral mediation services
- Property maintenance
- Landlord recognition
- Landlord support network

Landlord Supports

Varies widely depending on service

- Ex. 3 staff x \$95,000-\$285,000 FTE = \$475,000
- Effectiveness

Landlord relationship management is essential

Landlord Outreach & Marketing

- Marketing campaigns/materials
- Landlord Advisory Committee
- Landlord Search (Section 8 listings, finders' fees)
- Tracking database

Landlord Outreach & Marketing

Cost

Varies widely depending on level of campaign

- Estimated \$5,000 \$50,000
- Effectiveness
 - Critical for combating stigma

Master Leasing

Cost

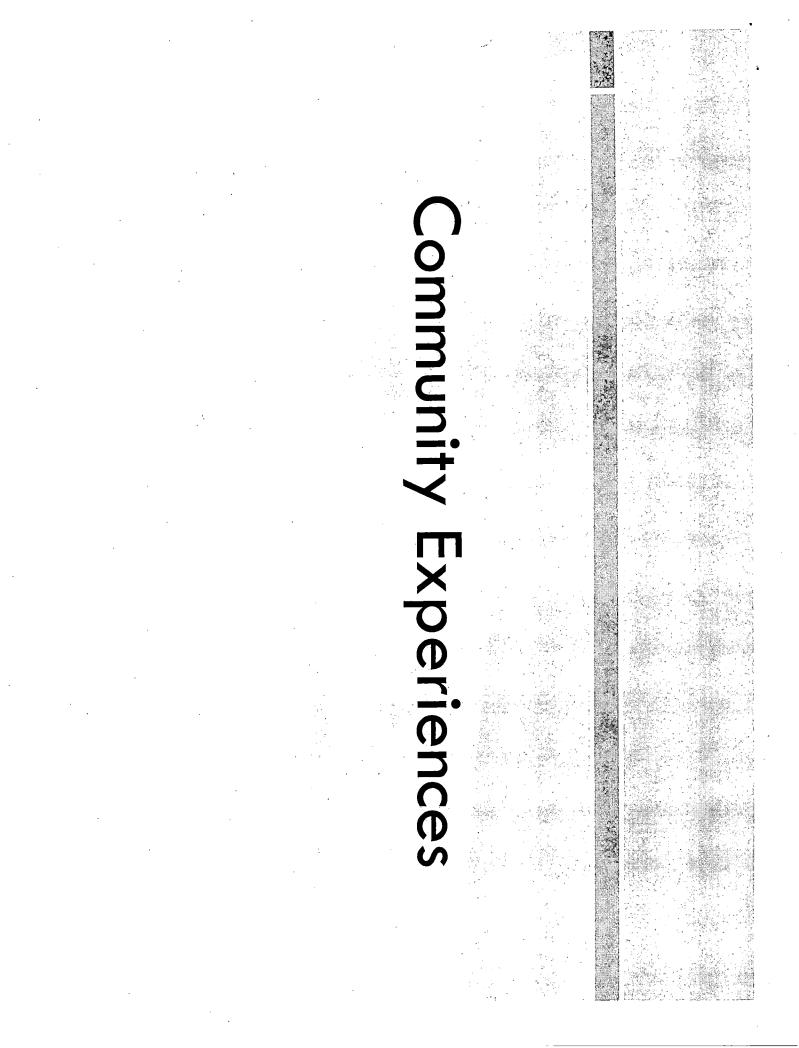
Estimate varies widely depending on size of lease
 Effectiveness

HSH-HSA 002286

003396

PPAR

May result in significant property management challenges



HSH-HSA 002287 PPAR_003397

Landlord Liaison Project:

King County, Seattle

- □ March 2009
- Increase access to private market & non-profit-owned rental housing
- □ Sponsors
 - County Dept. of Community & Human Services
 - City of Seattle
 - United Way
 - service providers

Landlord Liaison Project: King County, Seattle

- Services Provided to Landlords
 - Access to qualified, vetted applicants
 - Access to 24-hour hotline
 - Rapid response to landlord concerns by partnering agencies
 - Access to Landlord Risk Reduction Fund (\$1 million) for excessive property damage/non-payment of rent

Landlord Liaison Project: King County, Seattle

- Services Provided to Tenants
 - Move-in costs, rental assistance
 - Eviction prevention
 - Tenant trainings
 - Mediation with landlords
 - Access to supportive services for at least 1 year

Landlord Liaison Project: King County, Seattle

- Results (10 months)
 - 147 households placed
 - 96% retention rate at 6 months
 - 87 interventions/mediations, but no calls to landlord
 - Only \$2,663 used from Fund for damage to 3 units
 - 71% landlords "satisfied" or "very satisfied"

Recommendations

HSH-HSA 002292 PPAR_003402

Priorities

- Tenant Success
 - Tenant education programs
 - Case management & supportive services
 - Tenant peer support groups
- Cost-Effective Financial Incentives
 - Risk mitigation pools
 - Increased security deposits
 - Protective payee program

Under Administrative Code Chapter 41A, owners of the 413 private hotels are required to file with the Department of Building Inspection (DBI) an Annual Unit Usage Report (AUUR), indicating the total number of units in the hotel as of October 15th of the filing year; the number of residential and tourist units; the number of vacant residential units as of October 15th; the average rent for the units; the nature of services provided at the hotel, and other pertinent information. DBI mails the usage report to all of the hotels annually.

In 2014, only 179 of the 413 hotels returned the usage report. Our office attempted to contact the remaining 234 private hotels, as well as all 90 of the non-profit owned and operated hotels in the City. We received vacancy information for an additional 49 private hotels, and for 32 of the non-profit owned and operated hotels, resulting in vacancy information for 260 non-profit operated and/or privately owned and operated hotels, or 52 percent of the total 503 hotels. The hotels for which we received no vacancy information had disconnected numbers, did not return phone calls, or would not provide information. As a result, it was impossible to verify whether they are still in operation, or to include vacancy information for them.²

The Chief Housing Inspector for the Department of Building Inspection stated that all of the 413 privately-owned residential hotels are thought to be in operation, but that they might not be serving the population that is traditionally thought of as occupying residential hotel units. While the Administrative Code does not restrict who may be served by residential hotels, according to Administrative Code Section 41.3, "Many of the elderly, disabled and low-income persons and households reside in residential hotel units."

A few of the buildings that our office called for this analysis indicated that they are serving populations other than the low-income, disabled, and elderly individuals whom the units are intended to serve. The hotels may be providing long-term rental housing to students or to young technology sector workers, both of which would be allowed under the provisions of Chapter 41.

Chapter 41 restricts the extent to which the residential units in these hotels can be converted to tourist rooms, other types of short-term housing, or to commercial uses. Prior to the issuance of a permit to convert, the owner or operator of the hotel must provide one-for-one replacement of the units to be converted by one of the following methods:

² DBI actively transmits notices to residential hotel owners who do not file the Annual Unit Usage Report (AUUR) or fail to submit complete reports. This process includes the imposition of fines that accrue over time. If not paid, a lien will be placed on the property tax bill for the hotel in question, as specified by Section 41.10(g) of Chapter 41. As of July, 2015, DBI has issued 234 notices for failure to properly file the 2014 AUUR.

Memo to Supervisor Farrell August 24, 2015

- Construct or cause to be constructed a comparable unit to be made available at comparable rent to replace each of the units to be converted;
- Cause to be brought back into the housing market a comparable unit from any building which was not subject to the provisions of this Chapter;
- Construct or cause to be constructed or rehabilitated apartment units for elderly, disabled or low-income persons or households which may be provided at a ratio of less than one-to-one; or construct or cause to be constructed transitional housing which may include emergency housing;
- Pay to the City and County of San Francisco an amount equal to 80 percent of the cost of construction of an equal number of comparable units plus site acquisition cost; and
- Contribute to a public entity or nonprofit organization that will use the funds to construct comparable units, an amount at least equal to 80 percent of the cost of construction of an equal number of comparable units plus site acquisition cost.

SRO hotels that were built before June 13, 1979, are also covered under San Francisco rent control laws. The rents for residential units in these buildings may only be raised a certain amount annually as dictated by the Rent Board.

VACANCIES IN PRIVATE SROs

Our office found that 3.4 percent of the units were vacant in the 32 SRO hotels that are owned and operated by non-profit organizations and that are outside of the master-lease programs run by DPH and HSA. We found that 11.9 percent of the units were vacant in the 228 privately owned and operated hotels for which data was obtained, as illustrated in Table 2 below.

Hotel Type		Number of Hotels	Total Residential Units	Total Vacant Residential Units	Percent Vacant
Non-profit owned and operated		32	2,667	91	3.4%
Privately owned and operated		228	7,241	864	11.9%
	Total	260	9,908	955	

Table 2: Vacancy Rate by Hotel Type

Source: Department of Building Inspection; Interviews with hotel management

Memo to Supervisor Farrell August 24, 2015

> There are a few additional SRO hotels in other parts of Oakland, along International Boulevard in East Oakland and along West MacArthur Boulevard. However, these hotels were not analyzed as part of the Department of Housing and Community Development's survey, so information about their vacancy rates is unknown at this time.

CONCLUSIONS

Given the low rate of response to Building Inspection's annual Hotel Unit Usage Report (AUUR), it is difficult to know precisely both the total number of residential units available in private and non-profit owned and operated SRO hotels, and the actual vacancy rates for these buildings. Our attempt to contact the unresponsive hotels revealed numerous unavailable or disconnected numbers. We also confirmed that at least three of the hotels are now providing long-term housing for students only, a use which is allowed under Chapter 41, but which does not accomplish the goal of providing rooms for low-income and disabled populations.

Based on the Budget and Legislative Analyst's survey, DPH and HSA information, and DBI's reporting, master-leased and non-profit owned SROs have fewer vacancies than privately-owned SROs. HSA reported an average of 3.5 percent vacancies and DPH reported an average of 4.2 percent vacancies in the masterleased units, although each department reports vacancies differently. Based on DBI reporting and the Budget and Legislative Analyst survey, non-profit owned SROs had vacancies of 3.4 percent and privately owned SROs had vacancies of 11.9 percent.

Rhorer, Trent (HSA) (DSS)

From:
Sent:
To:
Subject:

Simmons, Noelle (HSA) (DSS) Thursday, August 27, 2015 8:54 PM Rhorer, Trent (HSA) (DSS) mandatory shelter

Hi Trent,

My two cents . . .

<u>The Problem</u>

You define the problem as the failure of current policies and programs to reduce the street population. This is
true, which suggests both the reality of the magnet effect and the reality that people we've successfully housed
still spend time on the streets. I think an also true but different problem is that current strategies are designed
to house people, not to address undesirable street behaviors like using in public, aggressive panhandling, public
defecation, etc.

Why It's a Problem

- The 2nd problem you identify is public health risk, and the main paragraph speaks to this. The sub-bullets speak to me of a different problem, which is the individual human suffering that results from homelessness, and the attendant societal costs. Alternately, the 2nd sub-bullet on costs associated with high users could be combined with problem 4, which also addresses the budgetary impacts of homelessness.
- I think problems 1 and 3 could be combined they both speak to the duty of a responsible representative gov't to be accountable to its citizens, both by addressing their identified concerns and by demonstrating effective use of public resources.

<u>Solution</u>

- I support the idea of a mandatory shelter policy but am not convinced that this alone will visibly reduce the street problem. We can't mandate people to remain in the shelter all day; like our PSH residents who are still spending their days on the street, I think we should expect the same would be true for shelter residents. There's
- also the risk that we will see the same "if you build it they will come" phenomenon with shelter that we've seen with housing (in other words, it seems possible that might we add 3,600 shelter beds and still see little change in the street count come 2017).
- For the threat of incarceration to be effective, a night in jail has to feel a lot worse than a night in shelter; otherwise the calculation becomes, "maybe I won't be cited, and if I am I just go to jail for the night, which is better/the same as shelter anyway." So in addition to the stick it seems like we need a carrot to draw people to shelter.
- Is the proposal to expand long-term beds or one-night beds? Either way, we know that the underlying reasons for negative street behavior aren't addressed by simply giving people a room.
- I'm thinking that to make a visible impact on the streets, mandatory shelter needs to be coupled with: (1) treatment on demand, (2) long-term stays so there's time to work with residents and link them to services/alternative arrangements, and (3) enforcement that goes beyond banning sleeping/camping on the streets and in parks, e.g. that extends to quality of life offenses like public defecation, public dealing and drug use, failure to control dogs that are threatening people, etc.

<u>NYC Questions</u> - Looks like a comprehensive list; just a couple additions:

- 1. Per my last builet above, when you ask whether law enforcement plays a role, could you probe around the specific laws that are enforced?
- 2. When you ask about whether shelters are designed for specific populations I'd also be curious about TAY.
- 3. When you ask what they do for the seriously mentally ill, I'd have the same question about people with substance abuse issues.

1

DRAFT POLICY DOCUMENT - NOT FOR PUBLIC DISTRIBUTION

The Problem:

Despite ending homelessness for over 21,000 individuals through placement into supportive housing and transportation home through the Homeward Bound Program, the street population in San Francisco persists. The Homeless Point in Time Count in 2015 identified over 3,600 individuals on the streets. This is relatively the same number of individuals counted in 2009, 2011 and 2013. During this same period; however, SF placed thousands of homeless in permanent housing and reunified about the same number through Homeward Bound. San Francisco's current policies and programs have proven extremely effective at permanently ending homelessness at the individual level but they have proven largely ineffective at reducing the street population. In fact, it could be argued that these policies aren't designed to reduce the street population (harm reduction, no compulsory shelter, etc). While San Francisco should continue to pursue our effective strategies to permanently end homelessness for single adults, the City must develop solutions to address a problem that it has not heretofore effectively tackled: there are thousands of homeless individuals on the street every day and night.

Why is it a problem?

1) San Francisco's residents generally identify street homelessness as the #1 problem in the Controllers annual resident survey. Put simply, San Francisco taxpayers identify it as a problem that the City needs to address and it is incumbent upon a responsible representative government to attempt to address its citizens' needs.

2) It's a public health crisis as living on the street is not only harmful to a person's physical and mental health but it poses health risks to the general public due to the presence of excrement, used needles, vermin, etc that are often byproducts of persons living on the streets or in our parks.

- Studies have shown that a person's untreated and or un-medicated mental illness results in more severe psychosis over time and the propensity to self-medicate with drugs and/or alcohol increases. In addition, untreated physical health problems generally result in persons getting sicker and requiring more invasive health remedies and longer hospital stays.
- The individual human harm of living outdoors is also often accompanied with increase City budgetary costs resulting from increased use of emergency room care, increased hospitalizations and longer inpatient stays, increased EMS responses, etc.

3) It undermines public confidence in the City's significant investment to address homelessness and masks the effectiveness of our taxpayer funded interventions. While we have housed over 10,000 people, [95%] the public by and large doesn't see these successes. They only see the failures that are represented by the thousands on the streets.

4) Over time, it can potentially have a negative effect on the tourism and convention industries, which is one of the key drivers of San Francisco's economy and tax revenue base.

The Proposed Solution:

San Francisco should no longer allow individuals to live on City streets or in City parks. Instead the City should provide a nightly shelter bed to ALL individuals who are living on the streets or in our parks and homeless individuals living outdoors will be required to accept the offer of a shelter bed or face criminal penalty. It is important to note that this new policy is **NOT** a solution to homelessness, but instead is a solution to the problem (as enumerated above) of individuals living on the streets and in our parks. The current strategies to prevent and end homelessness (eviction prevention, rental subsidies, supportive housing, behavioral health treatment, etc.) will continue and need to increase under this new City policy.





Patricia Beasley and Paul Landsdorf work diligently helping customers

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REPORTS AND RECORDS REQUIRED:

Annual Report 2000-2001

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033356 PPAR 004391

Department of Building Inspection

RESIDENTIAL HOTEL UNIT CONVERSION AND DEMOLITION ORDINANCE ANNUAL REPORT Fiscal Year 2014 – 2015

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DEPARTMENT OF BUILDING INSPECTION ANNUAL REPORT FY 2012 - 2013, JULY 1, 2012 - JUNE 30, 2013 Page 71 of 90

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DEPARTMENT OF BUILDING INSPECTION ANNUAL REPORT FISCAL YEAR 2011-2012 (JULY 2011 - JUNE 2012) Page 58 of 75

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ANNUAL REPORTING HIGHLIGHTS:

Residential Units temporarily unavailable or effected by fire:	0	
(Through the Permit to Convert Process)		
Residential Guest Rooms Converted:	46	
(Includes cases initiated from the previous year)		
Complaints abated:	5	
Complaints received:	5 5	
HCO Violations	_	
Residential Hotels offering services: (include Maid Service, Linen Service, Security Service, Intercom System, Meal Service, Utilities Paid and Other)	287	
Residential Guest Room (Overall) Average Rent:	\$626	
Total Number of Residential Guest Rooms: (Reported as occupied by the Annual Unit Usage Report)	9,950	
Total Number of Residential Guest Rooms: (Protected by the HCO to be conserved)	13,903	
Total Number of Residential Hotels: (Which file an Annual Unit Usage Report)	417	

ANNUAL REPORT 2008 - 2009 www.sfdbi.org

Page 52 of 64

INSPECTION SERVICES

HOUSING INSPECTION SERVICES

Hotel Unit Conversion and Demolition Ordinance

Legislative History

The Residential Hotel Unit Conversion and Demolition Ordinance (HCO) was originally adopted by the Board of Supervisors as Ordinance No. 330-81 on June 26, 1981. The Board found that the Ordinance was necessary to preserve the existing stock of residential guest rooms as housing for low-income, elderly, and disabled persons. The Board noted in 1981 that the residential guest room housing stock had been decreasing at an alarming rate due to vacation, conversion and demolition of these units to tourist and other uses. The Board found that this reduction created a housing emergency, and adopted Chapter 41 of the San Francisco Administrative Code to minimize the conversion and demolition of residential guest rooms.

Residential Hotel Certification

Beginning in 1981, the HCO required all hotel and apartment house owners and operators with guest rooms to report to the Bureau of Building Inspection (now the Department of Building Inspection) how the guest rooms were being used on September 23, 1979. If the guest room was actually occupied by a tenant for thirty-two consecutive days or longer, the room was designated as residential. If the guest room was occupied for less than thirty-two days the room was designated tourist. The property owner/operator had fifteen days to appeal the certification of these designations by the Bureau of Building Inspection.

Residential Hotel Description

A hotel is considered residential if it has one or more residential guest rooms as certified by the HCO. Approximately five hundred and six (506) hotels are designated residential by Chapter 41 of the S. F. Administrative Code, which includes those hotels owned or operated by non profit organizations. The overall number of residential hotels can fluctuate because the Ordinance permits a hotel to change its residential designation upon approval of a Permit to Convert. Residential guest rooms can be legally converted to tourist uses with approval by the Director of Building Inspection. The Permit to Convert requires the hotel owner to replace the converted residential guest rooms with in lieu (replacement housing) fees, the construction of new units, or the creation of new residential guest rooms in an existing building.

Reports And Records Required

All residential hotels which do not have documentation on file with the Department of Building Inspection indicating that the hotel is operated by a nonprofit (recognized by the IRS) must file an Annual Unit Usage Report on November 1st every calendar year. These residential hotels must also maintain daily logs, weekly reports and corresponding receipts for up to two years. The Certificate of Use indicating the number of residential and tourist guest rooms assigned to the hotel must be posted at the hotel lobby along with the weekly report.

Residential hotel owners and operators must rent residential guest rooms certified by the HCO for seven days or longer. From May 1st through September 30th a residential hotel operator may rent twenty-five percent of their residential guest rooms on a nightly basis provided that the guest room is legitimately vacant and offered for residential use first.

The Housing Inspection Services Division maintains files on residential hotels which are available for public review. These files contain documentation required by Chapter 41 of the San Francisco Administrative Code, such as the Certificate of Use, filed Annual Unit Usage Reports and Complaint Tracking Data regarding enforcement activities.

Within the last five years, no winter rentals have been applied for pursuant to Sections 41.19(a)(3) and 41.19(c) of Chapter 41of the S. F. Administrative Code.

Funds deposited into the San Francisco Residential Hotel Preservation Fund Account are transmitted to the Mayor's Office of Housing for dispersal pursuant to Section 41.13 of the Chapter 41 of the S. F. Administrative Code. During this fiscal year three Permits to Convert were approved which required replacement housing fees to be deposited in the San Francisco Residential Hotel Preservation Fund Account. Residential hotel owners and operators must rent residential guest rooms certified by the HCO for seven days or longer. From May 1st through September 30th a residential hotel operator may rent 25 percent of their residential guest rooms on a nightly basis provided that the guest room is legitimately vacant and offered for residential use first.

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Summary Of Enforcement Efforts:

Delinquent notices are sent to those residential hotel owners/operators who have not filed their Annual Unit Usage Report (due November 1st, every year) or are missing other historical information.

RESIDENTIAL HOTEL UNIT CONVERSION AND DEMOLITION ORDINANCE ANNUAL REPORT Fiscal Year 2005 - 2006

REPORTS AND RECORDS REQUIRED:

All residential hotels which do not have documentation on file with the Department of Building Inspection indicating that the hotel is operated by a nonprofit (recognized by the IRS) must file an Annual Unit Usage Report on November 1st every calendar year. These residential hotels must also maintain daily logs, weekly reports and corresponding receipts for up to two years. The Certificate of Use indicating the number of residential and tourist guest rooms assigned to the hotel must be posted at the hotel lobby along with the weekly report.

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1

Residential Hotel Unit Conversion and Demolition Ordinance

Legislative History

The Residential Hotel Unit Conversion and Demolition Ordinance (HCO) was originally adopted by the Board of Supervisors as Ordinance No. 330-81 on June 26, 1981. The Board found that the Ordinance was necessary to preserve the existing stock of residential guest rooms as housing for low-income, elderly, and disabled persons. The Board noted in 1981 that the residential guest room housing stock had been decreasing at an alarming rate due to vacation, conversion and demolition of these units to tourist and other uses. The Board found that this reduction created a housing emergency, and adopted Chapter 41 of the S. F. Administrative Code to minimize the conversion and demolition of residential guest rooms.

Residential Hotel Certification

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Residential Hotel Description

A hotel is considered residential if it has one or more residential guest rooms certified by the HCO. Approximately 517 hotels are designated residential by Chapter 41 of the S. F. Administrative Code, which includes those hotels owned or operated by non profit organizations. The overall number of residential hotels can fluctuate because the Ordinance permits a hotel to change its residential designation upon approval of



a Permit to Convert. Residential guest rooms can be legally converted to tourist uses with approval by the Director of Building Inspection. The Permit to Convert requires the hotel owner to replace the converted residential guest rooms with in lieu (replacement housing) fees, the construction of new units, or the creation of new residential guest rooms in an existing building.

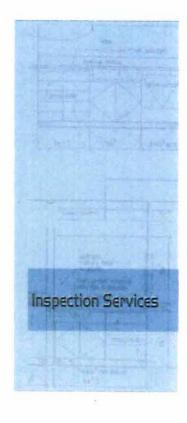
Reports And Records Required

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ma Reports and Records Required ma

All residential hotels which do not have documentation on file with the Department of Building Inspection indicating that the hotel is operated by a non-profit organization (recognized by the IRS) must file an Annual Unit Usage Report on November 1st every calendar year. These active residential hotels must also maintain daily logs, weekly reports and corresponding receipts for up to two years. The Certificate of Use indicating the number of residential and tourist guest rooms assigned to the hotel must be posted at the hotel lobby along with the weekly report.

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Patricia Beasley and Paul Landsdorf work diligently helping customers

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A hotel is considered residential if it has one or more residential guest rooms are certified by the HCO. Approximately five hundred and twenty-one hotels are designated residential by Chapter 41 of the S. F. Administrative Code, which includes those hotels owned or operated by non profit organizations. The overall number of residential hotels can fluctuate because the Ordinance permits a hotel to change its residential designation upon approval of a Permit to Convert. Residential guest rooms can be legally converted to tourist uses with approval by the Director of Building Inspection. The Permit to Convert requires the hotel owner to replace the converted residential guest rooms with in lieu (replacement houisng) fees, the construction of new units, or the creation of new residential guest rooms in an existing building.

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Annual Report 2000-2001

Non-Master Lease Hotels	Number of Hotels	Total Residential Units	Total Vacant Residential Units	Vacancy Rate
Privately owned	354	11,473	1,488	13.0%
Non-profit owned	29	2,028	84	4.1%
Subtotal	383	13,501	1,572	11.6%
Master-Lease Hotels				
HSA Developed Master Lease	30	2,660	106	4.0%
DPH Developed Master Lease	6	450	11	2.4%
Master Lease Subtotal	36	3,110	117	3.8%
Total	419	16,611	1,689	10.2%

Table 3: Vacancy Rates for All SRO Respondents

Sources: DBI, DHSH, Real Estate Division, Interviews with SRO management.

Many SROs had disconnected numbers, did not return phone calls, or were unable to provide information. As a result, it was impossible to verify whether they are still in operation, or to include vacancy information for them. SROs that fail to file AUURs are subject to code enforcement by DBI.

Vacancies in Non-Master-Leased Buildings

Of the 383 non master-lease SROs, 1,572 of 13,501 units (11.6 percent) were vacant. Our point-in-time analysis found privately-owned SRO hotels had a vacancy rate of 13.0 percent, whereas the non-profit SRO hotels had a vacancy rate of 4.1 percent, as shown in Table 3 above.

Vacancies in Master-Leased Buildings

Master-lease buildings developed by HSA and DPH throughout the City had a total vacancy rate of 3.8 percent, as shown in Table 3 above.

HSA Developed Master-Leased Buildings

Non-profit SRO providers in master-lease buildings developed by HSA report a point-in-time occupancy in the buildings on the last day of the month to DHSH (formerly a function of HSA), which provides a snapshot of room availability, rather than an average vacancy rate. As of June 30, 2016, the vacancy rate for the 2,660 units in the 30 HSA developed master-leased buildings was 4.0 percent, as shown in Table 3 above.

According to the Manager of Adult Services for DHSH (formerly under HSA), of the 106 vacant rooms, some already had clients in the screening process, some were offline for building repairs or pest control, and others were sealed off by the Coroner's office.

The Department has various methods, depending on building type, for filling vacancies as they arise. Once a candidate is referred to screen for a vacancy, that unit is not considered vacant, although the unit will technically not be occupied

5

Budget and Legislative Analyst's Office

According to ABAG, out of 102 cities in the Bay Area, 24 cities and four unincorporated portions of counties have SRO regulating policies, as shown in Table 5 below.

County	City	
61l-	Albany	
Alameda	Oakland	
	Antioch	
	Clayton	
	Concord	
	Danville*	
	Hercules*	
Courter Courts	Moraga	
Contra Costa	Oakley	
	Pleasant Hill*	
	Richmond	
	San Pablo	
	San Ramon	
	Unincorporated Contra Costa County	
Marin	San Rafael	
	City of Napa	
Napa	Unincorporated Napa County*	
San Francisco	San Francisco	
	Brisbane	
San Mateo	San Carlos	
	South San Francisco*	
	Campbell*	
Santa Clara	Cupertino	
	Saratoga*	
	Fairfield	
Solano	Unincorporated Solano County*	
-	Cloverdale	
Sonoma	Unincorporated Sonoma County*	

Table 5: Bay Area Counties with SRO Regulating Policies

Source: Association of Bay Area Governments

* Housing policies gathered by ABAG from Housing Elements, but unverified by local staff.

Conclusions

Current San Francisco Administrative Code provisions require tracking of SRO utilization but do not restrict how SROs can be utilized. SRO residential units can be rented to other than low-income residents or can remain vacant. The citywide vacancy rate for SROs in San Francisco in 2015 was 10.2 percent, with higher rates of vacancy for privately-owned and operated SROs (13 percent) and lower rates for nonprofit-owned (4.1 percent) and master-leased (3.8 percent) SROs.

Confidential Draft

Budget and Legislative Analyst's Office

8

Angulo, Sunny (BOS)

From: Sent: To: Subject: Attachments: Rio Scharf <rio@thclinic.org> Wednesday, October 05, 2016 5:23 PM Angulo, Sunny (BOS) Data re: 7-day Rentals Briefing Points.docx

Hey Sunny,

Sorry for the delay. Thank you again for your work on this. Here is the list of hotels where we suspect there are violations of Hotel Conversion Ordinance because owners have advertised rooms to tourists for 7+ night stays. Also, attached you will find our briefing points, outlining the need for clarity around seven day tourist rentals and evidence of at least three buildings advertising 7+ day tourist rentals. Please let us know anything else we can do to help. If you want to reference the buildings below publicly, please let me know. I will get confirmation that they continue to illegally court tourists for their residential rooms.

- Cable Car Court (1499 California Street)
- Nob Hill Place (1155 Jones Street)
- Kenmore (1570 Sutter Street)
- Monroe (1870 Sacramento Street)
- Gaylord (620 Jones Street)
- Emperor Norton (615 Post Street)
- Sheldon (629 Post Street)
- Steinhart (952 Sutter Street)
- Tropicana (661 Valencia Street)
- Entella (905 Colmbus Avenue)
- Balmoral Hotel (640 Clay Street)
- Astoria (510 Bush Street)
- Hotel Des Artes (447 Bush Street)

Best,

Rio Scharf

Community Organizer Central City SRO Collaborative 48 Turk Street Cell: (510) 629-0603 Office: (415) 775-7110 x109

CONFIDENTIALITY NOTICE: This document is intended for the use of the party to whom it is addressed and may contain information that is privileged, confidential, and protected from disclosure under applicable law. If you are not the addressee, or a person authorized to accept documents on behalf of the addressee, you are hereby notified that any review, disclosure, dissemination, copying, or other action based on the content of this communication is not authorized. If you have received this document in error, please immediately reply to the sender and delete or shred all copies.

BRIEFING POINTS FOR HOTEL CONVERSION ORDINANCE AMENDMENTS

The Central City SRO Collaborative (CCSRO) and the Department of Building Inspection (DBI) are proposing a series of amendments to the 1981 Hotel Conversion Ordinance (HCO). Created 35 years ago, this ordinance has been invaluable in preserving low-income residential hotels in San Francisco by giving the city and housing non-profits the tools to prevent unlawful building conversions, demolitions loss of residential units to the tourist market and more. However, the last three decades have seen drastic changes in the housing market and have revealed certain limitations in the HCO as it currently stands. These amendments seek to strengthen enforcement efforts, bring the ordinance up to date and offer corrections for parts of the ordinance that have proven ineffective.

WHY THE NEED FOR AMENDMENTS?

1. PRICES IN THE CURRENT MARKET

Single Room Occupancy Hotels have remained one of the only sources of affordable housing for seniors, disabled people and those on a fixed-income in our city. Yet, in recent years, we have seen the rents at these buildings rise enormously. It has become increasingly difficult for residents on a fixed-income to locate affordable SRO rooms. We believe that the increased rent at SRO hotels is due, in part, to the diminished supply of residential rooms caused by SRO owners renting residential rooms to tourists.

2. OUR ENFORCEMENT EFFORTS

The Central City SRO Collaborative has surveyed over 100 SRO hotels to investigate if they are illegally renting their residential rooms to tourists. We found a handful of hotels that are illegally renting their residential rooms to tourists at a nightly rate and we took action against them. However, we found more hotels that are renting their residential rooms to tourists at a weekly rate. This practice contradicts the spirit of the Hotel Conversion Ordinance, yet the wording in the original Ordinance ensures that we are not likely to succeed in taking action against hotels that engage in this practice.

3. CASE STUDIES

- 1. The Monroe Residence Club, which has 104 residential rooms and 0 tourist rooms, explicitly advertises to tourists and meets their needs by offering weekly and bi-weekly rates. (figure A)
- 2. At the Hotel Des Artes, 75% of their rooms are designated residential, yet they advertise all of their rooms to tourists. They try to evade the Hotel Conversion Ordinance by offering their residential rooms to tourists for no less than 7 days at a time. (figure B)
- 3. The Tropicana Hotel, on Valencia Street in the Mission, is a 100% residential building. However, they have gotten away with offering tourist rentals on AirBnB because they only allow tourists to book a room for 7 nights or more.

CENTRAL CITY SRO COLLABORATIVE

BRIEFING POINTS FOR HOTEL CONVERSION ORDINANCE AMENDMENTS

MONROE RESIDENCE CLUB 1870 Secremente Street Salt Francisco Call us: (415) 474-6200 HOME AMENITIES RATES CONTACT				
1870 Sacromento Street San Francisco Call us: (415) 474-6200				
NOTE ANELOUS NALLA CONTACT				
Rates at the Monroe				
ACCOMMODATION 1 WEEK 2 WEEKS 1 MONTH				
Private suite, private bath \$550.00 \$990.00 \$1980.00				
Private room, private bath \$500.00 \$940.00 \$1880.00				
Private room, chared bath \$475.00 \$890.00 \$1780.00				
Private room, hali balh \$450.00 \$640.00 \$1680.00				
Shared suite, private bath \$375.00 \$620.00 \$1240.00				
Shared room, shared bath \$350.00 \$590.00 \$1160.00				
Shared room, hall balls \$325.00 \$560.00 \$1120.00				
These rates are PER PERSON				
Accepted methods of payment: Cash, Traveler's checks, Visa, Mastercard				
1870 Sacramanto Streef (Map) Sen Francisco: California datug				
Phone: (#15):474-8200	•••			
Ettel: (reservations/Dinon/ceres/densec/us/ nom	Le			
Club				
Reservations Figure B				
Reservations Hotel Des Arte	•			
Click here to make a reservation 447 Bush Stree	τ			
Room Descriptions:				
Residential Standard Shared Queen (SRO-SQ):				
Our standard rooms feature a queen-size bed. Each room contains a washbasin and closet. Shower and tollet are shared among just a few rooms				
Booking restriction applied of 7 nights or more.				
Residential Deluxe Queen (5R0-DQ): Our standard deluxe rooms feature one queen-size bed with a private bathroom. Booking restriction applied of 7 nights or more.				
Artist (AR):				
Our standard artist rooms feature one queen-size bed with a private bathroom. This room can be booked on a daily basis.				
Residential Single Family Room (SRO-SU); The Single Family Room features one queen size bed and private bathroom with the option of connecting to a second room with a Sofa/Bed. Up to 4				
people can stay in this room. Booking restriction applied of 7 nights or more.				
Residential Double Family Room (BRO-D2):				
The Double Family Room features two full size beds and private bathroom with the option of connecting to a second room with a Sofa/Bed. Up to 6 people can stay in this room. Booking restriction applied of 7 nights or more.				
All room rates include double occupancy. \$15 extra for a third person (and 4th, 5th and 6th person for the Family Rooms). Weekly discount rates are also available upon request.				
All rooms are painted and have Flat TV screens, mini fridges and desks.				

BRIEFING POINTS FOR HOTEL CONVERSION ORDINANCE AMENDMENTS

Photos About this lis	iting Raviews The Host Loo:	ation	\$170 / Par Night
Contact Host The Space	Accommodates: 2 Bathrooms: 1 Badrooms: 1 Badrooms: 1 Badrooms: 1 Badrooms: 1 Badrooms: 1 Badrooms: 1	Cheol: In: 3:00 PM Cheol: Out: 11:00 AM Property type: Apartment Room type: Pr(vate room)	Check in Gheck out Guests 04/04/2016 04/11/2016 1 \$170 x 7 nights \$1191 Sarvice fee \$106 Occupancy Taxes \$166
Amatites	の Internet で ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・ ・	 Essentials Wireless Internet More 	Total \$1463 Instant Book
Privas	Extra people: \$19 / night after the first guest Weekly discount: 0%	Monthly discount: 0% Cancellation: Moderate	Save to Wish List
Levengdian	The Space Hotel on Popluar Valencia Stread in N Only minutes from BART Train and N Refrigerator and Microweave in Room Electronic Key Card Locks 1 Full Size Bed for 1 or 2 Persons Britatic Recombedth Private Battacear.	AUNI Bus, Stops.	⊠ Ernail - G AMessenger More
Hause Rabas	We DO NOT Allow Pets in the Buildi We DO NOT Allow Bioyoles in the B	•	
Sainty Frantuces	Smoke Delector Fire Extinguisher	Look on Bedroom Door	
Availability	7 nights minimum stay. From Oct 29, 2015 - Apr 30, 2016 the minimum stay is 7 nights.	View Galendar	<i>Figure C</i> Tropicana Hotel 663 Valencia Street

4

Angulo, Sunny (BOS)

From:	Sanbonmatsu, Jamie (DBI)
Sent:	Friday, January 13, 2017 12:54 PM
To:	pratibha tekkey (pratibha@thclinic.org); gen fujioka; raul fernandez; Diana Martinez
Cc:	Bosque, Rosemary (DBI); Angulo, Sunny (BOS)
Subject:	HCO hearing 1/23

Hi everyone

Supervisor Peskin is holding a hearing on important changes to the residential hotel conversion ordinance on Monday, January 23 at 1:30. The legislation will change the 7 day rule to 30 days and update penalties for the first time in a generation (among other items).

1

Please let your folks know, as well as those in your umbrella organizations. If you have any questions, let me know, and keep up the good work!

Sincerely,

James Sanbonmatsu Senior Housing Inspector SRO Collaboratives Program Coordinator

SAN FRANCISCO ADMINISTRATIVE CODE CHAPTER 41 RESIDENTIAL HOTEL UNIT CONVERSION & DEMOLITION (HCO) KEY ELEMENTS

To preserve the residential guest room inventory from conversion and demolition the HCO requires the following monitoring, implementation, and features.

- Recordkeeping: Hotel Operator must maintain the requisite records(records of use) that demonstrate the residential guest rooms are being rented properly. (Current record keeping requirements are subject to inaccuracies and do not readily reflect actual residential guest room rental.)
 - Daily Logs
 - Weekly Reports
 - Corresponding Rent Receipts
- Proper Rental: Rent residential guest rooms for seven (7) days or more. (Add 30 day language)
- Annual Reporting: Submit the Annual Unit Usage Report to DBI.
- (Add deficiencies)
- Obtain Approval to Convert: File Permit to Convert application when converting residential guest rooms. (Add deficiencies)
- Consequences for Violations: The HCO provides fines and penalties. (These have not been updated in 36 years)
 - Failure to maintain/submit records
 - Illegally convert/demolish residential guest rooms.

HCO update needs from Chief Housing Inspector

I. Enforcement

A. Change 7 days to 32 days for Unlawful Conversion:

To effectively achieve the legislative intent of the HCO in today's economic market, residential use of a guest room certified for protection by Chapter41, should be defined as a thirty-two (32) day minimum rental. This is consistent with the HCO definition of a" Permanent Resident", and the Rent Ordinance. In addition, low income, elderly, and disabled persons should be allowed to pay in seven (7) day increments so they, as the target population to be served, have access to this housing.

 Section 41.20(a)(3): Revise this section to require a thirty-two (32) day minimum rental and payment on a seven (7) day increment to allow low income, elderly, and disabled persons to have economic access to these residential units.

B. Penalties (Section 41.11):

HCO code enforcement provisions reflect a thirty year old methodology, and do not require substantive consequences for illegal conversion /failure to maintain required records.

- 1. Penalties for failure to maintain the records of use should be more substantial than \$250.00 per violation.
- Notice of Apparent Violation (41.11(c): This Section should be amended to change Notices of Apparent Violation to Notices of Violation <u>and be subject to Assessments of Costs</u> similar to that for Housing and Building Code enforcement cost recovery.
- 3. Costs of Enforcement (41.11(g): Filing Fees and civil fines do not currently cover investigation and enforcement costs.

II. Records

1. Current residential hotel record keeping requirements are outdated, easily subject to misrepresentation, and do not reflect actual business activities.

The Way It Is Now	Why Is This A Problem?	Proposed Fixes in New Law
• <i>Background:</i> Single Resident Occupancy (SRO) hotels can be all residential units or have a mix of residential and tourist units, depending on what rooms were vacant in 1979 when the law took effect.	• From 1980-2000, thousands of SROs were converted to condos, the trend of the time. In recent years, the lucrative profits from short-term rentals and a booming tourist economy have led to a spike in illegal conversions to boutique hotels.	• Sup Peskin, Dept of Building Inspection, SRO Collaboratives, tenant orgs & hotel workers have all joined to update the HCO to address the threat of speculation schemes
• <i>Definitions:</i> Residential units must be rented for <u>at least</u> 7 days to "permanent residents" while tourist units are commercial rentals for one night or longer – so, not much of a difference in length of stay	 Private hotel owners rent these valuable residential housing units to short-term tourists for bigger profit, with none of the hassle of tenant protections. Private hotel owners lie about who is staying in their residential units and warehouse those units to eventually convert the entire hotel to tourist use 	 Redefines "tourist and transient use" as a rental of <u>less than 32 days</u> and cuts out "prospective resident" – basically, extends tenant protections to permanent residents as defined by the Rent Ordinance and expressly forbids weekly rentals to tourists Redefines "unlawful conversion" to prohibit renting residential units as shortterm rentals (AirBnB, VRBO,etc)
 The current HCO allows special "seasonal" rentals of 25% of a hotel's residential units to tourists (during the "high season" of May 1-Sept 30) if the units are naturally vacant (ie., tenant left on own or had just cause eviction Hotel owner can request DBI Commission hearing to rent out <i>more</i> than 25% residential units to tourists <i>but</i> because they have to prove that they are unable to "fill" vacant 	• Flexibility creates culture that encourages "musical rooms" where hotel owners rent out valuable residential units for most of the year, which makes it harder to retain "permanent residents"- also makes it harder for DBI to enforce	• This is a big perk that hotel owners will now lose if they violate the law – no more summer "high season" rentals if there is a violation in the past year – which would make enforcing their existing designation of units easier

Chapter 41 – Hotel Conversion Ordinance (HCO) Summary

MEMORANDUM

To:	Supervisor Ahsha Safai
From:	Suhagey G. Sandoval
Re:	Proposed legislation amending the Residential Hotel Unit Conversion and Demolition Ordinance ("HCO"), Administrative Code Chapter 41 (File No. 161291) to be presented before the full Board of Supervisors on Tuesday, January 31, 2017.
Date:	January 30, 2017 (Monday)

I. BACKGROUND

The Ordinance amending the Residential Hotel Unit Conversion and Demolition Ordinance ("HCO"), Administrative Code Chapter 41, has been put forth because "private hotel owners rent these valuable residential housing units to short-term tourists for bigger profit, with none of the hassle of tenant protections."¹ The Department of Building Inspection (DBI) is responsible for HCO implementation and enforcement of the HCO. ² The HCO "regulates [the] roughly 18,000 residential units within 500 residential hotels across the City that currently exist," and, of these 500 hotels,³ 300 are for-profit and the remaining 200 are run by nonprofits. *Legistar*. Since its inception, the purpose of the HCO is to "benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." Sec. 41.2, Admin. Code. The HCO prohibits "residential hotel operators from demolishing or

³ Land Use and Transportation Committee, January 23, 2017, Video, available at: <u>http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=177&clip_id=26984</u>.

¹ Angulo, Sunny, "Chapter 41 – Hotel Conversion Ordinance (HCO) Summary," (henceforth, the "Summary"), via email, January 27, 2017.

² The proposed Ordinance timeline of events are as followed: (1) November 29, 2016, President London Breed assigned the Ordinance under the 30-Day Rule to the Land Use and Transportation Committee (due back on 12/29/2016); (2) On December 12, 2016, President London Breed received a substitute version of the Ordinance and "SUBSTITUTED AND ASSIGNED" to the Land Use and Transportation Committee (due back 12/29/2016); (3) On December 15, 2016, the Clerk of the Board referred the legislation (version 2) to the Planning Department for environmental review, to Small Business Commission for comment and recommendation and to Department of Building Inspection, Planning Department, Mayor's Office of Housing and Community Development, Department of Homelessness and Supportive Housing, and Department of Public Health for informational purposes; on December 15, 2016, the Planning Department reported that the Ordinance was not defined as a project under (CEQA) Guidelines; January 23, 2017, Supervisor Aaron Peskin amended the Ordinance (bearing same time), (P. 6, Line 21, striked "or prospective 'Permanent Resident' after ; January 23, 2017, the Ordinance was "RECOMMENDED AS AMENDED" to the full Board of Supervisors (will be before the Board on Tuesday, January 31, 2017).

converting registered residential units to tourist or transient use."⁴ The HCO was first enacted in 1981 (Ordinance No. 330-81), following a 1979 moratorium and a declaration of a "housing crisis" by both the Board of Supervisors and Mayor. *This meant that starting in 1981, the HCO required all hotel owners/operators file an initial unit usage report and if not exemption applied, those guest rooms occupied by a permanent resident for (September 23, 1979, when the moratorium was implemented) were designated as residential units and subject to the protection of the HCO and those not occupied could be for tourist use.*

SUMMARY OF KEY TERMINOLOGY

Below, please find a list of key terms per the proposed Ordinance⁵:

1. Conversion: The change or attempted change of the use of a residential unit to a Tourist or Transient use, or the elimination of residential unit, or the voluntary demolition of a residential hotel, exempting changes to noncommercial uses which serves only the needs of permanent residents (e.g. resident's lounge, community kitchen, or a resident's lounge) provided that the "residential hotel owner establishes that eliminating or redesignating an existing tourist unit instead of a residential unit would be infeasiable." Ordinance, p. 4, Legistar, V3.

2. Permanent resident: A "person who occupies a guest room for at least 32 consecutive days." Id. This 32 consecutive day change is important and brings the HCO in compliance with the Rent Ordinance. This proposed change renders a rental of less than 32 days as transient or tourist.

3. Residential hotel: Any "building or structure which contains a Residential Unit as defined below unless exempted" (see below, #4). Id.

4. Residential Unit: Any guest room which had been occupied by a permanent resident on September 23, 1979. Any guest room constructed subsequent to September 23, 1979 or not occupied by a permanent resident on September 23, 1979 is exempted unless constructed as a replacement unit.

5. Tourist or transient use: Per the proposed change, any use of a guest room for less than a 32-day terms of tenancy by a party other than a Permanent Resident. This is crucial because the existing law requires that residential units be rented for at least seven days to "permanent residents" while tourist units are commercial rentals for one night or longer – "not

⁴ The HCO defines "conversion as eliminating a residential unit, renting a residential unit for a leases than seven-day tenancy, or offering a residential unit for tourist or nonresidential use." Legistar, V3.

⁵ Unless indicated otherwise, all references henceforth are to Chapter 41.

much of a difference in length of stay" and not in sync with the Rent Ordinance. Id.

6. Annual tourist season: Peak tourist season that begins May 1st and ends September 30th, current HCO allows special "seasonal" rentals of 25% of a hotel's residential units to tourists during this "high season" Section 41.3(j), Admin. Code . And, the hotel owner can request DBI Commission hearing to rent out more than 25% residential units to tourists if they can prove that the units cannot be "fill[e]d" and are vacant. Id.

7. Warehousing: Colloquial term for the purposeful vacancy of residential units by hotel owners/operators to then either sale the land or keep for tourists.

8. Evading tenancy in residential hotels ("musical rooming"): A hotel operator cannot require an occupant of a hotel room to move or to check out and re-register before the expiration of thirty-day occupancy period if a purpose of the move is to circumvent the law and deny the occupant tenant status. California Civil Code Section 1940.1; see Section 50519 of the California Health and Safety Code.

9. Certificate of Use: A certificate that is issued and that specifies the number of residential and tourist units therein. 41.4, Admin Code.

10. Hotel: Any building "containing six or more guest rooms intended or designated, or which are used, rented or hired out to be occupied or which are occupied for sleeping purposes and dwelling purposes by guests, whether rent is paid in money, goods or services." Id.

EFFECT OF ENACTING THE ORDINANCE

i. Summary of what ordinance will do

The proposed legislation is meant to honor the "original intent" of the initial HCO (HCO has been amended twice, in 1990 and 1992):

 The HOC currently requires that residential guestrooms be available for low income, elderly and disabled person for a "term of tenancy of seven (7) days or more [proposed legislation will change this to 32 days, any rental of less than 32 days is considered a tourist rental]" DBI report, p. 5.⁶

⁶ This term of tenancy is "defici[ent]" because it "does not adequately define a residential use in keeping with the intent of the HCO, and is not consistent with Rent Control and Short Term Rental residential occupancy time frames of *30-32 days*." *Land Use and*

From: Angulo, Sunny (BOS)

Sent: Monday, January 30, 2017 8:27 PM

To: acabande@somcan.org; tmecca@hrcsf.org

Cc: Randy Shaw <<u>randy@thclinic.org</u>>; Gen Fujioka <<u>gfujioka@chinatowncdc.org</u>>; Katie Selcraig <<u>katie@dscs.org</u>>; Diana Martinez <<u>diana@dscs.org</u>>; <u>tim@dscs.org</u>; Tan Chow

<<u>tchow@chinatowncdc.org</u>>; Tammy Hung <<u>thung@chinatowncdc.org</u>>; Kitty Fong

<<u>kfong@chinatowncdc.org</u>>; Rio Scharf <<u>rio@thclinic.org</u>>; Pratibha Tekkey

cpratibha@thclinic.org>; Alexandra Goldman <a goldman@tndc.org>; ilewis@unitehere2.org; Sue Hestor <

Deepa Varma <<u>deepa@sftu.org</u>>; jennifer@sftu.org;

fred@hrcsf.org; Tony Robles <tony@sdaction.org>; Theresa Imperial

<theresa.imperial@vetsequitycenter.org>;brian.basinger@ahasf.org;joyce@cpasf.org;

cgomez@unitehere2.org; tenantorganizer@somcan.org;

rquintero@tndc.org;	Gail Gilman <ggilman@chp-sf.org>;</ggilman@chp-sf.org>		
jwilson@hospitalityhouse.org;		Jordan	
Gwendolyn Davis' <	'freebells@msn.con	n' < <u>freebells@msn.com</u> >;	

Subject: FINAL PUSH: CH 41/SRO Conversion Update Importance: High

<

Dear A-Team:

Thanks to all of you who have put your heart and souls into this legislation. I deeply appreciate your advocacy and commitment.

Tomorrow is a huge day and we need to keep everyone's feet to the fire. Although we have met with individual hotel operators and their representatives, we agreed to meet with over 50 more today and they flooded the halls and made the rounds to the various Supervisors after our meeting. Nothing much has changed: their chief concern is the very heart of the legislation. They want to keep it at 7 days. We have indicated that the community is committed to this core piece of the legislation.

Advocates are meeting at 12:30 at our office (Room 282) to check in tomorrow and make the rounds to every Supervisor. At this point, the community should just be taking this up with every office before the vote.

You guys are rocks. I am excited to see us make some history tomorrow.

If you're in the audience tomorrow, Supervisor Peskin will ask you to stand if you support the legislation, depending on how many folks can show up. It's Item 41 on the agenda, so might be later in the meeting.

Please show up if you can. Let's do this.

Paz,

Sunny

Sunny Angulo Supervisor Aaron Peskin, Chief of Staff Sunny.Angulo@sfgov.org 415.554.7451 DIRECT 415.554.7450 VOICE

DBI2017-BRYANWENTERPRA-2017000398

> WORKERS TO PROTECT SRO HOUSING

>

> _Legislative overhaul to Hotel Conversion Ordinance Would Protect

- > 19,112 Units of Affordable Housing From Speculative Conversion
- > Schemes_

>

- > SAN FRANCISCO Supervisor Aaron Peskin will host a rally on Monday,
- > January 23rd to announce the details of his legislative update to
- > Chapter 41 of the City's Administrative Code (also known as San
- > Francisco Hotel Conversion Ordinance). Single Resident Occupancy (SRO)
- > hotels are a critical source of rent-controlled affordable housing
- > stock in San Francisco and have become attractive targets for
- > conversion into boutique tourist hotels or illegally leased as
- > short-term rentals. Supervisor Peskin has drafted legislation to
- > address existing loopholes with input from the Department of Building
- > Inspection, tenant organizations and hotel workers. The legislation
- > will be heard at the Land Use & Transportation Committee meeting
- > immediately following the rally and press conference.
- >
- > WHAT: Tenant Rally & Press Conference
- >
- > WHEN: Monday, January 23, 2017
- >
- > 12:00 noon
- >
- > WHERE: Polk Street Steps of City Hall
- >
- > WHO: Supervisor Aaron Peskin
- >
- > Supervisor Jane Kim
- >
- > Rosemarie Bosque, DBI Chief Housing Inspector
- >

> Central City SRO Collaborative

- >
- > Mission SRO Collaborative
- >

>

- > Chinatown SRO Collaborative
- > Community Tenants Association
- > 0.
- > San Francisco Tenants Union
- >
- > UNITE HERE! Local 2
- >
- > Full Legislation can be found here:
- > https://sfgov.legistar.com/View.ashx?M=F&ID=4824813&GUID=9DD04863-663A-497F-B871-F1921203C9D6
- > >

> Chinese & Spanish translation will be provided for interviews.

- >
- > FROM: Angulo, Sunny (BOS)
- > SENT: Wednesday, January 18, 2017 5:11 PM
- > TO: Team
- > SUBJECT: RE: CH 41/SRO Conversion Update and next steps
- >
- > Hi, all –

From: Angulo, Sunny (BOS) Sent: Monday, January 30, 2017 8:27 PM To: TEAM Subject: FINAL PUSH: CH 41/SRO Conversion Update Importance: High

Dear A-Team:

Thanks to all of you who have put your heart and souls into this legislation. I deeply appreciate your advocacy and commitment.

Tomorrow is a huge day and we need to keep everyone's feet to the fire. Although we have met with individual hotel operators and their representatives, we agreed to meet with over 50 more today and they flooded the halls and made the rounds to the various Supervisors after our meeting. Nothing much has changed: their chief concern is the very heart of the legislation. They want to keep it at 7 days. We have indicated that the community is committed to this core piece of the legislation.

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Please show up if you can. Let's do this.

Paz,

Sunny

Sunny Angulo Supervisor Aaron Peskin, Chief of Staff Sunny.Angulo@sfgov.org 415.554.7451 DIRECT 415.554.7450 VOICE 415.430.7091 CELL

District 3 Website

> Subject: RE: CH 41/SRO Conversion Update and next steps

>

> How are we doing on advocacy visits and lining up our votes?

>

- > We really cannot take our progressive allies for granted. The Mayor
- > and Board are being lobbied HARD by the hotel industry and in the last
- > several days my line has blown up from lobbyists, hotel owners, the SF
- > Hotel Council and others.

>

- > Where are we at with Sandy Fewer, Norman Yee, Hillary Ronen and London
- > Breed?

>

DBI2017-BRYANWENTERPRA-2017000317

> > Supervisor Jane Kim > > Rosemarie Bosque, DBI Chief Housing Inspector > > Central City SRO Collaborative > Mission SRO Collaborative > > > Chinatown SRO Collaborative > >Community Tenants Association > > San Francisco Tenants Union > > UNITE HERE! Local 2 > > Full Legislation can be found here: <u>https://sfgov.legistar.com/View.ashx?M=F&ID=4824813&GUID=9DD04863-663A-497F-B871-F1921203C9D6</u> > > > Chinese & Spanish translation will be provided for interviews. >> FROM: Angulo, Sunny (BOS) > SENT: Wednesday, January 18, 2017 5:11 PM > TO: Team > SUBJECT: RE: CH 41/SRO Conversion Update and next steps > > Hi, all -> > I wanted to send a follow-up recap from our meeting last week for > folks that were unable to attend. > > Potential legislative amendments: > > • We are moving forward with striking "prospective permanent > resident" from our definition of Tourist and Transient Use. > · I did meet with two hotel operators who asked that we lower the > threshold of days required to rent a residential room, but I heard > loud and clear the community organizers assembled here that they were > unwilling to do this and that the community wanted to hold strong to > the meat of the legislation. Please let me differently if that isn't > the case... > > · Katie/Diana: Can you give me some additional detail about what > you're looking for relative to strengthening SEC. 41.9? Were you > thinking more of a required blueprint or floor plan upon submittal of > application? Or a map detailing each room and its designation? Let's > talk about it more tonight, but this is what the Daily Log reporting > section currently says: > > "EACH RESIDENTIAL HOTEL SHALL MAINTAIN A DAILY LOG CONTAINING THE > STATUS OF EACH ROOM, WHETHER IT IS OCCUPIED OR VACANT, WHETHER IT IS > USED AS A RESIDENTIAL UNIT OR TOURIST UNIT, THE NAME UNDER WHICH EACH > ADULT OCCUPANT IS REGISTERED, AND THE AMOUNT OF RENT CHARGED. EACH > HOTEL SHALL ALSO PROVIDE RECEIPTS TO EACH ADULT OCCUPANT, AND MAINTAIN

DBI2017-BRYANWENTERPRA-2017000319

COMMUNITY TALKING POINTS - SRO Conversions - Land Use Hearing

- Hello, my name is ______, and my SRO housing allows me to live in the neighborhood where I organize, where I volunteer, where I work and where I am deeply engaged. [*Talk about yourself and why this housing is so important to you!*]
- We are invested residents of this City. We are seniors, we are poets and artists, we are raising families, we are working multiple jobs and we are folks looking for a second chance.
- SRO Housing IS vital affordable housing. For many it is the only source of housing they can afford.
- Approximately 5% of our city's population currently lives in SROs.
- We have seen thousands of units of this vital housing stock taken off the market through speculative evictions, conversions and illegal short-term rentals.
- In the 1980s it was condo conversions, and now we are seeing how attractive the short-term/big-money pay-off is for hotel operators.
- It is so much more attractive to lease rooms to tourists and students than to rent rooms to the people who need them the most: San Francisco tenants!
- Tenants are entitled to tenant protections, and this is unattractive to hotel operators who can make more money renting to tourists, then warehouse the units and then ultimately sell the property almost entirely vacant for a huge profit.
- Supervisor Peskin's legislation

1) gives residential tenants protections under the law,

2) disincentivizes illegal conversions and the "musical rooms" speculation scheme and

3) gives DBI stronger enforcement powers to actual monitor our homes!



RIP / rese

447 Bush Street San Francisco, CA 94108 415.956.3232 (p) 415.956.0399 (f) reservations@sfhoteldesarts.com

RECEIVED JAN 3 1 2017

January 27, 2017

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

Re: Hotel Conversion Ordinance Legislation - Preservation of Weekly Rentals for SRO Hotels.

Dear Supervisor Peskin:

My name is Samantha Felix and I manage Hotel Des Arts located on 447 Bush St., San Francisco, CA. 94108.

First, I would like to take this opportunity to thank you for hearing our concerns in the process of assigning the liquor license to the Bar Fluxus tenants on the ground floor of the Hotel, and for taking the time, along with Ms. Sunny Angulo, to meet with us. It was also pleasure to meet you at the Hotel and give you a tour.

The intent of this letter is to also express my deep concerns on the changes planned to be implemented to the HCO ordinance and how it would profoundly hurt our business. I believe that the proposed Amendment to the HCO needs further angles looked at. We are all in agreement that the issues are very complex. We trust though, that it requires further examination of current facts are required to fully assess the situation.

I understand your concerns and approach to help the housing situation that this City has and I was there myself at the SF Land Use Committee Hearing this past Monday January 23rd. As I was there, I listened to all the concerns and situations many people are going through and the necessities they have and the problems they encounter while living in other SRO hotels or while looking for one or any type of housing in the City. I too have some of those same concerns and as I was listening to some of the very valid and important points many people brought up, I couldn't help but think that many of these necessities that were being brought up, I cannot provide to them at Hotel Des Arts.

We are a hotel which has been extensively remodeled, is up to code, and provides maintenance to our building on a daily basis. We keep all common areas impeccably clean and do our best to always keep our property looking at its best. However, there are some variables we cannot control and which we deal with, especially if we consider having long term rentals or we would have to rent our units for 32 nights or more. We do not have the space nor have kitchens if we were to have long term residents in our building. Our units, like many in the city, are extremely small and cannot accommodate families, nor people with disabilities. We use to have many more permanent residents but they either moved out because they couldn't live in a building without a kitchen for that long and the cost of buying food every day was a lot, or they were getting older and could not live by themselves, especially in such small rooms, and the other



447 Bush Street San Francisco, CA 94108 415.956.3232 (p) 415.956.0399 (f) reservations@sfhoteldesarts.com

big factor was the noise we deal with on a day to day basis (especially in the middle of the night in our neighborhood due to garbage pick-ups mainly) drove them away. These are only a few of the reasons.

We are also located right in the heart of the financial/tourist district area and like most businesses in that area, we have a higher hotel tax to pay, along with the many other taxes and permits we pay. With only having 13 tourist rooms to rent on a day to day basis I have to try to be competitive with all the other many hotels in the area and encounter myself many times having to lower my rates due to competition. The remaining 38 SRO units are rented as well at a competitive price to anyone who is looking to reside in San Francisco, changing careers, changing schools, anyone looking for another place to reside, and to many other local residents in a similar situation. We also extend their stay to anyone who needs to do so. We also currently have one permanent resident who has been living at Hotel Des Arts since the early 90's and we are committed to giving him life-time residency.

Our weekly rentals allow for our temporary residents to have affordable housing. This is critical to the residency and economic needs of possible residents. If we change to 32 night rentals, I'm afraid that wouldn't be the situation as I would have to find myself raising the rents. I would also have to let go of many of my employees. Without the same income, employees who are local residents, would lose their jobs, jobs they've had for over 10 years. In addition, I would have to cut off a few of the services which will also impact my tourist units. Needless to say, this will also take away the opportunity of having many of local and international artist's work be displayed as we have art in every single unit. The current weekly rentals allow for many people to see these works. We have always supported our local artists and continue to do so by giving them a space to express themselves. We are proud to say we are the only hotel in San Francisco who does this and have art from many artists from all over the world in the rooms.

This will have a great impact on our property and will put us at risk of having to leave people without jobs. We are willing to cooperate with you in any way we can but we kindly ask you to give us the opportunity as well as managers and owners and to not implement the 32-minimum night restriction to our SRO's. We understand your concerns as well and wish to help. It is not our intention to take away from affordable housing and the situation our City is in, we are willing to help but I believe this will have a very negative impact to our hotel. I also believe we are not suitable to provide long term residency at our hotel and under the new legislation, it will be impossible to figure out who is a prospective permanent resident and how onerous the penalties are for non-compliance. WE DO NOT AND WILL NOT AIRBNB OUR ROOMS. AIRBNB IS A COMPETITOR.

By extending this restriction to 32 nights, I'm afraid that affordable housing will decrease as rents will go higher in order to compensate the loss of income and services. Who will be able to pay for these monthly rates in advance? I think that the ultimate result of passing the proposed legislation will be a decrease in the housing stock in San Francisco.



447 Bush Street San Francisco, CA 94108 415.956.3232 (p) 415.956.0399 (f) reservations@sfhoteldesarts.com

We have been under the magnifying glass for a few years in regards how the property has been operated and how we were selling our SRO's. I can assure you that since the new ownership took place as of November, of 2012, we have been doing everything by the books and we have been as cooperative as possible with the City and their compliances as we wish to build a positive and productive relationship with everyone in every way we can, and of course operate a successful business.

Thank you for your time and please know that you are more than welcome at any time to come and stop by at Hotel Des Arts, and enjoy Bar Fluxus as well.

Samantha Felix General Manager 925.200.3365 sfelix@sfhoteldesarts.com BOARD of SUPERVISORS



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

December 15, 2016

File No. 161291

Lisa Gibson Acting Environmental Review Officer Planning Department 1650 Mission Street, Ste. 400 San Francisco, CA 94103

Dear Ms. Gibson:

On December 6, 2016, Supervisor Peskin introduced the following substitute legislation:

File No. 161291

Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions of tourist and transit use, comparable unit, conversion, and low-income household; revising procedures for permits to convert residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential hotels that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clark of the Board

By: Alisa Somera, Legislative Deputy Director Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning Jeanie Poling, Environmental Planning

SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION HOUSING INSPECTION SERVICES

THE HOTEL CONVERSION ORDINANCE CHAPTER 41 OF THE SAN FRANCISCO ADMINISTRATIVE CODE

INFORMATION SHEET #1

THE MOST COMMONNLY ASKED QUESTIONS

THE ANNUAL UNIT USAGE REPORT (AUUR) AUUR must be filed November 1st, EVERY CALENDAR YEAR

1. What is the Annual Unit Usage Report and why must it be filed?

Chapter 41 of the San Francisco Administrative Code known as the Residential Hotel Unit Conversion and Demolition Ordinance (commonly referred to as the Hotel Conversion Ordinance or HCO) requires that all Apartment Houses or Hotels with certified residential guest rooms per said Ordinance, file this Annual Report unless the guest rooms are operated by an organization which is classified as a Nonprofit per Title 26 Section 501(c)(3) of the United States Code. The Housing Inspection Services Division of the Department of Building Inspection mails the Annual Unit Usage form to the property owner in the fall each <u>2016</u>.

2. When must the Annual Unit Usage Report be filed?

The Annual Unit Usage Report should be submitted by November 1st each 2016.

3. Who is supposed to file the Annual Unit Usage Report?

The building owner, lessee, or hotel operator must file this Report. The form is sent to the owner of record because the City does not get notification when a Hotel manager, operator, or lessee changes.

4. Does my building have Certified residential guest rooms?

The Annual Unit Usage Report form you received to be filled out contains the "Certificate of Use Designations" for Residential and Tourist designations in the upper right corner on page one of the Report form.

5. What is the difference between a residential guest room, tourist guest room, and an apartment unit?

A guest room is a legal sleeping room typically without approved cooking facilities. Private bathrooms may exist but are not a requirement. A legal apartment unit is a dwelling unit by definition and must have cooking facilities and a private bathroom. Residential guest rooms must be rented for a period not less than 7 consecutive days to a San Francisco resident. A tourist guest room can be rented to a tourist on a nightly basis. For temporary changes to this requirement review Section 41.19 of the HCO.

6. Do I have to file this Report if I consider my building to be an Apartment House, a Bed & Breakfast, Boarding House, or another residential use?

Yes, you must file this Report if you have residential guest rooms certified by the HCO. Note that buildings that are considered a Residential Hotel for purposes of this Ordinance may have legal

SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION HOUSING INSPECTION SERVICES

THE HOTEL CONVERSION ORDINANCE (HCO) CHAPTER 41 OF THE SAN FRANCISCO ADMINISTRATIVE CODE

INFORMATION SHEET #2

SUMMARY OF THE RECORDS AS REQUIRED BY THE HCO

(THE CERTIFICATE OF USE MUST BE POSTED IN THE HOTEL LOBBY) (RECORDS MUST BE MAINTAINED & AVAILABLE FOR REVIEW AT THE SUBJECT HOTEL)

What should the Daily Log contain?

- 1. Daily Logs must contain the address of the hotel and the date. (These logs are to be maintained on a daily basis, <u>not</u> weekly, monthly or only when rent payments are received.)
- 2. Daily Logs must include & account for all guest rooms on a daily basis (the first column of the Daily Log should indicate the room # or letter).
- 3. Daily Logs must indicate whether each guestroom was used for tourist use, residential use or vacant on a daily basis (by checking the appropriate column).
- 4. Daily Logs must provide the occupant(s) complete name for each occupied guest room on a daily basis.
- 5. Only include legal guest rooms. Do not include legal dwelling units or storage rooms in your Daily Log account.
- 6. Rent rolls, tenant rolls or housekeeping logs do <u>not</u> satisfy the requirements of Chapter 41 and will <u>not</u> be accepted as Daily Logs.
- 7. The hotel owner/operator must keep & maintain Daily Logs for a minimum of 2 YEARS, and have them available at the hotel site for inspection.

What should the Weekly Report contain?

- 1. Weekly Reports must be completed and posted in the lobby of the subject hotel before noon on Monday with information for the previous week.
- 2. Weekly Reports must contain the address of the hotel and the dates of the previous week (each week is from Monday to Sunday).
- 3. Weekly Reports must indicate how many guest rooms were rented for less than 7 days (tourist guest rooms) on each day of the previous week, Monday to Sunday.
- 4. The hotel owner/operator must sign & indicate the date the Weekly Report is posted.
- 5. The hotel owner/operator must keep & maintain Weekly Reports for a minimum of 2 YEARS, and have them available at the hotel site for inspection.

What should the Rent Receipts contain?

- 1. Rent Receipts must indicate the address of the hotel.
- 2. Rent Receipts must provide the date the receipt is issued and the name of the person who has issued the receipt.
- 3. The complete name and room number of the occupant must be stated on the Rent Receipt.
- 4. The Rent Receipt must state the dollar amount and the duration of stay paid for.
- 5. Rent Receipts must be maintained for all rent payments. Maintaining Rent Receipts only on request or for cash payments is not sufficient.
- 6. The hotel owner/operator must keep and maintain Rent Receipts for a minimum of 2 YEARS, and have them available at the hotel site for inspection.

HOTEL ADDRESS:

For October 15, 2017 indicate how many units were being rented. Failure to correctly file information regarding usage and total number of guest rooms by requisite category will result in the issuance of a Notice of Apparent Violation until any discrepancies can be clarified. Do <u>not</u> include legal apartment units (dwelling units established by building permit(s), which have private kitchens and bathrooms) in the guest room count you provide below.

(Ad Mo res	<pre>verage monthly rent for the residential units in October 2017. dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nur sidential guest rooms) ase circle each and every type of service provided to permane Maid service Linen service Security service Intercom system Meal service (meals included in rent) Utilities paid (gas, electric, heat) Other (specify):</pre>	mber <u>nt</u> residents.
(Ad Ma Ple A. B. C. D. E.	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nur sidential guest rooms) ase circle each and every type of service provided to <u>permane</u> Maid service Linen service Security service Intercom system Meal service (meals included in rent)	he mber
(Ad Ma Ple A. B. C. D.	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nur sidential guest rooms) ase circle each and every type of service provided to <u>permane</u> Maid service Linen service Security service Intercom system	he mber
(Ad Ma res Ple A. B.	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nur sidential guest rooms) ase circle each and every type of service provided to <u>permane</u> Maid service Linen service	he mber
(A) Mo res Ple A.	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nur sidential guest rooms) ase circle each and every type of service provided to <u>permane</u> Maid service	he mber
(Ad Mo res Ple	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nu sidential guest rooms) ase circle each and every type of service provided to <u>permane</u>	he mber
(Ad Mo res	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nu sidential guest rooms)	he mber
(A) Mo	dd the total amount of rent for all residential guest rooms for t onth of October 2017 and divide the dollar amount by total nu	he
ease e	explain if more than 50% of the residential units are vacant as o	of October 15th, 2017 :
	explain if <u>total</u> number of hotel rooms in the hotel differs at on the <i>Certificate of Use</i> designations indicated on page one	2:
То	tal number of hotel rooms in the hotel	=
То	tal number of vacant tourist rooms	+
То	tal number of vacant residential guest rooms	+
	umber of tourist rooms rented	+
Nu		+

DAILY LOG REQUIRED BY CHAPTER 41 S. F. ADMINISTRATIVE CODE

Ho	tel	Add	ress:
110		nuu	1033.

Date: _____

GUEST ROOM #	RESIDENTIAL GUEST ROOM (Rental for 7 days or more, not used for	TOURIST GUEST ROOM (Rental for less than 7 days)	GUEST ROOM VACANT	FIRST AND LAST NAME OF GUEST ROOM OCCUPANT
	tourist/transient use)			
			-	
		······································		
		· ·		
		a,		

Please place a check within the appropriate column above, next to the corresponding guest room number indicating how each of your guest rooms were being occupied on the date of this Daily Log. Include the first and last name of the Person who occupied the related guest room in the last column. **Note:** you must keep and maintain **Daily Logs**, **Weekly Reports** and corresponding **Receipts** at the Hotel indicated above per Sections 41.9 and 41.11 of Chapter 41 of the S. F. Administrative Code. *Rent rolls, tenant rolls or housekeeping logs do <u>not</u> satisfy the requirements of Chapter 41 and will <u>not</u> be accepted as Daily Logs.*

ANNUAL UNIT USAGE REPORT 2017

EXHIBIT C

1	DENNIS J. HERRERA, State Bar #139669					
2	City Attorney ANDREA RUIZ-ESQUIDE, State Bar #233731 KRISTEN A. JENSEN, State Bar #130196					
3	JAMES M. EMERY, State Bar #153630 Deputy City Attorneys					
4	City Hall, Room 234 1 Dr. Carlton B. Goodlett Place					
5	San Francisco, California 94102-4682 Telephone: (415) 554-4647					
6	Facsimile: (415) 554-4757 E-Mail: andrea.ruiz-esquide@sfcityatty.org	r				
7	kristen.jensen@sfcityatty.org	,				
8	J					
9	Attorneys for Defendant CITY AND COUNTY OF SAN FRANCISCO					
10						
11	SUPERIOR COURT OF T	HE STATE OF CALIF	ORNIA			
12	COUNTY OF SAN FRANCISCO					
13	UNLIMITED	JURISDICTION				
14	SAN FRANCISCO SRO HOTEL	Case No. CPF-17-515	656			
15 16	COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited liability company, and BRENT HAAS,	AMENDED NOTIC	E OF PARTIAL DF ADMINISTRATIVE			
17	Plaintiffs and Petitioners,	RECORD OF PROC	CEEDINGS			
18	VS.	Date Action Filed:	May 8 2017			
10	CITY AND COUNTY OF SAN	Trial Date:	October 5, 2018			
20	FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF	Attached Documents:	N/A			
21	THE CITY AND COUNTY OF SAN FRANCISCO; DEPARTMENT OF		•			
22	BUILDING INSPECTION OF THE CITY AND COUNTY OF SAN FRANCISCO;					
23	EDWIN LEE, in his official capacity as Mayor of the City and County of San					
24	Francisco,					
25	Defendants and Respondents.					
26						
27	TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD IN THIS ACTION:					
28		1				
	AMENDED NOTICE OF PARTIAL CERTIFICATIO CASE NO. CPF-17-515656	N OF AR;	n:\land\li2018\171385\01276887.doex			
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PLEASE TAKE NOTICE THAT Respondent City and County of San Francisco, sued herein 1 2 as CITY AND COUNTY OF SAN FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; DEPARTMENT OF 3 BUILDING INSPECTION OF THE CITY AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in 4 his official capacity as Mayor of the City and County of San Francisco ("the City"), hereby certifies 5 certain documents that Petitioners SAN FRANCISCO SRO HOTEL COALITION, an unincorporated 6 association, HOTEL DES ARTS, LLC, a Delaware limited liability company, and BRENT HAAS 7 ("Petitioners") presented to the City as the administrative record of proceedings in this action 8 9 ("Petitioners' Administrative Record"). The documents are described by Petitioners in an index 10 attached as Exhibit A. Specifically, the City certifies that the documents below, contained in the 11 Petitioners' Administrative Record, are true and correct copies of records found in the files of the City and County of San Francisco, specifically in the files of the Board of Supervisors, the Mayor's Office, 12 13 the Planning Department, the Department of Building Inspection, the Department of Public Works, Budget Analyst's Office, Controller's Office, Hotel Conversion Taskforce, the Human Services 14 Agency, the Department of Homelessness and Supportive Housing and Mayor's Office of Housing, 15 16 and constitute the administrative record of proceedings for the legislation at issue in this CEQA action. Moreover, please be advised that the only amendment to the administrative record is the addition of 17 true and correct copies of certified transcripts of public hearings available online at the City and 18 County of San Francisco's Board of Supervisors' Government Television: 19

1	
20	PPAR 0001-1110
21	PPAR 1111-1210
	PPAR 1211-2127
22	PPAR 2160-2294
	PPAR 2302-2436
23	PPAR 2703
24	PPAR 2711-2771
	PPAR 2992-3168
25	PPAR 3379-3406
	PPAR 3522-3533
26	PPAR 3544-3547
	PPAR 3562-3565
27	PPAR 3571-5303
20	PPAR 5317-5323
28	

AMENDED NOTICE OF PARTIAL CERTIFICATION OF AR; CASE NO. CPF-17-515656

PPAR 5352-5377
PPAR 5384-5439
PPAR 5441-5647
PPAR 5698-5703
PPAR 5750-5811
PPAR 5824-6084
PPAR 6288-6448
PPAR 6481-7113

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As to any documents in Petitioners' Administrative Record not certified by the City, the parties
have entered into a Stipulation and [Proposed] Order Regarding Certification of Administrative
Record and Revised Hearing and Briefing Schedule ("Stipulation"). In the Stipulation, the parties
agreed that they will attempt to resolve any disagreements about documents that the City has declined
to certify as part of the administrative record of proceedings in this action by meeting and conferring
or, in the alternative, by motion practice filed concurrently with the briefing on the merits. The
Stipulation is on file with the Court.

13 Dated: August 29, 2018

DENNIS J. HERRERA City Attorney ANDREA RUIZ-ESQUIDE KRISTEN A. JENSEN JAMES M. EMERY Deputy City Attorneys

By:<u>/s/ Andrea Ruiz-Esquide</u> ANDREA RUIZ-ESQUIDE

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Attorneys for Respondent CITY AND COUNTY OF SAN FRANCISCO

AMENDED NOTICE OF PARTIAL CERTIFICATION OF AR; CASE NO. CPF-17-515656

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	1	PROOF OF SERVICE
	2	I, REYNA LOPEZ, declare as follows:
	3	I am a citizen of the United States, over the age of eighteen years and not a party to the above- entitled action. I am employed at the City Attorney's Office of San Francisco, City Hall, Room 234, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.
	5	On August 29, 2018 I served the following document(s):
	6	AMENDED NOTICE OF PARTIAL CERTIFICATION OF ADMINISTRATIVE RECORD OF PROCEEDINGS
	7	on the following persons at the locations specified:
-	8 9 10	Arthur F. CoonAndrew M. ZacksBryan W. WenterScott A. FreedmanMiller Starr RegaliaJames B. Kraus1331 N. California Blvd., Fifth FloorZacks, Freedman & Patterson, P.C.Walnut Creek, CA 94596235 Montgomery Street, Suite 400 San Francisco, CA 94104
	1 ¹ 1 12	arthur.coon@msrlegal.com bryan.wenter@msrlegal.com scott@zfplaw.com james@zfplaw.com
	13	in the manner indicated below:
	14	BY ELECTRONIC MAIL: Based on a court order or an agreement of the parties to accept electronic
	15 16	service, I caused the documents to be sent to the person(s) at the electronic service address(es) listed above. Such document(s) were transmitted <i>via</i> electronic mail from the electronic address: reyna.lopez@sfcityatty.org in portable document format ("PDF") Adobe Acrobat or in Word document format. OR
	17	BY ELECTRONIC MAIL: Based on a court order or an agreement of the parties to accept electronic
	. 18	service, I caused the documents to be served electronically through File&ServeXpress in portable document format ("PDF") Adobe Acrobat.
	19	BY FACSIMILE : Based on a written agreement of the parties to accept service by fax, I transmitted true and correct copies of the above document(s) via a facsimile machine at telephone number (415) 554-4757 to the
	20	persons and the fax numbers listed above. The fax transmission was reported as complete and without error. The transmission report was properly issued by the transmitting facsimile machine, and a copy of the transmission
a.	21	report is attached or is will be filed separately with the court.
	22	I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.
	23	Executed August 29, 2018, at San Francisco, California.
	24	Executed August 29, 2018, at San Hanelsco, Camorina.
	25	Jeyna Jopez
	26	REWNA LOPEZ
	27	
	28	
	•	POS to AMENDED NOTICE OF PARTIAL CERT. OF AR; n:\land\li2018\171385\01276887.docx CASE NO. CPF-17-515656 1276887.docx

EXHIBIT A

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		A. THE NOTICE OF DETERMINATION (not applicable)	ot applicable)	
		A1. PLANNING COMMISSION CEUA DECISION	DECISION	100000 0100
12/15/2016	Angela Calvillo, Clerk of the Board of Supervisors: Alisa	Lisa Gibson, Acting Environmental Review Officer,	CEQA Determination (by Joy Navarrete)	PPAK_000001
	Somers, Legislative Deputy Director, Land Use and	San Francisco Planning Department		
	Transportation Committee; Joy Navarrete, Environmental			
	r laiming	B. ORDINANCE		
2016	Board of Supervisors	n/a	File No, Legislative Digest	PPAR_000002-
	-		[Administrative Code – Update	PPAR_000003
	-			
2016	Board of Supervisors	n/a	FIE No. 101291 LEGISIAUVE LIGEST	
			Conversion Ordinance Update	
2016	Supervisor Peskin, Board of	n/a	File No. Ordinance No.	PPAR_000007-
	Supervisors		[Administrative Code – Hotel	PPAR_000031
	-		Conversion Ordinance Update]	
2016	Supervisor Peskin, Board of	n/a	File No. 161291 Ordinance No.	PPAR_000032-
			[Administrative Code – Hotel	PPAR_000054
			Conversion Ordinance Update	
2016	Supervisor Peskin, Board of	n/a	File No. 161291 Ordinance No.	PPAR_000055-
	Supervisors		[Administrative Code – Hotel	PPAR_000077
11/29/2016	Board of Supervisors	n/a	Legislation Introduced at Roll Call	PPAR_000078-
			Tuesday, November 29, 2016 (DBI	PPAR_000095
			027952 - 027960 and 028722 - 028730)	
12/06/2016	Board of Supervisors	n/a	File No. 161291 Revised	PPAR_000096-
	-		Legislative Digest Substituted,	PPAR_000097
			12/06/2016 [Administrative Code -	
			Hotel Conversion Ordinance	

DATE	AUTHOR(S)		RECIPIENT(S)	DESCRIPTION	BATES NOS.
12/06/2016	Supervisor Peskin, Board of	n/a		File No. 161291 Ordinance	PPAR_000098-
	Supervisors			Substituted 12/06/2016 Administrative Code – Update Hotel Conversion Ordinance]	PPAR_000147
1				File No. 464204 Devised	DDAR 000148-
01/23/2017	Board of Supervisors	n/a		File No. 101291 Neviseu	PPAR 000149
				Committee. 01/23/2017,]
				[Administrative Code – Update	
				Hotel Conversion Ordinance]	
01/23/2017	Supervisors Peskin: Kim:	n/a		File No. 161291 Ordinance	PPAR_000150-
	Safai: Sheehv: Cohen: Ronen;			Amended in Committee	PPAR_000174
	Board of Supervisors			01/23/2017 [Administrative Code -	
		-		Update Hotel Conversion	
				Ordinance]	
01/31/2017	Roard of Supervisors	n/a		File No. 161291 Revised	PPAR_000175-
				Legislative Digest 01/31/2017,	PPAR_000176
				Amended in Board [Administrative	
				Code – Update Hotel Conversion	
				Ordinance]	
01/31/2017	Supervisors Peskin; Kim;	n/a		File No. 161291 Ordinance	PPAR_000177-
	Safai: Sheehv: Cohen; Ronen,			Amended in Board 01/31/2017	PPAR_000201
	Yee. Breed: Board of			[Administrative Code – Update	
	Supervisors .			Hotel Conversion Ordinance]	
02/07/2017	City and County of San	n/a		File No. 161291 Ordinance Master	PPAR_000202-
				Report [Administrative Code –	PPAR_000203
				Update Hotel Conversion	
				Ordinance]	
02/07/2017	Board of Supervisors, Mayor	n/a		File No. 161291, Amended In Board 1/31/2017, Ordinance No	PPAR_000204-
1107/11/20				38-17 [Administrative Code –	1
				Update Hotel Conversion	
				Ordinance] (SRO 039236 -	
				039262)	
			C. COMMENTS		

DATE	AITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		Monus Decinicate of the City of	E mails with Comments about	PPAR 000231-
11/25/2016 through	Various Authors	Many recipients at ure City of San Francisco Offices	proposed Hotel Conversion	PPAR_000504
02/15/2017		(including numerous Supervisors)	Ordinance Amendments	
01/27/2017	Juned Usman Shaikh, GM,	Hon. Mayor Edwin M. Lee,	Email re: Hotel Conversion	PPAR_000505-
	Hotel Tropica	Board of Supervisors	Ordinance Legislation (HCO) –	PPAK_000000
			Preservation of Weekly Kentals for SRO Hotels – Hotel	
			Owner/Operator Meeting – Monday	
			January 30, 2017 at 2:30 pm Room	
01/26/2017	luned I sman Shaikh GM	Hon Supervisor Aaron Peskin	Email re: Preservation of Weekly	PPAR_000506-
	Hotel Tropica		Rentals for SRO Hotels (MYR 006171 – 006173)	PPAR_000508
01/20/2017	Karan Stafko	Mavorlee	Email re: Preserve SROs for	PPAR 000509-
			Residents (MYR 006176 - 006177)	PPAR 000510
	D. STAFF RE	D. STAFF REPORTS. AGENDAS AND MINUTES OF HEARINGS	ES OF HEARINGS	
12/05/2016	Mawuli Tugbenvoh	Mavor Lee – Senior Staff	Memorandum re: Legislation	PPAR_000511-
			Introduced at 11/29/16 BoS	PPAR_000542
			Meeting (DBI 028131 – 028146	
			and CON 005988 - 006003)	
12/06/2016	City and County of San	n/a	Legislation Introduced: Office of	PPAR_000543-
	Francisco		Economic Analysis Response	PPAR_000544
			December 6, 2016 (CON 004598 -	
			CON 0045393)	171000 11111
12/09/2016	Angela Calvillo, Clerk of the	Budget Analyst	Memorandum re: Fiscal Impact	PPAR_000545-
	Board, City and County of San		Determination (Legislation	
	Francisco		Introduced by Supervisors and by	
			the President at the request of	
			Departments on December 6,	
			2016, attaching Board of	
			Supervisors Legislation Introduced	
			at Roll Call Tuesday, December 6,	
			2016 (BUD 004313 - BUD	

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San Francisco SRO Hotel Coalition v. CCSF	San Francisco Superior Court Case No. CPF-17-515656	INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			004318)	
12/09/2016	City and County of San Francisco Board of Supervisors, Angela Calvillo, Clerk of the Board	Budget Analyst	Memorandum Clerk's Office – Board of Supervisors re: Fiscal Impact Determination (Legislation Introduced by Supervisors and by the President at the request of Departments on December 6, 2016 (BUD 004313-BUD 004318)	PPAR_000556
12/15/2016	Tom Hui, Director, Department of Building Inspection; John Rahaim, Director, Planning Department; Olson Lee, Director, Mayor's Office of Housing and Community Development; Jeff Kositsky, Director, Department of Homeless and Supportive Housing; Barbara A. Garcia, Director, Department of Public Health	Alisa Somera, Legislative Deputy Director, Land Use and Transportation Committee	Memorandum re: Substitute Legislation Introduced, attaching File No. 161291 Ordinance Substituted 12/06/2016 [Administrative Code – Update Hotel Conversion Ordinance] (HSH 004341 – HSH 004369)	PPAR_000557-
01/13/2017	Nicole Rossini (DBI)	rvbosque@yahoo.com; Bernadette Perez	Email re: SRO Task Force Agenda, attaching San Francisco SRO Task Force Agenda dated January 19, 2017, 9:00 a.m. – 10:30 a.m. (SRO 004425 – SRO 004427)	PPAR_000586- PPAR_000588
01/20/2017	Mawuli Tugbenyoh	Mayor Lee's Senior Staff	Memorandum re Weekly Update Land Use Ordinances before the Board of Supervisors the week of January 23, 2017 (CON 006006 – 006015)	PPAR_000598 PPAR_000598
01/23/2017	Daley Dunham (PRT)	Mawuli Tugbenyoh (MYR)	Email FW: Legislation Report – Week of 1/23/17, attaching Board of Supervisors Legislation (MYR	PPAR_000599- PPAR_000606

DATE -	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			006115 - 006122	
01/23/2017 C	City Staff	Committee: Land Use and Transportation/Board of	File No. 161291 Agenda Packet	PPAR_000607- PPAR_000644
		Supervisors		
01/23/2017 C	City Staff	City and County of San	Meeting Agenda	PPAR_000645-
		Land Use and Transportation		I
01/23/2017 C	City Staff	City and County of San	Meeting Minutes	PPAR_000651-
		Francisco: Land Use and Transportation		
		Committee		
01/30/2017 N	Mawuli Tugbenyoh	Mayor Lee's Senior Staff	Memorandum re: Weekly Update Highlighting Legislation Introduced before the Board the week of January 30, 2017 (CON 006017 – 006031)	PPAR_000657- PPAR_000671
01/31/2017 C	City Staff	Committee: Land Use and	File No. 161291 Agenda Packet	PPAR_000672-
		Transportation/Board of Supervisors		PPAK_000/1/
01/31/2017 C	City Staff	Board of Supervisors City and	Meeting Agenda	PPAR_000718-
		County of San Francisco		PPAK_000/42
01/31/2017 C	City Staff	Board of Supervisors City and County of San Francisco	Meeting Minutes - Draft	PPAR_000743- PPAR_000764
01/31/2017 C	City Staff	Board of Supervisors City and	Meeting Minutes	PPAR_000765- PPAR_000791
	it, Stoff	County of Supervisors City and	Meeting Minutes (condensed	PPAR 000792-
		County of San Francisco	Generated Agenda Viewer format)	PPAR_000793
02/07/2017 C	City Staff	Board of Supervisors City and	File No. 161291 Agenda Packet	PPAR_000794-
02/07/2017 C	City Staff	Board of Supervisors City and County of San Francisco	File No. 161291 Agenda Packet	PPAR_001055
	ity Staff	Board of Supervisors City and	Meeting Agenda	PPAR 001056-
02/07/2017 C	City Staff	Board of Supervisors City and	_	Meeting Agenda

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DATE	AIITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		County of San Francisco		PPAR 001074
02/07/2017	City Staff	Board of Supervisors City and County of San Francisco	Meeting Minutes - Draft	PPAR_001075- PPAR_001094
02/13/2017	Francis Tsang	Mayor's Senior Staff	Memorandum re: Commission Update for the Week of February	PPAR_001095-
			13, 2017 summarizing agenda items (MYR 006126 – 006133 and CON 005789 - 005796)	
		E. TRANSCRIPTS		
01/23/2017	City and County of San Francisco:	n/a	Transcript City and County of San Francisco Land Use and	PPAR_001111-
	Land Use and Transportation Committee		Transportation Committee Meeting	
01/31/2017	City and County of San	n/a	Transcript of City and County of	PPAR_001168-
	Francisco Board of Supervisors		san Francisco Board of Supervisors Meeting	LLAN_UUI 100
02/07/2017	City and County of San	n/a	Transcript of City and County of	PPAR_001181-
	Francisco Board of		San Francisco Board of Supervisors Meeting	
e/u	Duport vision of the number of	n/a	INTENTIONALLY BLANK	PPAR_001185-
Ø		3		PPAR_001210
	F. REM	F. REMAINDER OF THE ADMINISTRATIVE RECORD	IVE RECORD	
n/a	Harold J. Schnitzer, President	San Francisco Planning	Letter re: Residential Hotel	PPAR_001211-
	Harsh Investment Corp.	Commission City Hall	Conversion Ordinance (Planning 008076 – 008077)	PPAK_001212
	Portland, OR 97208	Polk and McAllister Streets San Francisco. CA 94102		
n/a	City and County of San	n/a	Response To The Appeal Of The Dreliminan, Necrative Declaration	PPAR_001213-
	Department		For The Residential Hotel	I
			Urdinance (Planning UU8237 – 008238)	

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
n/a	Planning (approved as to form by City Attorney)	n/a	File No. 113-83.4, Proposed Ordinance No [Chinatown-North Beach Residential Hotel Unit Moratorium] Amending The San Francisco Administrative Code By Adding Chapter 41B Thereto, Imposing A Moratorium For Twelve Months On Permits To Convert Residential Hotel Units In The Chinatown-North Beach Area, Prohibiting Conversion Of Units, Establishing A Citizens' Advisory Committee, Prohibiting Permits For Sites Of Unlawful Demolition, And Establishing Penalties (Planning 008110 – 008121)	PPAR_001215-
n/a	Planning	n/a	Proposed Amendments To The Preliminary Negative Declaration For 83.52D: Residential Hotel Conversion And Demolition Ordinance (Planning 007839)	PPAR_001227
n/a	Planning	n/a	Response To The Appeal Of The Preliminary Negative Declaration For The Residential Hotel Conversion And Demolition Ordinance (Planning 007840- 007841)	PPAR_001228- PPAR_001229
n/a	Planning	n/a	Amending The San Francisco Administrative Code By Amending Chapter 41 Thereof, Revising The Definitions Of Hotel, Interested Party And Conversion And Limiting Seasonal Conversion Of Residential Units During The	PPAR_001230- PPAR_001234

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San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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9740	AILTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			Tourist Season (Planning 007963 – 007967)	
n/a	Department of City Planning, City and County of San Francisco	n/a	An Annual Report on the Operation of the Residential Hotel Conversion and Demolition Ordinance (Planning 008437 – 008542)	PPAR_001235- PPAR_001340
n/a	Controller's Office, City and County of San Francisco	n/a	General Reasons the HCO Requires Extensive Update attaching memorandum from 2001 through 2015 (CON 005571 – 005580 and DBI 020759 - 020763)	PPAR_001341- PPAR_001355
n/a	Department of Building Inspection, City and County of San Francisco	Hotel Owner/Operator	Annual Unit Usage Report Form for Hotel Owner/Operator (CON005613 – 005620)	PPAR_001356- PPAR_001363
n/a	Harry Simon	n/a	Chapter: Municipal Regulation of the Homeless in Public Spaces (HSH-HSA 002841 – 002851)	PPAR_001364- PPAR_001374
n/a	Human Services Agency and the Department of Homelessness and Supportive Housing	n/a	San Francisco Leasing Strategies Report Draft HSH-HSA 002215 – 002230)	PPAR_0013/5- PPAR_001390
n/a	Department of Building Inspection	n/a	Ordinance No. 38-17 Changes To San Francisco Administrative Code Chapter 41 Residential Hotel Unit Conversion And Demolition Ordinance (HCO) Effective March 20, 2017 (DBI 017455 – 017456)	PPAR_001391- PPAR_001392
03/09/1973	Planning Department, City and County of San Francisco	n/a	Memorandum: Non-Physical And Ministerial Projects Not Covered By The California Environmental Quality Act (Planning 004148 – 004150)	PPAR_001395
01/05/1981	Board of Supervisors, San Francisco	n/a	File No. 384-79-4, Ordinance No. 15-81 (Planning 008308 – 008338)	PPAR_001396- PPAR_001426

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
Во: Гла	Board of Supervisors, San Francisco	n/a	File No. 162-81-4, Ordinance No. 330-81, Amending The San Francisco Administrative Code By Amending Chapter 41 Thereof, Revising Definitions, Notice Requirements, Reporting Requirements, Time Limits, Exemptions And Penalties Of The Residential Hotel Unit Conversion And Demolition Ordinance (Planning 008213 – 008231)	PPAR_001427- PPAR_001445
တိ	San Francisco Superior Court	City and County of San Francisco, et al	Tentative Decision in the case of Terminal Plaza Corporation vs. City and County of San Francisco et al., Superior Court Case No. 786779 (Planning 008256 – 008274)	PPAR_001446- PPAR_001464
ЩΥζζ	Edwin M. Lee Attorney At Law Asian Law Caucus, Inc.	Ms. Alice Barkley, Esq. City Attorney's Office City Hall, 2nd Floor San Francisco, CA 94102 cc: CCBH – Chinatown cc: CCBH – Chinatown cc: CCBH – Chinatown coalition for Better Housing; SHE – Self-help for the Elderly; AND – Asian Neighborhood Design; SFNLAF – San Francisco Legal Aid; CNIRC – Chinatown Neighborhood Resources Center; CCHC – Chinatown NMPC – North of Market	Letter re. Residential Hotel Conversion Ordinance (Planning 008101 – 008103)	PPAR_001465- PPAR_001467

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San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		Planning Coalition; LSE – Legal Services for the Elderly; Old St. Mary's Church – Housing Committee		
02/02/1983	Bay Guardian, Frank Clancy, Alan Ramo	Planning	Article entitled, "Thousands of SF residential rooms lost despite controls" (Planning 008339 – 008342)	PPAR_001468- PPAR_001471
02/04/1983	Paul Wartelle, San Francisco Neighborhood Legal Assistance Foundation 870 Market Street, 11th Floor San Francisco, CA 94102	Alex Bash San Francisco Planning Commission 450 McAllister Street San Francisco. CA 94102	Letter re: Residential Hotels (Planning 008091)	PPAR_001472
02/07/1983	City and County of San Francisco, Board of Supervisors, John L. Taylor, Clerk of the Board	Mr. Dean Macris, Director, City Planning, City and County of San Francisco	Letter enclosing the introduced Ordinance Amending The San Francisco Administrative Code By Amending Chapter 41 Thereof, Revising Definitions, Notice Requirements, Reporting Requirements, Time Limits, Exemptions And Penalties Of The Residential Hotel Unit Conversion And Demolition Ordinance (Planning 007928 – 007962)	PPAR_001473- PPAR_001507
02/14/1983	John L. Taylor Clerk of the Board City and County of San Francisco Board of Supervisors	Mr. George Agnost City Attorney; Mr. Dean Macris Director City Planning cc: Supervisor Silver	Letter re: File No. 151-83-2, enclosing introduced Ordinance Amending The S.F. Administrative Code Revising The Definitions Of Hotel, Interested Party, Unlawful Actions, Conversions And Posting; Limiting Seasonal Conversion; Providing For Additional Remedies and Civil Penalties; Revising	PPAR_001508- PPAR_001521

San Francisco SRO Hotel Coalition v. CCSF	San Francisco Superior Court Case No. CPF-17-515656	INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			Renewal And Issuance Of New Certificate Of Use; Extending Challenge Period On Annual Report Filing; Prohibiting Conversion Or Residential Hotel Units To Apartments; And Revising One-For-One Replacement Requirements (Supervisor Silver) (Planning 008199 – 008212)	
03/03/1983	Jeffrey Lee, Director of Public Works and Clean Water Program	John L. Taylor Clerk of the Board City Hall	Letter enclosing Amendments to Residential Hotel Conversion & Demolition Ordinance (Planning 008191 – 008198)	PPAR_001522- PPAR_001529
04/15/1983	Alec S. Bash, Environmental Review Officer for Dean L. Macris, Director of Planning	Planning, City of San Francisco	Environmental Evaluation Checklist (Initial Study); File No: 83.52E; Title: Residential Hotel Ordinance; Initial Study Prepared by: Ginny Puddefoot (Planning 007900 – 007903)	PPAR_001530- PPAR_001533
04/27/1983	William A. Falik Hodge, Falik & Dupree Attorneys At Law 300 Montgomery Street, Suite 1200 San Francisco, CA 94104	Mr. Dean Macris, Director Department of City Planning 100 Larkin Street San Francisco, CA 94102	Letter re: San Francisco Residential Hotel Ordinance (Planning 008067 – 008070)	PPAR_001534- PPAR_001537
04/28/1983	Robert D. Links Colvin, Martin & Links 111 Sutter Street, Suite 1840 San Francisco, CA 94104	Mr. Dean Macris, Director Department of City Planning 100 Larkin Street San Francisco, CA 94102	Letter re: San Francisco Residential Hotel Ordinance (Planning 008066 and 008247)	PPAR_001538- PPAR_001539
05/04/1983	Peter Bullock M. D. Abigail Hotel	Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102 cc: Mr. Toby Rosenblatt	Letter re: San Francisco Residential Hotel Conversion Ordinance (Planning 008064 – 008065)	PPAR_001540- PPAR_001541

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		(President) Dr. Yoshil Nakashima (Vice-		
		President)		
		Ms. Susan Bierman		
		Mr. Jerome Klein		-
		Mr. C. Mackey Salazar		
		Mr. Norman Karasick		
		Mr. Douglas Wright		
05/05/1983	Alec Bash	William A. Falik	Letter re: 83.52E, Residential Hotel	PPAR_001542
	Environmental Review Officer	Hodge, Falik & Dupree	Conversion Ordinance (Planning	
	San Francisco Department of	Attorneys At Law	008246)	
	City Planning	300 Montgomery Street, Suite		
	450 McAllister Street	1200		
	San Francisco, CA 94102	San Francisco, CA 94104	,	
		cc: Alice Barkley, Deputy City		
		Attorney		
05/10/1983	William A. Falik	Alec Bash	Letter re: Terminal	PPAK_001543-
	Hodge, Falik & Dupree	Environmental Review Officer	Plaza/Residential Hotel	FFAR_001544
	Attorneys At Law	San Francisco Department of	Ordinance(Planning 008062 and	
	300 Montgomery Street, Suite	City Planning	008245)	
	1200	450 McAllister Street		
	San Francisco, CA 94104	San Francisco, CA 94102		
		cc: Walter Leff, M.D.		
		Robert Links, Esq.		
		Alice Barkely, Esq.	-	
05/11/1983	Robert D. Links	Mr. Dean Macris, Director Denartment of City Planning	Letter re: Hotel Conversion and Demolition Ordinance (Planning	PPAR_001550
	111 Sutter Street Suite 1840	100 Larkin Street	008058 - 008060 and 008242 -	
	San Francisco, CA 94104	San Francisco, CA 94102	008244)	
		cc: Terminal Plaza Corporation		
		Alice S.Y. Barkley, Esq.		
		William A. Falik, Esq.		
05/11/1983	John H. Jacobs Eventing Director	Mr. Toby Rosenblatt President Planning	Letter re: Residential Hotel Ordinance (Planning 008061)	PPAR_001551

San Francisco SRO Hotel Coalition v. CCSF	San Francisco Superior Court Case No. CPF-17-515656	INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
	San Francisco Chamber of Commerce	Commission 450 McAllister Street San Francisco, CA 94102 cc: Dean Macris		
05/12/1983	Dean Macris Director of Planning City and County of San Francisco	Robert D. Links Colvin, Martin & Links 111 Sutter Street, Suite 1840 San Francisco. CA 94104	Letter re: 83.52E, Residential Hotel Conversion Ordinance (Planning 008057)	PPAR_001552
05/12/1983	Russell D. Keil Keil Estate Co. Keil Building 244 Kearney Street Sutter 1-5546 San Francisco. CA 94108	City of San Francisco Planning Commission, City Hall	Letter re: Residential Hotel Ordinance (Planning 008056)	PPAR_001553
05/12/1983	CA 4	Interested Parties	Official Mailing Notice, City Planning Commission Notice of Hearing: The proposed addition to the San Francisco Administrative Code of Chapter 41, commonly referred to as the Residential Hotel Conversion and Demolition Ordinance, which regulates the conversion and demolition of residential hotels. (Planning 008239)	PPAR_001554
05/16/1983	Alec S. Bash Environmental Review Officer City and County of San Francisco Department of City Planning	William A. Falik Hodge, Falik & Dupree Attorneys At Law 300 Montgomery Street, Suite 1200 San Francisco, CA 94104	Letter re: 83.52E, Residential Hotel Conversion Ordinance (Planning 008092 – 008093 and 008240 - 008241)	PPAR_001555- PPAR_001558
05/16/1983	Hamburger Properties 520 So. El Camino Real, Suite 810	City Planning Commission 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter: re Incorporating the Residential Hotel Conversion and Demolition Ordinance into the San	PPAR_001559

1 A TE	AIITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			Francisco Administrative Code (Planning 008084)	
05/16/1983	Vincent Kircher 640 Eddy Street San Francisco, CA 94109	Mr. Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco. CA 94102	Letter re: San Francisco Residential Hotel Ordinance (Planning 008083)	PPAR_001560
05/16/1983	Edward H. Lawson, Executive Director	Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: Residential Hotel Ordinance (Planning 008055)	PPAR_001561
05/17/1983	Barbara Kolesar, Administrative Director, Coalition For Better Housing	Commissioner Toby Rosenblatt, President, San Francisco City Planning Commission	Letter re: Residential Hotel Ordinance (Planning 008049)	PPAR_001562
05/17/1983	Richard Quintanilla Hotel Burbank 317 Leavenworth Street San Francisco, CA 94102	Mr. Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: Residential Hotel Ordinance (Planning 008052)	PPAR_001563
05/17/1983	Richard Quintanilla Hotel Burbank 317 Leavenworth Street San Francisco, CA 94102	Mr. Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: Hotel Conversion and Demolition Ordinance (Planning 008051)	PPAR_001564
05/18/1983	John D. Maatta Attorney At Law 22 Battery Street, Suite 333 San Francisco, CA 94111	Hon. Dean Macris Director of the Department of City Planning 450 McAllister Street San Francisco, CA 94102	Letter re: San Francisco Residential Hotel Ordinance (Planning 008079)	PPAR_001565
05/18/1983	Burk H. Chung Residential Hotel Owner 837 Washington Street San Francisco, CA 94108	Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: San Francisco Residential Hotel Ordinance (Planning 008080 – 008081)	PPAR_001566-
05/19/1983	City Planning Commission, City and County of San	n/a	Hearing transcript: Appeal of the Preliminary Negative Declaration,	PPAR_001568- PPAR_001644

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
	Francisco		Residential Hotel Conversion and Demolition Ordinance; Public Hearing, Residential Hotel Conversion and Demolition Ordinance (Planning 008360 – 008436)	
05/19/1983	Henry A Musto, Vice President Joseph Musto Estate Co. 1280 Columbus Ave San Francisco. CA 94133	Mr. Dean Macris, Director San Francisco Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: San Francisco Residential Hotel Ordinance, Chapter 41: Case No. 83.52E – Planning Commission Hearing of 5/19/83 (Planning 008078)	PPAR_001645
05/19/1983	Zane O. Gresham, President San Francisco Forward 690 Market Street, Suite 800 San Francisco, CA 94104	Toby Rosenblatt, President City Planning Commission 450 McAllister Street, 4th Fl San Francisco, CA 94102 cc: Members, City Planning; Dean Morris, Director, Department of City Planning; Members, Board of Directors, San Francisco Forward	Letter re: Project 83.52E – Residential Hotel Conversion and Demolition Ordinance – Appeal of Negative Declaration (Planning 008073 – 008075)	PPAR_001646- PPAR_001648
05/20/1983	Y. Chaban, Owner The Essex Hotel 684 Ellis Street San Francisco, CA 94109	Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: Hotel Conversion and Demolition Ordinance (Planning 008072)	PPAR_001649
05/20/1983	Y. Chaban, Owner The Essex Hotel 684 Ellis Street San Francisco. CA 94109	Dean Macris, Director Department of City Planning 450 McAllister Street, 4th Floor San Francisco, CA 94102	Letter re: Residential Hotel Ordinance (Planning 008071)	PPAR_001650
06/23/1983	Lee Woods, Jr. Secretary San Francisco City Planning Commission	n/a	Nuo	PPAR_001651
06/23/1983	Dean L. Macris, Director of Planning, City and County of	n/a	File No, recommended Ordinance No, Adopting Final	PPAR_001652- PPAR_001654

15

San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			Negative Declaration, Finding And Determining That Amendment Of The Administrative Code Concerning Residential Hotel Unit Conversions And Demolitions Will Have No Significant Impact On The Environment, And Adopting And Incorporating Findings Of Final Negative Declaration (Planning 008232 – 008234)	
06/23/1983	San Francisco Planning Commission	n/a	File No. 83.52E, draft Motion No. M, DRAFT Residential Hotel Conversion & Demolition Ordinance (Planning 008235 – 008236)	PPAR_001655- PPAR_001656
06/23/1983	Alec Bash, Environmental Review Officer, City and County of San Francisco, Department of City Planning	cc: Robert Passmore; Dan Sullivan; Joe Fitzpatrick; George Williams; Lois Scott Mike Estrada; Alice Barkley; Paul Wartelle; Distribution List; DCP Bulletin Board; Board of Supervisors	Negative Declaration, Hotel Conversion Ordinance (Planning 007892 – 007899 and 008248 - 008255) 008255)	PPAR_001657- PPAR_001672
07/19/1983	Arlene Joe, MPH Health Promoter North East Medical Services 1520 Stockton Street San Francisco. CA 94133	Honorable Mayor Dianne Feinstein City Hall San Francisco, CA 94102	Letter re: Residential Hotel Moratorium (Planning 008190)	PPAR_001673
07/26/1983		Hon. Mayor Dianne Feinstein City Hall San Francisco, CA 94102	Letter re: Residential Hotel Moratorium (Planning 008189)	PPAR_001674

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
1100	Eduite M Loo Stoff Attorney	Hon Mayor Dianne Feinstein	I etter re: Residential Hotel	PPAR 001675
COR1/07/10			Preservation Moratorium (Planning	1
	Asiali Law Caucus, IIIC	San Francisco, CA 94102	008188)	
08/17/1983	San Francisco Notice of	City Clerk, City and County of	Notice of Determination (Planning	PPAR_001676
	Determination	San Francisco	007849)	
08/17/1983	Mike Estrada	Ginny Puddefoot	Memorandum re: Amendments to	PPAK_0016//
		,	the Residential Hotel Conversion	
			and Demolition Ordinance	
		•	(Planning 008187)	
02/16/1984	Alec S. Bash	n/a	Environmental Evaluation Checklist	PPAR_001678-
	Environmental Review Officer		(Initial Study), File No: 83.600ETT,	PPAR_001681
	for Dean L. Macris. Director of		Chinatown-North Beach	
			Residential Hotel Conversion	
	City and County of San		Moratorium, prepared by Ginny	
	Erancisco Denartment of City		Puddefoot (Planning 008127 -	
	Planning		008130)	
04/30/1984	Board of Supervisors, San	n/a	File No. 113-83-3, Amendment Of	PPAR_001682-
	Francisco, approved as to		The Whole As Amended In	PPAK_001688
	form: George Agnost, City		Committee 4/17/84, Ordinance No.	
	Attornev.		18584 [Chinatown-North Beach	
	Board of Supervisors		Residential Hotel Unit Moratorium]	
			(Planning 008135 – 008141)	
12/18/1984	Alec S. Bash. Environmental	n/a	Environmental Evaluation Checklist	PPAR_001689-
	Review Officer for Dean L.		(Initial Study), File No:	PPAR_001691
	Macris. Director of Planning		84.564ET/84.236ET, Residential	
165 -			Hotel Conversion Ordinance	
			Amendment, prepared by	
			Catherine Bauman (Planning	
		-	008147 - 008149)	
01/09/1985	Alec Bash. Environmental	n/a	Negative Declaration;	PPAR_001692-
	Review Officer, City and		Amendments to the Residential	PPAR_001693
	County of San Francisco,		Hotel Conversion and Demolition	
	Department of Planning		Ordinance affecting definition of	
			interested parties, time limits for	

17

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		RECIDIENT(S)	DESCRIPTION	BATES NOS.
DAIE			compliance, and penalities for violation and other aspects of administration of the Ordinance. (Planning 008145 – 008146)	
07/21/1987	Planning Department, City and County of San Francisco	n/a	Residential Hotel Workshop Notes for July 21, 1987 (Planning 009014 – 009018)	PPAR_001694- PPAR_001698
07/30/1987	Barbara W. Sahm, Environmental Review Officer for Dean L. Macris, Director of Planning	n/a	Environmental Evaluation Checklist (Initial Study), File No. 87.351E, Extend Chinatown-North Beach Residential Hotel Conversion Moratorium, prepared by Andrea Mackenzie (Planning 008174 – 008176)	PPAR_001699- PPAR_001701
08/11/1987	Barbara W. Sahm, Environmental Review Officer, City and County of San Francisco, Department of Planning	n/a	Negative Declaration; Amend Sections 41B.2 and 41B.11 of the San Francisco Administrative Code to extend for twelve months, the moratorium on permits to convert residential hotel units in the Chinatown-North Beach area (Planning 008171 – 008173)	PPAR_001704
03/11/1988	City and County of San Francisco, Department of City Planning	n/a	Report on Residential Hotels Policy and Legislative Issues (Planning 008837 – 008847)	PPAR_001705- PPAR_001715
03/31/1988	Planning Department, City and County of San Francisco	n/a	Minutes for the March 24, 1988 Meeting on Residential Hotels (Planning 009198 – 009199)	PPAR_001717
02/22/1989	Amit Ghosh, DCP	Erik Shapiro, Mayor's Office	Memorandum re: Potential Homeless Population and the Supply of Transient Hotel Units (Planning 008750 – 008754)	PPAR_001718- PPAR_001722
08/07/1989	Richard J. Evans, Director of Public Works, Department of	Brad Paul, Director Mayor's Office of Housing and	Letter re: Proposed Amendments to the Hotel Conversion Ordinance	PPAR_001723- PPAR_001726

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
	Public Works, Bureau of Building Inspection, City and County of San Francisco	Development 100 Larkin Street San Francisco, CA 94102 cc: Ms. Kate Herrmann Mr. Frik Schaniro	(Planning 008708 – 008711)	
09/22/1989	Carol Roos, Office of Environmental Review	Files 83.52E: Residential Hotel Conversion and Demolition Ordinance, and 84.236ET/84.56ET: Amendments to Residential Hotel Conversion Ordinance	Memorandum re: Modification Of The Project (Planning 007842 – 007845)	PPAR_001727- PPAR_001730
2002	Department of Building Inspection	n/a	Exhibit A HCO Annual Reports Initiated by DBI in 2000 (DBI 032937 – 032973)	PPAR_001731- PPAR_001767
03/22/2002	San Francisco Public Works	n/a	San Francisco Public Works Code: Article 24: Shopping Carts (DPW 004133 – 004137)	PPAR_001768- PPAR_001772
12/28/2005	City and County of San Francisco, Department of Building Inspection	n/a	Record Retention and Destruction Policy Approved by Ephraim Hirsch, President, Building Inspection Commission; Ed Harrington, Controller, Records Relating to Financial Matters; Dennis J. Herrera, City Attorney, Records of Legal Significance; Clare M. Murphy, Executive Director, Retirement System, Records Relating to Payroll Matters (DBI 004374 – DBI 004386)	PPAR_001773- PPAR_001785
01/01/2006	City and County of San Francisco Department of Public Works	n/a	Code Of Safe Practice (DPW 004029)	
07/14/2008	Superior Court of California,	Ms. Star Terrell, Mayor's Office	Letter enclosing the 2007-0-2008	PPAR_001/8/-

19

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San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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14	VIITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
	County of San Francisco, Office of the Grand Jury	of Policy & Finance, City Hall, San Francisco	San Francisco Civil Grand Jury Report entitled, "The Homeless Have Homes, But They Are Still On The Street." (HSH-HSA 001058 - 001089)	PPAR_001818
2009	City and County of San Francisco Human Services Agency and Applied Survey Research	City and County of San Francisco; U.S. Department of Housing and Urban Development (HUD)	2009 San Francisco Homeless Count and Survey	PPAR_001819- PPAR_001902
06/01/2009 - 04/05/2016	Department of Building Inspection	n/a	Exhibit B, Inquiry Item No. 3, HCO Hotel Unit Usage Report, Group By Status (DBI 033048 – 033272)	PPAR_001903- PPAR_002127
12/2009	City and County of San Francisco, Department of Public Works	n/a	Department Procedures Manuals Vol. 2 – Administrative, Procedure 2.1.5, Records Retention and Storage Policy (DPW 003943 – 003974)	PPAR_002159
2010-2015	Office of Management and Budget	City and County of San Francisco Mayor's Office	Consolidated Plan – Executive Summary (exp. 07/31/2015) (MOH 005802 – MOH 005936)	PPAR_002160- PPAR_002294
02/2010	City and County of San Francisco, Department of Public Works	n/a	Department Procedures Manuals Vol. 16 – Street Environmental Services, Procedure 16.9.3, Steamer Operator (DPW 004114 – 004116)	PPAR_002295- PPAR_002297
2/22/2010	City and County of San Francisco, Department of Public Works	n/a	Department Procedures Manuals Vol. 16 – Street Environmental Services, Procedure 16.5.5, Homeless/Shopping Cart Program (DPW 004110 – 004113)	PPAR_002298- PPAR_002301
07/01/2010 06/30/2015	City and County of San Francisco Mayor's Office	n/a	Executive Summary, ES-05 Executive Summary – 24 CFR 91.200©, 91.220(b) (MOH 011164 – 011298)	PPAR_002302- PPAR_002436

San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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2011				
2011			0011 Con Erancieco Homelace	PPAR 002437-
	City and County of San Francisco, Applied Survey	n/a	2011 Satt Flancisco Fronteess Point-In-Time Count & Survey Commrehensive Report	PPAR_002511
	Kesearcn			DDAP 007512-
10/13/2011	City and County of San Francisco. Office of The	n/a	Human Services Agency And Department Of Public Health: The	PPAR_002560
	Controller – City Services		City's Efforts and Resources to	
	Auditor		House Homeless Individuals Have	
			Increased, but New Strategies	
			Could Lead to Improved Program	
			D01166)	
2013	City and County of San	City and County of San	2013 San Francisco Homeless	PPAR_002561-
2007	Francisco. Applied Survey	Francisco; U.S. Department of	Point-In-Time Count & Survey	PPAR_002616
		Housing and Urban	Comprehensive Report	
0100	City and County of San	City and County of San	2013 San Francisco Homeless	PPAR 002617-
C107		Francisco; U.S. Department of	Unique Youth Count & Survey	PPAR_002648
	Research	Housing and Urban	Comprehensive Report	
		Development (HUU)		
7/2013	City and County of San	n/a	Department Procedures Manuals	PPAK_002649-
	Francisco, Department of		Vol. 16 – Street Environmental	LLAR UUZ021
	Public Works		Services, Procedure 16.05.04,	
			Steam Cleaning Operations (UPW	
			004099 - 004101)	
7/2013	City and County of San	n/a	Department Procedures Manuals	PPAR 002654
	Francisco, Uepartment of		Services Procedure 16.05.05.	
			Homeless/Shopping Cart Program	
			(DPW 004120 - 004122)	
7/2013	City and County of San	n/a	Department Procedures Manuals	PPAR_002655-
	Francisco, Department of		Vol. 16 – Street Environmental	PPAK_002656
	Public Works		Services, Procedure 16.09.03,	- sectil
			Steam Operator (DPVV 004102 -	

4

1140	VITHOP(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
07/26/2013	1 - 2	Supervisor Ferrell	Policy Analysis Report re: Homeless Services and Benefits Provided by the City and County of San Francisco (HSH-HSA 000938	PPAR_002657- PPAR_002702
09/18/2013	Analyst Sarah Jones, Environmental Review Officer	San Francisco Planning Department	– 000803) Memorandum re: Processing Guidance: Not a project under CEOA (Planning 004151)	PPAR_002703
09/25/2013	Planning Department	n/a	Planning Department, CEQA Exemptions Map (The City and County of San Francisco referenced this document in their production cover letter dated 10/12/2017. 7 pages)	PPAR_002704- PPAR_002710
10/30/2013	City and County of San Francisco Board of Supervisors, Budget and	Supervisor Campos	Policy Analysis Report re: Analysis of Tenant Displacement in San Francisco (BUD 004152-BUD 004212)	PPAR_002711- PPAR_002771
12/2013	City and County of San Francisco, Department of Public Works	n/a	Department Procedures Manuals Vol. 2 – Administrative, Procedure 02.01.05, Records Retention and Storage Policy (DPW 004063 – 004098)	PPAR_002772- PPAR_002807
12/20/2013	Angus McCarthy, President Building Inspection Commission City and County of San Francisco; Tom C. Hui, S. E., C. B. O. Director Department of Building Inspection City and County of San Francisco	Honorable Mayor Edwin M. Lee Honorable Board of Supervisors, City and County of San Francisco	Letter enclosing the Building Inspection Commission and Department of Building Inspection Annual Report for Fiscal Year 2012-2013 (CON 005853 – 005944)	PPAR_002809-

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			Amust Deset Elocal Voor 2014	
2014 – 2015	City and County of San Francisco Department of	City and County of San Francisco	Annual Kepoli, Fiscal Teal 2014- 2015 (CON 005797 – 005852)	PPAR_002955
07/15/2014	San Francisco Public Works	City and County of San	Tenderloin Pit Stop Program (DPW	PPAR_002956
10/17/2014	Supervisor Chiu, Board of Supervisors	n/a	File No. 140381 Ordinance No. 218-14, Amended in Board [Administrative, Planning Codes- Amending Regulation of Short- Term Residential Rentals and Establishing Fee] (MOH 011299 – 011333)	PPAR_002957- PPAR_002991
12/15/2014	City and County of San Francisco, Board of Supervisors, Budget and Legislative Analyst's Office	Supervisor Farrell	Policy Analysis Report re: Analysis of Supportive Housing Programs (HSH-HSA 001285 – 001317)	PPAR_002992- PPAR_003024
2015	City and County of San Francisco: SRO Families United Collaborative	City and County of San Francisco	ing I lies	PPAR_003025- PPAR_003168
2015	City and County of San Francisco, Applied Survey Research	City and County of San Francisco; U.S. Department of Housing and Urban Development (HUD)	2015 San Francisco Homeless Point-In-Time Count & Survey Comprehensive Report	PPAR_003169- PPAR_003254
2015	City and County of San Francisco, Applied Survey Research	City and County of San Francisco; U.S. Department of Housing and Urban Development (HUD)	2015 San Francisco Homeless Unique Youth Count & Survey Comprehensive Report	PPAR_003255- PPAR_003316
2015	U.S. Department of Housing and Urban Development	n/a	Environmental Assessment, Determination and Compliance Findings for HUD-assisted Projects 24 CFR Part 58 (MOH 013913 –	PPAR_003317- PPAR_003378

0 A TE	AITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
Z			013974)	
03/02/2015	City and County of San Francisco, Human Services Agency and the Department of Homelessness and Supportive Housing	n/a	San Francisco SRO Leasing Strategies (HSH-HSA 002269 – 002296)	PPAR_003379- PPAR_003406
05/2015	Laura Gerhardt Goldman School of Public Policy University of California, Berkelev	City of San Francisco, Mayor's Office	Advanced Policy Analysis, Housing Inspection Data For Performance (MYR 006804 – 006883)	PPAR_003407- PPAR_003486
06/02/2015	Coalition on Homelessness, San Francisco	n/a	The Roadmap: A Five-Year Plan to End the Crisis of Family Homelessness in San Francisco (HSH-HSA 001250 – 001281)	PPAR_003487- PPAR_003518
07/2015 – 09/2016	San Francisco Public Works	n/a	Pit Stop Pilot Program Analysis, Pit Stop Pilot Program Analysis, Tenderloin Pit Stops (DPW 004623 – DPW 004625)	PPAR_003519- PPAR_003521
08/24/2015	City and County of San Francisco Board of Supervisors, Budget and Legislative Analyst's Office	Supervisor Farrell	Policy Analysis Report re: Number of Vacant Single-Room Occupancy (SRO) Hotel Units in San Francisco (BUD 004307-BUD 004312)	PPAR_003522- PPAR_003527
08/24/2015	City and County of San Francisco Board of Supervisors, Budget and Legislative Analyst's Office	Board of Supervisors	Policy Analysis Report re: Number of Vacant Single-Room Occupancy (SRO) Hotel Units in San Francisco (HSH-HSA 002037 – 002042)	PPAR_003528- PPAR_003533
08/27/2015	Noelle Simmons (HSA) (DSS)	Trent Rhorer (HSA) (DSS)	Email re: Mandatory Shelter (HSH- HSA 001727 – 001729)	PPAR_003534- PPAR_003536
08/28/2015	Nan Roman (NRoman@NAEH.org)	Trent Rhorer (HSA) (DSS)	Email re: Following Up attaching policy documents and DHS Historical Timeline as produced	PPAR_003537- PPAR_003543

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DATE DATE	VITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
VAIE			(HSH-HSA 001733 – 001739)	
09/14/2015	Jason Lally (MYR)	Sophie Hayward (MYR); AnMarie Rodgers (CPC); Delene Wolf (RNT); Ted Egan (CON); Ken Rich (ECN); Sarah Dennis-Phillips (ECN); Keith Demartini (CON); Joy Bonaguro (MYR); Nicole Elliott (MYR); William Strawn (DBI); Teresa Ojeda (CPC); Charles MacNulty (MYR); John Rahaim (CPC); Gil Kellev (CPC)	Email string re: Requesting you and/or your staff at a pre-hearing briefing: this Monday, 4pm (MYR 007689 – 007690)	PPAR_003544- PPAR_003545
09/15/2015	Jason Lally, (MYR)	AnMarie Rodgers (CPC); Rosemary Bosque (DBI); Charles MacNulty (MYR); Sarah Dennis-Phillips (ECN); Joy Bonaguro (MYR); Ted Egan (CON); Sophie Hayward (MYR); Teresa Ojeda (CPC); Ken Rich (ECN); Delene Wolf (RNT); Keith DeMartini (CON); William Strawn (DB1); Nicole Elliott (MYR); Daniel Lowrey (DB1): Gino Salcedo (CPC)	Email string re: Recap & Next Steps: Today's Housing Balance (MYR 007659 – 007660)	PPAR_003546- PPAR_003547
11/16/2015	San Francisco Department of Public Works	City of San Francisco	San Francisco Pit Stop Pilot Public Toilet Program (DPW 004626 – DPW 004639)	PPAR_003548- PPAR_003561
01/21/2016	Rosemary Bosque (DBI)	Mary Gallagher	Email string re: Quick Question on Hotel Conversion Ordinance	PPAR_003562- PPAR_003563
02/23/2016	William Strawn (DBI)	Dan Sider (CPC)	Email string re HCO	PPAR_003564- PPAR_003565
02/23/2015	Department of Public Works	n/a	Enhanced Residential Corridor Cleaning Program (Pilot) (DPW 014003 – 014007)	PPAR_003566- PPAR_003570

DATE	AITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
02/24/2016	William Strawn (DBI)	Tom Hui (DBI)	Email string re Legistar Alert (Legislation): City and County of	PPAR_003571-
			San Francisco-Legislation	PPAR 003573-
03/10/2016	William Strawn (DBI)	Rosemary Bosque (UBI), LIIY Madjus (DBI), Daniel Lowrey	Presentation attaching the Draft	PPAR_003587
		(DBI), Ronald Tom (DBI),	PowerPoint Presentation	
		VIIIIam Suawri (UDI), 1011 nui (DBI)		
03/15/2016	Rio Scharf	Barbara Lopez (BOS)	Email string re: Stopping SRO Conversion in Their Tracks	PPAR_003588- PPAR_003592
03/29/2016	William Strawn (DBI)	Kate Conner (CPC), Rosemary	Email string re: Records Request	PPAR_003593-
		bosque (Ubi), Daniel Lowiey (DBI), Ronald Tom (DBI), Tom	attached requested records for transmittal to Peskin)	
010010010		Indi (MVB): Endenio	Email string re: Housing Data	PPAR 003596-
91.07/1.0/40	Kosemary bosque (upi)	Salcedo (CPC); Joy Bonaguro	Coordination Monthly Meeting	PPAR_003609
		(MYR); Charles MacNulty		
		(MYR); Teresa Ojeda (CPC);		
		Glenn Cabreros (CPC); Robert		
		Collins (RNT); Daniel Lowry		
		c: AnMarie Rodgers (CPC):		
		Chandra Egan (MYR); Paula		
		Chiu (CPC); Lily Madjus (DBI)		
04/03/2016	William Strawn (DBI)	Tom Hui (DBI)	Email string Fwd: Records Request on HCOs from Sup. Peskin	PPAR_003610-
			attaching the Residential Hotel	
			Conversion BOS Inquiry (DBI	
			026103 – 026106 and 026431 -	
		Victo Connor (CDC) Boseman	Email string re: Records Reduest	PPAR 003783-
04/04/2016	William Strawn (Ubl)	Bosque (DBI), Daniel Lowrey	on HCOs from Sup. Peskin	PPAR_003786

			DESCRIPTION	RATES NOS.
04/04/2016	Rosemary Bosque (DBI)	William Strawn (DBI), Daniel Lowrey (DBI), Ronald Tom	Email string re: Records Request on HCOs from Sup. Peskin	PPAR_003787- PPAR_003791
04/04/2016	Kate Conner (CPC)	Angela Calvillo (BOS), Sunny Angulo (BOS), Andrea Ausberry, Tom Hui (DBI), Olson Lee (MYR), William Strawn (DBI), Rosemary Bosque (DBI), Dan Sider (CPC), AnMarie Rodgers (CPC), John Rahaim (CPC), Aaron Peskin (BOS), Christine Silva (CPC)	Email re: BOS Inquiry: Residential Hotels Reference number 60 (attaching the Planning Department's response to the Board of Supervisors Inquiry)	PPAR_003954 PPAR_003954
04/04/2016	Kate Conner Housing Implementation Specialist San Francisco Planning Department	Angela Calvillo, Clerk Honorable Supervisor Aaron Peskin Board Of Supervisors City and County of San Francisco	Letter re: Transmittal of Response to Board of Supervisors Inquiry Residential Hotels Conditional Use Authorizations Reference Number: 60 attaching related documents (DBI 021682 -021843 and DBI 022973 - 023133)	PPAR_003955- PPAR_004277
04/05/2016	Rosemary Bosque (DBI)	Bernadette Perez (DBI), Nicole Rossini (DBI), Christina Lee (DBI), Andy Karcs (DBI)	Email string re: HCO Data Exhibits	PPAR_004278- PPAR_004281
04/05/2016	Rosemary Bosque (DBI)	Jamie Sanbonmatsu (DBI)	Email re: Draft HCO Highlights attaching "Areas Where the HCO Requires Update" document	PPAR_004282- PPAR_004286
04/05/2016	City and County of San Francisco	Controller's Office, City and County of San Francisco	Housing Inspection Services, Residential Hotel Unit Conversion and Demolition Ordinance (Chapter 41 of the S.F. Administrative Code) Executive Summary for Hotel Unit Usage Report – Group By Status (CON 05586 – 005606)	PPAR_004287- PPAR_004307
04/06/2016	Rosemary Bosque, Chief	Ms. Angela Calvillo, Clerk;	Letter re: Transmittal of Response	PPAR_004308-

27

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San Francisco SRO Hotel Coalition v. CCSF	San Francisco Superior Court Case No. CPF-17-515656	INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE DATE	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
	Housing Inspector, City and	Honorable Supervisor Aaron	to Board of Supervisors Inquiry Ref No. 60 For Chapter 41 of the San	PPAR_004626
	Department of Building	Board of Supervisors	Francisco Administrative Code	
	Inspection		Administrative Records Residential Hotel Unit Conversion and	
			Demolition Ordinance (HCO)	
-			enclosing Exhibit A, HCO Annual	
			Reports, Inquiry Item Nos. 1 & 3 (DBI 033273 – 033591)	
04/06/2016	Rosemary Bosque (DBI)	Angela Calvillo, Clerk and	Letter transmitting Response to	PPAR_004627-
		Supervisor Aaron Peskin, San	Board of Supervisors Inquiry No.	PPAR_004853
		Francisco Board of Supervisors	Reports dating back to 2000)	
04/06/2016	Jamie Sanbonmatsu (DBI)	Rosemary Bosque (DBI)	Email string re: Draft HCO	PPAR_004854
				00105
04/06/2016	Jane Sun (DBI)	Dan Kreuscher (DBI), Taras Madison (DBI)	Email string re: Board of Supervisors Inquiry (attaching	PPAR_004859-
			Analysis in Cash Account for the	
	3		Residential Hotel Preservation	
04/06/2016	William Strawn (DBI)	Rosemary Bosque (DBI),	Email string re: HCU Records	PPAK U04800-
		Daniel Lowrey (DBI), Tom Hui (DBI)	Production (with enclosures)	
04/12/2016	Sunny Angulo (BOS)	Rosemary Bosque (DBI),	Email string re: HCO Records	PPAR_004872-
)	Bernadette Perez (DBI), Jamie	Production	PPAR_004873
		Sanbonmatsu (DBI)		
04/19/2016	William Strawn (DBI)	Tom Hui (DBI), Angus Mcarthy,	Email string re: Press Release:	PPAR_004874-
		Edward Sweeney (DBI), Daniel	Supervisor Aaron Peskin Initiates Reforms to Chapter 41 Hotel	
		(DBI). Ronald Tom (DBI).	Conversion Ordinance	
		William Strawn (DBI), Sonya		
		Harris (DBI), Lily Madjus (DBI),		
		Naomi Kelly (ADM), Bill Barnes		
		(ADM), Kobb Kapla (CAT)		

San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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		DECIDIENT(C)	DESCRIPTION	RATES NOS.
DATE	AUTHOR(S)	RECIPIENT (3)		
04/19/2016	Sonya Harris (DBI)	William Strawn (DBI)	Email string re: Press Release: Sunervisor Aaron Peskin Initiates	PPAR_004880
			Reforms to Chapter 41 Hotel	[
04/0/0040	William Strawn (DBI)	Connie Chan (ROS) Tom Hui	Email string re: Press Release:	PPAR_004881-
01/12/21/20			Supervisor Aaron Peskin Initiates	PPAR_004883
			Reforms to Chapter 41 Hotel	
			Conversion Ordinance	
04/19/2016	William Strawn (DBI)	Andy Karcs (DBI)	Email string re: Press Release:	PPAR_004884-
			Supervisor Aaron Peskin Initiates	C00400-7477
			Reforms to Unapter 41 Holler Conversion Ordinance	
04/00/046	Milliam Strawn (DBI)	lamie Sanhonmatsu (DBI)	Email string re: Press Release:	PPAR_004886-
04/20/2010			Supervisor Aaron Peskin Initiates	PPAR_004887
			Reforms to Chapter 41 Hotel	
			Conversion Ordinance	
04/21/2016	Sunny Anaulo (BOS)	William Strawn (DBI), Connie	Email string re: Press Release:	PPAR_004888-
		Chan (BOS), Tom Hui (DBI)	Supervisor Aaron Peskin Initiates	PPAR_004891
			Reforms to Chapter 41 Hotel	
			Conversion Ordinance	
04/25/2016	Jamie Sanbonmatsu (DBI)	Rosemary Bosque (DBI)	Email re: HCO Article with a link to	PPAR_004892-
			an article by Randy Shaw entitled,	
			"Peskin Moves To Save SRO	
			Hotels" (article attached)	
04/26/2016	Jamie Sanbonmatsu (DBI)	Barbara Lopez (BOS)	Email attaching HCO Analysis April	PPAR_004896-
			Email re: Need to Reform DBI	PPAR 004907-
05/16/2016	Randy Shaw	Barbara Lopez (DOS), Posement Bosque (DBI)	HCO Report Forms attaching (DBI	PPAR_004915
		ofinioka@chinatowncdc.org.	Report Forms)	
		[redacted] Aaron Peskin (BOS),		
		Sunny Angulo (BOS)		
05/16/2016	Sunny Angulo	Randy Shaw, Barbara Lopez (BOS), Rosemary Bosque	Email string re: Need to Reform DBI HCO Report Forms	PPAK_004916
		(DBI),		

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
1		gfujioka@chinatowncdc.org, Iredacted] Aaron Peskin (BOS)		
05/16/2016	Rosemary Bosque (DBI)	Andy Karcs (DBI), Christina Lee (DBI), Bernadette Perez (DBI), Johanna Coble (DBI)	Email string re: Need to Reform DBI HCO Report Forms	PPAR_004917- PPAR_004918
05/16/2016	Barbara Lopez (BOS)	Rosemary Bosque (DBI), Randy Shaw, gfujjoka@chinatowncdc.org, [redacted] Aaron Peskin (BOS), wu.cindy@gmail.com, Aaron Peskin (BOS), Sunny Angulo (BOS)	Email string re: Need to Reform DBI HCO Report Forms	PPAR_004919- PPAR_004920
05/16/2016	Randy Shaw	Rosemary Bosque (DBI)	Email string re: Need to Reform DBI HCO Report Forms	PPAR_004921- PPAR_004922
05/16/2016	Rosemary Bosque (DBI)	Barbara Lopez (BOS), Randy Shaw, gfujjoka@chinatowncdc.org, Aaron Peskin (BOS), Sunny Angulo (BOS)	Email string re: Need to Reform DBI HCO Report Forms	PPAR_004923- PPAR_004924
05/23/2016	William Strawn (DBI)	Bernadette Perez (DBI), William Strawn (DBI)	Email re: Planning Response to Sup. Peskin's Original Chapter 41/HCO Questions to Departments, attaching PDF entitled "BOS Inquiry Residential Hotel Conversion" (with extensive enclosures) (DBI 026268)	PPAR_004925- PPAR_005088
05/24/2016	Sunny Angulo (BOS)	BOS Legislation (BOS), Alisa Somera (BOS), John Carroll (BOS)	Email re: PESKIN – Resolution – Hotel Conversion Interim Controls, attaching documents entitled, "RES Final.DOCX" and "Peskin – Intro – HCO Interim Controls.pdf"	PPAR_005089- PPAR_005093
05/25/2016	Sunny Angulo (BOS)	Rosemary Bosque (DBI), Jamie Sanbonmatsu (DBI)	Email string FW: PESKIN – Resolution – Hotel Conversion Interim Controls	PPAR_005094- PPAR_005095

	VI (THOD/S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
05/31/2016	Rosemary Bosque (DBI)	Jamie Sanbonmatsu (DBI)	Email re: HCO, attaching document "Areas Where the HCO Requires Update.docx"	PPAR_005096- PPAR_005101
05/31/2016	Jamie Sanbonmatsu (DBI)	Jamiesan@ix.netcom.com, Sunnv Angulo (BOS)	Email attaching document "Housing Chief HCO Needs.docx"	PPAR_005102- PPAR_005107
06/2016	City and County of San Francisco, Civil Grand Jury, 2015-2016	Mayor; Board of Supervisors; San Francisco Police Department Chief; Controller's Office; 311; Director of 311; The Department of	Grand Jury report entitled: "San Francisco Homeless Health & Housing – A Crisis Unfolding On Our Streets"	PPAR_005164
		Homelessness and Supportive		
06/01/2016	Rosemary Bosque (DBI)	Housing (UHSH) Andy Karcs (DBI), Nicole Rossini (DBI), Christina Lee (DBI), Bernadette Perez (DBI), Lily Madjus (DBI)	Email FW: Data Clarification Question, attaching screenshots of the "HCO Annual Reporting Highlights "DBI 2014-2015 Annual Report" page 45 and "2013-2014 Annual Report" on page 36	PPAR_005155- PPAR_005159
06/03/2016	Rosemary Bosque (DBI)	Asim Khan (CON), Patty Herrera (DBI), Lily Madjus (DBI)	Email string re: Data Clarification Question, attaching background information on Chapter 41 of the Administrative Code	PPAR_005201
06/07/2016	Bernadette Perez (DBI)	Christina Lee (DBI), Nicole Rossini (DBI)	Email re: Supervisor Peskin's Inquiry	PPAR_005202
06/08/2016	Rosemary Bosque (DBI)	Asim Khan (CON), Lily Madjus (DBI), Andy Karcs (DBI), Bernadette Perez (DBI)	Email string re: Data Clarification Question attaching documents associated with Chapter 41	PPAR_005203- PPAR_005219
06/11/2016	Pratibha Tekkey (pratibha@thclinic.org)	Sunny arf	Email re: Action Items	PPAR_005220- PPAR_005221
06/13/2016	San Francisco Budget and	Board of Supervisors of the City	Performance Audit of Homeless	FFAK UU5222-

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DATE	ATHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
עאור		and County of San Francisco	Services in San Francisco (HSH- HSA 000984 – 001057)	PPAR_005295
06/20/2016	Rosemary Bosque (DBI)	Ronald Tom (DBI), Daniel Lowrey (DBI)	Email re: Chapter 41 Information, attaching an excerpt of the FY 2014-2015 HCO Annual Report and a copy of the stamp	PPAR_005296- PPAR_005301
06/24/2016	Rosemary Bosque (DBI)	Jamie Sanbonmatsu (DBI), Bernadette Perez (DBI)	Email re: HCO Cost Recovery & Penalties Outline, attaching a document, "HCO Fees & Penalties Outline 6 24 2016.docx"	PPAR_005302- PPAR_005303
06/27/2016	San Francisco Planning Department	n/a	San Francisco Property Information Map, Report for: Latitude: 37.76972 Longitude: - 122.41296 (DPW 015637 – 015649)	PPAR_005304- PPAR_005316
06/27/2016	Jamie Sanbonmatsu (DBI)	Sunny Angulo (BOS)	Email attaching document "HCO Fees & Penalties Outline 6 24 2016.docx"	PPAR_005317- PPAR_005323
06/29/2016	San Francisco Chronicle	n/a	Article entitled, "The streets' sickest, costliest: the mentally ill" (MOH 013975 – 014002)	PPAR_005324- PPAR_005351
07/11/2016	Sunny Angulo (BOS)	Rio Sharf, Bobbi Lopez, [redacted], Jamie Sanbonmatsu (DBI), Rosemary Bosque (DBI), Pratibha Tekkey	Email string re: Re-grouping to Discuss Amendments to HCO	PPAR_005352- PPAR_005354
07/13/2016	Jamie Sanbonmatsu (DBI)	Lily Madjus (DBI)	Email string re: Follow Up from Mission Community Meeting	PPAR_005355- PPAR_005359
07/13/2016	Bobbi Lopez	Sunny Angulo (BOS), Rio Sharf, Bobbi Lopez, Jamie Sanbonmatsu (DBI), Rosemary Bosque (DBI), Pratibha Tekkey	Email string re: Re-grouping to Discuss Amendments to HCO	PPAR_005360- PPAR_005362
07/14/2016	Rosemary Bosque (DBI)	Rosemary Bosque	Email string FW: Re-grouping to Discuss Amendments to HCO	PPAR_005363-
07/14/2016	Jamie Sanbonmatsu (DBI)	Sunny Angulo (BOS), Rio	Email string re: Re-grouping to	PPAK_00366-

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		DECIDIENT(S)	DESCRIPTION	BATES NOS.
DAIE	(e)YOULOR	Sharf, Bobbi Lopez, Rosemary Bosnue (DBI), Pratibha Tekkev	Discuss Amendments to HCO	PPAR_005368
07/14/2016	Sunny Angulo (BOS)	Jamie Sanbonmatsu (DBI), [redacted], Rio Sharf, Rosemary Bosque (DBI), Pratibha Tekkev	Email string re: Re-grouping to Discuss Amendments to HCO	PPAR_005369- PPAR_005371
07/14/2016	Sunny Angulo (BOS)	Jamie Sanbonmatsu (DBI), Bobbi Lopez (lopezbobbi@gmail.com), Rio Sharf, Rosemary Bosque (DBI), Pratibha Tekkev	Email string re: Re-grouping to Discuss Amendments to HCO	PPAR_005372- PPAR_005374
07/19/2016	Sunny Angulo (BOS)	Rio Sharf, Bobbi Lopez, [redacted] Jamie Sanbonmatsu (DBI), Rosemary Bosque (DBI), Pratibha Tekkey	Email string re: Re-grouping to Discuss Amendments to HCO	PPAR_005375-
07/19/2016	City and County of San Francisco, Department of Public Works	City of San Francisco	DRAFT version 1 July 19, 2016, Public Works Policy and Guidelines for Removal and Temporary Storage of Personal Items Collected from Public Property (DPW 004332 – DPW 004337)	PPAR_005383 PPAR_005383
07/20/2016	Jamie Sanbonmatsu (DBI)	Sunny Angulo (BOS), Rio Sharf, Bobbi Lopez, [redacted] Rosemary Bosque (DBI), Pratibha Tekkey	Email string re: Re-grouping to Discuss Amendments to HCO	PPAR_005384- PPAR_005386
07/27/2016	Rosemary Bosque (DBI)	Lily Madjus (DBI)	Email string FW: HCO Inventory attaching document "HCO Protected Units 6.14.2016.xls"	PPAR_005387- PPAR_005405
07/28/2016	Rosemary Bosque (DBI)	Andy Karcs (DBI)	Email string FW: Code 79 & 93 attaching document "Code 92 Changes for FY 2016 – 17.xlsx"	PPAR_005406-
08/05/2016	Rio Scharf (rio@thclinic.org)	Sunny Angulo (BOS)	Email string re: Update on HCO Amendment Process	PPAR_005410- PPAR_005411

San Francisco SRO Hotel Coalition v. CCSF	INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
08/10/2016	Rosemary Bosque (DBI)	Sonya Harris (DBI), Tom Hui /DRI)	Email string re: Letter to DBI Commission	PPAR_005412- PPAR_005413
08/10/2016	Sonya Harris (DBI)	Rosemary Bosque (DBI), Tom Hui (DBI)	Email string re: Letter to DBI Commission	PPAR_005414- PPAR_005416
08/10/2016	Rosemary Bosque (DBI)	Nicole Rossini (DBI), Christina Lee (CON), Andy Karcs (DBI), Bernadette Perez (DBI)	Email string FW: Please Review – Draft Report, attaching document "BLA Policy Analysis.SRO Vacancies DRI Review docx"	PPAR_005417- PPAR_005427
08/24/2016	City and County of San Francisco Board of Supervisors, Budget and Ledislative Analyst's Office	Supervisor Farrell	Policy Analysis Report re: Vacant Single-Room Occupancy (SRO) Hotel Units in the Bay Area (BUD 004298-BUD 004306)	PPAR_005428- PPAR_005436
08/25/2016	Rio Scharf (rio@thclinic.org)	Sunny Angulo (BOS)	Email string re: Update on HCO Amendment Process	PPAR_005437- PPAR_005439
09/2016	City and County of San Francisco, Department of Public Works	City and County of San Francisco, Department of Public Works	Public Works Procedure for Collecting Personal Items in the Field (DPW 004338)	PPAR_005440
09/13/2016	Sunny Angulo (BOS)	Rio Scharf, Pratibha Tekkey	Email string re: HCO Amendment Update	PPAR_005441
09/23/2016	Diana Martinez (Diana@dscs.org)	Sunny Angulo (BOS)	Email string re: Ch 41 Check In Tuesday Maybe?	PPAR_005442-
10/2016	San Francisco Mayor's Office	n/a	Mission Action Plan 2020 (MOH 010666 010743)	PPAR_005445- PPAR_005522
10/05/2016	Rio Scharf (rio@thclinic.org)	Sunny Angulo (BOS)	Email re: Data re: 7-day Rentals, attaching document "Briefing Points.docx"	PPAR_005523- PPAR_005527
10/07/2016	Department of Building Inspection	City of San Francisco	Housing Inspection Services, Residential Hotel Unit Conversion and Demolition Ordinance (Chapter 41 of the S.F. Administrative Code) Executive Summary for Hotel Unit Usage Report – Group By Status (DBI 032974 – 033047 and DBI007834 -	PPAR_005528- PPAR_005638

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
2				
10/11/2016	Diana Martinez (Diana@dscs.org)	Sunny Angulo (BOS)	k In –	PPAR_005639- PPAR_005642
10/12/2016	Jason Lally (MYR)	Joy Bonaguro (MYR)	DPH Data (MYR 006223 –	PPAR_005643- PPAR_005646
10/14/2016	Diana Martinez (Diana@dscs.org)	Sunny Angulo (BOS)	Email re: Hotel Conversion Ordinance	PPAR_005647
10/25/2016	City & County of San Francisco, Office of the Controller, City Services	City and County of San Francisco	Street & Sidewalk Maintenance Standards Fiscal Year 2015-16 Annual Report	PPAR_005648- PPAR_005697
10/27/2016	Jamie Sanbonmatsu (DBI)	Nicole Rossini (DBI), Rosemary Bosque (DBI)	Email re: HCO, attaching an article from the San Francisco Examiner entitled, "First-of-its-kind report details code enforcement cases in SF homes"	PPAR_005698- PPAR_005702
10/28/2016	Rosemary Bosque (DBI)	Nicole Rossini (DBI), Bernadette Perez (DBI), Andy Karcs (DBI), Johanna Coble (DBI)	Email re: HCO	PPAR_005703
11/02/2016	Mayor's Office of Housing and Community Development	City Staff, et al.	Housing Preferences and Lottery Procedures Manual, Revised November 2, 2016	PPAR_005704- PPAR_005749
11/17/2016	SRO Task Force	City of San Francisco	San Francisco Single Room Occupancy (SRO) Task Force Contact Sheet & Attendance Log for Members and Guests, November 17, 2016 Regular Meeting (SRO 039186 – 039195)	PPAR_005750- PPAR_005759
11/29/2016	Sunny Angulo (BOS)	BOS Legislation (BOS), John Carroll (BOS)	Email re: Peskin – Ordinance – Admin Code Chapter 41 Amendments, attaching the Ordinance Amending Chapter 41	PPAR_005760- PPAR_005786

35

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DATE	AIITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
			of the Administrative Code and the legislative digest	
11/30/2016	BOS Legislation (BOS)	Sunny Angulo (BOS), BOS Legislation (BOS)	Email string re: Peskin – Ordinance – Admin Code Chapter 41 Amendments, attaching the Updated Ordinance Amending Chapter 41 of the Administrative Code and the ledislative digest	PPAR_005811 PPAR_005811
12/2016	San Francisco Public Works	n/a	Department Procedures Manual Vol. 16 – Street Environmental Services, Procedure 16.05.08, Removal and Temporary Storage of Personal Items Collected from Public Property (DPW 004145 - 004132 and DPW 004145 -	PPAR_005812- PPAR_005823
12/01/2016	Sunny Angulo (BOS)	BOS Legislation (BOS)	Email string re: Peskin – Ordinance – Admin Code Chapter 41 Amendments	PPAR_005824- PPAR_005825
12/02/2016	Lisa Pagan (ECN)	Jeff Buckley (MYR) cc: Laurel Arvanitidis (ECN); Sarah Dennis-Phillips (ECN); Brvan Quevedo (ECN)	Email re: Hotel Conversion Ordinance Update (MYR 006265)	PPAR_005826
12/05/2016	William Strawn (DBI)	Tom Hui (DBI), Edward Sweeney (DBI), Daniel Lowrey (DBI), Taras Madison (DBI), Ronald Tom (DBI), [redacted] Carolyn Jayin (DBI), Lily Madjus (DBI), Steven Panelli (DBI), David Leung (DBI), Ken Hu (DBI)	Email re: Update on newly proposed Board Ordinances and the December 8th Hearing on Drink Tap Stations	PPAR_005827- PPAR_005828
12/05/2016	Diana Martinez (Diana@dscs.org)	Sunny Angulo (BOS), Tim Hoang, Katie Selcraig	Email string re: Hotel Conversion Ordinance	PPAR_005829-
12/06/2016	Sunny Angulo (BOS)	BOS Legislation (BOS), John	Email re: Peskin – Substitute	PPAR_005832-

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San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD

36

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		Carroll (BOS)	Ordinance – Hotel Conversion Ordinance Update, attaching substitute legislation and new legislative digest	PPAR_005859
12/07/2016	Sunny Angulo (BOS)	Rosemary Bosque (DBI)	Email string Fwd: CH 41/SRO Conversion Update and next steps, attaching documents entitled, "CH 41 Legislative Digest.pdf," "CH 41 Update.pdf," and "SRO Hotel Voting History.docx"	PPAR_005860- PPAR_005892
12/08/2016	Rosemary Bosque (DBI)	Sonya Harris (DBI)	Email string re: DBI Articles as of 12/8/16	PPAR_005893- PPAR_005894
12/14/2016	Katie Selcraig (Katie@dscs.org)	Sunny Angulo (BOS), Diana Martinez	Email re: Following up on the HCO	PPAR_005895
12/15/2016	Lisa Lew (BOS)	Lisa Gibson (CPC), Joy Navarrete (CPC), Jeanie Poling (CPC), Alisa Somera (BOS)	Email re: BOS Referral: File No. 161291 – Administrative Code – Update Hotel Conversion Ordinance, attaching substitute legislation	PPAR_005896- PPAR_005924
12/15/2016	Lisa Lew (BOS)	Tom Hui (DBI), John Rahaim (CPC), Olson Lee (MYR), Jeff Kositsky (HOM), Barbara Garcia (DPH), William Strawn (DBI), Carolyn Jayin (DBI), Scott Sanchez (CPC), Lisa Gibson (CPC), AnMarie Rodgers (CPC), Aaron Starr (CPC), Joy Navarrete (CPC), Jeanie Poling (CPC), Eugene Flannery (MYR), Kate Hartley (MYR), Greg Wagner (DPH), Alisa Somera (BOS)	Email re: BOS Referral: File No. 161291 – Administrative Code – Update Hotel Conversion Ordinance, attaching substitute legislation	PPAR_005925- PPAR_005954
12/15/2016•	Lisa Lew (BOS)	Regina Dick-Endrizzi (ECN),	Email re: BOS File No. 161291 -	PPAR_005955-

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1440		RECIPIENT(S)	DESCRIPTION	BATES NOS.
DAIE		Menaka Mahajan (ECN), Alisa Somera (BOS)	Administrative Code – Update Hotel Conversion Ordinance, attaching referral to be referred to the Small Business Commission	PPAR_005984
12/15/2016	Tom Hui (DBI)	Sonya Harris (DBI), William Strawn (DBI), Lily Madjus (DBI), Carolyn Jayin (DBI)	Email string re: BOS Referral: File No. 161291 – Administrative Code – Update Hotel Conversion Ordinance, attaching substitute legislation	PPAR_005985- PPAR_006015
12/15/2016	William Strawn (DBI)	Daniel Lowrey, Rosemary Bosque (DBI), David Leung (DBI), Kirk Means (DBI), Ronald Tom (DBI), Edward Sweeney (DBI), Tom Hui (DBI), Lily Madjus (DBI), William Strawn (DBI)	Email re: Supervisor Peskin's amendments to Admin Code Chapter 41, Updating the Hotel Conversion Ordinance, attaching latest version of draft ordinance	PPAR_006016- PPAR_006045
12/16/2016	Joy Navarrete (CPC)	Lisa Lew (BOS), Jeanie Poling (CPC), Alisa Somera (BOS)	Email string re: BOS Referral: File No. 161291 – Administrative Code – Update Hotel Conversion Ordinance, attaching substitute legislation	PPAR_006046- PPAR_006074
12/16/2016	William Strawn (DBI)	Tom Hui (DBI), Sonya Harris (DBI) Carolyn Jayin (DBI), Lily Madjus (DBI), William Strawn (DBI)	Email re: DBI December 2016 Legislative Update.docx, attaching Legislative Update for 12/21/16 BIC meeting	PPAR_006075- PPAR_006084
12/19/2016	Sam Dodge, (HOM)	Emily Cohen, (MYR)(DPH)	Email string re: FW: BOS Referral: File No. 161291 – Administrative Code – Update Hotel Conversion Ordinance (HSH 004339 – HSH 004340)	PPAR_006085- PPAR_006086
2017	City and County of San Francisco, Department of Public Works	n/a	Chart re: Goal 3: Improve and inspire stewardship of public spaces (DPW 003977 – 003978)	PPAR_006087-
2017	City and County of San	City and County of San	2017 San Francisco Homeless	PPAR 006089-

0,476	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
	Francisco, Applied Survey Research	Francisco, U.S. Department of Housing and Urban	Count & Survey Comprehensive Report (MOH 005635 – 005714)	PPAR_006248
2017	City and County of San Francisco, Applied Survey Research	City and County of San Francisco, U.S. Department of Housing and Urban	2017 San Francisco Homeless Point-In-Time Count and Survey (2 page graphic summary)	PPAR_006249- PPAR_006250
2017	City and County of San Francisco, Applied Survey Research	City and County of San Francisco, U.S. Department of Housing and Urban Development (HUD)	2017 San Francisco Homeless Unique Youth Count & Survey Comprehensive Report	PPAR_006251- PPAR_006287
01/06/2017	Sunny Angulo (BOS)	Juned (js@hoteltropica.com)	Email re: Meeting re: HCO Update	PPAR 006288
01/10/2017	Sunny Angulo (BOS)	David Kim (ADM), Barbara Lopez (BOS)	Email string re: Jan 23 Press Conference - Sup Peskin, attaching a Steps Use Permit	PPAR_006290
01/10/2017	Sunny Angulo (BOS)	Rosemary Bosque (DBI), Jamie Sanbonmatsu (DBI), Aaron Peskin (BOS)	Email string re: HCO Date Confirmed – January 23rd	PPAR_006291-
01/13/2017	Sunny Angulo (BOS)	Jennifer Fieber, Kitty Fong, Tony Robles, Diana Martinez, Katte Selcraig, Tim Hoang, Gen Fujioka, Tan Chow, Tammy Hung, Rio Scharf, Prattibha Tekkey, Alexandra Goldman, lan, Sue Hestor, Deepa Varma, tmecca@hrcsf.org, Theresa fred@hrcsf.org, Theresa Imperial, theresa@sdaction.org, brian.basinger@ahasf.org, fredacted] joyce@cpasf.org	Email string re: CH 41/SRO Conversion Update and next steps, attaching document "HCO chart.pdf"	PPAR_006295 PPAR_006295
01/13/2017	Jamie Sanbonmatsu (DBI)	Pratibha Tekkey (pratibha@thclinic.org), Gen Fujioka, Raul Fernandez, Diana Martinez, Rosemary Bosque	Email re: HCO Hearing 1/23 (DBI 025601)	PPAR_006296

DATE	AITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
2		(DBI), Sunny Angulo (BOS)		
01/13/2017	Diana Martinez		Email string re: HCO Hearing 1/23	PPAR_006297
01/13/2017	Rosemary Bosque (DBI)	Andy Karcs (DBI), Nicole Rossini (DBI)	Email string re: HCO Hearing 1/23	PPAR_006298
01/18/2017	Katie Selcraig	Malia Cohen (BOS), Yoyo Chan	Email re: Requesting a meeting	PPAR_006299
		(BOS), Brittni Cnicuata (BOS), Diana Martinez	ordinance	
01/18/2017	Rosemary Bosque (DBI)	Jamie Sanbonmatsu (DBI)	Email string FW: CH 41/SRO Conversion Update and next steps	PPAR_006300- PPAR_006303
01/19/2017	Sam Dodge (HOM)	Emily Cohen (HOM)	Email string FW: CH 41/SRO	PPAR_006304-
			Conversion update and riext steps (HSH 004370 – HSH 004373)	
01/19/2017	Sunny Angulo (BOS)	Rosemary Bosque (DBI), Jamie	Email string re: CH 41/SRO Conversion Update and next steps	PPAR_006308- PPAR_006312
4100/07/170	Alice Semera (BOS)	Vovo Chan (BOS)	Email string re: Land Use Agenda	PPAR_006313-
1107/81/10	Alisa Sulitera (DOS)		- 1/23 Draft, attaching the January	PPAR_006321
			23, 2017 Final Draft Land Use	
			Agenda	
01/19/2017	Rosemary Bosque (DBI)	William Strawn (DBI), Jamie	Email re: 1st Draft Land Use	PPAR_006322-
		Sanbonmatsu (DBI), Daniel	Presentation, attaching document, "HCO Amend Pres to BOS I and	FFAK_UU0320
		Lowrey (UBI)	Use 1.23.2017"	
01/20/2017	Jamie Sanbonmatsu (DBI)	Rosemary Bosque (DBI)	Email re: HCO leg Chief needs	PPAR_006329-
			"Louganized attaching document	PPAK_006338
			an article from the SF Examiner	
			entitled. "First-of-its-kind report	
			details code enforcement cases in	
			SF homes"	
01/20/2017	William Strawn (DBI)	Ronald Tom (DBI)	Email FW: 1st Draft Land Use	PPAR_006339-
			Presentation, attaching powerpoint	FFAR_UU0343
			document "HCU Amena Pres to	
	-		DO0 Laliu U30 1.40.4011	

1440		RECIPIENT(S)	DESCRIPTION	BATES NOS.
01/20/2017	William Strawn (DBI)	Ronald Tom (DBI), William Strawn (DBI), [redacted]	Email re: Sup. Peskin's proposed amendments/updates to the 36- year old Hotel Conversion Ordinance to preserve low-cost housing for elderly, disabled, with a link to the Agenda Packet for the hearing on January 23, 2017	PPAR_006346-
01/20/2017	Janan New (janan@sfaa.org)	Sunny Angulo (BOS), Aaron Peskin (BOS), Brook Turner	Email re: HCO	PPAR_006385
01/20/2017	William Strawn (DBI)	Tom Hui (DBI), Edward Sweeney (DBI), Daniel Lowrey (DBI), Taras Madison (DBI), Ronald Tom (DBI), [redacted], Carolyn Jayin (DBI), Lily Madjus (DBI), William Strawn (DBI)	Email re: Board next week	PPAR_006386
01/20/2017	Rosemary Bosque (DBI)	William Strawn (DBI), Jamie Sanbonmatsu (DBI), Lily Madjus (DBI), Daniel Lowrey (DBI)	Email re: 1st Draft Land Use Presentation, attaching powerpoint document "HCO Amend Pres to BOS Land Use 1.23.2017"	PPAR_006387- PPAR_006394
01/20/2017	William Strawn (DBI)	Rosemary Bosque (DBI), Ronald Tom (DBI), Daniel Lowrey (DBI), Tom Hui (DBI)	Email re: HCO Amend Pres to BOS Land Use 1.23.2017, attaching powerpoint document, "HCO Amend Pres to BOS Land Use 1.23.2017"	PPAR_006395- PPAR_006402
01/20/2017	Sunny Angulo (BOS)	Katie Selcraig, Diana Martinez, tim@dscs.org, Gen Fujioka, Tan Chow, Tammy Hung, Kitty Fong, Randy Shaw, Rio Scharf, Pratibha Tekkey, Alexandra Goldman, ilewis@unitehere2.org, Sue Hestor, Deepa Varma, Jennifer@sftu.org,	Errail re: CH 41/SRO Conversion Update and next steps, attaching document "CH 41 HCO Peskin Summary"	PPAR_006403- PPAR_006410

DATE	AIITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		tmecca@hrcsf.org, fred@hrcsf.org, Tony Robles, Theresa Imperial, brian.basinger@ahasf.org, Barbara Lopez (BOS), joyce@cpasf.org, [redacted], Angelica Cabande, cgomez@unitehere2.org, tenantorganize@somcan.org, rquintero@thdc.org, joyce@cpasf.org, Jamie Sanbonmatsu (DBI), Rosemary Bosque (DBI), [redacted], Gail Gilman, jwilson@hospitalityhouse.org, Sam Dodae (HOM)		
01/20/2017	Sunny Angulo (BOS)	Aaron Peskin (BOS), Jane Kim (BOS)	Email FW: CH 41/SRO Conversion Update and next steps, attaching document " CH 41 HCO Peskin Summary"	PPAR_006411- PPAR_006417
01/22/2017	Sunny Angulo (BOS)	Katie Selcraig, Diana Martinez, tim@dscs.org, Gen Fujioka, Tan Chow, Tammy Hung, Kitty Fong, Randy Shaw, Rio Scharf, Pratibha Tekkey, Alexandra Goldman, ilewis@unitehere2.org, Sue Hestor, Deepa Varma, Jennifer@sftu.org, tmecca@hrcsf.org, Tony Robles, fred@hrcsf.org, Tony Robles, fred@hrcsf.org, Tony Robles, brian.basinger@ahasf.org, Barbara Lopez (BOS),	Email re: CH 41/SRO Conversion Update and next steps, attaching document "Community Talking Points – SRO Conversions – Land Use Hearing.pdf"	PPAR_006418- PPAR_006422

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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		joyce@cpasf.org, [redacted], Angelica Cabande, cgomez@unitehere2.org, tenantorganize@somcan.org, rquintero@thdc.org, joyce@cpasf.org, Jamie Sanbonmatsu (DBI), Rosemary Bosque (DBI), [redacted], Gail Gilman, jwilson@hospitalityhouse.org, Iredacted]		
01/22/2017	Sunny Angulo (BOS)	Katie Selcraig (Katie@dscs.org), Diana Martinez (Diana@dscs.org +33 more recipients (names are not visible)	Email string re: Ch 41/SRO Conversion Update and next steps	PPAR_006423- PPAR_006425
01/23/2017	Mawuli Tugbenyoh (MYR)	Crezia Tano (ECN)	Email string re: Legislative Update Week of January 23, 2017, attaching Hotel Conversion File No. 161291, Ordinance No [Administrative Code – Hotel Conversion Ordinance Update] (MYR 006089 – 006114)	PPAR_006426- PPAR_006451
01/23/2017	Bernadette Perez (DBI)	Sunny Angulo (BOS), Alisa Somera (BOS), Rosemary Bosque (DBI), Daniel Lowrey (DBI), William Strawn (DBI), Lily Madjus (DBI), Jamie Sanbonmatsu (DBI)	Email re Power Point Presentation for today's meeting 1/23/2017, attaching document "HCO Amend Pres to BOS Land Use 1 23 2017.pptx"	PPAR_006452- PPAR_006459
01/23/2017	Sunny Angulo	Rosemarie Bosque, William Strawn (DBI)	Email re: QUOTE for release	PPAR_006460
01/23/2017	Sunny Angulo	Rosemarie Bosque, William Strawn (DBI)	Email string re: QUOTE for release	PPAR_006461
01/23/2017	William Strawn (DBI)	Tom Hui (DBI), Daniel Lowrey	Email re HCO Amend Pres to BOS	PPAR 006462-

		RECIPIENT(S)	DESCRIPTION	BATES NOS.
DAIE		.(.) Ily	Land Use 1 23 2017.pptx, attaching powerpoint document " HCO Amend Pres to BOS Land Use 1 23 2017.pptx"	PPAR_006469
01/23/2017	Sunny Angulo (BOS)	Katie Selcraig, Diana Martinez, tim@dscs.org, Gen Fujioka, Tan Chow, Tammy Hung, Kitty Fong, Randy Shaw, Rio Scharf, Pratibha Tekkey, Alexandra Goldman, ilewis@unitehere2.org, Sue Hestor, Deepa Varma, Jennifer@sftu.org, tred@hrcsf.org, Tony Robles, fred@hrcsf.org, Jene brian.basinger@ahasf.org, brian.basinger@ahasf.org, fred@cpasf.org, [redacted], angelica Cabande, cgornez@unitehere2.org, tenantorganize@somcan.org, rquintero@thdc.org, Jamie Sanbonmatsu (DBI), [redacted], Gail Gilman,	Email string re: Ch 41/SRO Conversion Update and next steps	PPAR_006470- PPAR_006474
01/23/2017	Mawuli Tugbenyoh (MYR) Liaison to the Board of Supervisors Office of Mavor Fdwin Lee	Colleagues	Email re: Legislative Update Week of January 23, 2017 (CON 006004 - 006005)	PPAR_006475- PPAR_006476
01/23/2017	Rosemary Bosque (DBI)	Jamie Sanbonmatsu (DBI)	Email string re: QUOTE for release	PPAR_006477- PPAR_006478

-44

DATE	ALITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
DAIE			Email string ray Ravisions to the	PPAR 006479-
01/23/2017	William Strawn (DBI)	Kosemary Bosque (JDJ), Sunny Angulo (BOS), William Strawn (DBI)	citial suitig re. Itevisious to une quote	PPAR_006480
01/23/2017	Sunny Angulo (BOS)	Janan New, Aaron Peskin (BOS)	Email string re: today's hearing follow-up	PPAR_006481
01/23/2017	Bernadette Perez (DBI)	Rosemary Bosque (DBI)	Email string FW: Supervisorial Districts Count for HCO attaching a map of profit and nonprofit SRO	PPAR_006482-
01/24/2017	Randy Shaw (randy@thclinic@gmail.com)	Sunny Angulo (BOS), Dipak Patel (dinakstavinsf@dmail.com)	Email string FW: HCO	PPAR_006485
01/24/2017	Jamie Sanbonmatsu (DBI)	Rosemary Bosque (DBI), William Strawn (DBI), Daniel Lowrey (DBI), Ronald Tom (DBI), Tom Hui (DBI), Lily Madius (DBI)	Email string re: article re: SRO legislation would make it harder to rent residential hotel rooms to tourists	PPAR_006486- PPAR_006487
01/24/2017	Dipak Patel (dipakstayinsf@gmail.com)	Sam Patel, Aaron Peskin (BOS), Lee Hepner (BOS), Sunny Angulo (BOS), Nasir Patel	Email string re: HCO	PPAR_006488- PPAR_006492
01/25/2017	nasir24@aol.com	dipakstayinsf@gmail.com, spatel@csvhospitality.com, Aaron Peskin (BOS), Lee Hepner (BOS), Sunny Angulo (BOS)	Email string re: HCO	PPAR_006493- PPAR_006497
01/25/2017	Sunny Angulo (BOS)	Diana Martinez, Katie Selcraig	Email string re: HCO at full Board	PPAR_006498- PPAR_006499
01/26/2017	Juned Usman Shaikh (js@hoteltropica.com)	Aaron Peskin (BOS), Sunny Angulo (BOS), Lee Hepner (BOS), sdarbar@aol.com, dipakstayinsf@gmail.com, sp@bmshotels.com, amotawala@live.com,	Email re: Hotel Conversion Ordinance Legislation (HCO) – Preservation of Weekly Rentals for SRO Hotels – January 26th, 2016 to: Honorable Supervisor Aaron Peskin	PPAR_006500- PPAR_006502

4

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		anilpatel855@yahoo.com, vikcpatel@gmail.com, nap310@sbcglobal.net, rstratton@hansonbridgett.com, nayno33@sbcglobal.net, dpatel46@sbcglobal.net, dpatel46@sbcglobal.net, iaynehotel@aol.com, Kiran Patel, kenpatel04@gmail.com, kbthakor@gmail.com, kbthakor@gmail.com, akshayamin@sbcglobal.net, rpatel1541@gmail.com, nasir24@aol.com		
01/26/2017	Sunny Angulo (BOS)	Ahsha Safai (BOS), Jane Kim (BOS), Aaron Peskin (BOS), Jeff Sheehy (BOS), Malia Cohen (BOS), Suhagey Sandoval (BOS), Andres Power (BOS), Yoyo Chan (BOS), Barbara Lobez (BOS)	Email re: CH 41/SRO Conversion Fact Sheet Summary, attaching document "CH 41 HCO Peskin Summary.pdf"	PPAR_006503- PPAR_006506
01/27/2017	Janan New (janan@sfaa.org)	Sunny Angulo (BOS), Lee Hepner (BOS), Aaron Peskin (BOS)	Email re: HCO	PPAR_006507
01/27/2017	Katie Selcraig	Natalie Gee (BOS), Diana Martinez	Email string re: Meeting: Hotel Conversion Ordinance & 16th Bart Plaza Development	PPAR_006508- PPAR_006510
01/27/2017	William Strawn (DBI)	Tom Hui (DBI), Edward Sweeney (DBI), Daniel Lowrey (DBI), Taras Madison (DBI), Ronald Tom (DBI), [redacted], Carolyn Jayin (DBI), Lily	Email re: Board Next Week	PPAR_006511

46

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San Francisco SRO Hotel Coalition v. CCSF San Francisco Superior Court Case No. CPF-17-515656 INDEX OF FINAL PETITIONERS' PROPOSED ADMINISTRATIVE RECORD
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DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		Madjus (DBI), William Strawn (DBI)		
01/27/2017	Jonathan Moftakhar	Malia Cohen (BOS)	Email re: San Francisco Headlines	PPAR_006512- PPAR_006519
01/30/2017	Suhagey G. Sandoval	Supervisor Ahsha Safai	Memorandum re: Proposed legislation amending the Residential Hotel Unit Conversion and Demolition Ordinance ("HCO"), Administrative Code Chapter 41	PPAR_006520- PPAR_006523
			(File No. 161291) to be presented before the full Board of Supervisors on Tuesday, January 31, 2017	
01/30/2017	Katie Selcraig	Natalie Gee (BOS), Diana Martinez, Carolyn Goossen (BOS)	Email string re: Meeting: Hotel Conversion Ordinance & 16th Bart Plaza Development	PPAR_006524- PPAR_006527
01/30/2017	Erica Major (BOS)	Sunny Angulo (BOS), Suhagey Sandoval (BOS), Yoyo Chan (BOS), Andres Power (BOS), Ivy Lee (BOS), Alisa Somera	Email string re: 161292 – SRO Co- Sponsorship, attaching Special Handing/Noticing Requirements	PPAR_006528- PPAR_006535
01/30/2017	Mawuli Tugbenyoh (MYR)	Sam Dodge (HOM)	Email string re: Legislative Update Week of January 30,2017 (MYR 006123 – 006125)	PPAR_006536- PPAR_006538
01/31/2017	Erica Major (BOS)	Sunny Angulo (BOS), Suhagey Sandoval (BOS), Yoyo Chan (BOS), Andres Power (BOS), Ivy Lee (BOS), Alisa Somera (BOS)	Email string re: 161292 – SRO Co- Sponsorship, attaching Master Report dated January 31, 2017	PPAR_006539- PPAR_006543
01/31/2017	Chad Pradmore (chad3919@gmail.com)	Aaron Peskin (BOS)	Email re: HCO and Conversion Project	PPAR 006544- PPAR 006545
01/31/2017	Janan New (janan@sfaa.org)	Sunny Angulo (BOS), Aaron Peskin (BOS)	Email re: update on requested HCO amendments	PPAR_006546
01/31/2017	Rosemary Bosque (DBI)	Sunny Angulo (BOS)	Email string re: FINAL PUSH: Ch 41/SRO Conversion Update	PPAR_006547- PPAR_006558

DATE	AIITHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
01/31/2017	Sunny Angulo (BOS)	BOS Legislation (BOS), Alisa Somera (BOS)	Email re: PESKIN: File 161291: Amendment, attaching Supervisor Peskin's HCO leg as amended in board today (January 31, 2017)	PPAR_006559- PPAR_006584
01/31/2017	Sheila Chung Hagen (BOS)	Erica Major (BOS)	Email string re: Adding Supervisor Ronen as Co-sponsor of Update to Hotel Conversion Ordinance	PPAR_006585- PPAR_006586
02/01/2017	Yoyo Chan (BOS)	Katie Selcraig, Diana Martinez	Email string re: Requesting a meeting about the Hotel Conversion Ordinance	PPAR_006587- PPAR_006590
02/01/2017	Sunny Angulo (BOS)	acabande@somcan.org, tmecca@hrcsf.org, Randy Shaw, Gen Fujioka, Katie Selcraig, Diana Martinez, tim@dscs.org, Tan Chow, Tammy Hung, Kitty Fong, Rio Scharf, Pratibha Tekkey, Alexandra Goldman, ilewis@unitehere2.org, Sue Hestor, Deepa Varma, jennifer@sftu.org, fred@hrcsf.org, Tony Robles, Theresa Imperial, brian.basinger@ahasf.org, joyce@cpasf.org, [redacted], cgomez@unitehere2.org, tenantorganizer@somcan.org, rquintero@thdc.org, [redacted], Gail Gilman, jwilson@hospitalityhouse.org, [redacted], Jordan Gwendolyn	Email string re: FINAL PUSH: CH 41/SRO Conversion Update	PPAR_006591- PPAR_006597
		Davis, [redacted], Barbara Lopez (BOS), Jamie Sanbonmatsu (DBI), Rosemary		

DATE	AUTHOR(S)	RECIPIENT(S)	DESCRIPTION	BATES NOS.
		Bosque (DBI), Sam Dodge (HOM)		
02/01/2017	Sunny Angulo (BOS)	transformed are are not visible)	Email string re: FINAL PUSH: CH 41/SRO Conversion Update, attaching Community Talking Points – SRO Conversions – Land	PPAR_006598- PPAR_006606
02/01/2017	Sunny Angulo (BOS)	Rosemary Bosque (DBI), Jamie Sanbonmatsu (DBI)	Use Hearing Email string re: HCO follow-up and thank you	PPAR_006607- PPAR_006611
02/03/2017	William Strawn (DBI)	Tom Hui (DBI), Edward Sweeney (DBI), Daniel Lowrey (DBI), Taras Madison (DBI), Ronald Tom (DBI), [redacted], Carolyn Jayin (DBI), William Strown (DBN), Iily Madius (DBI).	Email re Board next week	PPAR_006612
02/06/2017	Sonya Harris (DBI)	William Strawn (DBI)	Email re: BIC Agenda Item	
02/06/2017	William Strawn (DBI)	Sonya Harris (DBI)	Email string re: BIC Agenda Item	PPAK 000014
02/06/2017	William Strawn (DBI)	Sonya Harris (DBI)	Email string re: Hotel Conversion Ordinance amendments from Sup. Peskin	PPAR_006615
02/07/2017	Bryan Wenter (Miller Starr Regalia)	London Breed, President, and Honorable Supervisors, City and County of San Francisco, cc: Angela Calvillo, et al.	Letter re: February 7, 2017 Board of Supervisors Agenda Item #13 161291 – Administrative Code – Update Hotel Conversion Ordinance And Public Act Records Request	PPAR_006616- PPAR_006628
02/10/2017	William Strawn (DBI)	Sonya Harris (DBI), Tom Hui (DBI), Edward Sweeney (DBI), Taras Madison (DBI), Daniel Lowrey (DBI), Ronald Tom (DBI), Carolyn Jayin (DBI), Lily Madjus (DBI), William Strawn (DBI)	Email re: Emailing: BICLeisUpdateFEb2017Combo.pdf attaching the Legislative Update for BIC next week	PPAR_006629-
02/10/2017	Bernadette Perez (DBI)	Carolyn Jayin	Email re: Mapping by Supervisorial	PPAK 006653-

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DAIE		(carolyn.jayin@sfgov.org)	Districts, attaching HCO Totals by District 2-10-2017	PPAR_006654
02/10/2017	Sonya Harris (DBI)	Dyanna Quizon (BOS)	Email string FW: AGENDA, attaching the Building Inspection Commission Agenda	PPAR_006655- PPAR_006665
02/13/2017	City and County of San Francisco, Department of Building Inspection	n/a	Department of Building Inspection, Total Distribution Number of Residential Hotels, Guestrooms City-Wide by Supervisorial District, Updated February 13, 2017 (025606)	PPAR_006666
02/13/2017	Bernadette Perez (DBI)	Carolyn.jayin@sfgov.org) (carolyn.jayin@sfgov.org)	Email re: HCO Data, attaching documents HCO Totals of Buildings in Supervisorial District 2- 13-2017 and Hotels By Tim Mansur 2-13-2017	PPAR_006667- PPAR_006689
02/13/2017	Bernadette Perez (DBI)	Andy Karcs (DBI), Nicole Rossini (DBI)	Email string FW: HIS Residential Hotel for Profit and Non-Profit, attaching Hotels By Tim Mansur 2- 13-2017, HCO Totals of Buildings in Supervisorial District 2-13-2017 and BOS Supervisorial Districts of Hotels-bp 2-13-2017	PPAR_006690- PPAR_006713
02/13/2017	Bernadette Perez (DBI)	Rosemary Bosque (DBI)	Email re: HCO Data, attaching BOS Supervisorial Districts of Hotels-bp 2-13-2017, Hotels By Tim Mansur 2-13-2017 Merged, and HCO Totals of Buildings in Supervisorial District 2-13-2017	PPAR_006737 PPAR_006737
02/13/2017	Bernadette Perez (DBI)	Andy Karcs (DBI), Nicole .Rossini (DBI)	Email FW: HCO Data, attaching BOS Supervisorial Districts of Hotels-bp 2-13-2017, Hotels By Tim Mansur 2-13-2017 Merged, and HCO Totals of Buildings in	PPAR_006738- PPAR_006761

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16	SUPERIOR COURT OF THE S	STATE OF CALIFORNIA
17	COUNTY OF SAN	FRANCISCO
18	SAN FRANCISCO SRO HOTEL COALITION, an unincorporated association, HOTEL DES	Case No. CPF-17-515656
19	ARTS, LLC, a Delaware limited liability company, and BRENT HAAS,	PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF
20	Plaintiffs and Petitioners.	PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2)
21	V.	PUBLIC RECORDS ACT
22	CITY AND COUNTY OF SAN FRANCISCO, a	Date: January 18, 2019 Time: 9:30 a.m.
23	public agency, acting by and through the BOARD OF SUPERVISORS OF THE CITY AND	Dept.: 503
24	COUNTY OF SAN FRANCISCO; DEPARTMENT OF BUILDING INSPECTION	CEQA Case
25	OF THE CITY AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in his official	Action Filed: May 8, 2017 First Amended and Supplemental
26 27	capacity as Mayor of the City and County of San Francisco, and DOES 1 through 100, inclusive,	Petition Filed: August 23, 2017 Trial Date: January 18, 2019 (On CEQA and
27	Respondents and Defendants.	PRA Writ Petitions)
40	SFSR\54041\1519002.1 -1-	
	PETITIONERS' OPENING TRIAL BRIEF ON THE MERI WRITS OF MANDATE UNDER (1) CEQ	
1	•	

TABLE OF CONTENTS

2				Page	2
3	I. P	VTRO	DUCT	FION AND SUMMARY OF ARGUMENT)
4	II. L	EGAI	L ANA	LYSIS OF CEQA WRIT CLAIM11	Į
5	А		Releva	ant Factual and Procedural Background11	l
6 7			1.	Basic Nature Of Single Room Occupancy Units And Hotels Generally	
8			2.	San Francisco's Hotel Conversion Ordinance12	2
9				a. History, Key Provisions, And Past Treatment As "Project" Subject To CEQA12	2
10 11				b. Stated Purpose Of The HCO To Protect Low Income SRO Tenants From Displacement	4
12				c. This Court Has Already Found That, Prior To The	
13				Challenged 2017 HCO Amendments, The City Consistently Interpreted The HCO To Prohibit Rentals Of Residential Units Only for Periods Of Less Than 7 Days1	5
14 15			3.	The HCO Amendments Materially Changed The HCO And Were Adopted Without Required Public Notice Or Any CEQA Review	7
16	B	3.	Legal	Argument2	1
17			1.	CEQA Has A Broad Definition Of "Project"2	1
18			2.	Whether An Activity Constitutes A CEQA "Project" Is A Question	
19				Of Law And No Deference Is Given To The Agency's Position On This Issue	3
20			3.	Whether An Activity Constitutes A CEQA "Project" Is A	
21				Categorical Question To Be Determined Without Regard To Whether It Will Actually Have Environmental Effects	4
22			4.	As A Matter Of Law, The HCO Amendments Are Categorically The	
23				"Sort" Of Activity That Meets CEQA's Broad Definition Of "Project" And The City Therefore Failed To Proceed In The Manner	
24				Required By Law When It Enacted Them With No Prior CEQA Review2	5
25				a. The HCO Amendments Constitute A Land Use Ordinance,	
26				Similar To A Zoning Ordinance, And Are Likewise Categorically Subject To CEQA2	5
27				(i) The HCO Is Akin To A Zoning Ordinance Because It Regulates The Use of Buildings, Structures, and Land2	5
28	SFSR\54041			-2-	
	PETITIC	NERS		ING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY TS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT	<u>,</u>
				•	

1	TABLE OF CONTENTS
2	(continued) Page
3	(ii) The City And Courts Have Treated The Original
4	HCO And All Subsequent Amendments Prior To The Challenged HCO Amendments As Projects Subject
5	To CEQA Review
	b. The HCO Amendments May Directly or Indirectly Cause
6	Numerous Reasonably Foreseeable Physical Changes In The Environment
7	5. The City Failed To Carry Its Initial Burden Of Environmental
8	Investigation And To Comply With CEQA In The First Instance
9	6. The Record Here Would Not Support Application Of The "Common Sense" Exemption Had The City Properly Treated Its Enactment Of
10	The HCO Amendments As A CEQA "Project" – A Fortiori, The City's Burden To Dispense With CEQA Review Should Not Be
11	Less By Virtue Of Its Unsupported Legal Claim That This Activity Is "Not A Project"
12	7. Conclusion
13	III. LEGAL ANALYSIS OF PRA WRIT CLAIM
14	IV. CONCLUSION
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
20	· · ·
27	
28	SFSR\54041\1519002.1 _3_
	PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY
	WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

TABLE OF AUTHORITIES

Page

3	
4	CASES
5	Apartment Assn. of Greater Los Angeles v. City of Los Angeles (2001) 90 Cal.App.4th 1162
6 7	Aptos Council v. County of Santa Cruz (2017) 10 Cal.App.5th 266
8	Association For A Cleaner Environment v. Yosemite Community College Dist. (2004) 116 Cal.App.4th 629
9 10	Black Property Owners Assn. v. City of Berkeley (1994) 22 Cal.App.4th 974
11	Bozung v. Local Agency Formation Com. (1975) 13 Cal.3d 263
12 13	Bullock v. City and County of San Francisco (1990) 221 Cal.App.3d 1072
14	California Building Industry Assn. v. Bay Area Air Quality Management Dist. (2015) 62 Cal.4th 369
15 16	California Farm Bureau Federation v. California Wildlife Conservation Bd. (2006) 143 Cal.App.4th 172
17	California Unions for Reliable Energy v. Mojave Desert Air Quality Management Dist.
18	178 Cal.App.4th 1225
19 20	Chung v. City of Monterey Park (2012) 210 Cal.App.4th 394
20 21	City of Livermore v. Local Agency Formation Com. (1986) 184 Cal.App.3d 531
22	City of San Jose v. Superior Court (2017) 2 Cal.5th 608
23 24	Concerned Citizens of Costa Mesa, Inc. v. 32nd Dist. Agricultural Assn. (1986) 42 Cal.3d 929
25	County of Inyo v. City of Los Angeles (1977) 71 Cal.App.3d 185
26 27	County Sanitation Dist. No. 2 v. County of Kern (2005) 127 Cal.App.4th 1544
28	SFSR\54041\1519002.1 -4- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY
	WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

2

TABLE OF AUTHORITIES (continued)

1

2

-	
3	<i>Davidon Homes v. City of San Jose</i> (1997) 54 Cal.App.4th 106
4 5	De Vita v. County of Napa (1995) 9 Cal.4th 763
6	East Peninsula Ed. Council, Inc. v. Palos Verdes Peninsula Unified School Dist. (1989) 210 Cal.App.3d 155
7 8	Friends of the College of San Mateo Gardens v. San Mateo County Community College Dist. (2016) 1 Cal.5th 937
9 10	Fullerton Joint Union High School Dist. v. State Bd. of Education (1982) 32 Cal.3d 779
11	Gentry v. City of Murietta (1996) 36 Cal.App.4th 1359
12 13	Joshua Tree Downtown Business Alliance v. County of San Bernardino (2016) 1 Cal.App.5th 677
14	Leonoff v. Monterey County Bd. of Supervisors (1990) 222 Cal.App.3d 1337
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17	Lincoln Place Tenants Assn. v. City of Los Angeles (2007) 155 Cal.App.4th 425
18 19	McQueen v. Board of Directors (1988) 202 Cal.App.3d 1136
20	Morehart v. County of Santa Barbara (1994) 7 Cal.4th 725 22, 25
21 22	Moreno v. City of King (2005) 127 Cal.App.4th 17
23	Muzzy Ranch Co. v. Solano County Airport Land Use Com. (2007) 41 Cal.4th 372 passim
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26	No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68
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	SFSR\54041\1519002.1 -5-
	PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

Page

TABLE OF AUTHORITIES (continued)

1

2	
3	Pieri v. City and County of San Francisco (2006) 137 Cal.App.4th 886
4 5	Placerville Historic Preservation League v. Judicial Council of California (2017) 16 Cal.App.5th 187
6	Plastic Pipe & Fittings Assn. v. California Building Standards Com. (2004) 124 Cal.App.4th 1390
7	Ranch Co. v. Solano County Airport Land Use Com. (2007) 41 Cal.4th 372
9	Riverwatch v. Olivenhain Municipal Water Dist. (2009) 170 Cal.App.4th 1186
10 11	Rogers v. Superior Court (1993) 19 Cal.App.4th 469
12	<i>Rominger v. County of Colusa</i> (2014) 229 Cal.App.4th 690
13 14	Rosenthal v. Board of Supervisors (1975) 44 Cal.App.3d 815
15	San Francisco Apartment Assn. v. City and County of San Francisco (2016) 3 Cal.App.5th 463
16 17	San Gabriel Tribune v. Superior Court (1983) 143 Cal.App.3d 762
17	San Joaquin Raptor Rescue Center v. County of Merced (2013)
19	San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo
20 21	Valley Unified School Dist. (2006) 139 Cal.App.4th 1356
22	San Remo Hotel v. City and County of San Francisco (2002) 27 Cal.4th 643 12, 16, 26, 27
23	Save the Plastic Bag Coalition v. City of Manhattan Beach (2011) 52 Cal.4th 155
24 25	Sierra Club v. Superior Court of Orange County (2013) 57 Cal.4th 157
26	<i>Sukumar v. City of San Diego</i> (2017) 14 Cal.App.5th 45111, 38
27 28	Sundstrom v. County of Mendocino (1998) 202 Cal.App,3d 296
	SFSR\54041\1519002.1 -6-
	PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

TABLE OF AUTHORITIES (continued)

2	Page
3	Tenderloin Housing Clinic, Inc. v. Astoria Hotel, Inc. (2000) 83 Cal.App.4th 139
4	Terminal Plaza Corp. v. City and County of San Francisco (1986) 177 Cal.App.3d 892 passim
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7 8	Union of Medical Marijuana Patients, Inc. v. City of San Diego (2016) 4 Cal.App.5th 103
9	
10	STATUTES
11	Government Code Section 6250
12	Section 65880
13	Public Resources Code
14	Section 21000
15	Section 21080(a)
16	Section 21065
17	San Francisco Administrative Code Chapter 67
18	Section 37.2-8
19 20	Section 41.20(e)
20	CONSTITUTIONAL PROVISIONS
22	
23	Section 3(b)(1)
24	Section 3(b)(7)
25	
26	REGULATIONS, ORDINANCES AND RULES OF COURT
27	CEQA Guidelines Section 15061(b)(3)
28	Section $15378(a)(1)$
	SFSR\54041\1519002.1 -7- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY
	IF PETITIONERS OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY

WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1	TARLE OF AUTHORITIES
2	TABLE OF AUTHORITIES (continued) Page
3	City's Rent Ordinance (Administrative Code, Chapter 37)
4	
5	OTHER AUTHORITIES
6	League of California Cities, "The People's Business: A Guide to the California Public Records Act" (Rev. April 2017), p. 5
7	<i>Records Act</i> " (Rev. April 2017), p. 5
8	
9	
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13	
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17 18	
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	SFSR\54041\1519002.1 -8- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTOR

1 || **I**.

INTRODUCTION AND SUMMARY OF ARGUMENT

2 Petitioners San Francisco SRO Hotel Coalition (the "Coalition"), Hotel Des Arts, LLC, and Brent Haas (collectively "Petitioners") seek peremptory writs of mandate: (1) setting 3 4 aside Respondent City and County of San Francisco's ("City") approval of Ordinance No. 38-17 5 (Board of Supervisors File No. 161291) (the "Ordinance" or "HCO Amendments"), whereby it materially amended its Residential Hotel Unit Conversion and Demolition Ordinance ("HCO") 6 7 without performing any review of that discretionary action under the California Environmental Quality Act ("CEQA"; Pub. Resources Code, § 21000 et seq); and (2) remedying City's remaining 8 violations of the California Public Records Act ("PRA"; Gov. Code, § 6250 et seq.) in responding 9 to PRA requests.¹ 10

Petitioners' CEQA claim raises a purely legal issue going to the heart of that 11 statute: Did the City violate the law when it summarily dispensed with CEQA review of an 12 Ordinance enacting major revisions to its HCO, materially changing the terms on which SRO units 13 can be rented and occupied, based solely on its ipse dixit that the Ordinance is not a "project" 14 under CEQA? The City's unsupported - and incredible - assertion that the Ordinance is not a 15 "project" triggering CEQA review contravenes not only its own past practice, but CEQA's plain 16 language (Pub. Resources Code, §§ 21065(a), 21080(a)); CEQA Guidelines, § 15378(a)(1)), and 17 18 decades of case law holding similar land use ordinances, plans and regulations are CEQA 19 "projects," both categorically and because they may result in direct or reasonably foreseeable

20

¹ These two writ claims are set forth in the First (Violations of CEQA) and Sixth (Violations of 21 PRA) Causes of Action of Petitioners' "First Amended And Supplemental Verified Petition For 22 Writ Of Mandate; Complaint For Declaratory And Injunctive Relief For Takings, Denial of Due Process, And Denial Of Equal Protection," filed and served on August 23, 2017 (the "FAP"). This 23 Court's (Hon, Lynn O'Malley-Taylor) original "Case Management Order Setting Briefing And Hearing Schedule" entered on April 17, and filed on April 18, 2018 (the "CMO"), set these two 24 claims for consolidated briefing and hearing on October 5, 2018, at 1:30 p.m. in Department 503. The Court's (Hon. Cynthia Ming-mei Lee) First Amended CMO rescheduled the hearing to 25 January 18, 2019, at 9:30 a.m., and adjusted the briefing and related deadlines. The FAP's 26 remaining claims (Second through Fifth Causes of Action) are not at issue in this hearing and are currently the subject of Petitioners' pending appeal of this Court's (Hon. Terri Jackson) denial of 27Petitioners' motion for a preliminary injunction based on those claims. That appeal has been fully briefed since February 22, and is now set for oral argument on September 20, 2018. 28 SFSR\54041\1519002.1 -9-

PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1 indirect changes to the physical environment. (E.g., Muzzy Ranch Co. v. Solano County Airport 2 Land Use Com. (2007) 41 Cal.4th 372, 381 ["Whether an activity constitutes a project subject to CEQA is a categorical question respecting whether the activity is of a general kind with which 3 CEQA is concerned, without regard to whether the activity will actually have environmental 4 impact"]; Rominger v. County of Colusa (2014) 229 Cal.App.4th 690, 701-702 [holding examples 5 of CEQA projects listed in Public Resources Code § 21080(a), including but not limited to 6 7 enactment and amendment of zoning ordinances and approval of tentative subdivision maps, are categorically CEQA projects].) The HCO is an ordinance regulating the use of buildings, 8 9 structures and land akin to a zoning ordinance, and it is not only "reasonably" but *plainly* 10 foreseeable that the HCO Amendments may directly or indirectly result in changes in SRO room occupancy, tenant displacement, and related environmental effects. Accordingly, as a matter of 11 12 law, the HCO Amendments are *categorically* a "project" within CEQA's purview, and the City 13 violated its mandatory legal duties when it failed to conduct an initial study and summarily 14 dispensed with CEQA review based on its contrary conclusion.

15 The PRA claim has in part, but not completely, been mooted by the City's belated 16 production of responsive documents. After six months of the City's stonewalling, intentionally 17 misconstruing and narrowing the scope of Petitioners' broad PRA requests, and producing barely 18 2,500 pages of documents in response to those requests, Petitioners were forced to amend and 19 supplement their Petition to add a claim seeking a writ for the City's PRA violations. Beginning 20two weeks after that, and continuing over the next five months, the City produced an additional 21 approximately 18,000 pages of documents, including numerous previously withheld documents 22 responsive to Petitioner's PRA requests, many of which are now part of the certified 23 Administrative Record in this action. Crucially, this belated production came only after (1) the 24 City had repeatedly violated the PRA's deadlines, (2) the City had repeatedly – and falsely – 25 claimed to have produced *everything*, (3) the City had intentionally and illegally construed 26Petitioner's requests narrowly in an effort to avoid producing relevant documents, and 27 (4) Petitioners had been forced to file and serve their August 2017 FAP adding the Sixth Cause of 28 Action for PRA violations. As a matter of law, the Coalition has thus *already prevailed* on the SFSR\54041\1519002.1 -10-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1	PRA claim. (Sukumar v. City of San Diego (2017) 14 Cal.App.5th 451, 462-467 [plaintiff prevails
2	in PRA action, even where writ relief denied as moot, where filing of lawsuit causes release of
3	responsive, previously withheld documents].) However, that PRA claim has not yet been
4	adjudicated, is not entirely mooted, and a writ should still issue to compel the City to produce
5	legally required declarations evidencing that thorough searches of City officials' and employees'
6	personal files, accounts and devices were appropriately conducted for responsive documents – a
7	legal mandate with which the City has still never complied. (City of San Jose v. Superior Court
8	(2017) 2 Cal.5th 608 [holding city employees' communications related to the conduct of public
9	business are public records regardless of whether sent or received on personal account or device,
10	and allowing city to rely on employees' searches so long as it obtains employee affidavits with
11	sufficient factual showing of PRA compliance].)
12	For these reasons, as set forth in more detail below, the Court should issue: (1) a
13	peremptory writ of mandate voiding and directing the City to set aside Ordinance No. 38-17
14	enacting the HCO Amendments, which it unlawfully adopted without any environmental review
15	based on its legally erroneous assertion that such discretionary action was not a CEQA "project";
16	and (2) an appropriate peremptory writ remedying the City's remaining PRA violations.
17	II. LEGAL ANALYSIS OF CEQA WRIT CLAIM
18	A. <u>Relevant Factual and Procedural Background</u>
19	1. <u>Basic Nature Of Single Room Occupancy Units And Hotels</u> Generally
20	
21	The HCO regulates approximately 18,000 to 20,000 SRO units in about 500 SRO
22	hotels (both profit and non-profit) throughout the City. (PPAR 4, 703, 6520, 6890.) ² An SRO
23	unit is a small hotel room, usually from 100 to 350 square feet in size, that generally lacks private
24	bathrooms and kitchens. (5/9/17 Zacks Decl. in Supp. Of Mot. For Prelim. Inj., ¶ 5.) SROs
25	
26	² Petitioners' Proposed Administrative Record is cited "PPAR [page no/s]" and consists of 7,208
27	pages Bates labeled PPAR 000001 - 007208. The PPAR has been partially certified by the City, and relevant documents that the City did not certify are the subject of Petitioners' concurrently
28	filed Motion to Augment the Record and/or Request for Judicial Notice.
	SFSR\54041\1519002.1 -11- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT
	WRITS OF WIANDATE UNDER (I) CEQA AND (2) FUBLIC RECORDS ACT

1	generally use shared bathrooms; some may have communal kitchens; for others, residents must
2	use their own microwaves, hot plates, etc., or in some cases, bring in prepared food. (Ibid.)
3	Essentially, they resemble college dormitory rooms, not apartment units. (PPAR 7141.) These
4	units have long provided a critical supply of relatively low-cost rooms for rent on a weekly, or
5	multi-week, basis. (PPAR 703, 6606 [approximately 5% of City's population lives in SROs].);
6	Zack's decl., \P 6.) As the Supreme Court has recognized, while SRO units "may not be an ideal
7	form of housing, such units accommodate many whose only other options might be sleeping in
8	public spaces or in a City shelter" and "residential hotel units serve many who cannot afford
9	security and rent deposits for an apartment." (San Remo Hotel v. City and County of San
10	Francisco (2002) 27 Cal.4th 643, 674, emph. added.) ³
11	2. <u>San Francisco's Hotel Conversion Ordinance</u>
12	a. <u>History, Key Provisions, And Past Treatment As</u>
13	<u>"Project" Subject To CEQA</u>
14	San Francisco's HCO is a local land use ordinance, codified at
15	chapter 41 of the San Francisco Administrative Code, that regulates the rental and use of
16	designated SRO units. (Bullock v. City and County of San Francisco (1990) 221 Cal.App.3d
17	1072, 1080; S.F. Admin. Code, § 41,1; see PPAR 175-230.) First enacted in 1981, its predecessor
18	was a 1979 moratorium on the demolition or conversion of SRO units to tourist units or
19	condominiums in response to a perceived serious housing shortage for low-income and elderly
20	residents caused by such conversions. (Terminal Plaza Corp. v. City and County of San Francisco
21	(1986) 177 Cal.App.3d 892, 898; PPAR 6521.) In February 1981, the City replaced the
22	moratorium with the permanent HCO. (Terminal Plaza Corp., supra, 177 Cal.App.3d at 898.) As
23	revised and redrafted through amendments later that year, the HCO required owners of SRO units
24	³ These statements of the Supreme Court alone, and without regard to their factual basis, show that
25	the City's actions in enacting and amending its HCO are <i>categorically</i> a general kind of activity
26	with which CEQA is concerned. (See Muzzy Ranch, supra, 41 Cal.4th at 382.) In fact, a variety of people rent SRO rooms, including lower-income people who would be homeless if their only
27 28	other option was to rent in a traditional, monthly manner; short-term visitors who cannot afford tourist hotel rates; people coming in to work in the City for short periods of time; and even medical patients and their families, who also cannot afford to pay tourist rates. (Zacks decl., \P 6.)
20	SFSR\54041\1519002.1 -12-
	PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

to obtain a permit prior to demolishing or converting such SRO units to any other use. (*Id.*) A
 unit's designation as "residential" or "tourist" was determined as of September 23, 1979, by its
 occupancy status according to definitions contained in, and documented pursuant to procedures
 specified in, the HCO. (*Id.*)

5 Because the originally adopted rule requiring 32-day minimum 6 rentals proved to be problematic and unworkable for both SRO hotel owners and their tenants (PPAR 1695-1697, 1706-1708, 1719), in 1990 the City amended the HCO to change the minimum 7 8 allowable occupancy period of residential rooms to at least seven days (i.e., weeklies). (PPAR 52 9 [showing language of 41.20(a)(2) prior to HCO Amendments providing it would be unlawful to 10 "[r]ent any residential unit for a term of tenancy less than seven days"]; 1724; [8/7/89 City DBI letter noting "proposed change will allow landlords to rent weekly"]; 1728 [9/22/89 City 11 environmental review memo noting 1990 amendments would authorize "weekly rather than 12 monthly rentals during winter months"].)⁴ 13

14Importantly, the original HCO and all subsequent amendments made15to it and to related ordinances were – until the adoption of the HCO Amendments challenged in16this action, which became effective as of March 19, 2017 – treated by the City, and held by the17courts, to be "projects" subject to CEQA review. (PPAR 1213-1214, 1227-1229, 1446-1455,181530-1533, 1653-1672, 1677-1681, 1689-1693, 1699-1704, 1727-1729; see *Terminal Plaza Corp.*,19*supra*, 177 Cal.App.3d at 903-905 [holding City's adoption of original HCO was project requiring20CEQA review].)

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⁴ In 1990, the City also amended the HCO to enable certain nonprofit organizations (specifically, Tenderloin Housing Clinic ("THC")) to be "interested parties" with standing to enforce the HCO and also required such parties to report lawsuits to the City. (S.F. Admin. Code, § 41.20(e); see also *Tenderloin Housing Clinic, Inc. v. Astoria Hotel, Inc.* (2000) 83 Cal.App.4th 139, 141 [THC sued hotel for violating HCO].) Accordingly, THC, the largest non-profit operator of SRO hotels in the City, actually acts as a primary enforcer of the HCO through private litigation, typically against privately owned, for-profit SRO hotel owners and operators such as those comprising petitioner San Francisco SRO Hotel Coalition.

-13-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

b. <u>SRO Tenants From Displacement</u> <u>Stated Purpose Of The HCO To Protect Low Income</u>

The stated purpose of the HCO is "to benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, elderly, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." (PPAR 3.) "The HCO includes findings that the City suffers from a severe shortage of affordable rental housing; [and] that many elderly, disabled and low-income persons reside in residential hotel units[.]" (*Ibid.*)

9 Since the last major HCO amendments were made in 1990, and up until the challenged HCO Amendments, the City has consistently interpreted and enforced the 10 HCO such that weekly rentals to anyone were lawful even if the weekly occupants failed to 11 become permanent, residential rent-controlled tenants by staying in the rented SRO unit for at 12 least thirty days. HCO Annual Reports issued by Respondent Department of Building Inspection 13 ("DBI"), which were initiated in 2000 (PPAR 1731), have consistently stated the rule that: 14 "Residential hotel owners and operators must rent residential guest rooms certified by the HCO 15 for seven days or longer." (PPAR 1747, 1750, 1754, 1765, 4391, 4630, 4638, 4645, 4665, 4669, 16 4678, 4686, 4692, 4705, 4710.) Similarly, DBI's informational materials regarding its required 17 Annual Unit Usage Reports ("AUUR") stated that "Residential guest rooms must be rented for a 18 period not less than 7 consecutive days to a San Francisco resident" (PPAR 7141) and referred to 19 "guest rooms rented for less than 7 days" as "tourist guest rooms." (PPAR 7144.) The City's 20 AUUR forms themselves similarly objectively define residential rooms as those rented "for 7 days 21 or more." (PPAR 7162, 7164.)⁵ Thus, the ability of SROs to lawfully offer and provide short-term 22 weekly rentals has for decades provided a vital public service to the most economically-23 24 disadvantaged residents of San Francisco.

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SFSR\54041\1519002.1

-14-

PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

 ²⁶ ⁵ The HCO also allowed SRO hotel operators to rent vacant units as *short-term* rentals of *less than* ⁷ *days* to tourists during the designated tourist season (May 1-September 30) without being
 ⁸ *days* to tourist have "accurated" such SBO units to unlowful tourist or transient upon (Termingle Plana)

deemed to have "converted" such SRO units to unlawful tourist or transient use. (*Terminal Plaza*, supra, 177 Cal.App.3d at 899.)

1c.This Court Has Already Found That, Prior To The
Challenged 2017 HCO Amendments, The City Consistently Interpreted The HCO To2Prohibit Rentals Of Residential Units Only for Periods Of Less Than 7 Days

3 The City previously argued to this Court in opposing Petitioners' 4 preliminary injunction motion that the 2017 HCO Amendments did not make any substantive 5 changes to the HCO, but merely "clarified" existing law: "The Amendments to the HCO define 6 'tourist or transient use' and clarify San Francisco's long-standing interpretation of the HCO. 7 There are no substantive changes in the obligations of SRO owners." (5/19/17 City MPA in Opp. to Prelim. Inj. 1:5-7.) It is anticipated the City will again argue in opposition to Petitioners' 8 CEQA claim that SRO owners have never had the legal right to rent SRO units for periods of 9 between 7 and 32 days except to permanent residents.⁶ In the proceedings on the preliminary 10injunction motion, this Court rejected that argument based on Petitioners' proffered evidence of 11 the City's and THC's contrary historical interpretation in litigation, both in appellate arguments 12 and trial court stipulated settlements. (5/26/17 Plaintiffs' Reply Request For Jud. Not. In Supp. of 13 Mot. for Prelim. Inj., Exs. A - H.) City's past interpretation of the HCO, plainly appearing in 14 matters subject to this Court's judicial notice, as well as in the plain language of prior versions of 15 the HCO itself and other documents in the administrative record, shows that prior to the 16 17 challenged HCO Amendments at issue in this action, the HCO was consistently interpreted and 18 enforced such that Petitioners had a lawful right to make SRO rentals of 7 days or more. As this 19 Court found in its Order denying the preliminary injunction motion: "The pre-2017 Amendments version of the Residential Hotel Unit Conversion and Demolition Ordinance ('HCO') did allow 20

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⁶ The City may make this argument in an effort to claim its failure to perform CEQA review of the 22 HCO Amendments is allowed under precedent holding that while local ordinances are potential CEQA projects, "[a] municipal ordinance that merely restates or ratifies existing law does not 23 constitute a project and is therefore not subject to environmental review under CEQA." (Union of Medical Marijuana Patients, Inc. v. City of Upland (2016) 245 Cal.App.4th 1265, 1272-1275.) 24 But any such argument would be unavailing here for numerous reasons, including that (1) the HCO Amendments regulate land use (Morehart v. County of Santa Barbara (1994) 7 Cal.4th 725, 25 750) and affect housing of last resort for the otherwise homeless (San Remo Hotel, supra, 27 26 Cal.4th at 674), and are thus categorically a CEQA "project" (e.g., Rominger, supra, 229 Cal.App.4th at 702-703); (2) both the face of the HCO Amendments and the record here plainly 27

show that the Ordinance materially amended, and did not merely restate, the preexisting HCO; and
 (3) this Court itself has already duly considered and flatly rejected this argument.

SFSR\54041\1519002.1 -15-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

certain types of rentals of residential units that are now prohibited by the Amendments, e.g., seven
 day (or longer) rentals for residential use to non-permanent residents." (6/14/17 Order Denying
 Mot. For Prelim. Inj. 2:9-12.)

4 The California Supreme Court has also interpreted the HCO 5 consistently with this Court's – and the City's previous and longstanding – interpretation: "The 6 HCO makes it unlawful to eliminate a residential hotel unit without obtaining a conversion permit 7 or to rent a residential unit for a term shorter than seven days." (San Remo Hotel, supra, 27 8 Cal.4th at 651, citing S.F. Admin. Code, § 41.20(a).) San Remo Hotel was decided 16 years ago. 9 And as Petitioners have previously pointed out, as late as 2016, THC was continuing to stipulate 10 to injunctions in HCO enforcement actions that only enjoined the renting of rooms for a period of less than 7 days - without regard to the residency status of those occupants. The contrary 11 12 "revisionist history" offered by the City in this litigation does not withstand scrutiny.

13 Indeed, as clearly recognized by the proponents of this legislation, the major purpose of the HCO Amendments was to "close a loophole" in the HCO by changing 14 15 the minimum allowable rental term for SRO units from 7 days to 32 days. (E.g., PPAR 233 [1/20/17 United to Save the Mission letter "support[ing] the shift from 7 to 32 days"]; 235 16 17 [1/22/17 DBI Commissioner letter re closing "loopholes such as the amount of days a unit must be occupied to be considered "residential""]; 6554 [Supervisor Peskin press release re purpose of 18 19 "legislation to address existing loopholes"]; 6296 [1/13/17 email from DBI Senior Housing 20Inspector re "important changes to the residential hotel conversion ordinance" and stating "[t]he 21 legislation will change the 7 day rule to 30 days"]; 6326, 6330, 6408 [City's informational 22 materials noting changes].) 23 A January 30, 2017 staff memo written to Supervisor Safai

regarding the proposed HCO Amendments stated, in summarizing a DBI report: "The HCO
currently requires that residential guestrooms be available for low income, elderly and disabled
persons for a "term of tenancy of seven (7) days or more [proposed legislation will change this to
32 days, any rental of less than 32 days is considered a tourist rental]."" (PPAR 6522, bracketted
text in orig.) The memo further noted: "This 32 consecutive day change is important and brings
SFSR\\$4041\1519002.1 -16-

PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT the HCO in compliance [sic] with the Rent Ordinance. This proposed change renders a rental of
 less than 32 days as transient or tourist." (PPAR 6521.)

Sunny Angulo, the Chief of Staff of HCO Amendments sponsor
Aaron Peskin, succinctly stated in an email rallying support for the legislation that the hotel
operators' "chief concern is the very heart of the legislation. <u>They want to keep it at 7 days</u>. We
have indicated that the community is committed to this core piece of the legislation." (PPAR 6549,
emph. in orig.) In another email to her "team" of proponents, Angulo referred to "the threshold of
days required to rent a residential room" as "the meat of the legislation," and urged them to "make
history" by securing the Ordinance's adoption. (PPAR 6594.)

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3. <u>The HCO Amendments Materially Changed The HCO And</u> Were Adopted Without Required Public Notice Or Any CEQA Review

In late 2016, members of Respondent Board of Supervisors proposed the HCO
Amendments, purportedly to address (among other concerns) perceived problems characterized by
City staff as rentals by private hotel operators of SRO units to "short-term tourists for bigger
profit, with none of the hassle of tenant protections." (PPAR 6520.)

16 The HCO Amendments proposed in late 2016, and subsequently enacted and challenged herein, make the following material changes to the HCO: (1) redefining prohibited 17 18 "tourist or transient" use and "unlawful actions" so as to entirely eliminate SRO hotel operators' 19 preexisting year-round right to rent SRO units for minimum terms of at least seven (7) days (the 20provision the Ordinance sponsor's Chief of Staff referred to as "the very heart" and "the meat of 21 the legislation"); (2) prohibiting the rental of SRO units (except in compliance with the HCO's restrictive seasonal tourist rental provisions) for any term less than 32 days, thus converting all 22 SRO hotel units into "apartments" for at least half the year and thereby subjecting them to the 23restrictions of City's Rent Ordinance; (3) entirely eliminating previously lawful tourist rentals of 24 SRO units (i.e., for terms less than 32 days) between May 1 and September 30 (where the unit has 25 become vacant due to voluntary vacation or lawful eviction of the permanent resident) when the 26 SRO hotel owner or operator has committed any violation of the HCO within the past year; (4) 27 changing conversion permit application requirements to include requiring specifying the location 28 SFSR\54041\1519002.1 -17-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY

TIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1	of replacement units, historic rental rates for vacant converted units, and "sufficiently detailed
2	financial information, such as letters of intent and contracts, establishing how the owner or
3	operator is constructing or causing to construct" any off-site replacement units; (5) redefining
	"comparable unit" so as to require a replacement unit for conversion purposes to be "designated
5	the same category of housing as the existing unit" and "similarly affordable for low income,
6	elderly, and disabled persons" as well as newly subjecting replacement units to "restrictions
7	recorded against title to the real property"; (6) increasing the information required to be provided
8	in AUURs to include a "graphic floor plan reflecting room designations for each floor," and
9	substantially increasing the penalties for providing late or insufficient reports to \$500 per day plus
0	elimination of eligibility for seasonal tourist rentals for the next 12 months; (7) granting the
1	Director of Respondent DBI the authority to issue administrative subpoenas to conduct on-site
2	inspections of documents and units, and to recover costs of enforcement; and (8) substantially
3	increasing monctary penalties for unlawful "conversions" (which now include previously lawful
4	weekly rentals of SRO rooms) to up to \$750 per day for each converted unit, plus costs of
5	enforcement including attorneys' fees. (PPAR 175-201.) ⁷
6	On December 15, 2016, the City's Planning Department – without citing or making
7	reference to any facts, evidence or analysis of potential environmental, housing or tenant
8	displacement impacts in the record - issued a terse written determination that the City's
9	consideration of the HCO Amendments for approval was not a "project" as defined by CEQA
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23	⁷ By design, as a result of the HCO Amendments, and specifically the new 32-day minimum rental term contained therein, SRO hotel unit rentals may no longer lawfully be rented for 7 to 31 day
24	terms that would be exempt from regulation under the City's Rent Ordinance (Administrative
:5	Code, Chapter 37), which extensively regulates rent charges and increases, pass-through charges for capital improvements and utilities, and evictions, inter alia. The relevant Rent Ordinance
.6	exemption provides that "rental units" regulated thereunder "shall not include … housing accommodations in hotels, motels, inns, tourist houses, rooming and boarding houses, <i>provided</i>
27	that at such time as an accommodation has been occupied by a tenant for thirty-two (32) continuous days or more, such accommodations shall become a rental unit subject to the
28	provisions of the chapter" (S.F. Admin. Code, § 37.2-8, emph. added.) SFSR\54041\1519002.1 -18-

because it would allegedly not result in *any* physical change to the environment, citing CEQA
 Guidelines § 15378. (PPAR 1.)⁸

3	Despite awareness of private SRO hoteliers' strong concerns with and objections to
4	the proposed elimination of weekly rentals (e.g., PPAR 238-243, 402-403, 474-475 [hotelier
5	emails and letters], 6592, 6594), on January 31, 2017, after a recommendation from its Land Use
6	and Transportation Committee, respondent Board amended (to add the floor plan provisions), and
7	voted to pass on first reading as amended, the HCO Amendments. (PPAR 175-203.) On February
8	7, 2017, despite further and continued hotelier objections (e.g., PPAR 474-499), respondent Board
9	voted to pass on second reading the HCO Amendments. (PPAR 229-230.) In taking both actions,
10	it relied without elaboration on the Planning Department's earlier determination summarily
11	dispensing with any CEQA review.
12	The notice for Respondent Board's January 31 and February 7, 2017 meeting
13	agendas for the proposed HCO Amendments provided in its entirety as follows:
14	[Administrative Code – Update Hotel Conversion Ordinance]
15	Ordinance amending Administrative Code, Chapter 41, to update the Hotel Conversion Ordinance, including: adding or refining definitions
16	of tourist and transit [sic] use, comparable unit, conversion, and low- income household; revising procedures for permits to convert
17	residential units; harmonizing fees and penalty provisions with the Building Code; eliminating seasonal short-term rentals for residential
18	units that have violated provisions of the Hotel Conversion Ordinance in the previous year; authorizing the Department of Building
19	Inspection to issue administrative subpoenas; adding an operative date; and affirming the Planning Department's determination under the
20	California Environmental Quality Act.
21	(PPAR 175, 204, 229.) This notice did not meet applicable requirements of state
22	and local law. It provided an inadequate "brief general description" of the material changes and
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24	⁸ This determination appears to be inconsistent with the City's own guidance on this topic as expressed in a September 18, 2013 Planning Department memo entitled "Processing Guidance:
25	Not a project under CEQA." (PPAR 2703.) The City's referenced guidance refers to certain interior and exterior renovations and repairs to structures that are not visible to the public,
26	legalization of existing occupied uses or units, and condominium conversions requiring no
27	building permit or Planning Commission authorization, or which are limited to permitted work not considered a project. (<i>Ibid.</i>) Nowhere does the guidance include major revisions to land use
28	ordinances such as the HCO.
	SFSR\54041\1519002.1 -19- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY
	WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

impacts of the HCO Amendments, which is inconsistent with the requirements of the Brown Act 1 2 (Moreno v. City of King (2005) 127 Cal.App.4th 17, 21, 26-27) and City's own Sunshine Ordinance (S.F. Admin. Code, Chapter 67), because it did not provide "a meaningful description 3 of each item of business to be transacted or discussed at the meeting." (id., at § 67.7(a); see id., at 4 5 § 67.7(b) [to be "meaningful" description must be "sufficiently clear and specific to alert a person of average intelligence and education whose interests are affected by the item that he or she may 6 have reason to attend the meeting or seek more information on the item."1.)⁹ While the "notice" 7 mentioned "affirming the Planning Department's determination under [CEQA]," it did not provide 8 9 any clues – even in the most general terms – of the substance of that determination, i.e., that CEQA does not apply at all because City's discretionary action in amending the HCO for the first 10 time in decades supposedly is not even a "project." (See, e.g., San Joaquin Raptor Rescue Center 11 v. County of Merced (2013) 216 Cal.App.4th 1167, 1176-1179 [failure of County's agenda to list 12 consideration of adoption of MND under CEQA as distinct item of business to be transacted at 13 public meeting violated Brown Act].) 14

Pursuant to relevant provisions of the City's Charter and local law, enactment of ordinances such as the HCO Amendments does not occur until the City's mayor timely signs the ordinance or, in the event of a mayoral veto, the Board acts to override the veto. On February 17, 2017, then-Mayor Ed Lee signed the ordinance and the HCO Amendments were thereby finally adopted and enacted on that date by Respondents. (PPAR 230.) The HCO Amendments became effective 30 days thereafter on March 19, 2017. Because the City determined its adoption of the HCO Amendments was not a "project," it did not file any Notice of Determination ("NOD") or

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²⁴ ⁹ Instead of fairly describing the essential nature of the major HCO Amendments, the City's agenda notices provided a sanitized description that fails to disclose the substantial eliminations of previously existing rights and the severe new restrictions being placed on operation and use of SRO hotels, including saying nothing about their key feature of prohibiting SRO unit rentals of less than 32 days, which eliminated a previously lawful and important weekly rental option that had existed under the HCO for decades, and effectively converted SRO units into apartments subject for the first time to extensive and mandatory regulation under the City's Rent Ordinance.
 SFSR\\$4041\1519002.1 -20-

Notice of Exemption ("NOE") under CEQA. Petitioners' instant action challenging the HCO
 Amendments on CEQA and other grounds was timely filed on May 8, 2017.¹⁰

B. Legal Argument

1. CEQA Has A Broad Definition Of "Project"

CEQA broadly defines "projects" to include any activities directly undertaken by 5 public agencies which have the potential to ultimately culminate in physical change to the 6 7 environment. (City of Livermore v. Local Agency Formation Com. (1986) 184 Cal.App.3d 531, 537; Bozung v. Local Agency Formation Com. (1975) 13 Cal.3d 263, 277-278, & fn. 16.) The 8 Supreme Court and Courts of Appeal "ha[ve] given the term "project" a broad interpretation and 9 application to maximize protection of the environment." (Tuolumne County Citizens For 10 Responsible Growth, Inc. v. City of Sonoma (2007) 155 Cal.App.4th 1214, 1222-1223, and cases 11 cited; see Aptos Council v. County of Santa Cruz (2017) 10 Cal.App.5th 266, 278; McQueen v. 12 13 Board of Directors (1988) 202 Cal.App.3d 1136, 1143.)

The courts' broad definition of a CEQA "project" is compelled by the plain 14 language of the CEQA statutes and Guidelines. Thus: ""Project" means an activity which may 15 cause either a direct physical change in the environment, or a reasonably foreseeable indirect 16 physical change in the environment, and which is any of the following: (1) An activity directly 17 undertaken by any public agency." (Pub. Resources Code, § 21065(a).) "[T]his division shall 18 apply to discretionary projects proposed to be carried out or approved by public agencies, 19 including, but not limited to, the enactment and amendment of zoning ordinances" (Pub. 20 Resources Code, $\S 21080(a)$.)¹¹ 21

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Petitioners' First Amended And Supplemental Petition for Writ of Mandate, which added the
 Sixth Cause of Action for Violations of the PRA, was filed on August 23, 2017. The facts
 relevant to the PRA cause of action are set forth in detail in the accompanying Declaration of
 Arthur F. Coon filed in support of that claim, and are discussed briefly in the section of this brief
 relating to the PRA claim; they are not relevant to the legal issue whether the City violated CEQA
 by not treating the HCO Amendments as a "project" and adopting them without CEQA review.

While the HCO may not be a classic "zoning" ordinance, it clearly operates like a zoning ordinance because it "ha[s] the effect of "[r]egulat[ing] the use of buildings, structures, and land""
 (*People v. Optimal Global Healing, Inc.* (2015) 241 Cal.App.4th Supp. 1, 8), and as a local law

SFSR\54041\1519002.1

The CEOA Guidelines, in relevant part, define "project" as "the whole of an action, 1 2 which has a potential for resulting in either a direct physical change in the environment, or a 3 reasonably foreseeable indirect physical change in the environment, and that is any of the following: (1) An activity directly undertaken by any public agency including but not limited to . . 4 enactment and amendment of zoning ordinances . . ." (14 Cal. Code Regs., § 15378(a)(1).) It is 5 important to note that the determination of whether an activity constitutes a "project" for purposes 6 7 of CEQA is a threshold and antecedent inquiry that is made prior to "CEQA review" of the nature and significance of a project's environmental effects. In other words, there is no 8 requirement that the "physical change" in the environment that may be caused, directly or 9 indirectly, by an activity be either significant or adverse for the activity to qualify as a "project" 1011 that must undergo CEQA review. The mere fact that a public agency's action may, directly or indirectly, cause a *physical change* in the existing environment *alone* makes it a CEQA "project." 12

13 Under CEQA's broad definition of a "project," ordinances, laws and regulations 14 affecting the use of land or structures have consistently been held to be CEQA "projects" over the course of many decades. (See, e.g., Apartment Assn. of Greater Los Angeles v. City of Los 15 Angeles (2001) 90 Cal.App.4th 1162, 1169 ["Ordinances passed by cities are clearly activities 16 undertaken by a public agency and thus "projects" under CEQA."], citing 60 Ops.Cal.Atty.Gen. 17 335, 338 (1977); County Sanitation Dist. No. 2 v. County of Kern (2005) 127 Cal.App.4th 1544, 18 19 1558 [treating County ordinance restricting sewage sludge application on County lands as project 20 under CEQA and further holding "CEQA requires the preparation of an EIR whenever substantial 21 evidence supports a fair argument that an ordinance will cause potentially significant environmental impacts"]; id. at 1578 ["Amendment or adoption of an ordinance is a legislative act 22 subject to review under section 21168.5"], citations omitted; Plastic Pipe & Fittings Assn. v. 2324 California Building Standards Com. (2004) 124 Cal.App.4th 1390, 1412 ["A regulation fitting the 25 description of a discretionary project is a discretionary project under CEQA."]; De Vita v. County 26 regulating land use it shares, for purposes of CEQA, the key attribute of zoning ordinances. "The

^{purpose of a zoning law is to regulate the use of land." (Morehart v. County of Santa Barbara (1994) 7 Cal.4th 725, 750.) As discussed below, zoning ordinances are categorically CEQA "projects."}

of Napa (1995) 9 Cal.4th 763, 794 ["Although not explicitly mentioned in the CEOA statutes, 1 2 general plans 'embody fundamental land use decisions that guide the future growth and development of cities and counties,' and amendments of these plans 'have a potential for resulting 3 in ultimate physical changes in the environment.' General plan adoption and amendment are 4 5 therefore properly defined in the CEQA guidelines as project subject to environmental review."], citations omitted; Rosenthal v. Board of Supervisors (1975) 44 Cal.App.3d 815, 823 ["In view of 6 7 the fact that city ordinances were the subject matter in the No Oil case, it appears that it was held impliedly therein that adopting an ordinance was a project within the meaning of the 8 9 Environmental Quality Act"], citing No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68 10 (impliedly holding adoption of zoning ordinance permitting drilling of oil test wells was project 11 within meaning of CEQA].) Indeed, as noted above, the City's adoption of the original HCO was 12 squarely held to be a project requiring CEQA review. (Terminal Plaza Corp., supra, 177 13 Cal.App.3d at 903-905.)

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2. <u>Whether An Activity Constitutes A CEQA "Project" Is A</u> Question Of Law And No Deference Is Given To The Agency's Position On This Issue

The cases are uniform that the issue whether a proposed activity is a "project" 16 subject to CEQA is a question of law for the courts, upon which the lead agency's determination is 17 given no deference. (See, e.g., Friends of the College of San Mateo Gardens v. San Mateo County 18 19 Community College Dist. (2016) 1 Cal.5th 937, 952 ["whether a proposed activity is a project 20 within the meaning of CEQA is, as we have recognized, a predominantly legal question, for it 21 depends on whether "undisputed data in the record on appeal" satisfy the detailed statutory definition of the term "project""], citing Muzzy Ranch Co. v. Solano County Airport Land Use 22 Com. (2007) 41 Cal.4th 372, 382; Black Property Owners Assn. v. City of Berkeley (1994) 22 23 24 Cal.App.4th 974, 984 ["Whether a particular activity constitutes a project in the first instance is a 25 question of law"]; see also California Unions for Reliable Energy v. Mojave Desert Air Quality 26 Management Dist. (2009) 178 Cal.App.4th 1225, 1239 [same], quoting Riverwatch v. Olivenhain 27 Municipal Water Dist. (2009) 170 Cal.App.4th 1186, 1203; Fullerton Joint Union High School 28 Dist. v. State Bd, of Education (1982) 32 Cal.3d 779, 795 [whether State Board of Education's SFSR\54041\1519002.1 -23-

approval of school district secession plan for presentation to voters was CEQA project was "an
 issue of law which can be decided on undisputed data in the record on appeal" and thus "presents
 no question of deference to agency discretion or review of substantiality of evidence"]; accord,
 Chung v. City of Monterey Park (2012) 210 Cal.App.4th 394, 401; *see Association For A Cleaner Environment v. Yosemite Community College Dist.* (2004) 116 Cal.App.4th 629, 637 [same].)

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3. <u>Whether An Activity Constitutes A CEQA "Project" Is A</u> <u>Categorical Question To Be Determined Without Regard To Whether It Will Actually Have</u> <u>Environmental Effects</u>

As held by our Supreme Court: "Whether an activity constitutes a project subject 8 9 to CEQA is a categorical question respecting whether the activity is of a general kind with which 10 CEQA is concerned, without regard to whether the activity will actually have environmental 11 impact." (Muzzy Ranch, supra, 41 Cal.4th at 381; id. at 382 ["The question is whether the 12 Commission's adoption of the TALUP is the sort of activity that may cause a direct or a 13 reasonably foreseeable indirect physical change in the environment (Pub. Resources Code, § 14 21065) so as to constitute a project"].) The Courts of Appeal are in accord. (Union of Medical 15 Marijuana Patients, Inc. v. City of San Diego (2016) 4 Cal. App. 5th 103, 120 ["... it is important to keep in mind that, as our Supreme Court has explained, in assessing whether the enactment of 16 the Ordinance is a project within the meaning of CEQA, courts must take a "categorical" 17 18 approach"] (review granted 1/11/17, Case No. S238563), citing Muzzy Ranch, supra, 41 Cal.4th at 19 381; see Rominger, supra, 229 Cal.App.4th at 702 [observing that whether activity constitutes a 20 project under CEQA is a *categorical* question and that by enacting Public Resources Code § 21080(a) "the Legislature has determined that certain activities, including [but not limited to] the 21 22 [enactment and amendment of zoning ordinances, and the] approval of tentative subdivision maps 23 always have at least the *potential* to cause a direct physical change or a reasonably foreseeable 24 indirect physical change in the environment. ... Thus, the Romingers are correct that under 25 subdivision (a) of section 21080, the approval of a tentative subdivision map is categorically a 26 CEQA project."]; id. at 703 ["Our Supreme Court's conclusion in Muzzy Ranch that an activity 27 can qualify as a CEQA project because it is of the sort that may cause environmental effects but 28 can, in turn, be exempt from CEQA because, in fact, it will not cause any such effects supports our SFSR\54041\1519002.1 -24-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY

WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1	conclusion here that whether the approval of the Adams subdivision qualifies as a CEQA project	
2	must be determined by looking at the activity <i>categorically</i> . Because the Legislature has	
3	determined in section 21080 that the approval of a tentative subdivision map is the sort of activity	
4	that may cause physical changes to the environment, the Adams subdivision qualifies as a CEQA	
5	project."], emph. in orig.; see id. ["with the potential for greater or different use comes the	
6.	potential for environmental impacts from that use."]; see also, San Lorenzo Valley Community	
7	Advocates for Responsible Education v. San Lorenzo Valley Unified School Dist. (2006) 139	
8	Cal.App.4th 1356, 1379-1380 [where possibility of significant impact "cannot be rejected	
9	categorically" and "cannot be positively ruled out," activity in question is CEQA "project"].)	
10	4. <u>As A Matter Of Law, The HCO Amendments Are Categorically</u> The "Sort" Of Activity That Meets CEQA's Broad Definition Of "Project" And The City	
11	Therefore Failed To Proceed In The Manner Required By Law When It Enacted Them	
12	With No Prior CEQA Review	
13	a. <u>The HCO Amendments Constitute A Land Use</u> Ordinance, Similar To A Zoning Ordinance, And Are Likewise Categorically Subject To	
14	CEQA	
15	(i) <u>The HCO Is Akin To A Zoning Ordinance</u> Because It Regulates The Use of Buildings, Structures, and Land	
16	The key feature of zoning ordinances and general plans from a CEQA perspective	
17	is that they guide and regulate the physical use of land and the structures that are developed on	
18	land. (Morehart v. County of Santa Barbara, supra, 7 Cal.4th at 750 ["The purpose of a zoning	
19	law is to regulate the use of land."]; DeVita, supra, 9 Cal.4th at 794; see People v. Optimal Global	
20	Healing, Inc., supra, 241 Cal.App.4th at pp. Supp. 7-8 [holding it "self-evident" that ordinance	
21	making it a misdemeanor to own, establish or operate medical marijuana businesses had a "zoning	
22	component" under Gov. Code § 65880 as it necessarily regulated "use of buildings, structures, and	
23	land"].) As such, they clearly "have a potential for resulting in ultimate physical changes in the	
24	environment." (DeVita, supra, 9 Cal:4th at 794.) The HCO Amendments share this key feature:	
25	they regulate the use of buildings, structures and land, specifically the use and occupancy of SRO	
26	hotels. It is not hard to envision that an Ordinance containing occupancy restrictions which may	
27	result in SRO units being held off the market, or otherwise becoming unavailable to low-income	
28	persons only able to afford weekly (but not monthly) rentals, may change the environment by	
I	SFSR\54041\1519002.1 -25-	
	PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT	

1 displacing persons from their only available housing option. Indeed, our Supreme Court has already plainly and categorically stated that the availability of SRO housing implicates such 2 issues. (San Remo Hotel v. City and County of San Francisco, supra, 27 Cal.4th at 674 [while 3 SRO units "may not be an ideal form of housing, such units accommodate many whose only other 4 options might be sleeping in public places or in a City shelter" and "residential hotel units serve 5 many who cannot afford security and rent deposits for an apartment"].) 6

7

8

The City And Courts Have Treated The Original (ii) HCO And All Subsequent Amendments Prior To The Challenged HCO Amendments As **Projects Subject To CEOA Review**

9 As noted previously, the original adoption of the HCO was squarely held to be a "project" with potential environmental impacts subject to CEQA review. (Terminal Plaza Corp., 10 supra, 177 Cal.App.3d at 902-905.) And as reflected by CEQA and related documents in the 11 12 record before the Court here, the City treated the original HCO, related ordinances, and all 13 subsequent amendments – *except* the HCO Amendments challenged in this case – as CEQA 14 "projects." (PPAR 1213-1214, 1227-1229, 1446-1455, 1530-1533, 1653-1672, 1677-1681, 1689-1693, 1699-1704, 1727-1729.) 15

16 There is no valid reason for the City to have disregarded the clear law and its consistent past practice by summarily dispensing with CEQA review of its first major revision of 17 18 the HCO in nearly 30 years.

19

The HCO Amendments May Directly or Indirectly Cause b. Numerous Reasonably Foreseeable Physical Changes In The Environment 20

While the simple application of logic and common sense to the 21 purely legal issue here would lead inexorably to the same conclusion (Save the Plastic Bag 22 Coalition v. City of Manhattan Beach (2011) 52 Cal.4th 155, 175 ["common sense in the CEQA 23 domain is not restricted to the regulatory guideline discussed in Muzzy Ranch . . . [but] is an 24 important consideration at all levels of CEQA review"]), evidence contained in the Administrative 25 Record and other judicially noticeable evidence in the City's own files also shows the HCO 26 Amendments may, directly or indirectly, cause reasonably foreseeable environmental effects and 27 thus constitute a CEQA "project." 28

SFSR\54041\1519002.1 -26-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

The evidence shows that the HCO Amendments may cause 1 reasonably foreseeable displacement of vulnerable, economically disadvantaged SRO tenants or 2 potential tenants, resulting in potentially significant effects on both human beings and the existing 3 environment in which they live. Such displacement may foreseeably occur for various reasons as 4 a result of the HCO Amendments. As one example, hoteliers who are precluded from offering 5 weekly rentals, and compelled to become apartment landlords renting for 32-day minimum terms, 6 7 may be unable to rent vacant rooms if prospective tenants do not wish to pay or commit to stay for more than one week. This very foreseeable potential effect was noted in a March 11, 1988 report 8 by the City's Planning Department discussing the original HCO's prohibition on less-than-32-day 9 rentals: "The 32 day rental requirement often works against the rental of vacant residential hotel 10 units as operators have to refuse occupancy to weekly tenants, even though some residential hotel 11 units may have been vacant for long periods." (PPAR 1706.) Another clearly foreseeable potential 12 effect is that SRO hoteliers who are forced to lease units like apartment landlords may start 13 14 requiring the security and rent deposits that are customary to that business model, thus displacing weekly SRO unit renters who simply can't afford such deposits onto the streets or other public 15 places and thus increasing the City's homeless population. (San Remo Hotel, supra, 27 Cal.4th at 16 $(674.)^{12}$ It is also entirely foreseeable that hoteliers *not* desiring to change their entire business 17 model and become rent-controlled apartment landlords, or not wanting to take the risk of 18 permanently committing to potentially bad tenants, may choose to hold some or all of their SRO 19 units off the rental market altogether, thus reducing the available stock of what the City itself has 20found is a critical supply of low-cost housing for its most vulnerable residents. This potential 21 effect of eliminating weekly rentals was also foreseen and discussed in the City Planning 22 Department's 1988 report, which noted: "Weekly rentals are used by operators to screen potential 23 trouble making tenants. Without this option, operators are leaving units vacant rather than risk 24 renting to potentially troublesome tenants on a monthly basis." (PPAR 1707.) In any event, 25 26 ¹² Nothing in the HCO Amendments precludes hoteliers from charging first and/or last month's 27

rent and security deposits, nor does anything therein provide for any degree of government
 subsidization of deposits and security.
 SFSR/54041/1519002.1

economically disadvantaged persons just a step away from homelessness may foreseeably be
 displaced in a number of different ways as a direct or reasonably foreseeable indirect result of the
 HCO Amendments.

Tenant displacement potentially caused by the types of restrictions 4 5 contained in the HCO Amendments was not only reasonably foreseeable, but the record reflects it 6 was *actually foreseen* – and not only by the City three decades ago, but by its current staff and 7 officials, and others who commented on the recently proposed HCO Amendments prior to their 8 adoption. (PPAR 1341, 1345 [City memo suggesting change in residential use definition to 32-9 day minimum rental, and also suggesting never-adopted change to allow "low income, elderly, and disabled persons ... to pay in seven (7) day increments so they, as the target population to be 10 served, have access to this housing"], emph. added; 1375-1376 ["San Francisco Leasing Strategies 11 Report Draft" suggesting "[u]nderstanding Landlord interests and behavior is a key consideration" 12 in efforts to engage them to house homeless and vulnerable populations, and pointing out "[a]s 13 business people, landlords are driven by financial incentives, including profit, stability of income, 14 protection of their assets, and minimizing tenant conflict and legal action"]; 1377-1378 15 [suggesting "risk mitigation pools" to guarantee reimbursement to landlords for damages (where 16 security is inadequate) and payment of rent]; 1379-1380 [suggesting programs to provide 17 landlords with increased security deposits as incentive to rent to those with poor rental history]; 18 19 1382-1383 [suggesting providing rent subsidies to landlords housing homeless or those at risk of 20homelessness]; 1388 [noting "City will need to provide additional financial incentives and/or risk 21 mitigation to demonstrate to landlords that renting to [homeless and vulnerable] clients makes good business sense."]; see PPAR 238-243, 402-403, 474-475, 489-508 [letters and emails from 22 23 numerous SRO hoteliers expressing concern that HCO Amendments will have undesirable and 24 even tragic consequences for low income and vulnerable tenants who can afford weekly rentals but cannot afford monthly rents and deposits that would be required for longer, 32-day rentals]; 25 476-483 [1/7/17 letter from Petitioners' attorney Wenter outlining in detail foreseeable 26 displacement impacts from HCO Amendments] see also PPAR 3379-3403.) Of course, if CEQA 27 28 review is summarily dispensed with on the basis that an action is not a "project," as occurred here, SFSR\54041\1519002.1 -28-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

a public agency will also predictably ignore its CEQA-mandated obligation to consider feasible 1 mitigation measures and project alternatives addressing its action's potentially significant impacts. 2 Tenant displacement, in and of itself, has been recognized as a 3 significant adverse environmental impact subject to CEQA analysis and mitigation. (Lincoln 4 Place Tenants Assn. v. City of Los Angeles (2007) 155 Cal.App.4th 425 [holding CEQA 5 mitigation measures designed to mitigate tenant displacement impacts of project, contained in a 6 vesting tentative map, were enforceable and did not conflict with Ellis Act].) Public entities 7 possess the power under existing law "to mitigate adverse impacts on displaced tenants." (San 8 Francisco Apartment Assn. v. City and County of San Francisco (2016) 3 Cal.App.5th 463, 484, 9 citing Pieri v. City and County of San Francisco (2006) 137 Cal.App.4th 886, 892; see Gov. Code, 10 § 7060.1.) As explained by the *Lincoln Place* Court of Appeal, "CEQA ... is made relevant ... 11 by the Ellis Act's explicit exceptions for a public agency's power to regulate, among other things, 12 ... the mitigation of adverse impacts on persons displaced by reason of the withdrawal of rental 13 accommodations. Such items are the common focus and byproducts of the CEOA process" 14 (Lincoln Place Tenants Assn., supra, 155 Cal.App.4th at 451, emph. added.) Indeed, the Supreme 15 Court has recently reaffirmed "that CEQA addresses human health and safety" and "that public 16 health and safety are of great importance in the statutory scheme." (California Building Industry 17 Assn. v. Bay Area Air Quality Management Dist. (2015) 62 Cal.4th 369, 386, citations omitted.) 18 CEQA's "express language... requires a finding of a "significant effect on the environment" 19 ([Pub. Resources Code,] § 21083(b)(3)) whenever the "environmental effects of a project will 20 cause substantial effects on human beings, either directly or indirectly."" (Id. at 386, emph. 21 22 Court's.) In addition to the impacts of displacement on the displaced human 23 beings themselves, the physical environmental impacts caused by displaced homeless persons -24

25 public trash, discarded syringes, human feces and urination, abandoned shopping carts, pollution

26 of waterways, waters, and City public and private spaces, crime, and impacts to City services - are

27 also, obviously, cognizable physical environmental impacts under CEQA. As recognized by the

28 Court of Appeal in *Placerville Historic Preservation League v. Judicial Council of California* SFSR\54041\1519002.1 -29-

(2017) 16 Cal.App.5th 187, "urban decay" is a physical impact on the environment for purposes of 1 CEQA, which is defined as "physical deterioration" that "includes abnormally high business 2 vacancies, abandoned buildings, boarded doors and windows, parked trucks and long-term 3 unauthorized use of the properties and parking lots, extensive or offensive graffiti painted on 4 buildings, dumping of refuse or overturned dumpsters on properties, dead trees and shrubbery, and 5 uncontrolled weed growth or homeless encampments." (Id., fn. omitted, emph. added, citing 6 Joshua Tree Downtown Business Alliance v. County of San Bernardino (2016) 1 Cal.App.5th 677, 7 685.) 8

While it is, emphatically, not Petitioners' burden to show any 9 significant or adverse environmental impacts in order to prevail on their claim that the City was 10 required to review the HCO Amendments under CEQA before adopting them, there is nonetheless 11 abundant evidence in the record and from judicially noticeable documents produced from the 12 City's own files showing blighting "urban decay"-type environmental impacts resulting from 13 displaced, homeless persons living on the streets of San Francisco. (E.g., PPAR 3534 [City 14 HSA/DSS email discussing "public health risk" and "individual human suffering that results from 15 homelessness"]; 3539 [HSH-HSP draft policy document noting homelessness is City's "#1 16 problem" and "public health crisis" that "poses risks to the general public due to the presence of 17 excrement, used needles, vermin, etc. that are often byproducts of persons living on the streets or 18 in our parks"]; see also, e.g, Declaration of Arthur F. Coon In Support of Motion to Augment 19 Administrative Record, Exs. 1, 2, 3, 5, 6, 7, 8, 9, 10.) In discussing the somewhat analogous 20 concept of "displaced development," our Supreme Court has stated: "Depending on the 21 circumstances, a government agency may reasonably anticipate that its placing a ban on 22 development in one area of a jurisdiction may have the consequence, notwithstanding existing 23 zoning or land use planning, of displacing development to other areas of the jurisdiction." (Muzzy 24 Ranch, supra, 41 Cal.3d at 383.) A government agency may likewise reasonably anticipate that 25 imposing further restrictions on SRO hotel operators' ability to rent SRO units to vulnerable 26 persons on acceptable economic terms and conditions - including weeklies - may displace those 27 who would otherwise rent such units, either because they cannot afford the rent and security 28 SFSR\54041\1519002.1 -30-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY

WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

deposits required by the hotel operators due to the new restrictions, or because the hotel operators
hold the units off the rental market altogether due to their inability to vet tenants, or their desire to
avoid going into the entirely new business of renting "apartment" units subject to the City's Rent
and Eviction Control Ordinance. In any case, for the City to adopt HCO Amendments that may
foreseeably result in the displacement of hundreds – even thousands – of additional persons from
its more than 18,000 residential units *without any CEQA analysis or study of potential impacts and feasible mitigation for those impacts whatsoever* is not only unlawful, but unconscionable.

8

9

5. <u>The City Failed To Carry Its Initial Burden Of Environmental</u> Investigation And To Comply With CEQA In The First Instance

10 Because the City's CEQA violation here was so blatant and extreme 11 - and so fundamental - it is also unusual in that it implicates "first principles" of CEQA that are seldom violated or even questioned by public agencies. It should be obvious that government 12 agencies in general have a fundamental legal duty to comply with CEOA in undertaking 13 discretionary activities and that they may not sidestep its requirements by the simple expedient of 14 labeling such an activity with potential environment impacts "not a project." "[T]he primary duty 15 to comply with CEQA's requirements must be placed on the public agency. 'To make faithful 16 execution of the duty contingent upon the vigilance and diligence of particular environmental 17 plaintiffs would encourage attempts by agencies to evade their important responsibilities. It is up 18 to the agency, not the public, to ensure compliance with [CEQA] in the first instance." 19 (Concerned Citizens of Costa Mesa, Inc. v. 32nd Dist. Agricultural Assn. (1986) 42 Cal.3d 929, 20939, citing County of Inyo v. City of Los Angeles (1977) 71 Cal.App.3d 185, 205.) "CEQA places 21 the burden of environmental investigation on government rather than the public." (Lighthouse 22 Field Beach Rescue v. City of Santa Cruz (2005) 131 Cal.App.4th 1170, 1202, quoting Gentry v. 23 24 City of Murietta (1996) 36 Cal.App.4th 1359, 1378-1379; cf. also Sundstrom v. County of Mendocino (1998) 202 Cal.App.3d 296, 311 ["While a fair argument of environmental impact 25 must be based on substantial evidence, mechanical application of this rule would defeat the 26 27 purpose of CEQA where the local agency has failed to undertake an adequate initial study. The agency should not be allowed to hide behind its own failure to gather relevant data CEQA 28 SFSR\54041\1519002.J -31-

places the burden of environmental investigation on government rather than the public."]; *Leonoff v. Monterey County Bd. of Supervisors* (1990) 222 Cal.App.3d 1337, 1347 ["CEQA contemplates
serious and not superficial or pro forma consideration of the potential environmental consequences
of a project."].)

5 While announced in other contexts, these fundamental CEQA 6 principles apply with no less force to an agency's threshold determination regarding whether a 7 discretionary land use ordinance it is proposing to adopt constitutes a "project" triggering CEQA 8 review. To conclude otherwise would be to eviscerate, and sanction "end runs" around, 9 California's signature environmental law.

106. The Record Here Would Not Support Application Of The
"Common Sense" Exemption Had The City Properly Treated Its Enactment Of The HCO11Amendments As A CEQA "Project" – A Fortiori, The City's Burden To Dispense With
CEQA Review Should Not Be Less By Virtue Of Its Unsupported Legal Claim That This12Activity Is "Not A Project".

Where a discretionary activity proposed to be undertaken directly by an agency -13 such as the adoption or amendment of a land use ordinance - may ultimately cause some physical 14 change in existing environmental conditions, there exists a "project" and CEQA review must be 15 conducted unless the project is properly found to be exempt. While this antecedent determination 16 is analytically distinct from "CEQA review" - i.e., the analysis of whether an activity that 17 qualifies as a CEQA project may have a significant environmental effect - review of the rules 18 governing the earliest stage of CEQA review are nonetheless instructive in demonstrating the 19 egregious nature and prejudicial effect of the City's violation here. 20In this vein, it is relevant that CEQA's "common sense" exemption may properly 21 be invoked only when the lead agency can declare "with certainty that there is no possibility that 22 the activity in question may have a significant effect on the environment." (CEQA Guidelines, 23 § 15061(b)(3).) "In the case of the commonsense exemption, the agency has the burden to 24 "provide the support for its decision before the burden shifts to the challenger. Imposing the 25 burden on members of the public in the first instance to prove a possibility for substantial adverse 26 environmental impact would threaten CEQA's fundamental purpose of ensuring that government 27 officials 'make decisions with environmental consequences in mind.""" (California Farm Bureau 28 SFSR\54041\1519002.1 -32-PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

Federation v. California Wildlife Conservation Bd. (2006) 143 Cal.App.4th 172, 186, citing
 Davidon Homes v. City of San Jose (1997) 54 Cal.App.4th 106, 116, quoting Bozung, supra, 13
 Cal.3d at 283.) "A remote or outlandish possibility of an environmental impact will not remove a
 project from the common sense exemption, but if legitimate reasonable questions can be raised
 about whether a project might have a significant impact, the agency cannot find with certainty the
 project is exempt." (Id., at 194, citing Davidon Homes, supra, 54 Cal.App.4th at 117-118.)

"[A] party challenging what is essentially a claim of the commonsense exemption 7 under Guidelines section 15061, subdivision (b)(3), unlike a party asserting an exception to a 8 9 categorical exemption, need only make a "slight" showing of a reasonable possibility of a significant environmental impact. (Davidon Homes, supra, 54 Cal.App.4th at p. 117.) It is the 10 lead agency that has the burden of establishing the commonsense exemption, i.e., that there is no 11 possibility the project may cause significant environmental impacts. "[T]he agency's exemption 12 determination must be supported by evidence in the record demonstrating that the agency 13 considered possible environmental impacts in reaching its decision." (California Farm Bureau 14 Federation, supra, 143 Cal.App.4th at 195-196, citing Davidon Homes, supra, 54 Cal.App.4th at 15 117, East Peninsula Ed. Council, Inc. v. Palos Verdes Peninsula Unified School Dist. (1989) 210 16 Cal.App.3d 155, 171.) 17

Unlike the threshold and *antecedent* "categorical" issue of law whether an activity
is a "project" subject to CEQA at all, a lead agency intending to invoke the common sense
exemption thus has the burden to consider the record and facts in the case before it prior to doing
so. (*Muzzy Ranch, supra*, 41 Cal.4th at 386 ["Insofar as it failed to consider the record in
determining that adopting the TALUP fell within the common sense exemption, the Commission
erred."].) As explained by the Supreme Court:

there is no possibility that the activity in question may have a significant effect on the environment" (CEQA Guidelines, § 15061, subd. (b)(3)) if it has not considered the facts of the matter."
 (Id. at 387, citing Davidon Homes, supra, 54 Cal.App.4th at 117.)
 SFSR\54041\1519002.1 -33 PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

24

"An agency obviously cannot declare "with certainty that

1	As seen above, a CEQA petitioner's burden to overcome an agency's claim of the
2	common sense exemption is "slight" and it arises only after the agency has met its initial burden
3	of providing some evidentiary support for its claim by reference to the facts in the record. These
4	rules and standards serve an important prophylactic function: ensuring that agencies do not
5	summarily dispense with meaningful CEQA review, and that government officials make decisions
6	with environmental consequences in mind. The reasoning of Davidon Homes is particularly
7	instructive in this regard. The Court there, noting that no implied finding of no significant impact
8	by the Resources Agency supports an agency's determination under the common sense exemption,
9	stated:
10	"[T]he city's action was supported only by a conclusory recital in the preamble of the ordinance that the project was exempt under
11	Guidelines Section 15061, subdivision (b)(3). There is no indication that any preliminary environmental review was conducted before the
12	exemption decision was made. The agency produced no evidence to
13	support its decision and we find no mention of CEQA in the various staff reports. A determination which has the effect of dispensing
14	with further environmental review at the earliest possible stage requires something more. We conclude the agency's exemption
15	determination must be supported by evidence in the record demonstrating that the agency considered possible environmental impacts in reaching its decision."
16	(Davidon Homes, supra, 54 Cal.App.4th at 116-117, emph. added.)
17	A determination that an activity undertaken by a public agency is not a CEQA
18	"project" at all is <i>necessarily</i> made at an <i>even earlier stage</i> than the "earliest possible stage"
19	referred to by the <i>Davidon Homes</i> Court in connection with the "common sense" exemption. By
20	parity of reasoning, and to ensure that CEQA serves its fundamental purpose, it would make no
21	sense at all to impose a <i>lesser</i> burden of environmental due diligence and CEQA compliance on
22	agencies that summarily dispense with any environmental review at that even earlier stage. To do
23	so would undermine the <i>Davidon Homes</i> standard approved in <i>Muzzy Ranch</i> by allowing agencies
24	that are unable to support even a "common sense" exemption determination based on "the facts of
25	the matter" to improperly dispense with CEQA review by simply declaring, without any legal,
26	
27	factual or analytical support, that an action is not a "project." This certainly cannot be the law,
28	and if it were CEQA would soon be a dead letter.
	SFSR\54041\1519002.1 -34- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

Here, the City clearly could not have supported a determination that the "common 1 sense" exemption applied to the HCO Amendments had it considered the relevant "facts of the 2 matter" as reflected in the record, or had it exercised even a modicum of "common sense." So it 3 decided to "ram through" ill-considered but politically popular legislation materially amending its 4 HCO while doing a complete "end run" around CEQA by simply declaring its action was "not a 5 project." Allowing this unlawful and cynical ipse dixit determination to stand would undermine 6 CEQA's fundamental purpose of mandating that government decisions be made with 7 environmental consequences in mind, and would encourage the City and other public agencies to 8 similarly evade CEQA review of proposed local land use ordinances in the future. As a matter of 9 law, more is required. 10

11

<u>Conclusion</u>

7.

This case is not complicated. The City of San Francisco does not stand above the law. This Court should grant a peremptory writ of mandate under CEQA voiding and directing the City to set aside the HCO Amendments (Ordinance No. 38-17, Board of Supervisors File No. 161291), and any actions taken under or to enforce them, and requiring the City to review as a "project" under CEQA any further proposed amendments to the HCO prior to enacting them.

17

III.

LEGAL ANALYSIS OF PRA WRIT CLAIM

As U.S. Supreme Court Justice Louis D. Brandeis once wrote in an article on the
benefits of publicity, "sunlight is said to be the best of disinfectants." This powerful idea animates
our state's Public Records Act ("PRA"), which "is an indispensable component of California's
commitment to open government." (League of California Cities, "*The People's Business: A Guide to the California Public Records Act*" (Rev. April 2017), p. 5 [hereinafter "*The People's Business*"].)

The PRA states that "access to information concerning the conduct of the people's
 business is a fundamental and necessary right of every person in this state." (Gov. Code, § 6250.)
 Enacted in 1968 as the result of the Legislature's impatience with and desire to minimize secrecy
 in government, the PRA's purposes are "to: (1) safeguard the accountability of government to the
 public; (2) promote maximum disclosure of the conduct of governmental operations; and (3)
 SFSR\54041\1519002.1 -35 PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY
 WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1	explicitly acknowledge the principle that secrecy is antithetical to a democratic system of
2	"government of the people, by the people and for the people."" (The People's Business, supra, at
3	5, fn. and citations omitted.) "The PRA provides for two different rights of access. Once is a right
4	to inspect public records The other is a right to prompt availability of copies of public
5	records[.] Agency records policies and practices must satisfy both types of public records
6	access that the PRA guarantees." (Id. at p. 6.) As well summarized in the League of California
7	Cities' important treatise on the PRA:
8 9 10 11 12	The balance that the PRA strikes among the often competing interests of government transparency and accountability, privacy rights, and government effectiveness intentionally favors transparency and accountability The courts have consistently construed exemptions from disclosure narrowly and agencies' disclosure obligations broadly. Ambiguities in the PRA must be interpreted in a way that maximizes the public's access to information unless the Legislature has expressly provided otherwise.
13	(Id. at p. 7, fns. omitted, citing Rogers v. Superior Court (1993) 19 Cal.App.4th 469, 476; New
14	York Times Co. v. Superior Court (1990) 218 Cal.App.3d 1579, 1585; San Gabriel Tribune v.
15	Superior Court (1983) 143 Cal.App.3d 762, 772-773; Sierra Club v. Superior Court of Orange
16	County (2013) 57 Cal.4th 157, 175-176.)
17	Further, the California Constitution enshrines the PRA by providing: "The People
18	have the right of access to information concerning the conduct of the people's business, and,
19	therefore, the meetings of public bodies and the writings of public officials and agencies shall be
20	open to public scrutiny." (Cal. Const. Art. I, § 3(b)(1).) It mandates that statutes, court rules and
21	other authorities "shall be broadly construed if it furthers the people's right of access, and
22	narrowly construed if it limits the right of access." (Cal. Const. Art. I, § 3(b)(2).) "[T]he
23	Constitution requires local agencies to comply with the PRA, the Ralph M. Brown Act (The
24	Brown Act), any subsequent amendments to either act, any successor act, and any amendments to
25	any successor act that contain findings that the legislation furthers the purposes of public access to
26	public body meetings and public official and agency writings." (The People's Business, supra, at
27	p. 8, citing Cal. Const., Art. I, § 3(b)(7).)
28	SFSR\54041\1519002.1 -36- PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY
	WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1 The Coalition's PRA claim was added to this action because, in its zeal to win this litigation, the City lost sight of the foregoing, well-established legal principles of governmental 2 3 transparency and disclosure governing its conduct. Petitioners did not commence this CEQA and property rights case looking for a PRA fight, and given the City's vast financial and legal 4 resources, such a fight was the last thing Petitioners wanted. Nonetheless, and despite Petitioners' 5 best efforts to convince the City to voluntarily comply with its PRA disclosure obligations, the 6 City's repeated, blatant and egregious PRA violations ultimately made litigation of the PRA claim 7 asserted herein unavoidable. 8

This portion of Petitioners' brief will be brief - it will not belabor the relevant facts 9 and evidence, which are set forth in detail in the accompanying Declaration of Arthur F. Coon in 10 Support of Petitioners' Petition for Writ of Mandate Under Public Records Act ("Coon PRA 11 decl."), which is incorporated herein by reference. It will suffice here to summarize that: 12 (1) Petitioner Coalition made broad PRA requests to the City, including all its departments, 13 beginning on February 7, 2017, to obtain relevant information and assist in their preparation of the 14 CEQA administrative record; (2) for over 6 months after that, and despite Petitioner's diligent 15 efforts and follow-up, the City stonewalled, and intentionally and improperly narrowly interpreted 16 and misconstrued Petitioner's broad requests to avoid producing the requested public records (e.g., 17 Coon PRA decl., ¶ 24-25, Exs. 21 and 23); (3) during this time the City produced barely 2,500 18 pages of documents in response to Petitioner's requests, and repeatedly falsely claimed that it had 19 produced everything; (4) Petitioners were forced to amend and supplement their Petition on 20August 23, 2017, to add a claim seeking a writ of mandate directed to the City's PRA violations; 21 and (5) beginning two weeks after Petitioners sued the City under the PRA it began a process of 22 producing over the next five months approximately 18,000 pages of additional, responsive, and 23 previously withheld documents. 24

While the City's belated production of responsive documents after Petitioners
 amended to assert a PRA claim has substantially mooted that PRA writ claim, the evidence
 establishes that the Coalition has already prevailed on that claim because it caused the release by
 the City of previously withheld documents responsive to the PRA requests. (Coon PRA decl., ¶¶
 SFSR\54041\1519002.1 -37 PETITIONERS' OPENING TRIAL BRIEF ON THE MERITS IN SUPPORT OF PETITION FOR PEREMPTORY

WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

3-16 [Petitioner's PRA requests and follow-ups and City's responses and false claims to have
 produced everything]; 16-20 [City's litigation counsel's obstruction of PRA responses, and
 Petitioners' filing of amended and supplemental petition asserting PRA claim]; 21-36 [City's post PRA claim production of approximately 18,000 pages of additional responsive documents]; see
 Sukumar v. City of San Diego, supra, 14 Cal.App.5th at 462-467 [holding plaintiff prevails in
 PRA action, even when writ relief denied as moot, where filing of lawsuit causes release of
 responsive, previously withheld documents].)

Nor is the PRA claim entirely moot because the Court can still issue a writ
providing meaningful relief; despite Petitioner's repeated requests, the City has yet to produce a
single affidavit or declaration evidencing that thorough searches of City officials' and employees'
personal files, accounts and devices were appropriately conducted for responsive documents, as
required by law. (Coon PRA decl., ¶ 37; see *City of San Jose, supra*, 2 Cal.5th 608.) This Court
should issue a writ compelling it to do so with respect to those individuals from whom the
Coalition has sought public records. (Coon PRA decl., ¶ 5.)

15 || **IV**.

CONCLUSION

This case isn't complicated. The City of San Francisco does not stand above the 16 law. For all the reasons set forth above, the Court should issue: (1) a peremptory writ of mandate 17 voiding and directing the City to set aside Ordinance No. 38-17 enacting the HCO Amendments, 18 which constituted a discretionary project unlawfully adopted by the City without environmental 19 review in violation of CEQA; and (2) an appropriate peremptory writ of mandate remedying the 20City's PRA violations, including ordering it to produce legally required affidavits regarding the 21 adequacy of its searches of its officials' and employees' personal files, accounts and devices for 22 responsive documents. 23

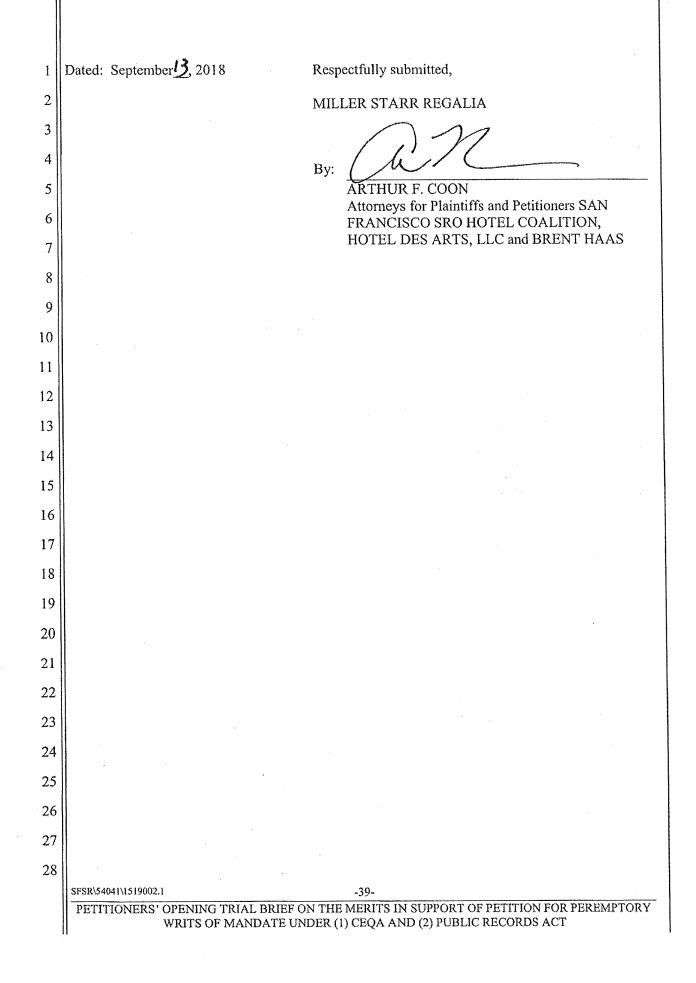
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SFSR\54041\1519002.1

-38-



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17 18	SAN FRANCISCO SRO HOTEL COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited	Case No. CPF-17-515656 PETITIONERS' REPLY BRIEF ON THE
19	liability company, and BRENT HAAS, Plaintiffs and Petitioners,	MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC
20	v.	RECORDS ACT
21 22	CITY AND COUNTY OF SAN FRANCISCO, a public agency, acting by and	Date: January 18, 2019 Time: 9:30 a.m. Dept.: 503
22	through the BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN	<u>CEQA Case</u>
24	FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY AND COUNTY OF SAN FRANCISCO;	Action Filed: May 8, 2017 First Amended
25	EDWIN LEE, in his official capacity as Mayor of the City and County of San Francisco, and	and Supplemental Petition Filed: August 23, 2017
26 27	DOES 1 through 100, inclusive, Respondents and Defendants.	Trial Date: January 18, 2019 (on CEQA and PRA Writ Petitions)
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an' a	PETITIONERS' REPLY BRIEF ON THE MERITS IN S	1- SUPPORT OF PETITIONS FOR PEREMPTORY WRITS AND (2) PUBLIC RECORDS ACT

TABLE OF CONTENTS

SFSR\54041\2040424.1

		•	<u>P</u>	age
I	INTR	ODUCT	FION AND SUMMARY OF ARGUMENT	5
II.	RELE	VANT	CONTEXT: CEQA'S THREE-TIER PROCESS	7
III.	DISPI	ENSIN	ATED CEQA AS A MATTER OF LAW BY SUMMARILY 3 WITH ENVIRONMENTAL REVIEW ON THE BASIS THAT OF THE HCO AMENDMENTS WAS NOT A "PROJECT"	7
	А.	An Ag Use C	gency's Adoption of Zoning Or Similar Ordinances Regulating Land ategorically Constitutes A CEQA "Project"	7
		1.	City Has Failed To Refute Petitioners' Showing	7
		2.	City's Statutory Interpretation Arguments Fail	8
		3.	City's "Settled Case Law" Argument Fails	10
		4.	<i>Muzzy Ranch</i> 's And <i>Rominger</i> 's Holdings Are Binding Law; Following Them Will Not Lead To Absurd Results	13
	В.	Becau	tion Of The HCO Amendments Is A Project As A Categorical Matter use It Is The Sort Of Activity That May Cause Direct Or Reasonably eeable Indirect Physical Changes In The Environment	14
		1.	City Ignores The Required Inquiry's Categorical Nature.	14
		2.	Even If City's Factual Arguments Were Relevant They Are Meritless.	17
IV.	PETI	FIONEI	RS HAVE PREVAILED ON THEIR PRA CLAIM	21
V.	CITY	'S EXH	IAUSTION AND NOTICE ARGUMENTS FAIL	24
VI.	CON	CLUSIC	DN	24
			,	

TABLE OF AUTHORITIES

1

2	rage
3	CASES
4	Apartment Assn. of Greater Los Angeles v. City of Los Angeles (2001) 90 Cal.App.4th 1162
5	Black Property Owners Assn. v. City of Berkeley (1994) 22 Cal.App.4th 974
7	California Building Industry Assn. v. Bay Area Air Quality Management Dist. (2015) 62 Cal.4th 369 ("CBIA v. BAAQMD")9
8 9	City of Livermore v. Local Agency Formation Comm. (1986) 184 Cal.App.3d 531
10	City of Podlanday, County of San Bornardino (2002)
11	96 Cal.App.4th 398 5
12	County Sanitation Dist. No. 2 v. County of Kern (2005) 127 Cal.App.4th 1544
13	DeVita v. County of Napa (1995) 9 Cal.4th 763
14	Joshua Tree Downtown Rusiness Alliance v. County of San Bernardino (2016)
15	1 Cal.App.5th 677
16	Kaufman & Broad – South Bay, Inc. v. Morgan Hill Unified School District (1992) 9 Cal.App.4th 464
17 18	Morehart v. County of Santa Barbara (1994) 7 Cal.4th 725
19	Muzzy Ranch Co. v. Solano County Airport Land Use Com. (2007) 41 Cal.4th 372 passim
20	People v. Optimal Global Healing, Inc. (2015)
21	241 Cal.App.4th Supp. 1
	Plastic Pipe & Fittings Assn. v. California Building Standards Com. (2004) 124 Cal.App.4th 1390
23 24	Rominger v. County of Colusa (2014) 229 Cal.App.4th 6909, 12, 13, 16
25	Reported by Report of Supervisory (1075)
26	44 Cal.App.3d 815 8
27	San Jose Country Club Apartments v. County of Santa Clara (1982) 137 Cal.App.3d 948
28	SFSR\54041\2040424.1 -3- PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS
	OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

1) - ---

	(continued)
2	Page
3	San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Unified School Dist. (2006) 139 Cal.App.4th 1356
5	San Remo Hotel v. City and County of San Francisco (2002) 27 Cal.4th 643 17, 18
6	Sukumar v. City of San Diego (2017)
7	14 Cal.App.5th 451
8	Sundstrom v. County of Mendocino (1988)
9	202 Cal.App.3d 296
	Taxpayers for Accountable School Board Spending v. San Diego Unified School District
10	(2013) 215 Cal.App.4th 101315
11	215 Cal.App.4th 1013 15
	Union of Medical Marijuana Patients, Inc. v. City of Upland (2016)
12	245 Cal.App.4th 1265
13	Wal-Mart Stores, Inc. v. City of Turlock (2006)
	138 Cal.App.4th 273 10, 11, 12
14	
15	
	STATUTES
16	Government Code
17	Section 5309415
10	Public Deserves a Code
18	Public Resources Code Section 21060.5
19	Section 21065
20	Section 21080(a) passim Section 21177(a), (b)
20	Section 21177(a), (b)
21	
22	
22	OTHER AUTHORITIES
23	
24	CEQA Guidelines Section 15063(c)7
24	Section 15183
25	Section 15183(a)
26	Section 15183(a)(i)
20	Section 15378(c)
27	
28	
20	SFSR\54041\2040424.1 -4-
	PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS
	OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

TABLE OF AUTHORITIES

1 ||

I.

INTRODUCTION AND SUMMARY OF ARGUMENT

CEQA Claim: City concedes that whether its enactment of the HCO Amendments was a 2 CEQA "project" is a question of law to be resolved without deference to its position. (City Opp. 3 Brief ("RB") 10:24-28; Pet. Opening Brief ("PB") 23:14-24:5.) City claims lengthening the 4 minimum SRO hotel room rental term from 7 to 32 days was not a change in law (RB1:19-20), but 5 both this Court (PB15:14-17:9) and the Court of Appeal have squarely held otherwise. (10/15/18 6 CA Opn. 8 ["Amendments effected a substantial change by making the minimum term 32 days"], 7 emph. added.) City thus cannot rely on cases holding enactments merely "restating" existing law 8 are not "projects." (RB19:12-19). 9

City also asserts that because the HCO Amendments do not "require or authorize" 10 environmental changes (RB1:17-18) they cannot be a CEQA "project." But land use regulations 11 need not "require," "direct" or "authorize" physical changes in order to potentially cause indirect 12 changes and thus require CEQA review. Land use plans and regulations are subject to CEQA 13 because it is reasonably foreseeable the physical environment will ultimately be changed as an 14 indirect result. (City of Redlands v. County of San Bernardino (2002) 96 Cal.App.4th 398, 409 15 ["CEQA reaches beyond the mere changes in the language in the agency's policy to the ultimate 16 consequences of such changes to the physical environment."].) If City's position were correct, 17 general plans and zoning ordinances could never be CEQA projects since they do not "direct" or 18 "require" physical environmental changes. That is not the law. 19

City next argues the HCO Amendments are not a CEQA "project" because it is not
reasonably foreseeable they *may* result – even *indirectly* – in *any* physical environmental change.
(RB18:23-26:8.) This position, too, is untenable; despite City's extensive attempts to argue
favorable evidentiary inferences regarding whether the HCO Amendments will *actually* have

24

25 ¹ See RB6:18-19 ("Amendments [do not] direct or authorize construction or demolition"); 19:9-14 (Amendments "could have no impact on the environment" because they "do not amend the one-for-one replacement requirement, or otherwise require owners of SRO hotels to modify the physical structures of their hotels"); 25:12 ("Amendments do not direct or encourage construction or demolition"); 5:23-26, 18:26-19:1 (claiming "actions that do not result in physical changes to [building] structures" are not "projects").
28 SFSR\54041\2040424.1

environmental impact (id. at pp. 21-24), such analysis is inappropriate and this purely legal issue 1 must instead be decided "as a [threshold] categorical question respecting whether the activity is of 2 a general kind with which CEQA is concerned, without regard to whether the activity will 3 actually have environmental impact." (Muzzy Ranch Co. v. Solano County Airport Land Use 4 Com. (2007) 41 Cal.4th 372, 381, emph. added; id. at 382 [issue is whether enactment "is the sort 5 of activity that may cause a direct physical change or a reasonably foreseeable indirect physical 6 change in the environment"].)' Like zoning ordinances, the HCO Amendments regulate the use of 7 buildings, structures and land, and they convert the allowed use and occupancy of 18,000 SRO 8 hotel rooms from weekly rentals to rent-controlled apartments. That is just the "sort of activity" 9 that categorically "ha[s] a potential for resulting in ultimate physical changes in the environment." 10 $(DeVita v. County of Napa (1995) 9 Cal.4th 763, 794.)^{2}$ 11

PRA Claim: City self-servingly argues it would have produced all documents responsive 12 to Petitioners' PRA requests without first being sued, but this claim is belied by the evidence. 13 City ironically accuses Petitioners of "abuse" of the PRA to gain a tactical litigation advantage 14 (RB2:11-12; 28:14), when the facts show otherwise: it was City that refused to search for relevant 15 and responsive records in all departments possessing them; illegally and intentionally narrowed 16 the scope of Petitioners' broad requests; improperly stopped producing documents for over two 17 months before Petitioners sued; and ultimately delayed and avoided producing all responsive 18 documents (many of which are now in the certified record) for over a year. (Coon PRA decl., 19 ¶ 18-25, 36-37, and passim.) City's gambit sought to force Petitioners to give up their PRA 20 rights and proceed with their CEQA claim on an inadequate administrative record, or else suffer 21 expensive litigation delays violating CEQA's expedited procedures. City plainly violated the 22 PRA, was called on it, and was ultimately forced to relent. This Court should hold it fully 23 24 accountable.

25

26 ² Even if evidence were needed to answer this "categorical" legal question, the record and judicially noticeable evidence confirm the HCO Amendments may cause reasonably foreseeable 27 displacement of vulnerable, economically disadvantaged persons, resulting in potentially significant effects on both human beings and their existing environment. (PB 27-28.) 28

SFSR\54041\2040424.1

PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

-6-

1 || II.

RELEVANT CONTEXT: CEQA'S THREE-TIER PROCESS

Our Supreme Court has explained CEQA's three-step process for evaluating agency 2 actions. The first step is jurisdictional, and requires the agency to conduct a preliminary review to 3 determine whether CEQA applies at all to a proposed activity. (Muzzy Ranch, 41 Cal.4th at 379-4 380.) At the second step, if the agency has determined the proposed action is a "project" subject 5 to CEQA, it must determine whether it qualifies for any exemption from review, and if not must 6 conduct an initial study to determine whether the project may have any significant environmental 7 effects. (Id. at 380.) Finally, if the initial study shows the project does not qualify for a negative 8 declaration, the third step is for the agency to prepare an EIR. (Id. at 380-381.) This case arises 9 because City summarily dispensed with CEQA review of the HCO Amendments at the "first-tier" 10 preliminary review stage without even conducting review for possible exemptions or an initial 11 study of potential environmental effects. (CEQA Guidelines, § 15063(c).) 12

13 14

SFSR\54041\2040424.1

III. <u>CITY VIOLATED CEQA AS A MATTER OF LAW BY SUMMARILY</u> <u>DISPENSING WITH ENVIRONMENTAL REVIEW ON THE BASIS THAT</u> <u>ADOPTION OF THE HCO AMENDMENTS WAS NOT A "PROJECT"</u>

City concedes it treated the original HCO and all subsequent amendments as "projects." 15 (RB13:25-26, fn. 2; PB13:14-20; 26:7-18.) It cannot dispute that "[w]hether an activity 16 constitutes a project subject to CEQA is a categorical question respecting whether the activity is of 17 a general kind with which CEQA is concerned, without regard to whether the activity will actually 18 have environmental impact." (Muzzy Ranch, 41 Cal.4th at 381.) It makes two arguments to 19 justify treating the HCO Amendments in a categorically different manner than all past HCO 20 legislation: (1) zoning ordinances are not per se CEQA "projects" (RB13:4-18:22); and (2) the 21 HCO Amendments will not result in a reasonably foreseeable physical change in the environment. 22 (RB18:23-26:8.) Both arguments lack merit under applicable law. 23 An Agency's Adoption of Zoning Or Similar Ordinances Regulating Land Use 24 Α. **Categorically Constitutes A CEQA "Project"** 25 City Has Failed To Refute Petitioners' Showing 1. 26 Ordinances and regulations affecting the use of land or structures have consistently, for 27 many decades, been held to fall within CEQA's broad definition of a "project." "Ordinances 28

ļ	
1	passed by cities are clearly activities undertaken by a public agency and thus 'projects' under
2	CEQA." (Apartment Assn. of Greater Los Angeles v. City of Los Angeles (2001) 90 Cal.App.4th
3	1162, 1169; 60 Ops.Cal.Atty.Gen. 335, 338 (1977).) "Amendment or adoption of an ordinance is
4	a legislative act subject to review under [Public Resources Code] section 21168.5." (County
5	Sanitation Dist. No. 2 v. County of Kern (2005) 127 Cal.App.4th 1544, 1578; id. at 1558 [County
6	ordinance restricting sewage sludge application on County lands was CEQA "project"].) "A
7	regulation fitting the description of a discretionary project is a discretionary project under CEQA."
8	(Plastic Pipe & Fittings Assn. v. California Building Standards Com. (2004) 124 Cal.App.4th
9	1390, 1412.) For more than 40 years, California courts have recognized "that adopting an
10	ordinance was a project within the meaning of the Environmental Quality Act." (Rosenthal v.
11	Board of Supervisors (1975) 44 Cal.App.3d 815, 823.) Similarly, even though (unlike zoning
12	ordinances) general plans are "not explicitly mentioned in the CEQA statutes, [they] 'embody
13	fundamental land use decisions that guide the future growth and development of cities and
14	counties,' and amendments of these plans 'have a potential for resulting in ultimate physical
15	changes in the environment.' General plan adoption and amendment are therefore properly
16	defined in the CEQA guidelines as projects subject to environmental review." (DeVita, 9 Cal.4th
17	at 794.) While all these authorities were previously cited by Petitioners (PB22:13-23:13), none
18	are even mentioned in City's Opposition. ³
19	2. <u>City's Statutory Interpretation Arguments Fail.</u>
20	Whether an activity constitutes a CEQA "project" is a categorical legal question. By
21 [,]	enacting Public Resources Code § 21080(a) "the Legislature has determined that certain activities,
22	
23	³ Land use regulations akin to zoning ordinances, while categorically CEQA "projects," <i>could</i> be

³ Land use regulations akin to zoning ordinances, while categorically CEQA "projects," could be subject to a "common sense" exemption at the second tier of CEQA review in cases where they 24 merely restate existing law without change. (Cf. Union of Medical Marijuana Patients, Inc. v. City of Upland (2016) 245 Cal.App.4th 1265, 1272-1275 ["A municipal ordinance that merely 25 restates or ratifies existing law does not constitute a project and is therefore not subject to environmental review under CEQA."].) But the "common sense" exemption could not apply in 26 this case both because City never proceeded as required to a second tier of evaluation where it 27 might apply, and because the HCO Amendments did not merely restate, but "effected a substantial change" in, preexisting law. (10/15/18 CA Opn., 8.) 28 SFSR\54041\2040424.1 -8-

including [but not limited to] the [enactment and amendment of zoning ordinances, the issuance of
 zoning variances and conditional use permits, and the] approval of tentative subdivision maps
 always have at least the *potential* to cause a direct physical change or a reasonably foreseeable
 indirect physical change in the environment" and are thus "projects" subject to CEQA. (*Rominger v. County of Colusa* (2014) 229 Cal.App.4th 690, 702.)

City quibbles that § 21080(a)'s language stating it applies to "discretionary projects 6 proposed to be carried out or approved by public agencies, including, but not limited to, the 7 enactment and amendment of zoning ordinances" is qualified by the introductory phrase "[e]xcept 8 as otherwise provided in this division," and the concluding phrase "unless the project is exempt 9 from this division." (RB14:2-5.) These quibbles fail. The concluding phrase refers to statutory 10 and categorical exemptions that could apply only to activities already determined to be CEQA 11 "projects," and has nothing to do with the threshold definition of a "project." The statute's 12 prefatory language points to nothing in CEQA "otherwise provid[ing]" - or even suggesting - that 13 a "zoning ordinance" is not a discretionary project within its purview. Public Resources Code 14 § 21065 (which broadly defines a CEQA "project") does not "otherwise provide" or even suggest 15 that zoning and similar land use ordinances are not CEQA projects. Rather, it simply confirms 16 that a CEQA "project" has the potential to cause (i.e., "may", not "will" cause), whether as a direct 17 or reasonably foreseeable indirect effect, some "physical change" in the "environment." Section 18 21065's use of the conjunctive "and" to connect this inherent project attribute to its text setting 19 forth three broad categories of public agency actions neither states nor suggests zoning and land 20 use ordinances are not projects. It merely clarifies (1) not all activities with potential to cause 21 physical environmental change are covered by CEQA (only discretionary activities with the 22 specified public agency involvement), and (2) not all activities involving public agencies 23 necessarily have potential to cause physical environmental change. 24

Keeping in mind CEQA must be interpreted "to afford the most thorough possible
 protection to the environment that fits within the scope of its text" (*CBIA v. BAAQMD* (2015) 62
 Cal.4th 369, 381), these basic propositions do not undermine *Rominger* 's analysis or § 21080(a)'s
 express inclusion of zoning ordinances as among the specific discretionary public agency projects
 SFSR\54041\2040424.1 -9 PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS

the Legislature has declared subject to CEQA. Nor does § 21080(a)'s specification of certain
 types of public agency actions falling within § 21065's broader (and more abstract) definition of
 "project" render the latter's "*potential* causation" requirement "surplusage" or "meaningless."
 (RB14:22-25.) It simply makes clear that CEQA's broad definition of "project" encompasses
 § 21080(a)'s specifically enumerated examples – which include zoning ordinances. There is no
 conflict.⁴

7

3. <u>City's "Settled Case Law" Argument Fails.</u>

City claims "decades of well-settled case law" rejects the proposition that zoning 8 ordinances are per se CEQA projects, but cites only two appellate decisions allegedly supporting 9 this contention. (RB16:4-10.) The first, Union of Medical Marijuana Patients, Inc. v. City of San 10 Diego (2016) 4 Cal.App.5th 103, did hold zoning ordinances are not per se CEQA projects; but 11 the Supreme Court's grant of review in that case on that specific issue casts considerable doubt on 12 the correctness of that holding, as well as any contention that "well-settled" case law supports it.⁵ 13 The second decision, Wal-Mart Stores, Inc. v. City of Turlock (2006) 138 Cal.App.4th 273, 14 did not hold a zoning ordinance was not a CEQA "project." Rather, the portion of it addressing 15 plaintiff's CEQA challenge to the zoning amendments there at issue - which prohibited 16 development of "big box" retail stores with a full service grocery department - held City's zoning 17 action was adequately reviewed under CEQA because it was consistent with a general plan for 18 which an EIR had been certified, i.e., the zoning amendments' broad environmental effects were 19 covered by that EIR, and were not shown to have any reasonably foreseeable project-specific 20

21

⁴ City's citation of CEQA Guidelines that "reiterate the requirements of the statute" and the legislative history (RB15:1-2, 9-21) adds nothing to its argument, and does nothing to undermine
the above analysis. City's case citations support *Petitioners'* position: A CFD is merely a

financing mechanism, not a zoning ordinance or akin to one, and is *not* a CEQA "project"
(*Kaufman & Broad – South Bay, Inc. v. Morgan Hill Unified School District* (1992) 9 Cal.App.4th
464), while a LAFCO's revision of sphere of influence guidelines – regulations affecting land use *much less directly* than either a general plan or zoning ordinance – *is* a CEQA "project" because it
"may" promote a shift in development patterns that "could arguably" affect the environment.

(City of Livermore v. Local Agency Formation Comm. (1986) 184 Cal.App.3d 531.)

²⁷ ⁵ The Supreme Court does not exercise its discretionary review powers to grant review in cases ²⁸ correctly applying long-settled law. (Cal. Rules of Ct., Rule 8.500(b).)

SFSR\54041\2040424.1

-10-

effects peculiar to the zoning or site. (*Id.* at 279.)⁶ Wal-Mart thus held the city's zoning
 enactment had already been adequately reviewed under CEQA, and expressly assumed the
 enactment was a "project" for purposes of its opinion. (*Id.* at 286.)

City relies on Wal-Mart's dicta surrounding an issue of "statutory construction" it 4 expressly did not resolve, "to wit, whether subdivision (a) of section 21080 establishes a bright-5 line rule of law that all enactments of zoning ordinances are discretionary projects regardless of 6 whether all of the requisite elements contained in section 21065's definition of a 'project' have 7 been met." (Id. at 286.) In footnoted dicta, the Court opined: "Sections 21065 and 21080 could 8 be construed to mean that the enactment of a zoning ordinance is not automatically a project and 9 will not be a project unless all of the essential elements for a project contained in section 21065 10 are met." (Id., at 286, fn. 7.) It stated that "[u]nder this view" § 21080's "[e]xcept as otherwise 11 provided in [CEQA]" language "would be construed to mean that all of the essential elements for 12 a project contained in section 21065... are not eliminated by the language in section 21080 that 13 states discretionary projects include the enactment of zoning ordinances." (Ibid.) It mused that 14 the leading CEQA treatises had not raised this issue, but that the Guidelines' "meld[ing]" of 15 § 21080(a)'s provisions into § 15378(a)(1)'s definition of "project" "appear[ed] to have rejected 16 by implication a bright-line rule that all zoning amendments are projects." (Ibid.) 17

18 While perhaps academically interesting, *Wal-Mart's* dicta played no role in its actual
19 holding and are ultimately unpersuasive. <u>First</u>, nothing in § 21065 actually provides a zoning
20 ordinance is *not* a per se CEQA project. <u>Second</u>, *Wal-Mart's* dicta notes that, under its
21 hypothetical construction, in order to answer the threshold question whether a particular zoning

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⁶ The Court applied CEQA Guidelines, § 15183, which creates a streamlined CEQA review 23 procedure for projects consistent with the development density established by existing general plan policies for which an EIR was certified, such that no additional CEQA review is required 24 "except as might be necessary to examine whether there are project-specific significant effects peculiar to the project or its site." (Id. at 286, quoting § 15183(a).) The Guideline further 25 provides that where the general plan EIR relied on by the lead agency meets its requirements, "any 26 rezoning action consistent with the general plan... shall be treated as a project subject to this section." (Id., quoting § 15183(a)(i).) City has not relied on any CEQA streamlining procedure to 27 claim the environmental effects of the HCO Amendments have been adequately reviewed in a prior EIR, but has refused to analyze such effects at all on the grounds that there is no "project." 28

SFSR\54041\2040424.1

ordinance is a CEQA "project" "courts... would have to review the administrative record for 1 evidence establishing both the requisite causal link as well as the requisite physical change in the 2 environment." (Id. at 286, fn. 7.) Requiring a detailed review of record evidence concerning an 3 activity's environmental impacts prior to resolving the threshold "first-tier" issue whether it is a 4 "project" would run directly counter to Muzzy Ranch's teaching that "[w]hether an activity 5 constitutes a project subject to CEQA is a categorical question respecting whether the activity is of 6 a general kind with which CEQA is concerned, without regard to whether the activity will actually 7 have environmental impact." (Muzzy Ranch, 41 Cal.4th at 381, emph. added.) Third, Wal-Mart 8 was published in 2006, when that Court did not have the benefit of the Supreme Court's 2007 9 Muzzy Ranch decision, nor the Third District's 2014 Rominger decision. Rominger applied Muzzy 10 Ranch and held a discretionary public agency activity listed in § 21080(a) (tentative subdivision 11 map approval) is categorically a CEQA "project" because it always has at least the potential to 12 cause a direct or reasonably foreseeable indirect change in the environment, without regard to 13 whether it will, in fact, cause environmental effects. (Rominger, 229 Cal.App.4th at 702-703.) 14 Finally, City's attempt to misconstrue Muzzy Ranch to require a detailed preliminary 15 examination of whether an activity will actually cause environmental effects, prior to deciding the 16 categorical question whether it is a "CEQA project" (RB17:21-18:6), similarly fails. Muzzy 17 Ranch's examination of the record evidence came only after it held the action before it was a 18 CEQA project as a matter of law; only then did it take the separate and subsequent analytical step 19 of addressing the agency's claimed "common sense" exemption, which analysis implicated review 20 of the record. As Rominger correctly observed: "Our Supreme Court's conclusion... that an 21 activity can gualify as a CEQA project because it is of the sort that may cause environmental 22 effects but can, in turn, be exempt from CEQA because, in fact, it will not cause any such effects 23 supports our conclusion here that whether the approval ... qualifies as a CEQA project must be 24 determined by looking at the activity categorically. Because the Legislature has determined in

section 21080 that the approval of a tentative subdivision map is the sort of activity that may cause 26 physical changes to the environment, the Adams subdivision qualifies as a CEQA project." (Id. at 27

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703.) The same is true of zoning and similar ordinances; there is no material distinction between 28 SFSR\54041\2040424.1 -12-

the HCO Amendments and zoning enactments that would remove the former from the general
 category of a regulation affecting the use of land and structures, which is just the "sort" of activity
 with which CEQA is concerned.

4. <u>Muzzy Ranch's And Rominger's Holdings Are Binding Law; Following</u> Them Will Not Lead To Absurd Results.

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City's argument that treating zoning ordinances categorically as CEQA projects will 6 "considerably expand[]" CEQA review and lead to absurd results (RB18:7-22) fails. That CEQA 7 and the Planning and Zoning Law do not specifically define "zoning ordinance" is irrelevant; it is 8 a commonly-used, well-understood term referring to local laws that regulate the "use of buildings, 9 structures, and land." (People v. Optimal Global Healing, Inc. (2015) 241 Cal.App.4th Supp. 1, 7-10 8; Morehart v. County of Santa Barbara (1994) 7 Cal.4th 725, 750 ["purpose of a zoning law is to 11 regulate the use of land."].) The HCO Amendments share this essential characteristic and thus 12 have the potential for physically changing the environment. 13

City's worry that CEQA's intentionally broad and categorical definition of project will 14 require "CEQA review for all discretionary governmental actions" unless excluded by statute 15 (RB18:16-18) is overblown and untenable. Not all discretionary government actions regulate the 16 use of land and structures, and requiring local agencies to review land use regulations as 17 "projects" at CEQA's "second tier" of environmental evaluation would not be onerous. If it were 18 clear that a land use ordinance was truly environmentally benign, the agency could likely support 19 application of an exemption,⁷ dispensing with the need for further review, or alternatively perform 20 an initial study supporting a negative declaration, thus dispensing with a full-blown EIR. City's 21 "shortcut" here in summarily dispensing with CEQA review at the "first tier," on the baseless 22

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⁷ In addition to statutory exemptions, the "common sense" exemption and numerous categorical
⁸⁵ exemptions exist and are potentially available (where applicable by their terms) to relieve agencies
⁸⁶ of any otherwise "burdensome" obligation to conduct even an initial study. An agency invoking
⁸⁷ the "common sense" exemption at the "second tier" of evaluation bears the burden of proof to
⁸⁷ show, as a factual matter based on evidence in the record, "with certainty that there is no
⁸⁷ possibility that the activity in question may have a significant effect on the environment[.]"
⁸⁸ (*Muzzy Ranch*, 41 Cal.4th at 380, 387; *Rominger*, 229 Cal.App.4th at 704.)

SFSR\54041\2040424.1 -13-PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

ground that its adoption of the HCO Amendments was not even a "project," and in the face of legitimate issues raised about possible environmental impacts, plainly violated CEQA.

Adoption Of The HCO Amendments Is A Project As A Categorical Matter B. Because It Is The Sort Of Activity That May Cause Direct Or Reasonably Foreseeable **Indirect Physical Changes In The Environment**

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City Ignores The Required Inquiry's Categorical Nature. 1.

City's determination that adoption of the HCO Amendments was not a "project" is 7 inconsistent with the categorical determination CEQA requires. To the extent City's "policy" 8 provides otherwise (RB18:27-19:2), that policy violates CEQA. CEQA's concern with the 9 environment certainly includes, but is not narrowly limited to actions physically altering the man-10 made "building structures" addressed by City's "policy." The "environment" includes not just 11 structures but all of the "physical conditions" existing in the entire area "which will be affected by 12 a proposed project, including land, air, water, minerals, flora, fauna, noise, [and] objects of historic 13 or aesthetic significance." (§ 21060.5.) Changes in land use regulations that may foreseeably 14 cause a physical change in any of those physical conditions - such as traffic, noise, air or water 15 pollution, or urban blight - are "projects" under CEQA requiring environmental review for 16 potentially significant impacts unless validly found exempt.

17

City's odd claim that its prior CEOA reviews of the original HCO and all subsequent 18 amendments somehow support its position (RB19:3-8) has it backwards. In all prior instances, 19 City consistently treated such land use legislation as a "project" subject to CEQA at the first-tier 20 level, then conducted a second-tier environmental evaluation. (PPAR 1689-1693, 1727-1729.) 21 This case marks the first time ever City has departed from that practice and determined at the first 22 tier that HCO legislation is not even a "project." City thus never considered whether the 23 significant change in law requiring minimum 32-day instead of 7-day SRO rentals might indirectly 24 result in reasonably foreseeable physical environmental changes. (RB26:19-31:7.)

25 City's citation of three cases involving allegedly "similar ordinances" held not to be CEQA 26 "projects" (RB19:9-23) is unavailing. San Jose Country Club Apartments v. County of Santa 27 Clara (1982) 137 Cal.App.3d 948, 953-954 involved a "county ordinance that prohibited [the]

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same type of discrimination already prohibited by state law" (RB19:14-16), and *Black Property Owners Assn. v. City of Berkeley* (1994) 22 Cal.App.4th 974, 985 involved an "updated housing
element" that in relevant part "readopted existing policies without change." (RB19:17-19.) Here,
by contrast, the HCO Amendments effected a substantial *change in law* by mandating 32-day
minimum SRO rentals instead of the previously permissible weeklies. Thus, even assuming there
exists a "no change in existing law" exception to CEQA's general rule that zoning and similar land
use enactments are categorically "projects," City could not rely on it to evade CEQA review here.

Nor does City's citation to Taxpayers for Accountable School Board Spending v. San 8 Diego Unified School District (2013) 215 Cal.App.4th 1013, 1064 (RB19:19-23) avail it. That 9 case did not involve enactment or amendment of any zoning ordinance, nor did it sanction failure 10 to conduct CEQA review of any proposed activity that might have physical effects. Rather, it held 11 an EIR was required for a specific school district project - due to its inadequate parking and 12 spillover physical parking impacts on the adjacent streets and neighborhood - but that the 13 district's related zoning resolution exempting 12 proposed high school projects from a city's 14 zoning and land use laws under Government Code § 53094 was not "approval" of a "project" 15 requiring separate CEQA review. The zoning exemption resolution did not commit the district to 16 a definite course of action regarding any of the proposed projects, and "was not a separate activity 17 requiring its own CEQA review in addition to the CEQA review required for each high school 18 project." (Id. at 1064, citing CEQA Guidelines, § 15378(c).) The Court explained: "Rather, 19 before District approves each of the 12 high school projects, it must comply with CEQA." (Id. at 20 1065.) Here, the HCO Amendments do not declare inapplicable another agency's zoning 21 regulations, but enact into law substantial changes to City's own applicable land use regulations, 22 committing it to a definite course of action with the potential for environmental changes, i.e., 23 enforcement of the 32-day minimum SRO hotel room rental term rather than a 7-day minimum.⁸ 24 25

- ⁸ This change effectively converted all SRO *hotels* to rent-controlled *apartment buildings*, with all of the reasonably foreseeable changes attendant to that change in the legally-mandated land use and business model. Unlike in *Taxpayers*, approval of the HCO Amendments committed City to a definite course of action with regard to a project that could foreseeably result in physical
 - SFSR\54041\2040424.1

-15-

1	City argues it is not reasonably foreseeable the HCO Amendments may indirectly result in				
2	physical environmental changes because such potential impacts are "unsubstantiated and				
3	speculative." (RB19:24-27.) City argues the Administrative Record "contains no evidence that				
4	the 2017 Amendments will cause any tenant displacement whatsoever." (RB20:1-3.) But even if				
5	that assertion were <i>factually</i> true – which it is not – it fails under the <i>legal standard</i> governing				
6	whether an agency's activity is a CEQA "project." The issue must be resolved as a categorical				
7	matter without regard to whatever "facts" might be shown by or argued from the evidentiary				
8	record. An action that "will" cause an environmental change – e.g., displacement of current or				
9	potential renters into the streets or other public places, with the accompanying adverse				
10	environmental effects – would clearly be a CEQA project. But an action that has even the				
11	potential to cause such changes is also a CEQA project as a categorical matter. As Muzzy Ranch				
12	held with respect to the analogous concept of displaced development and resulting impacts:				
13	"[N]othing inherent in the notion of displaced development places such development, when it can				
14	be reasonably anticipated, categorically outside the concern of CEQA." (Muzzy Ranch, 41 Cal.4th				
15	at 383 [accordingly holding ALUC erred in concluding adoption of TALUP was not CEQA				
16	"project" on basis that potential resulting housing displacement was too speculative].)9				
17	City extensively engages in arguments based on inferences it claims can be drawn from the				
18	record evidence as to whether the HCO Amendments will actually result in effects or changes in				
19	the physical environment. (RB20:1-25:3.) But an initial study at the "second tier" of CEQA's				
20	three-step process, not a legal brief, is the appropriate vehicle for such analysis. City's arguments				
⁻ 21	environmental changes, which would not only occur without the future project-specific CEQA				
22	review that was assured in Taxpayers, but without any CEQA review at all.				
23	⁹ See also Rominger, 229 Cal.App.4th at 703 ("Supreme Court's conclusion in Muzzy Ranch that an activity can qualify as a CEQA project because it is the of the sort that may cause				
24	environmental effects but can, in turn, be exempt from CEQA because, <i>in fact</i> , it <i>will not</i> cause any such effects supports our conclusion here that whether the approval qualifies as a CEQA				
25	project must be determined by looking at the activity categorically."); cf. San Lorenzo Valley				
26	categorically" and "cannot be positively ruled out," activity in question is CEQA "project"). "[T]he word 'may' connotes a 'reasonable possibility."" (Sundstrom v. County of Mendocino				
27 28					
	SFSR\54041\2040424.1 -16-				
	PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT				

about actual environmental impacts, in addition to being meritless, are simply inappropriate in the
 context of a threshold "first-tier" determination of whether a "project" exists – which must be
 decided as a *categorical* question *apart from the factual record*.

Even If City's Factual Arguments Were Relevant They Are Meritless. 2. 4 Even if City's factual arguments were legally cognizable, they are patently meritless. Its 5 argument that no current SRO room tenants will be "forcibly displaced" because they are already 6 either rent control-protected permanent tenants or protected from displacement by state law 7 (RB20:1-14) fails to account for transient hotel renters who rent on a weekly basis and voluntarily 8 honor the law and their contractual rental agreements by vacating the premises when their agreed 9 and paid for rental term is up. It also fails to account for weekly renters properly evicted for non-10 payment of rent or other just cause. Eliminating the 7-day rental option foreseeably displaces 11 tenants who rely on (or attempt to rely on) weekly rentals to provide an affordable living option. 12

City next argues that because "[n]othing in the 2017 Amendments requires payment of a 13 deposit or first or last month's rent, or prohibits payment in 7-day increments" (RB20:17-18, 14 emph. added) it is not reasonably foreseeable that SRO hoteliers forced to become apartment 15 landlords will require such rental or security deposits. (RB20:19-20 ["To the extent residential 16 hotels choose to charge these costs for a 32-day rental or for security or last month's rent deposits, 17 that is not a result of the 2017 Amendments."].) This argument is another variation of City's 18 meritless claim that if the HCO Amendments do not directly mandate something then it is not 19 reasonably foreseeable that they may indirectly result in it. But "an activity which may cause ... a 20 reasonably foreseeable indirect physical change in the environment" constitutes a CEQA 21 "project." (§ 21065(a).) Whether the HCO Amendments require it or not, they still have the 22 reasonably foreseeable potential effect of causing SRO hoteliers forced to become apartment 23 landlords to begin requiring the security and rent deposits customary to that business model, with 24 the predictable effect of displacing weekly SRO unit renters unable to afford such deposits. (San 25 Remo Hotel v. City and County of San Francisco (2002) 27 Cal.4th 643, 674 [recognizing while 26 SRO units "may not be an ideal form of housing, such units accommodate many whose only other 27 options might be sleeping in public spaces or in a City shelter" and "residential hotel units serve 28 SFSR\54041\2040424.1 -17-PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS

OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT

many who cannot afford security and rent deposits for an apartment."].) As foreseen and 1 documented by City itself 30 years ago: "The 32 day rental requirement often works against the 2 rental of vacant residential hotel units as operators have to refuse occupancy to weekly tenants, 3 even though some residential units may have been vacant for long periods." (PPAR 1706.) It is 4 equally reasonably foreseeable that hoteliers not desiring to change their business model and 5 become rent-controlled apartment landlords, or not wanting to risk permanently committing to 6 undesirable tenants not vetted through weekly rentals, may hold some or all of their SRO units off 7 the rental market. This potential effect was also foreseen and discussed by City. (PPAR 1707 8 [1988 City Planning report: "Weekly rentals are used by operators to screen potential trouble 9 making tenants. Without this option, operators are leaving units vacant rather than risk renting to 10 potentially troublesome tenants on a monthly basis."].) 11

City argues future tenants "priced out" of an SRO room they could otherwise afford by the 12 HCO Amendments' prohibition of weekly rentals cannot be "displaced" as a matter of "logic" or 13 "from a CEOA standpoint." (RB20:27-21:11.) The argument makes no sense. SRO hotel 14 occupancy, like the number of homeless persons living on City's streets, is a fluctuating, not static, 15 environmental condition that varies over time, based on various causal factors. The same is true of 16 many CEQA baseline conditions such as traffic, noise, energy and water use, and pollutant 17 emissions. As relevant here, the same and different persons move in and out of the same and 18 different SRO hotels and hotel units over time, but if the limited supply of available units is 19 decreased the result will foreseeably - and logically - be that a larger number of these persons will 20end up living on the streets, whether permanently or for longer than would otherwise be the case. 21 While City claims it is purely speculative to "ask this court to believe that ... a significant 22 number of future tenants only want or can afford weekly rentals" the record shows such units have 23 long provided a critical supply of low-cost rooms for rent on a weekly, or multi-week, basis 24 (PPAR 703, 6606 [5% of City's population lives in SROs]), and the Supreme Court has 25

26 recognized such units serve many who cannot afford apartments and would otherwise be

27 homeless. (San Remo Hotel, 27 Cal.4th at 674.) The "natural reactions of SRO owners" to protect

28 themselves through rent and security deposits, and to hold units off the market rather than risk SFSR\54041\2040424.1 -18-

unvetted troublesome tenants and rent control restrictions, are readily foreseeable, as confirmed by 1 the record (e.g., PPAR 1341, 1345, 1375-1376, 1377-1378, 1379-1380, 1382-1383, 1388), and 2 also so probable that City is currently considering legislation imposing a tax on vacant SRO units. 3 Given the substantial percentage of City's total population living in its 18,000 SRO units, it is not 4 speculative to anticipate that many prospective tenants will be unable to find other affordable 5 housing, and this is self-evident based on the number of homeless persons observed every day on 6 City's streets.¹⁰ Contrary to City's contentions, *any* increase in homeless persons on its streets 7 resulting from its enactment of laws that may foreseeably reduce the availability of SRO rental 8 units constitutes a physical environmental impact cognizable under CEQA. (E.g., Joshua Tree 9 Downtown Business Alliance v. County of San Bernardino (2016) 1 Cal.App.5th 677, 685 [CEQA 10 impact of "urban decay" is "physical deterioration" including "homeless encampments"].) While 11 perhaps not all homeless persons "soil the City streets" (RB21:23-25), a great many unfortunately 12 do and abundant evidence in the record and from judicially noticeable documents in City's files 13 shows myriad blighting, "urban decay" - type impacts from homeless persons on City's streets. 14 (PB30:12-20, and record evidence cited.) City's argument that there is no "record [evidence] 15 indicating that the 2017 Amendments will lead to physical environmental impacts" (RB22:22-23) 16 is thus doubly wrong, as a matter of both law and fact. 17

City's attempts to distort the record also fail. City mischaracterizes its own 1988 Planning 18 Department report as evidence of SRO owners' efforts to circumvent the HCO, rather than adverse 19 impacts of the 32-day rule, misquoting it to falsely assert SRO hoteliers voluntarily chose not to 20 rent to weekly tenants (RB23:6-10), when in fact, the report's point was that the 32-day rule then 21 in effect prohibited weekly rentals and led to vacant units that would otherwise have been 22 occupied. (PPAR 1706 ["The 32 day rental requirement often works against the rental of vacant 23 residential hotel units as operators have to refuse occupancy to weekly tenants, even though some 24

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¹⁰ City's claim that it is speculative "future tenants will choose to live on the streets ... rather than 26 seek more affordable housing elsewhere" is absurd in implying that homelessness is always a 27 choice of the homeless person, and particularly absurd in light of the fact that it is City's own failed housing policies that have left so many homeless persons with no "choice." 28

SFSR\54041\2040424.1

-19-

1 || residential hotel units may have been vacant for long periods."], emph. added.)

City also mischaracterizes and downplays the significance of more recent reports from its 2 Controller's Office, Human Services Agency and Department of Homelessness and Supportive 3 Housing. (RB23:14-18.) But these reports contain a great deal of relevant factual information 4 evidencing the very kinds of interests, behaviors and financial incentives of private hoteliers that 5 would foreseeably lead to rent and security deposits - and SRO units being held off the market -6 should the 32-day rental minimum be enacted without considering and implementing any of the 7 "mitigation measures" discussed in the reports. (PB28:4-22.)¹¹ And while City summarily 8 dismisses evidence to the same effect submitted by the regulated hoteliers (RB24:3-13), such 9 evidence is, in fact, credible and corroborative of what City already knew (or should have known) 10 from its own documents. (PPAR 238-243, 402-403, 474-475, 489-508.) 11

Finally, City's attempts to distinguish cases holding "tenant displacement" is a cognizable 12 CEQA impact because they dealt with impacts caused by units lost to physical demolition, rather 13 than economic causes, or displacement under the Ellis Act rather than CEQA, are unavailing. 14 (RB25:5-15.) If it is reasonably foreseeable the HCO Amendments will result in the unavailability 15 of SRO units for any reason, displacement of persons onto the streets is also a reasonably 16 foreseeable effect, as are the additional resulting environmental impacts. City's analysis of 17 Placerville Historic Preservation League, 16 Cal.App.5th 187, misses the point, which is that the 18 legal definition of "urban decay" for CEQA purposes expressly includes (but is not limited to) 19 "homeless encampments." Whether additional homelessness and related physical changes to the 20 environment would actually be likely to occur and cause significant impacts is not the issue here, 21 and cannot be known until City complies in good faith with CEQA: what is known is that those 22 are reasonably foreseeable potential effects the HCO Amendments may have, and they are 23 therefore a "project" City was required to - but did not - analyze under CEQA. The Court should 24 25

²⁶ ¹¹ Having dispensed with CEQA review based on its legally erroneous "first-tier" determination
²⁷ the HCO Amendments were not a "project," City did not consider these or other possible
²⁸ mitigation measures that it would have been required to consider had it complied with CEQA, and
²⁸ which could well have resulted in significant changes to the HCO Amendments.

SFSR\54041\2040424.1

-20-

therefore grant a peremptory writ setting aside the HCO Amendments and requiring City to
 comply with CEQA prior to taking further action to adopt them.

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IV. <u>PETITIONERS HAVE PREVAILED ON THEIR PRA CLAIM</u>

While City is large and has many departments, it also has many resources and does not 4 have an exemption from timely and full PRA compliance. City abused its power and ignored its 5 legal duties and responsibilities under the PRA here in an effort to gain a litigation advantage. 6 After enduring more than seven (7) months of City's stonewalling, intentional misconstruction of 7 the scope of Petitioners' PRA requests, and refusal to search for or produce responsive documents 8 while claiming to have already produced them, Petitioners had two choices: accept City's PRA 9 violations and proceed to brief their CEQA claim on an inadequate administrative record, or 10 amend their Petition to assert a PRA writ claim seeking to force City to produce the documents. 11 Petitioners chose to seek enforcement of their legal right to obtain access to the public records they 12 had requested and to which they were entitled. 13

Petitioners have prevailed on their PRA claim because it caused City to finally produce 14 responsive documents previously (and intentionally) withheld. (Sukumar v. City of San Diego 15 (2017) 14 Cal.App.5th 451, 462-467.) Despite Petitioners' broad PRA requests first made in 16 February 2017 (Coon PRA decl., ¶ 3, Ex. 1), clarified and reiterated in March 2017 (id., ¶ 5, Ex. 17 3), and renewed and further clarified in July 2017 (id., ¶ 8, Ex. 6), and numerous follow-up 18 communications regarding the incomplete and evasive nature of City's responses (id., ¶¶ 9, 11-17, 19 and Ex. 7, 9-15), as of mid-August 2017, City had produced only about 2,500 pages of 20responsive documents and had not produced any documents in over two months. (Id., ¶ 18, 21 11:13-15.) The Administrative Record, which Petitioners had elected to prepare and which was 22 due to be certified by July 7, 2017, was already one-and-one half months overdue by that time (id., 23¶ 18, 11:20-22), because Petitioners had not received the complete PRA responses from City 24 needed to prepare it. (Id., ¶¶ 19-20.) Rather than accepting City's violations and proceeding with 25 an inadequate record, Petitioners filed and served their amended and supplemental Petition 26 seeking a PRA writ. (Id., ¶ 18.) 27

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SFSR\54041\2040424.1

-21-

1	Within two weeks of Petitioners' filing suit against City for PRA violations and related			
2	attorneys' fees, things changed dramatically. City's litigation attorney who had also been			
3	handling its PRA responses was removed from the process without explanation (Coon PRA decl.,			
4	\P 20, Ex. 18), and City began producing substantial numbers of responsive and previously			
5	unproduced documents. (Id., ¶¶ 21, 26, 29-36, & Ex. 19, 24, 26-33.) In total, City made a dozen			
6	separate and staggered productions of documents responsive to Petitioners' PRA requests over the			
7	course of more than a year; while only three of these productions, containing barely 2,500 pages of			
8	documents, were made prior to Petitioners' filing their PRA-claim, nine (9) additional productions			
9	containing approximately 18,000 pages of documents were made after that filing. (Id., ¶ 36.)			
10	City makes a number of factual arguments claiming that despite these undisputed facts			
11	Petitioners' PRA claim did not motivate its production of the additional documents. It claims it			
12	"never denied Petitioners' requests for documents" (RB27:7-8) – but does not dispute it informed			
13	Petitioners several times that it had completed its search and produced all responsive documents			
14	prior to the PRA claim being filed (Coon PRA decl., ¶ 4, <u>Ex. 2;</u> ¶ 7, <u>Ex. 5;</u> ¶11, <u>Ex. 9</u>), and then			
15	subsequently produced 18,000 pages of additional documents. $(Id., \P 36.)^{12}$			
16	City claims the documents it produced only after being sued "were found as a result of			
17	searches instituted prior to the filing of the PRA writ and were not disclosed in response to the			
18	filing of the lawsuit." (RB27:18-19.) It points to a letter its counsel sent on September 8, 2017			
19	(Coon PRA decl., Ex. 19) – a date City characterizes as "approximately the time" of, but which			
20	was actually more than two weeks after the PRA claim was filed – asserting that "City			
21	departments are diligently searching their records" (id., emph. added), and argues this letter			
22	supports the inference that City had already begun such searches for responsive documents "long			
23	before Petitioners filed the PRA writ." (RB27:23-25.) Wrong.			
24	¹² City appears to suggest its misconduct is somehow mitigated because Petitioners' initial			
25	requests (allegedly) sought only documents that would ultimately be included in the			
26	Administrative Record (RB27:8-9), but ignores that those initial requests were, in fact, not so limited, and were made months before the CEQA litigation was filed. (Coon PRA decl., Exs. 1,			
27	4.) While one important purpose of the PRA requests was certainly to facilitate Petitioners' preparation of the Administrative Record, that is not an improper purpose nor was it (or was it			
	ever represented by to be) their only numose			

ever represented by to be) their only purpose. 28

SFSR\54041\2040424.1

1 First, the facts show that after City's inadequate initial productions totaling only 2,500 2 pages of responsive documents, City stopped producing documents, and as of the August 23, 2017 date Petitioners filed their PRA writ claim City had not produced any responsive documents, 3 4 despite Petitioners' diligent efforts through letter and email correspondence to persuade it to do so, 5 for over two months. (Coon PRA decl., ¶ 18, 11:13-15.) Second, prior to the PRA writ filing City had repeatedly falsely represented its production had been complete. Third, it was not until 6 August 31, 2017 - more than a week after the PRA writ was filed - that the City Attorney's office 7 finally transmitted the PRA requests to the other City departments (such as the Human Services 8 9 Agency) referenced in its counsel's September 8, 2017 letter, so that they could begin conducting 10 the required searches. (Coon PRA decl., ¶ 24, Ex. 22 [8/31/17 HAS email, Bates-stamped HAS-HAS 681-682, acknowledging receipt of PRA request that day].) Given the uncontradicted 11 evidence showing City's other departments were not even provided with Petitioners' requests so 12 that they could search for responsive documents until after the PRA writ claim had been filed, it is 13 quite impossible to draw the inference urged by City that they had been searching diligently for 14 15 such documents all along.

16 <u>Fourth</u>, City had consistently and unwaveringly – albeit erroneously – insisted prior to the
17 PRA writ claim being filed that the PRA requests were limited only to the Board of Supervisors
18 and DBI, and not directed to other City departments. (E.g, Coon PRA decl., ¶ 19, <u>Ex. 17</u> [8/28/17
19 Wenter letter].) Again, City did not relent, change its position, and expand its search to all its
20 relevant departments as required until *after* the PRA claim was filed.

City's assertion that Petitioners do not "argue that their PRA writ resulted in the City 21 producing any documents that it is [sic] relying on it this case" (RB 26:13-14) is both legally 22 irrelevant and factually false. City's PRA violations would be actionable whether or not 23 Petitioners' PRA writ claim resulted in production of documents ultimately used in the CEQA 24 action; nothing in the PRA limits the right to obtain public records to only those used in litigation. 25 But the PRA writ did, in fact, result in City producing numerous previously withheld documents, 26 including the CEQA and Administrative Record documents for the original HCO and its early 27 amendments, which ultimately became part of the certified Administrative Record and which 28 SFSR\54041\2040424.1 -23-

Petitioners have cited and relied on to support their CEQA claim. (Coon PRA decl., ¶ 36.) This
 Court should thus issue an appropriate order finding Petitioners have already prevailed on their
 PRA claim and a writ requiring City to produce the search affidavits it has not yet provided.

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V. <u>CITY'S EXHAUSTION AND NOTICE ARGUMENTS FAIL</u>

City concedes - by failing to dispute - that Petitioner Coalition exhausted its 5 administrative remedies as to the CEQA claim and thus has standing to prosecute it, but argues 6 petitioners Hotel Des Arts and Haas did not. (RB11:8-12:17.) Not so. The exhaustion doctrine 7 does not apply in a CEQA action "if the public agency failed to give the notice required by law." 8 (Pub. Resources Code, § 21177(e).) The public notice required by law here was notice complying 9 with the Brown Act and City's Sunshine Ordinance, which require notice providing a meaningful 10 description of both City's substantive action and its CEQA determination. City's notice failed to 11 provide either (PB19:12-20:14, 24-28), and City thus cannot raise any failure-to-exhaust defense. 12 Even assuming arguendo City's notice was legally adequate, however, both Hotel Des Arts and 13 Haas are members of Petitioner Coalition, which City concedes has standing to prosecute the 14 CEOA challenge, and they therefore have derivative standing. 15

Finally, in any event, City concedes petitioner Hotel Des Arts participated and timely 16 objected to approval of the HCO Amendments during the administrative process. (RB11:17-18, 17 24-26.) Having done so, Hotel Des Arts sufficiently exhausted and obtained standing to sue and 18 raise any CEQA issues and arguments in this litigation that were raised by any other parties -19 such as the Coalition and other hoteliers - in the administrative process. (§ 21177(a), (b).) 20 Accordingly, even assuming arguendo that City's notice was legally adequate, and even if Hotel 21 Des Arts and Haas lacked derivative standing, City effectively concedes both the Coalition and 22 Hotel Des Arts properly exhausted and have standing to litigate all CEQA issues. 23

24 VI. CONCLUSION

This case isn't complicated, and City does not stand above the law. This Court should therefore issue: (1) a peremptory writ voiding Ordinance No. 38-17 due to City's failure to comply with CEQA; and (2) an order and writ finding Petitioners have prevailed on their PRA claim, and compelling City to provide the required PRA search affidavits.

1	Dated: December 17, 2018 Respectfully submitted,
2	MILLER STARE REGALIA
3	
4	By: ARTHUR F. COON
5	Attorneys for Plaintiff and Petitioner SAN FRANCISCO SRO HOTEL COALITION
6	
7	Dated: December 17, 2018 ZACKS, FREEDMAN & PATTERSON, P.C.
8	By:
9	ANDREW M. ZACKS
10	Attorneys for Plaintiffs and Petitioners SAN FRANCISCO SRO HOTEL COALITION,
12	HOTEL DES ARTS, LLC, and BRENT HAAS
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	SFSR\54041\2040424.1 -25- PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS

1	PROOF OF SERVICE	
2	San Francisco SRO Hotel Coalition, et al. v. City and County of San Francisco, et al. San Francisco S.Ct., Case No. CPF-17-515656	
3	At the time of service, I was over 18 years of age and not a party to this action. I am	
4	employed in the County of Contra Costa, State of California. My business address is 1331 N. California Blvd., Fifth Floor, Walnut Creek, CA 94596.	-
5	On December 17, 2018, I served true copies of the following document(s) described as	•
6 7	PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT on the interested parties in this action as follows:	
8	Kristen A. Jensen, Deputy City Attorney Scott A. Freedman	
9	Andrea Ruiz-Esquide, Deputy CityJames B. KrausAttorneyZacks, Freedman & Patterson, P.C.	
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14	Email: kristen.jensen@sfcityatty.org andrea.ruiz-esquide@sfcityatty.org Francisco SRO Hotel Coalition, Hotel	
15	Attorneys for Defendants City And County Des Arts, LLC and Brent Haas Of San Francisco, et al.	
16	BY ELECTRONIC SERVICE: I served the document(s) on the person listed in the	-
	Service List by submitting an electronic version of the document(s) to File & ServeXpress, through the user interface at www.fileandservexpress.com.	
18	I declare under penalty of perjury under the laws of the State of California that the	
19	foregoing is true and correct.	
20	Executed on December 17, 2018, at Walnut Creek, California.	
21		
22	Karen Wigylus	
23		
24		
25		
26		
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28		- Bo Yough Hild And And
	SFSR\54041\2040424.1	
-	PETITIONERS' REPLY BRIEF ON THE MERITS IN SUPPORT OF PETITIONS FOR PEREMPTORY WRITS OF MANDATE UNDER (1) CEQA AND (2) PUBLIC RECORDS ACT	

EXHIBIT E

APPEAL #A151847

COURT OF APPEAL - STATE OF CALIFORNIA

FIRST DISTRICT - DIVISION 5

SAN FRANCISCO SRO HOTEL COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited liability company, and BRENT HAAS,

Plaintiffs and Appellants,

v.

CITY AND COUNTY OF SAN FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in his official capacity as Mayor of the City and County of San Francisco

Defendants and Respondents

APPELLANTS' REPLY BRIEF

In Support of An Appeal from the Denial of a Motion for Preliminary Injunction

San Francisco Superior Court # CPF17515656

The Hon. Teri L. Jackson

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TABLE OF CONTENTS

TABL	E OF	CONTENTS1
TABL	E OF	AUTHORITIES
	CASE	ES3
	STAT	TUTES
INTR	ODUC	CTION TO REPLY5
I.	OVER	VIEW OF APPELLANTS' POSITION CASES5
II.	SUM	MARY OF THE PARTIES' ARGUMENTS ON APPEAL11
	A.	Appellants' Pertinent Positions11
	В.	The City's Pertinent Positions13
ARGU	JMEN	JT15
I.		COURT SHOULD REJECT THE CITY'S REVISIONIST HISTORY HE HCO'S AUTHORIZED RENTALS15
	А.	The Court Should Hold The City To The Interpretation It Routinely – And Successfully – Advanced In Court Years Ago, Particularly Since The City Concedes That That Interpretation Trumps A Contrary, Contemporaneous Administrative Declaration
	B.	This Court Should Reject The City's Attempted Justifications For Its Revisionist Position On The 2017 Amendments
II.	THA' NUIS AMC	CITY FAILS TO REBUT THE LONG LINE OF CASES HOLDING T MUNICIPALITIES MAY ONLY ELIMINATE ON-GOING, NON- SANCE, NONCOFRMING USES WITH AN APPROPRIATE ORTIZATION PERIOD OR PRE-TERMINANTION
	COM	IPENSATION23

	А.	The Amortize-Or-Pay-To-Terminate Requirement Does Not Require That All Users Of The Subject Property Be "Eradicated" or "Eliminated"23		
	В.		Of The City's Attempts to Distinguish Appellants' Cases	24
		1.	Jones v. City of Los Angeles	24
		2.	<u>City of Los Angeles v. Gage</u>	25
		3.	Livingston Rock	26
		4.	Hansen Brothers	26
		5.	Castner v. City of Oakland	.27
		6.	<u>Santa Barbara Patients' Collective Health Co-op v. City of</u> <u>Santa Barbara</u>	.28
		7.	Appellants' Sign/Billboard Cases	.28
III. THE CITY'S "NO-IRREPARABLE-HARM" ARGUMENT DEPENDS UPON IT ESTABLISHING THAT SRO OWNERS HAD NO RIGHT TO MAKE UNRESTRICTED WEEKLY RENTALS				
IV.	THE	CITY	'S TAKINGS ARGUMENTS ARE IRRELEVANT	.30
CON	CLUS	ION		.32
WOR	D CO	UNT.		.35

TABLE OF AUTHORITIES

CASES
Anderson v. City Council of City of Pleasant Hill (1964) 229 Cal.App.2d 795
Auto Equity Sales v. Superior Court (1962) 57 Cal.2d 45018
Bronco Wine Co. v. Jolly (2005) 129 Cal.App.4th 9887, 23
Building Industry Assn. v. City of Oceanside (1994) 27 Cal.App.4th 74424
Castner v. City of Oakland (1982) 129 Cal.App.3d 9427
<u>City of Los Angeles v. Gage</u> (1954) 127 Cal.App.2d 4423-25
County of San Diego v. McClurken (1951) 37 Cal.2d 683
<u>Daro v. Superior Court</u> (2007) 151 Cal.App.4th 107929
Del Oro Hills v. City of Oceanside (1995) 31 Cal.App.4th 106024
<u>Dobbins v. City of Los Angeles</u> (1904) 195 U.S. 223
<u>First English Evangelical Lutheran Church of Glendale v. Los Angeles County, Cal.</u> (1987) 482 U.S. 307, 31
Francis Edward McGillick Foundation v. C.I.R. (3d Cir. 1960) 278 F.2d 64325
Griffin Development Co. v. City of Oxnard (1985) 39 Cal.3d 256
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Livingston Rock etc. Co. v. County of Los Angeles (1954) 43 Cal.2d 1218, 26, 30

Metromedia, Inc. v. City of San Diego (1980) 26 Cal.3d 8488
Kavanau v. Santa Monica Rent Control Bd. (1997) 16 Cal.4th 7616
<u>People v. Bouzas</u> (1991) 53 Cal.3d 467
<u>People v. Peau</u> (2015) 236 Cal.App.4th 82319
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Terminal Plaza Corp. v. City and County of San Francisco (1986) 177 Cal.App.3d 892
Tom v. City and County of San Francisco (2004) 120 Cal.App.4th 67429
Yamaha Corp. of America v. State Bd. of Equalization (1998) 19 Cal.4th 117, 18

STATUTES

S.F. Administrative Cod	e § 41.20(a)(2)	9
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INTRODUCTION TO REPLY

I. OVERVIEW OF APPELLANTS' POSITION

Notwithstanding the City's best efforts to confuse the issues, Appellants' position is grounded in straightforward and wellestablished law governing the elimination of established lawful nonconforming uses.¹ No one disputes that local governments generally have power to regulate the uses of real property, and may, by zoning and similar land use regulation generally prescribe permissible and impermissible uses of real property. Nor does anyone contend that landowners necessarily have a vested right in existing zoning – except under certain circumstances, no one has a right to expect that a currently permissible use of property that is not actually established will continue to be permitted indefinitely. (<u>Anderson v.</u> <u>City Council of City of Pleasant Hill</u> (1964) 229 Cal.App.2d 79, 88)

However, it is a different matter when an established, existing, lawful nonconforming use is immediately legislated out of existence. Where such an existing permissible use is not a nuisance, California

¹ "[A] lawful nonconforming use is one that existed lawfully at the time a new zoning prohibition or restriction came into force. . . ." (San Remo Hotel L.P. v. City And County of San Francisco (2002) 27 Cal.4th 643, 661)

law has long held that it cannot be legislated immediately out of existence without pre-termination compensation. This legal protection has resulted from the courts' recognition of "the hardship and doubtful constitutionality of compelling the immediate discontinuance of nonconforming uses." (County of San Diego v. McClurken (1951) 37 Cal.2d 683, 686) Here, the City has enacted legislation – the "HCO Amendments" – that purports to immediately outlaw established, existing, and previously-lawful single-room occupancy ("SRO") hotel uses and declare that henceforth only apartment uses shall be permissible. It has, without any finding of nuisance, and without providing for any amortization period or compensation, declared weekly rentals of SRO rooms that were lawful and permissible on one day to be misdemeanors the next. Such abrupt legislative termination of existing, lawful nonconforming uses is unlawful.

This conclusion does not rest on a traditional regulatory taking analysis of a land use regulation to determine whether "regulation goes too far." (<u>Kavanau v. Santa Monica Rent Control Bd.</u> (1997) 16 Cal.4th 761, 797) While such regulatory takings analysis also addresses the government's conduct vis-a-vis a landowner, its focus is

substantively different in that it primarily analyzes the economic impact on the owner of a parcel of land of a regulation limiting the parcel's prospective future uses. "[The takings clause of the 5th Amendment] is designed not to limit the governmental interference with property rights per se, but rather to secure compensation in the event of otherwise proper interference amounting to a taking." (First English Evangelical Lutheran Church of Glendale v. Los Angeles County, Cal. (1987) 482 U.S. 304, 315, cites om. [107 S.Ct. 2378, 2385-2386]) "[E]conomic regulation may constitute a taking [only] if it 'goes too far.'" (Bronco Wine Co. v. Jolly (2005) 129 Cal.App.4th 988, 1030, cit. om.) If an economic regulation goes too, then "[t]he claimant must establish (1) it has a protectable property interest, (2) there has been a taking of the property, and (3) the taking was for a public purpose." (Bronco Wine, supra, 129 Cal.App.4th at 1030)

In contrast, claims based on elimination of *existing*, lawfullyestablished, non-nuisance uses of property only require the property owner to establish a lawful, on-going use of land, and a subsequent change in land-use regulation that requires the owner to immediately cease that previously lawful use without pre-termination compensation. (See Hansen Brothers Enterprises, Inc. v. Board of

Supervisors (1996) 12 Cal.4th 533, 552) Where a municipality makes an "overly zealous effort to eliminate an existing nonconforming use. ... [the municipality] may pursue two constitutionally equivalent alternatives: 'It can eliminate the use immediately by payment of just compensation, or it can require removal of the use without compensation following a reasonable amortization period."" (Griffin Development Co. v. City of Oxnard (1985) 39 Cal.3d 256, 267, quoting Metromedia, Inc. v. City of San Diego (1980) 26 Cal.3d 848, 881, and citing Livingston Rock etc. Co. v. County of Los Angeles (1954) 43 Cal.2d 121, 127) These requirements avoid hardship and constitutional concerns grounded in both takings and due process protections, and they apply in this context regardless of whether the property would retain economic value without the newly-prohibited use.

In 1981, the City enacted the Hotel Conversion Ordinance which, as relevant here, regulated the manner in which certain SRO hotel rooms, designated residential ("RDUs") could be rented. In 1990, the City amended the HCO to prohibit the rental of those rooms for periods of less than one week. (1 AA 100-103) As the City successfully argued to this Court, and the California Supreme Court,

over the next decade, the HCO allowed unrestricted weekly rentals of these rooms. (2 AA 333-357) That is, they could lawfully be rented to anyone so long as it was for at least 7 consecutive days. For decades, SRO hotel owners operated their businesses in accordance with, and in reliance on, this right, as unrestricted weekly rental hotels. (S.F. Administrative Code § 41.20(a)(2); 1 AA 59-60, 102, 2 AA 322-361; see San Remo, supra, 27 Cal.4th at 674; Terminal Plaza Corp. v. City and County of San Francisco (1986) 177 Cal.App.3d 892, 899) The availability of SRO weekly hotel rentals is a significant component of the City's available "housing stock" precisely because they are offered to a customer base that: 1) does not wish to rent for longer periods of time; and/or 2) cannot afford the additional costs associated with monthly rentals such as paying for a longer stay than is desired, first and last month's rent, and security deposit. (San Remo, supra, 27 Cal.4th at 674 - SRO units "serve many who cannot afford security and rent deposits for an apartment.") Suddenly, the HCO Amendments unlawfully outlawed a lawful, nonconforming use - and eliminated the private SRO hotel business model as it had existed for nearly three decades – by failing to provide any amortization period or compensation prior to terminating the use.

This appeal is from the order denying Appellants' motion for a preliminary injunction to enjoin operation of the HCO Amendments pending resolution of the merits. (2 AA 426-427) The motion should have been granted. Appellants are suffering irreparable harm, having been forced out of the SRO hotel business and into the apartment business (if they wish to operate by renting residential SRO rooms at all) with only the potential for a cumbersome, lengthy, expensive, and uncertain compensation process for the lost profit during this period. In the meantime, taxes, suppliers, and employees must be paid, and the owners rightly expect to make some profit.

Notably, the City does not directly challenge Appellants' positions. Instead, it engages in revisionist history by attempting to deny that weekly rentals were ever a lawful use (RB 9-14), provides irrelevant "justifications" for the amendment (RB 13-15), argues inapposite principles of regulatory takings law (RB 19-23), and erroneously claims that Appellants' cited case law requires the complete "elimination" or "eradication" of all commercial use of affected properties – effectively conflating this law with traditional regulatory taking analysis. (RB 18-19.)

In contrast, the core legal issue presented in this appeal is simple: may the City enact the 2017 HCO Amendments without a reasonable amortization period or pre-termination compensation? The answer is unequivocally, "no". The City does not deny that this Court has the power to decide that legal question on this appeal, regardless of Appellants' irreparable harm showing, and, further, that this Court should exercise it. Indeed, it is in everyone's interest to settle that purely legal question now. Accordingly, for the reasons previously advanced in Appellants' opening brief, and as further set forth below, this Court should reverse the Superior Court's order denying the motion for preliminary injunction with direction to enter a new and different order resolving the ultimate legal merits of the non-CEQA claims raised in this action in Appellants' favor.

II. <u>SUMMARY OF THE PARTIES' ARGUMENTS ON</u> <u>APPEAL</u>

A. Appellants' Pertinent Positions

As explained in their opening brief, Appellants filed this action because:

 for more than 25 years, residentially-designated units
 (RDUs) in regulated SRO hotels were expressly allowed to be offered for weekly terms of occupancy to hotel guests regardless of whether the occupant intended to continue renewing the term until an occupancy for more than 31 days occurred (AOB 22-29);

2) unrestricted weekly rentals were a key component of an SRO operator's business practice distinguishing hotel (or group housing) use from dwelling units or apartment buildings (AOB 13-18, 21);

3) the City amended the HCO to immediately prohibit weekly terms of occupancy and to require terms of at least 32 days. (AOB
11) This amended definition eliminated the use of hotels specifically built as SROs and effectively required these hotels to be used and operated as residential apartments (AA 11-13, 44-45);

4) the Amendments did not include an appropriate amortization period or require the City to pay pre-termination compensation as required by California law (AOB 11-12); and

5) SRO owners are being harmed by the loss of their ability to offer RDUs for weekly terms of occupancy. (AOB 50-53) Longsettled legal principles constrain the City's power to require the immediate cessation of pre-existing, lawful uses of land. Appellant SRO owners may not be immediately deprived of their right to offer weekly rentals without appropriate safeguards designed to insure fairness and prevent excessive financial harm.

B. <u>The City's Pertinent Positions</u>

In opposing this appeal, the City takes several positions that are either plainly erroneous (factually or legally) or irrelevant:

 SRO owners could previously only rent RDUs for less than 32 days if rented to San Francisco residents for residential use.
 (RB 8, 11-12)

This is relevant but untrue. If SRO owners did not have the right to rent as they allege here, then they cannot prevail. However, as discussed in their opening brief at pages 26-31, and as further discussed below, Appellants were allowed to rent any RDU to anyone for a minimum of 7 days.

The City had sufficient justification to ensure that no residentially-designated SRO room was rented to anyone for less than 32 days. (RB 14-15)

Whether this is true is beside the point. Even assuming the City can eliminate the previously recognized property right to rent on a weekly basis, the issue presented here is whether it must either provide an appropriate amortization period or pay pre-termination compensation in order to do so.

3. Appellants have not satisfied the requirements to establish a taking. (RB 19-24)

This point is irrelevant because this appeal does not involve a traditional taking claim, but, rather, the special legal rules applicable to the unique context of the immediate elimination of non-nuisance, pre-existing, lawful, nonconforming uses.

4. Appellants have not met their burden of showingirreparable harm sufficient to justify a preliminary injunction. (RB 24-29)

This is erroneous. But even assuming Appellants are not entitled to a preliminary injunction, because irreparable injury is not an element of the merits of their claim, the ultimate legal issue should still be decided in Appellants' favor – and the City does not contend this Court should not reach the merits of that issue on this appeal.

ARGUMENT

I. <u>THIS COURT SHOULD REJECT THE CITY'S</u> <u>REVISIONIST HISTORY OF THE HCO'S AUTHORIZED</u> <u>RENTALS</u>

A. <u>The Court Should Hold The City To The Interpretation It</u> <u>Routinely – And Successfully – Advanced In Court</u> <u>Years Ago, Particularly Since The City Concedes That</u> <u>That Interpretation Trumps A Contrary,</u> <u>Contemporaneous Administrative Declaration</u>

Appellants acknowledge that the threshold issue on appeal is whether they had any right to rent RDUs for less than 32 days periods prior to the 2017 HCO Amendments. The City does not deny that the Amendments prohibit weekly rentals of RDUs and require rentals of at least 32 days; indeed, that is the Amendments' primary effect. (1 AA 111, 127) The City's position on this appeal ultimately hinges on a contention – expressly rejected by the trial court – that the Amendments did not materially change anything allowed by the HCO but simply "clarify" certain provisions. (RB 14, 26; 2 AA 422) The parties have offered contrasting evidence of the City's actual, pre-2017 interpretation of the HCO's permissible rental term, and, tellingly, the City has ignored Appellants' evidence as if it did not exist. (AOB 22-27, citing 2 AA 333-360, RB 13-15, 26) The City's position ultimately hinges on its argument that the 2017 Amendments did not, in relevant part, make a wholesale change in the terms under which SRO rooms may be rented. (RB 8-14) As an initial matter, this Court should review the record below and the rely on the actual, unambiguous words of the pre-2017 version of the HCO to reject the City's revisionist history. Putting aside the City's failure to address the trial court's rejection of its position (2 AA 422), nowhere does it even acknowledge any of the points Appellants have raised regarding the City's previous contradictory interpretation.

(AOB 22-29) Two of those points state:

"HCO §41.20 regulates Patel's property exactly like residential zoning in prohibiting tourist use of less than seven days. [] While neither residential zoning nor HCO §41.20 require an owner to rent to tenants for thirty days or more, they both prohibit tourist rentals of less than seven days. HCO §41.20 and Planning Code §209 cannot be meaningfully distinguished in this critical aspect."

"Both the HCO and the Planning Code prohibit occupancies of less than seven days' duration, referred to as 'tourist use' in this brief. [] Patel may leave the units vacant or rent the units to non-residential tenants from seven to 30 days without violating either Ordinance." (AOB 24-25 quoting 2 AA 354-355, 2 AA 343 respectively)

Our Supreme Court eventually adopted San Francisco's interpretation of the HCO and its view that it was unlawful "to rent a residential unit for a term shorter than seven days" (<u>San Remo</u>, supra, 27 Cal.4th at 651); i.e., for tourist rentals, which are "occupancies of *less than seven days' duration*", as the City told the First District in 1997. (AOB 24, quoting City's application to file amicus brief in <u>THC v. Patel</u>, #A077469, emph. added (AA 347-349))

The City's new position ignores the actual language of the pre-2017 HCO, and its own history of interpreting and defending the HCO in Court. (1 AA 100-103; 2 AA 329-356) As it did below, the City cites a newly-minted, self-serving declaration of the chief of the enforcement arm of its Department of Building Inspection. (RB 13, citing Rosemary Bosque declaration; AA 145-146) Also below, the City primarily relied on <u>Yamaha Corp. of America v. State Bd. of</u> <u>Equalization</u> (1998) 19 Cal.4th 1 for the principle that her declaration should be given substantial deference. (AOB 28, AA 145-146) In their opening brief, Appellants thoroughly explained why the City's own prior cases defeat its position and why this Court should completely disregard her declaration. (AOB 28-29) In response, just

as it has failed to address and explain its own, now-contradicted admissions to this Court 20 years ago, the City simply ignores this analysis and just reasserts the Bosque declaration as supposedly representing the City's longstanding interpretation of the HCO. (RB 13, 26)

In ignoring Appellants' position on <u>Yamaha Corp.</u>, et al., the City concedes it. (<u>People v. Bouzas</u> (1991) 53 Cal.3d 467, 480 government conceded defendant's position by responding to each of his other arguments while simply ignoring the one at issue) The City should not be allowed to disavow its own previously consistent, and successfully asserted, interpretation because it does not wish to comply with the requirements for terminating lawful, nonconforming uses. (<u>See Auto Equity Sales v. Superior Court</u> (1962) 57 Cal.2d 450 - California Supreme Court's decisions are binding on the Court of Appeal) Like the trial court below, this Court should reject the City's current, revisionist "interpretations".

B. <u>This Court Should Reject The City's Attempted</u> <u>Justifications For Its Revisionist Position On The 2017</u> <u>Amendments</u>

In an attempt to support its effort to belatedly rewrite history, and necessarily ignoring its longstanding prior legal positions, the

City's brief makes contradictory or unsupported assertions (which this Court should reject) as follows:

1. Before the HCO Amendments, state and local law required RDUs to be rented to residents only. (RB 1) Setting aside that the definition of resident is circular – someone who is already in occupancy for at least 32 days – the City does not offer any authority for this proposition at the state level, and its own interpretations going back more than 20 years show otherwise at the local level. (2 AA 329-356)

2. The City refers to "the perceived loophole exploited by certain SRO owners". (RB 1) "A 'loophole' is defined as '[a]n ambiguity, omission, or exception (as in a law or other legal document) that provides a way to avoid a rule without violating its literal requirements." (People v. Peau (2015) 236 Cal.App.4th 823, 833, cit. om.) The prior unchallenged right to rent RDUs on a weekly basis was not a loophole. As Appellants explained in their opening brief:

a. Before the Amendment, "most SRO tenants paid by the week, in part because this avoids customary expenses of monthly rentals such as last month's rent and deposit." (AOB 21, citing 1 AA

60; <u>San Remo</u>, supra, 27 Cal.4th at 674) The City simply ignores this statement, thus conceding its accuracy.

While the policy wisdom of the HCO Amendments is b. irrelevant to the law's amortize-or-pay-to-terminate requirements, and is not challenged here, the City's decision to stress the importance of maintaining SRO units by increasing the minimum rental period completely ignores the salient point of the California Supreme Court's decision in San Remo - weekly rentals are important, in part, precisely because they avoid certain substantial expenses associated with apartment rentals. (San Remo, supra, 27 Cal.4th at 674) A 32day rental requirement, turning weekly SRO hotel rooms into monthly apartment rentals, would eliminate the very benefits the City itself relied on in successfully defending the pre-2017 HCO against constitutional challenge in San Remo. The City's failure to acknowledge and explain its shifting interpretations underscores the meritlessness of the position it now advocates in this litigation.

3. The practical difference for law-abiding SRO owners is minimal. (RB 1) This is patently untrue since law-abiding SRO owners just lost a large group of potential hotel customers – those persons who seek to rent a room primarily on a weekly basis and,

regardless, for periods of less than 32 days. SROs have also lost an entire business model, the renting of rooms to any person for periods as short as, but not less than, one week. The difference is not trifling since SRO owners could previously rent to anyone by the week; if an occupant renewed for a fifth week, and if that resident became entitled to rent control, so be it – but it was up to that occupant, not a City regulation. Now, the HCO restricts all potential SRO rentals to 32 days or longer, whether the potential guest can afford, or wants, to rent for those terms.

4. The HCO Amendments facilitate enforcement against unscrupulous owners who improperly forced residents out to avoid rent control. (RB 1-2) The Amendments do not facilitate anything other than eliminating anyone's right to rent for periods of less than 32 days. Moreover, the City's position simply begs the question why not just enforce the prior law? It offers no answer. In any event, the wisdom of, and justification for, the Amendments are not relevant here. Presumably, the long line of California cases affirming the right of property and business owners to maintain existing, lawful uses considered and rejected similar policy arguments.

5. "The 2017 Amendments simply imposed explicit

regulations" (RB 2) The City does not explain how or where the same prohibition previously existed, implicitly or otherwise, for the simple reason that it did not. Similarly, the City does not explain what it means in stating that the Amendments now provide an objective standard, or just what was supposedly subjective about the permission to rent weekly. (RB 14-15)

6. The Amendments do not destroy or eradicate the SRO business. (RB 2) While this is not the legal standard, the Amendments actually do have such effect by compelling the owners of such hotel buildings – the rooms of which were never designed, constructed, or conceived of as apartments – to now make apartmenttype rentals only. Ultimately, however, the City's position here is irrelevant since there is no law providing that the amortize-or-pay-toterminate requirement only applies where the entire business potential of real property is destroyed or eradicated by elimination of a nonnuisance, legal nonconforming use.

- II. <u>THE CITY FAILS TO REBUT THE LONG LINE OF CASES</u> <u>HOLDING THAT MUNICIPALITIES MAY ONLY</u> <u>ELIMINATE ON-GOING, NON-NUISANCE,</u> <u>NONCONFORMING USES WITH AN APPROPRIATE</u> <u>AMORTIZATION PERIOD OR PRE-TERMINATION</u> <u>COMPENSATION</u>
 - A. <u>The Amortize-Or-Pay-To-Terminate Requirement Does</u> <u>Not Require That All Uses Of The Subject Property Be</u> <u>"Eradicated" Or "Eliminated"</u>

The City urges a broader point that the amortization-or-pay-toterminate requirement only applies if the challenged ordinance completely eliminates or eradicates all existing legal uses of property. (RB 19) Such a use limitation would be a taking because it would be an economic regulation that has gone too far. (Bronco Wine, supra, 129 Cal.App.4th at 1030) However, the City's contention does not follow from any of the cases it cites. The fact that some of Appellants' cases do involve complete elimination of existing uses is irrelevant because *none* of the legal analysis in those cases turns on that distinction, and the City underscores this by not citing anything in those cases supporting its position.

In fact, California law is quite the opposite: "The elimination of existing uses within a reasonable time *does not amount to a taking of property* nor does it necessary restrict the use of property so that it cannot be used for any reasonable purpose." (<u>City of Los Angeles v.</u> <u>Gage</u> (1954) 127 Cal.App.2d 442, 460, emph. added) Additionally, the City appears to argue that the HCO Amendments should not be considered like zoning laws for this purpose. (RB 18) However, ordinances that regulate land use are equivalent to zoning ordinances. (<u>Del Oro Hills v. City of Oceanside</u> (1995) 31 Cal.App.4th 1060, 1072, fn.6, citing <u>Lesher Communications, Inc. v. City of Walnut</u> <u>Creek</u> (1990) 52 Cal.3d 531, 541; <u>accord Building Industry Assn. v.</u> <u>City of Oceanside</u> (1994) 27 Cal.App.4th 744, 762, fn. 10, citing <u>Lesher</u>)

B. <u>Each Of The City's Attempts To Distinguish Appellants'</u> <u>Cases Fails</u>

1. Jones v. City of Los Angeles

It is correct that <u>Jones v. City of Los Angeles</u> (1930) 211 Cal. 304 involved an ordinance that prohibited all sanitariums in a certain area and that the affected existing buildings had no current uses other than as sanitariums. However, the analysis in <u>Jones</u> was not limited to complete cessation of all use. (<u>Jones</u>, supra, 211 Cal. at 314-321) <u>Jones</u> is not a paradigmatic regulatory takings case premised on a taking of all economically beneficial use of a property, and its progeny, all of which support Appellants, are not takings cases of that kind, either. In fact, the standard set forth in <u>Jones</u> clearly favors Appellants: "where . . . a retroactive ordinance causes substantial injury and the prohibited business is not a nuisance, the ordinance is to that extent an unreasonable and unjustifiable exercise of police power." (Jones, supra, 211 Cal. at 321) "[S]ubstantial does not mean overwhelming." (Lawson v. Reynolds Industries Inc. (9th Cir. 2008) 264 Fed.Appx. 546, 549) "[T]he term 'substantial' does not mean the greatest part or even a very great portion. . . . (Francis Edward McGillick Foundation v. C.I.R. (3d Cir. 1960) 278 F.2d 643, 647)

2. <u>City of Los Angeles v. Gage</u>

While <u>Gage</u> involved the elimination of all non-residential use through a re-zoning of property for residential use only, its analysis equally applies where only particular uses are eliminated. (<u>Gage</u>, supra, 127 Cal.App.2d at 453-461) Here, an entire kind of business is eliminated. Appellants are now required to be landlords offering apartment use and may no longer operate non-apartment hotel uses for shorter than 32 day terms. Weekly rentals are a significant use as shown by the City setting that minimum rental term in 1990. (<u>See San</u> <u>Remo</u>, supra, 27 Cal.4th at 674) A particular industry has relied on, and operated under, the right to offer 7-day rentals. (1 AA 60) Now the City has taken that away. Nothing in <u>Gage</u> undercuts Appellants' position.

3. <u>Livingston Rock</u>

As for Livingston Rock, the City merely states that the ordinance therein prohibited plaintiff from continuing to operate its lawful cement mixing business in the rezoned district. (RB 18) It does not explain how this particular fact undercuts Appellants' argument. To the extent it means that this line of cases only applies to the elimination of all uses of a particular building, nothing in Livingston Rock, nor any of the other cases, stands for that proposition. The general rule is that the elimination of a nonconforming use may only occur under certain conditions. (Livingston Rock, supra, 43 Cal.2d at 127) The Amendment here eliminated a nonconforming use without complying with those mandated pre-conditions – i.e., an appropriate amortization period or pre-cessation compensation.

4. *Hansen Brothers*

Similarly, nothing in <u>Hansen Brothers</u> turned on any material distinction between that case and this one. <u>Hansen Brothers</u> states: "However, if the law effects an unreasonable, oppressive, or unwarranted interference with an existing use . . . the ordinance may be invalid as applied to that property unless compensation is paid." (<u>Hansen Brothers</u>, supra, 12 Cal.4th at 551-552) Whether the elimination of weekly rentals in favor of 32-day rentals is unreasonable or unwarranted, it is certainly oppressive because it undermines an entire class of business that had depended on that right as a key element of its business. To the broader point, an oppressive interference with an existing use is not the same as eliminating all use.

5. <u>Castner v. City of Oakland</u>

While <u>Castner v. City of Oakland</u> (1982) 129 Cal.App.3d 94 did involve the elimination of plaintiff's entire business, it reiterated the doctrine upon which Appellants rely in a manner contrary to the City's implied position:

> However, California cases have firmly held zoning legislation may validly provide for the eventual termination of nonconforming property uses without compensation if it provides a reasonable amortization period commensurate with the investment involved.

(Castner, supra, 129 Cal.App.3d at 96)

The HCO Amendments' fatal flaw is that they make no attempt to do this; rather, the City attempts to escape its legal obligations by conjuring a revisionist history in which the terminated uses simply never existed or were permitted at all.

6. <u>Santa Barbara Patients' Collective Health Co-op. v. City</u> of Santa Barbara

Again, while this case did present the issue of complete cessation, and actually involved an amortization period - albeit insufficient - nothing in the court's analysis is limited to such cases. (Santa Barbara Patients' Collective Health Co-op. v. City of Santa Barbara (C.D. Cal. 2012) 911 F.Supp.2d 884, 893)

7. Appellants' Sign/Billboard Cases

Nothing in the sign/billboard cases that Appellants have cited turns on the fact that a sign/billboard was being removed. (AOB 36-37) Instead, they all involved exactly the issue here - elimination of a lawful nonconforming use. These cases simply happened to involve the removal of signs/billboards.

III. <u>THE CITY'S "NO-IRREPARABLE-HARM" ARGUMENT</u> <u>DEPENDS UPON IT ESTABLISHING THAT SRO OWNERS</u> <u>HAD NO RIGHT TO MAKE UNRESTRICTED WEEKLY</u> <u>RENTALS</u>

Whatever the extent of other laws' impact on the SRO hotel business and whatever the extent of SRO hotel owners' rights to operate their hotel businesses as they prefer, if Appellants' (and the City's prior) interpretation of the previous version of HCO § 41.20 is correct, then the City cannot deny that it authorized a particular kind of business to operate lawfully and in a manner that is not a public nuisance. That business is the SRO hotel business predicated on the right to offer weekly rentals to anyone because tourist rentals, by their very definition, were any rentals for less than 7 days. Whether any particular SRO hotel was, or was not, prohibited from preventing an SRO unit occupant from remaining in possession long enough to acquire rent control is irrelevant. Those SRO owners who chose to obey the law cannot have a critical use eliminated without proper constitutional safeguards simply because there are other owners whose business model depends on weekly rentals plus some other unlawful act. (Cf. Tom v. City and County of San Francisco (2004) 120 Cal.App.4th 674, 680 - "focus is on persons and properties that would be affected by the ordinance"; Daro v. Superior Court (2007) 151 Cal.App.4th 1079, 1099 - "A lawful business activity is not transformed into an 'unlawful business practice' simply because it has some relationship to an activity forbidden by law.")

The act of offering SRO units in compliance with the weekly rental right permitted by the immediately prior version of the HCO was not an unlawful act and was not a nuisance. (<u>Cf. San Remo</u>, supra, 27 Cal.4th at 651) If the City wishes to choose the extreme measure of eliminating the SRO business in order to eliminate improperly-operating SROs, it may do so, but only so long as it complies with the constitutional safeguards which have existed for over a hundred years as explicated in <u>Dobbins v. City of Los Angeles</u> (1904) 195 U.S. 223, 236, 25 S.Ct. 18, 20, and the many California cases which have protected property owners and businesses in the many decades since. Again, this rule was succinctly stated by our Supreme Court in 1954:

> The rights of the users of property as those rights existed under prevailing zoning conditions are well recognized and have always been protected. Accordingly, a which exempts existing provision nonconforming uses is ordinarily included in rezoning ordinances because of the hardship and doubtful constitutionality of compelling discontinuance of immediate the nonconforming uses.

> (<u>Livingston Rock</u>, supra, 43 Cal.2d at 127, cites om.)

IV. THE CITY'S TAKINGS ARGUMENTS ARE IRRELEVANT

The City's respondent's brief from Discussion-I-H on page 19

through 23, and III.B. (page 26) through 29 address classic regulatory

takings issues, and not the law governing elimination of preexisting lawful nonconforming uses that applies in the specific context involved here. Classic takings law protects the actual value of the property by requiring government to pay for what it takes, but government is allowed to take the property immediately. "[The takings clause of the 5th Amendment] is designed not to limit the governmental interference with property rights per se, but rather to secure compensation in the event of otherwise proper interference amounting to a taking." (First English, supra, 482 U.S. at 315, cites om., 107 S.Ct. at 2385-2386) Indeed, implicit in the concept that the government may permissibly take certain property rights subject only to post-deprivation compensation is that neither pre-cessation compensation nor an appropriate amortization period are required.

The law on which Appellants rely differs critically from the classic takings analysis because it is designed to protect related but distinct interests in a specific context. Due process and takings protections applied in the context of on-going business operations protect not only property rights and investments, but guard against unfair application of political power against lawfully established but newly-disfavored uses. (See Ixcot v. Holder (9th Cir. 2011) 646 F.3d

1202, 1207 - due process protects against political pressures that seek to use legislation as a means of retribution against unpopular groups or individuals) This doctrine protects property owners against immediate compelled cessation of substantial non-nuisance uses of property that had been legal until certain interested parties motivated a sufficient percentage of relevant legislators to eliminate the use. Accordingly, Appellants need not respond to the City's standard regulatory takings arguments on their merits because they pertain to inapposite claims and situations not presented in this appeal. Those claims remain alive below. Appellants' right to continue making weekly rentals until the City complies with applicable constitutional protections is protected by the case law specifically addressing the requirements for eliminating lawful, nonconforming uses, and does not rely upon the distinct regulatory taking framework and analysis that the City improperly attempts to apply.

CONCLUSION

As the City and Tenderloin Housing Clinic explained to this Court in reasoned appellate arguments some 20 years ago, the HCO permitted unrestricted rentals of SRO units so long as those rentals were for at least 7 days. In 2017, the City abruptly decided to

eliminate this longstanding right through the functional equivalent of re-zoning the entire City to prohibit rentals of SRO hotel rooms for periods of less than 32 days. All SRO owners are thus immediately deprived of a longstanding, legal right that was sufficiently important in 1990 to codify, and that has been exercised and relied on for nearly three decades since. Under the HCO Amendments, they cannot make such rentals, they must turn away customers who only want to rent on such terms, and they have effectively been forced into the residential apartment business and out of the SRO hotel business. Generally, and regardless of its wisdom as a policy matter, the City can do this through a proper exercise of its police power. However, here the City did not just prospectively eliminate this previous right (which would recognize lawful, nonconforming uses with their own legal rights and protections), but it required SRO owners to immediately cease renting SRO units for less than 32 days. As decades of case law holds, the City is constitutionally prohibited from requiring termination of lawful, non-nuisance, nonconforming uses in this manner without an appropriate amortization period or pre-termination compensation. This Court should reverse the trial court's order denying Appellants' motion for preliminary injunction.

There is one important point that both Appellants and the City appear to agree on. Even if there is some deficiency in Appellants' showing needed to reverse the denial of preliminary injunctive relief, the Court should still resolve the ultimate legal issue presented in this appeal – the constitutional validity of the HCO Amendments – on its merits. (AOB 57-58, not addressed in City's brief) Accordingly, this Court should reverse the trial court's order denying Appellants' motion for preliminary injunction or, if it must affirm, do so in a manner that properly resolves the merits of Appellants' non-CEQA claims, which present a purely legal issue on appeal to this Court.

Respectfully Submitted,

February 22, 2018

ZACKS, FREEDMAN & PATTERSON, PC

/s/ Andrew M. Zacks

By: Andrew M. Zacks

Counsel for Plaintiffs/Appellants SAN FRANCISCO SRO HOTEL COALITION, HOTEL DES ARTS, LLC, and BRENT HAAS Certificate of Word Count (CRC 8.204)

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Date: February 22, 2018 ZACKS, FREEDMAN & PATTERSON, PC

/s/ James B. Kraus

By: James B. Kraus Counsel for Plaintiffs/Appellants San Francisco SRO Hotel Coalition, Hotel Des Arts, LLC, and Brent Haas Court of Appeal, First Appellate District Diana Herbert, Clerk/Administrator Electronically RECEIVED on 11/7/2017 at 12:57:19 PM Court of Appeal, First Appellate District Diana Herbert, Clerk/Administrator Electronically FILED on 11/7/2017 by V. Pons, Deputy Clerk

APPEAL #A151847

COURT OF APPEAL - STATE OF CALIFORNIA

FIRST DISTRICT - DIVISION 5

SAN FRANCISCO SRO HOTEL COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited liability company, and BRENT HAAS,

Plaintiffs and Appellants,

v.

CITY AND COUNTY OF SAN FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in his official capacity as Mayor of the City and County of San Francisco

Defendants and Respondents

APPELLANTS' OPENING BRIEF

In Appeal from the Denial of a Motion for Preliminary Injunction

San Francisco Superior Court # CPF17515656

The Hon. Teri L. Jackson

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	TO BE FILED IN TH	E COURT OF APPEAL	APP-008
COURT OF APPEAL	First APPELLATE DISTRICT,	DIVISION 5	COURT OF APPEAL CASE NUMBER: A151847
ATTORNEY OR PARTY WITHOUT ATTOR NAME: James B. Kraus FIRM NAME: Zacks, Freedman 8 STREET ADDRESS: 235 Montgom CITY: San Francisco TELEPHONE NO: 415-956-8100 E-MAIL ADDRESS: james@zfplaw ATTORNEY FOR (name): Appellant APPELLANT/ San Francisco PETITIONER: RESPONDENT/ REAL PARTY IN INTEREST	A Patterson, PC ery Street, Suite 400 state: CA FAX NO.: .com Is S.F. SRO Coalition, Hotel Des Arte to SRO Hotel Coalition City and County of San Francisco	zip code: 94104	SUPERIOR COURT CASE NUMBER: CPF-17-515656
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Full name of interes entity or person	
(1) Stefan Forget	Member of Hotel Des Arts, LLC
(2) Florence Solal	Member of Hotel Des Arts, LLC
(3)	
(4)	
(5)	
Continued on attachment	2.
association, but not including go more in the party if it is an entity;	e above-listed persons or entities (corporations, partnerships, firms, or any other vernment entities or their agencies) have either (1) an ownership interest of 10 percent or or (2) a financial or other interest in the outcome of the proceeding that the justices whether to disqualify themselves, as defined in rule 8.208(e)(2).
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CERTIFICATE OF INTERESTED ENTITIES OR PERSONS

Page 1 of 1 Cal. Rules of Court, rules 8.208, 8.488 www.courts.ca.yov

CERTIFICA	TE OF	INTERESTED PARTIES 2		
TABLE OF	CONTE	ENTS 3		
TABLE OF	AUTH	DRITIES 8		
CASI	ES			
STAT	IUTES.			
INTRODUC	CTION.			
I. OVE	RVIEW			
II. STAT	ΓEMEN	T OF FACTS		
А.	Single	Room Occupancy Units And Hotels		
B.	B. The Parties			
	1.	San Francisco SRO Hotel Coalition 17		
	2.	Hotel Des Arts, LLC 18		
	3.	The Carl Hotel		
	4.	Brent Haas 21		
	5.	City And County Of San Francisco		
C.	San F	rancisco's Hotel Conversion Ordinance		
	1.	History Of The Challenged Ordinance		
	2.	The Purpose Of The HCO 24		
	3.	Prior to the 2017 Amendment, The City Consistently Interpreted The HCO To Prohibit Rentals Of Residential Units Only For Periods Of Less Than 7 Days		

TABLE OF CONTENTS

		4.	The 2017 HCO Amendments Materially Changed The HCO To Plaintiffs' Substantial Detriment
		5.	At the Trial Court Hearing, The City Could Not Defend Its More Than 20-Year History Of Interpreting The HCO To Permit Unfettered Weekly Rentals of Residential Hotel Rooms
		6.	The Trial Court Properly Determined That The HCO Had Previously Allowed The Rentals That Plaintiffs Seek To Preserve
STAT	EMEN	T OF 7	THE CASE
STAT	'EMEN'	T OF A	APPEALABILITY
STAN	DARD	OF R	EVIEW
ARGU	JMENI	Γ	
I.	NONC MUNI DISCO	CONFC CIPAI	TA LAW PROVIDES STRONG PROTECTION FOR LAWFUL ORMING USES OF PROPERTY WHICH PREVENTS LITIES FROM FORCING NON-NUISANCE USES TO BE TUED IMMEDIATELY WITHOUT COMPENSATION OR A REASONABLE AMORTIZATION PERIOD
	А.		itutional Protection Of Nonconforming Uses Has Been Recognized fore Than 100 Years
	В.	Imme	les Of Case Law Have Avoided Constitutional Infirmities By Barring diate And Uncompensated Cessation Of Lawful Business Operations
II.	REVE	RSIBI	COURT ABUSED ITS DISCRETION AND COMMITTED LE ERROR BY REFUSING TO PRELIMINARILY ENJOIN THE NT
	A.	Findiı Right	Frial Court Committed Reversible Error As A Matter Of Law By ng That Plaintiffs Have Not Demonstrated the Existence of a Vested Of Which They Have Been Wrongfully And Unlawfully Deprived
		1.	The Law Relied On By The City And Trial Court Pertains To A Different Kind Of Vested Right Not Applicable In This Matter 48

		2.	The Motion Did Not Require An Individualized, Fact-Based Inquiry
		3.	The City's Position That There Is Now A Compelling Public Need To Eliminate Weekly SRO Rentals Is Not Supported By The Record
	B.		is Record, This Court Should Find That The Balancing Of Harms s Plaintiffs
		2.	It Would Be An Abuse Of Discretion To Find That The Balance Of Hardships Does Not Favor Plaintiffs
	C.	An Ar	se The City Must Either Pay Pre-Cessation Compensation Or Provide nortization Period, Post-Deprivation Damages Is Not An Adequate dy
		1.	California's Pre-Cessation Compensation-Or-Amortization Rule Does Not Permit The Post-Deprivation Compensation Rule The City Advocates
		2.	Tahoe Keys Property Owners' Assn. v. State Water ResourcesControl Bd. Does Not Apply.62
		3.	Hensler v. City of Glendale Does Not Apply
III.	DISP	UTE A	T SHOULD RESOLVE THE ULTIMATE MERITS OF THE ND REMAND TO THE TRIAL COURT FOR FURTHER NGS
CON	CLUSI	ON	
CERT	TIFICA	TE OF	WORD COUNT

TABLE OF AUTHORITIES

CASES
Arnel Development Co. v. City of Costa Mesa (1980) 28 Cal.3d 51145
Association for Los Angeles Deputy Sheriffs v. Superior Court (2017) 13 Cal.App.5th 413
Avco Community Developers, Inc. v. South Coast Regional Com. (1976) 17 Cal.3d 785
Bauer v. City of San Diego (1999) 75 Cal.App.4th 1281
Besaro Mobile Home Park, LLC v. City of Fremont (2012) 204 Cal.App.4th 34531
Big Creek Lumber Co. v. County of Santa Cruz (2006) 38 Cal.4th 113932
Biscay v. City of Burlingame (1932) 127 Cal.App. 213
Bullock v. City and County of San Francisco (1990) 221 Cal.App.3d 107219
Calvert v. County of Yuba (2006) 145 Cal.App.4th 613
Castner v. City of Oakland (1982) 129 Cal.App.3d 94
Citizens to Save California v. California Fair Political Practices Com. (2006) 145 Cal.App.4th 736
<u>City of Los Angeles v. Gage</u> (1954) 127 Cal.App.2d 442
City of Santa Barbara v. Modern Neon Sign Co. (1961) 189 Cal.App.2d 18840, 41
City of Ukiah v. County of Mendocino (1987) 196 Cal.App.3d 4747
City of Walnut Creek v. County of Contra Costa (1980) 101 Cal.App.3d 101227
Communities for a Better Env't v. South Coast Air Quality Dist. (2010) 48 Cal.4th 310
Davidson v. County of San Diego (1996) 49 Cal.App.4th 639
Department of Fish & Game v. Anderson-Cottonwood Irrigation Dist. (1992) 8 Cal.App.4th 1554
Dobbins v. City of Los Angeles (1904) 195 U.S. 223, 25 S.Ct. 18

Edmonds v. County of Los Angeles (1953) 40 Cal.2d 642	38
Efstratis v. First Northern Bank (1997) 59 Cal.App.4th 667	31
<u>Elrod v. Burns</u> (1976) 427 U.S. 347, 373, 96 S.Ct. 2673	13
Goat Hill Tavern v. Costa Mesa (1992) 6 Cal.App.4th 1519	44
Grant v. Mayor and City Council of Baltimore (1957) 129 A.2d 363	34
Griffin Development Co. v. City of Oxnard (1985) 39 Cal.3d 256	32
Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996) 12 Cal.4th 53310, 11, 38, 39, 43,	44, 56
Hensler v. City of Glendale (1994) 8 Cal.4th 1	55-56
Hermosa Beach Stop Oil Coalition v. City of Hermosa Beach (2001) 86 Cal.App.4th 534	43
HFH, Ltd. v. Superior Court (1975) 15 Cal.3d 508	43
Incorporated Village of Brookville v. Paulgene Realty Corp. (N.Y. Sup. Ct. 1960) 200 N.Y.S.2d 126	36
In re Sutter Health Uninsured Pricing Cases (2009) 171 Cal.App.4th 495	54
Jamison v. Department of Transportation (2016) 4 Cal.App.5th 356	57
Jones v. City of Los Angeles (1930) 211 Cal. 30410, 33, 34, 2	36, 49
<u>King v. Meese</u> (1987) 43 Cal.3d 1217	57, 58
Law School Admission Council, Inc. v. State (2014) 222 Cal.App.4th 1265	57
Lawton v. Steele (1894) 152 U. S. 133-137	32
Levin v. City and County of San Francisco (N.D. Cal. 2014) 71 F.Supp.3d 1072	49
Livingston Rock & Gravel Co. v. County of L.A. (1954) 43 Cal.2d 12135,	36, 54
McCaslin v. City of Monterey Park (1958) 163 Cal.App.2d 339	40, 49
<u>Melendres v. Arpaio</u> (9th Cir. 2012) 695 F.3d 990	13
Miller v. City of Hermosa Beach (1993) 13 Cal.App.4th 1118	51

National Advertising Co. v. Monterey County (1962) 211 Cal.App.2d 37537
National Advertising Co. v. County of Monterey (1970) 1 Cal.3d 87537
North Coast Coalition v. Woods (1980) 110 Cal.App.3d 80058
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Palacio De Anza v. Palm Springs Rent Review Com. (1989) 209 Cal.App.3d 11641
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San Remo Hotel v. City and County of San Francisco (2002) 27 Cal.4th 643
Santa Barbara Patients' Collective Health Co-op. v. City of Santa Barbara (C.D. Cal. 2012) 911 F.Supp.2d 884
Standard Oil Co. v. Feldstein (1980) 105 Cal.App.3d 59046, 47
Stokes v. Board of Permit Appeals (1997) 52 Cal.App.4th 134843
Strumsky v. San Diego County Employees Retirement Assn. (1974) 11 Cal.3d 2846
Stuart Arms Co. v. City and County of San Francisco (1928) 203 Cal. 15018
Tahoe Keys Property Owners' Assn. v. State Water Resources Control Bd. (1994) 23 Cal.App.4th 1459
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<u>Toigo v. Town of Ross</u> (1998) 70 Cal.App.4th 30943
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<u>Tosi v. County of Fresno</u> (2008) 161 Cal.App.4th 79950
Tower Lane Properties v. City of Los Angeles (2014) 224 Cal.App.4th 26228, 29
United Business Com. v. City of San Diego (1979) 91 Cal.App.3d 156
Wilkins v. City of San Bernardino (1946) 29 Cal.2d 332
Yamaha Corp. of America v. State Bd. of Equalization (1998) 19 Cal.4th 1
STATUTES
Code of Civil Procedure § 904.1(a)(6)
Rule of Court 8.104(a)
S.F. Administrative Code § 41.1
S.F. Administrative Code § 41.220
S.F. Administrative Code § 41.321
S.F. Administrative Code § 41.4
S.F. Administrative Code § 41.20(a)(2)21, 26
S.F. Administrative Code § 41.20(e)
S.F. Planning Code § 10211, 47
S.F. Planning Code § 209.111
S.F. Planning Code § 210.211
S.F. Rent Ordinance § 37.2(r)(1)12
S.F. Rent Ordinance § 37.312
S.F. Rent Ordinance § 37.9(a)47

INTRODUCTION

I. OVERVIEW

This is an appeal from the denial of a preliminary injunction against enforcement of a San Francisco land use ordinance amendment. (2 Appellants' Appendix ("AA") 426-427) The San Francisco Superior Court found that Plaintiffs had not established a vested right to continue previously-lawful operations but did not reach the balance of hardships question. (2 AA 427) On this appeal of the denial, this Court should determine that the ordinance is facially invalid. It should further determine that, even though the trial court did not reach the factor of relative hardships – which is not an issue at trial – Plaintiffs will win on the merits, which present only pure questions of law.

California Property owners and users are protected against unfettered retroactive application of land use regulations under the doctrine of lawful, prior nonconforming uses. (<u>E.g. Jones v. City of Los Angeles</u> (1930) 211 Cal. 304, 321; <u>Hansen Brothers Enterprises</u>, Inc. v. Board of Supervisors (1996) 12 Cal.4th 533, 552) This doctrine recognizes the constitutional right of property owners (and their commercial tenants) to maintain existing, lawful land uses that are not nuisances per se, and that local governments may not force the immediate discontinuance of these lawful uses without either compensation as a pre-condition of the discontinuance or an appropriate amortization period to enable the property owner to recoup as

much of its investment as is reasonably practicable. (<u>Hansen Brothers</u>, supra, 12 Cal.4th at 552) Our Supreme Court has stated that the main purpose of this doctrine is to avoid questions as to the constitutionality of new zoning and other use laws' application to such previously-existing lawful land uses. (<u>Hansen Brothers</u>, supra, 12 Cal.4th at 552)

As is relevant to this dispute, San Francisco's Planning Code authorizes what are known as "single room occupancy" rooms and hotels ("SROs"). (2 AA 401-403, 407-411, 405; S.F. Planning Code §§ 102, 209.1, 210.2) These uses have long been given the zoning classification of "group housing". (S.F. Planning Code § 102) In addition, for decades, San Francisco has also regulated the operation of SROs in its Administrative Code at chapter 41 (the "Residential Hotel Unit Conversion and Demolition Ordinance" – "Hotel Conversion Ordinance" or "HCO"). The City has long-recognized that SROs play a vital role in providing housing for both lower-income residents and visitors. SRO owners, in turn, have relied on the City's regulatory scheme to be able to operate their businesses as SROs, not as rent-controlled apartments.

Yet in 2017, the City abruptly pulled the rug out from under SRO owners and occupants alike when it amended the HCO to immediately, and without compensation, bar the rental of SRO rooms for less than 32 days, instead of less than 7 days as was previously permitted. (1 AA 111, 127 – the "HCO Amendments") This change would immediately make all SRO

units rent-controlled apartments under local law once a person remained in occupancy of the same unit for at least 32 consecutive days. (S.F. Administrative Code ("Rent Ordinance") §§ 37.2(r)(1), 37.3) The City's volte-face stripped SRO owners of their vested property rights to offer rentals for a minimum term of 7 days and without the penalties of rent and eviction controls attaching. However, San Francisco failed to comply with that long-established doctrine requiring either immediate compensation for affected owners or delaying the change as to those owners. (Infra at 35-45) Here, in eliminating SRO rentals between 7 and 30 days, the City followed neither permissible option. (1 AA 106-131)

A coalition of SRO hotel owners/operators and others filed this lawsuit to preliminarily and permanently enjoin the 2017 amendment. (1 AA 12-33) The trial court refused to issue a preliminary injunction because it believed that the law allows the City to the mandate the conversion of SRO rooms immediately without restriction, and that Plaintiffs had not established a vested right to continue operating as hotels. (2 AA 421-422) However, the trial court's order was based on a legally-erroneous interpretation about the nature of vested rights in the nonconforming use context. (2 AA 421-422) Because the HCO Amendments deprive all SRO owners/operators of their preexisting rights to continue operating SROs, not rent-controlled apartments, and the Amendments took away this right without compensation or a reasonable amortization period, the trial court erred in failing to find that the balance of hardships favors Plaintiffs.

Because "[i]t is well established that the deprivation of constitutional rights 'unquestionably constitutes irreparable injury'" (<u>Melendres v. Arpaio</u> (9th Cir. 2012) 695 F.3d 990, 1002, quoting <u>Elrod v. Burns</u> (1976) 427 U.S. 347, 373, 96 S.Ct. 2673), the record compels a finding that the balance of hardships favors Plaintiffs.

II. STATEMENT OF FACTS

A. Single Room Occupancy Units And Hotels

An SRO unit is a small hotel room, usually up to 350 square feet, that generally lacks private bathrooms and kitchens. (1 AA 59-60) SROs generally use shared bathrooms. (1 AA 59-60) Some may have communal kitchens; for others, residents must use their own microwaves, hot plates, etc., or in some cases, bring prepared food in. (1 AA 59-60) Essentially, they are like college dormitory rooms. (1 AA 59-60) These units have long provided a critical supply of relatively low-cost rooms for rent on a weekly, or multi-week, basis. (1 AA 60) While SRO units "may not be an ideal form of housing, such units accommodate many whose only other options might be sleeping in public spaces or in a City shelter" and "residential hotel units serve many *who cannot afford security and rent deposits for an apartment.*" (San Remo Hotel v. City and County of San Francisco (2002) 27 Cal.4th 643, 674, emph. added) A wide variety of people rent these rooms: lower-income people who would be homeless if their only other

option was to rent in a traditional, monthly manner; short-term visitors who cannot afford tourist hotel rates; people coming in to work in the City for short periods of time; and even medical patients and their families, who also cannot afford to pay tourist rates. (1 AA 60)

B. <u>The Parties</u>

1. San Francisco SRO Hotel Coalition

Plaintiff San Francisco SRO Hotel Coalition (the "Coalition") is an unincorporated association whose members are private, for-profit owners and operators of numerous residential hotels in San Francisco that are subject to regulation under the HCO. (1 AA 59) The HCO currently regulates approximately 18,000 residential units within about 500 hotels, of which approximately 300 are owned by for-profit entities whose interests are represented in this suit by the Coalition. (1 AA 59)

2. <u>Hotel Des Arts, LLC</u>

Plaintiff Hotel Des Arts, LLC ("Des Arts") is a Delaware limited liability company, in active standing with the California Secretary of State. (1 AA 75-76, 81) In 2012, the Des Arts's hotel – the "Hotel Des Arts" located at 447 Bush Street, San Francisco, was purchased by Stephan Forget and Florence Solal (collectively, the "Forgets"). (1 AA 76) When the Forgets bought the Hotel Des Arts, it needed substantial refurbishing. (1 AA 76) The Forgets spent thousands of dollars on physical improvements, new paint, new room furnishings, and installing art throughout the hotel, including in each room. (1 AA 76) In 2016, it paid \$215,638.21 in various City taxes (hotel tax, gross receipts tax, payroll tax, property tax). (1 AA 77)

The Hotel Des Arts contains 51 guest rooms, 38 of which are designated "residential" under the Hotel Conversion Ordinance ("HCO") and 13 of which are designated "tourist". (1 AA 76) Eleven of the rooms use shared bathrooms. (1 AA 76) The Hotel Des Arts has one permanent resident. (1 AA 76) There are no kitchen facilities anywhere on the premises. (1 AA 76) The rooms do not even have microwave ovens and are not allowed to under law. (1 AA 76) The Hotel Des Arts takes reservations from a variety of people: university students; people coming to work in San Francisco for short periods of time; people considering moving to San Francisco who want to visit the City for 1-2 weeks first; and, of course, some tourists. (1 AA 76)

Both the Hotel Des Arts and the Carl Hotel, discussed next, are in districts that allow SROs. (2 AA 413, 416) The Hotel Des Arts strictly rents in compliance with the HCO, meaning that the residential rooms must (prior to the recent HCO Amendments) be rented for a minimum of 7 days. (1 AA 76) During the offseason as designated under the HCO, the Hotel Des Arts usually books 7-10 day rentals. (1 AA 76) After the HCO Amendments took effect, the Hotel Des Arts shifted as many bookings to the 13 tourist rooms as possible. (1 AA 76)

If the Hotel Des Arts is forced to rent all of its residential rooms for at least 32 consecutive days, meaning that the occupants become rentcontrolled, apartment tenants rather than hotel guests, it would have to terminate the employment of some of its employees and reduce the hours of others. (1 AA 76-77) It currently has six house keepers earning between \$13.00 and \$18.00 per hour, working between 32 and 40 hours per week. (1 AA 76-77) With only 13 tourist rooms, it would probably terminate five of the six house keepers. (1 AA 76-77) It would also have to reduce front desk staffing. (1 AA 76-77) Indeed, the rooms would not be affordable to people who would typically live in SRO rooms. (1 AA 76-77) This is because it would have to charge first month's rent, last month's rent, and security deposit. (1 AA 76-77) Because there is no way to separately meter each room, the hotel would have to build in all utilities as well. (1 AA 76-77) Such a hotel would also be substantially harder to manage because it would have to respond to both short-term guests and long-term residents. (1) AA 76-77) The hotel also currently employs two maintenance persons and if forced to operate under the Amendments, will have to let one go and/or reduce hours. (1 AA 76-77) However, Des Arts would probably not rent the residential units in order to protect its vested property rights, resulting in the same need to reduce services and staffing, and ultimately, an overall loss of housing as well. (1 AA 77) Shuttering the non-tourist rooms would also force Des Arts to eliminate them as a forum for local artists to display

their work, which would harm the local art community. (1 AA 77)

3. The Carl Hotel

Another Coalition SRO is the Carl Hotel located at 198 Carl Street. (1 AA 60-62) As of April 20, 2017, the Carl had 28 residential rooms but only three long-term permanent residents. (1 AA 62) The Carl is about 4 blocks from UCSF medical center on Parnassus Avenue. (1 AA 62) Over the years, many of its guests have included medical patients and their family members or friends, due to its proximity to UCSF medical center and its weekly rates that are more affordable than tourist hotels. (1 AA 62-72) If prohibited from making weekly rentals, the Carl Hotel will be unavailable to offer accommodations to the families of patients undergoing major, and often life-changing, surgery. (1 AA 62)

4. Brent Haas

Brent Haas ("Haas") is a hair stylist and visual artist who cares for his elderly, widowed mother (age 82) who lives alone in Ohio. (1 AA 74) He moved to San Francisco right after Loma Prieta in 1989. (1 AA 74) His father died about 30 years ago and he has been visiting his mother regularly since. (1 AA 74) These visits are important to both of them. (1 AA 74) Haas is a California resident – he gets healthcare here, pays California resident taxes, and considers San Francisco his home – but due to the circumstances of being the primary caregiver for his aging mother, he has to spend considerable time in Ohio, her state of legal residency. (1 AA 74) For the past 12 years, he has generally spent approximately 10 days to 3 weeks out of every month living and working in the City, and he has spent the balance in Ohio caring for his mother. (1 AA 74) When he is in San Francisco for, he generally stays at the Twin Peaks Hotel on Market Street. (1 AA 74) The ability to rent rooms there for less than a month – meaning he does not pay first month, last month, and security deposit – is a godsend. (1 AA 74) Not having to pay expenses that he would not incur because of the ability to rent weekly or biweekly enables him to visit his mother. (1 AA 74) On rare occasion, he is in San Francisco for longer than 3 weeks in which case he stays at the S.F. Zen Center. (1 AA 74)

If San Francisco prohibits hotels like the Twin Peaks from being able to rent to him on a weekly or biweekly basis, it would be very difficult for him to continue to visit his mother regularly. (1 AA 74) He would have to pay much more in rent and would have little time to visit her. (1 AA 74) He certainly could not be gone for 2-3 weeks and not work if he were paying rent on an apartment or he would have to leave San Francisco. (1 AA 74) He does not want to do that any more than any other San Franciscan wants to. (1 AA 74)

5. City And County Of San Francisco

"The city and county of San Francisco is a municipal corporation, organized and existing under and by virtue of the laws of the state of California, operating under and by authority of a charter." (<u>Stuart Arms Co.</u> v. City and County of San Francisco (1928) 203 Cal. 150, 151) The City enacted the Amendments at issue in this action. (1 AA 84)

C. San Francisco's Hotel Conversion Ordinance

1. History Of The Challenged Ordinance

San Francisco's HCO is a local ordinance, codified at chapter 41 of the San Francisco Administrative Code, that regulates the rental and use of SRO units. (Bullock v. City and County of San Francisco (1990) 221 Cal.App.3d 1072, 1080; S.F. Administrative Code § 41.1; 1 AA 84; 2 AA 117-141) Its predecessor was a 1979 moratorium on the demolition or conversion of SRO units to tourist units or condominiums in response to a perceived serious housing shortage for low-income and elderly residents caused by such conversions. (Terminal Plaza Corp. v. City and County of San Francisco (1986) 177 Cal.App.3d 892, 898) In February 1981, the City replaced the moratorium with the permanent HCO. (Terminal Plaza, supra, 177 Cal.App.3d at 898) As revised and redrafted through amendments later that year, the HCO required owners of SRO units to obtain a permit prior to demolishing or converting such SRO units to any other use. (Terminal Plaza, supra, 177 Cal.App.3d at 898) A unit's designation as "residential" or "tourist" was determined as of September 23, 1979, by its occupancy status according to definitions contained in, and documented pursuant to, procedures specified in the HCO. (Terminal Plaza, supra, 177 Cal.App.3d at 898)

By 1990, the City had amended the HCO to change the allowable occupancy period of residential rooms from a minimum of two days to at least seven days (i.e., weeklies). (1 AA 100-103) As Plaintiffs discuss in depth, infra at 23-24, this change is at the heart of the dispute in this appeal. In 1990, the City amended the HCO to enable certain nonprofit organizations (specifically, Tenderloin Housing Clinic ("THC")) to be "interested parties" for standing to enforce the HCO and also required such parties to report lawsuits to the City. (1 AA 103; S.F. Administrative Code § 41.20(e); see also <u>Tenderloin Housing Clinic, Inc. v. Astoria Hotel, Inc.</u> (2000) 83 Cal.App.4th 139, 141 - THC sued hotel for violating HCO) Accordingly, THC actually acts as the primary enforcer of the HCO through private litigation. (2 AA 322-337, 353-360)

2. <u>The Purpose Of The HCO</u>

. . .

The stated purpose of the HCO is "to benefit the general public by minimizing adverse impact on the housing supply and on displaced low income, elderly, and disabled persons resulting from the loss of residential hotel units through their conversion and demolition." (1 AA 84, S.F. Administrative Code § 41.2) In enacting the HCO, the City made certain findings, including that:

(a) There is a severe shortage of decent, safe, sanitary and affordable rental housing in the City and County of San Francisco and this shortage affects most severely the elderly, the disabled and low-income persons.

(c) Many of the elderly, disabled and low-income persons and households reside in residential hotel units.

(j) The tourist industry is one of the major industries of the City and County of San Francisco. Tourism is essential for the economic well-being of San Francisco. Therefore, it is in the public interest that a certain number of moderately priced tourist hotel units be maintained especially during the annual tourist season between May 1st and September 30th.

(1 AA 84-86; S.F. Administrative Code § 41.3)

When the HCO was originally enacted, most SRO tenants paid by the week, in part because this avoids customary expenses of monthly rentals such as last month's rent and deposit. (1 AA 60) Until the challenged amendments, weekly rentals to anyone were lawful even if the weekly occupants failed to become permanent, residential rent-controlled tenants by staying for at least thirty days. (S.F. Administrative Code § 41.20(a)(2); 1 AA 102; 2 AS 322-361) The HCO also allowed SRO hotel operators to rent vacant units as short-term rentals of less than 7 days to tourists during the designated tourist season (May 1-September 30) without being deemed to have "converted" such SRO units to unlawful tourist or transient use. (<u>Terminal Plaza</u>, supra, 177 Cal.App.3d at 899) Thus, the ability of SROs to lawfully offer and provide short-term, weekly rentals has for decades provided a vital public service to the most economically-disadvantaged residents of San Francisco, as well as its less-affluent visitors.

3. <u>Prior to the 2017 Amendment, The City Consistently</u> <u>Interpreted The HCO To Prohibit Rentals Of Residential</u> <u>Units Only For Periods Of Less Than 7 Days</u>

In the trial court, the City defended the validity of the 2017 HCO amendment by claiming that it was not a substantive change but instead a mere clarification of existing law: "The Amendments to the HCO define 'tourist or transient use' and clarify San Francisco's long-standing interpretation of the HCO. There are no substantive changes in the obligations of SRO owners." (1 AA 142, 144-145) In other words, according to the City, SRO owners have never had the right to rent, unfettered, for periods of 7-30 days except to permanent residents. However, on reply, Plaintiffs provided the trial court with a great deal of evidence of a contrary historical interpretation by both the City and THC in litigation – both in appellate arguments and trial court stipulated settlements. (2 AA 319-369) Because the past interpretation of the HCO is crucial to whether Plaintiffs have had a lawful right to make rentals of 7-30 days, and because the City will undoubtedly argue that the trial court erred in finding in favor of Plaintiffs in this regard, Plaintiffs lay the City's prior positions out, in detail, here:

In 1990, THC brought an HCO suit against Bhazubhai Patel, owner of the Beach Motel near the beach end of Judah Street. (2 AA 322-324 – <u>THC v. Patel</u>, San Francisco Superior Court #921307, First District Court of Appeal, Div. 2, #A077469) This lawsuit was originally concluded when Patel and THC stipulated to the entry of a judgment permanently enjoining Patel: "from renting or offering to rent any room at the Beach Motel, . . . for a term of tenancy less than seven (7) days; . . ." (2 AA 322) Nothing in this stipulated judgment required Patel to rent to permanent residents for 7-30 day rentals. (2 AA 326-327)

In 1995, THC accused Patel of violating the 1990 injunction and sued him again. (<u>THC v. Patel</u>, San Francisco Superior Court #974667) In 1996, Patel invoked the Ellis Act and moved, in the first case (#921307), to dissolve the injunction on the grounds that it was no longer applicable. The Superior Court granted the motion. (2 AA 329-331) The City and THC joined forces to file a petition for writ of mandate in the Court of Appeal. (2 AA 329-331) While that petition did not discuss HCO § 41.20, it does show the connection between the City and THC in enforcing the HCO.

In 1997 and 1998, in appellate litigation arising from the Beach Motel cases, the City and THC took the position before this Court that the HCO allows rentals of at least 7 days without regard to permanent residence status. (2 AA 333-357) Supporting this, Plaintiffs requested that the trial court take judicial notice of the following documents:

 May 7, 1997 - Excerpt of THC's Respondent's brief in <u>THC v. Patel</u>, #A077469, arising from the 1990 <u>THC v. Patel</u> case)

> "Moreover, while subsection (b) of Section 41.20 requires a minimum term of one week, subsections (a) and (c) do not. Like Planning Code section 209, subsections (a) and (c) regulate only the length of

occupancy, not the term of the rental. The term may be daily, weekly, monthly, or otherwise, as long as actual occupancy is for at least seven days."

(2 AA 354-355)

2. May 8, 1997 – Excerpt of City's application to file an amicus brief in an appeal in <u>THC v. Patel</u>, #A077469: "Both the HCO and the Planning Code prohibit occupancies of less than seven days' duration, referred to as 'tourist use' in this brief. [] Patel may leave the units vacant or *rent the units to non-residential tenants from seven to 30 days without violating either Ordinance.*" (2 AA 343, emph. added)

3. February 6, 1998 – City's application to file amicus brief in the now-consolidated appeal in <u>THC v. Patel</u> (#A077469 with #A080669 (arising from the 2nd <u>Patel</u> case – S.F. Superior Court #974667)): "The injunction prohibited Patel from renting any room in the Beach for an occupancy of less than seven days, namely, for tourist use. . . ." (2 AA 349)

4. June 17, 1998 – THC's appellant/cross-respondent's reply brief in the consolidated appeal in <u>THC v. Patel</u> (#A077469 with #A080669 arising from S.F. Superior Court #974667):

> "HCO §41.20 regulates Patel's property exactly like residential zoning in pro-hibiting tourist use of less than seven days. [] While neither residential zoning nor HCO §41.20 require an owner to rent to tenants for thirty days or more, they both prohibit tourist rentals of less than seven days. HCO §41.20 and Planning Code §209 cannot be meaningfully distinguished in this critical aspect."

> "HCO \S 41.20(a) (1) and (3) do not regulate the term

of a tenancy at all, which may be daily, weekly, monthly, or other-wise. The subsections only require that actual occupancy be at least seven days."

(2 AA 354, 355)

Indeed, in upholding the HCO's in-lieu fee requirement against a constitutional challenge, the California Supreme Court's ultimate position on residential unit rentals is consistent with the City's: "The HCO makes it unlawful to eliminate a residential hotel unit without obtaining a conversion permit or to rent a residential unit for a term shorter than seven days." (San <u>Remo Hotel</u>, supra, 27 Cal.4th at 651, citing S.F. Administrative Code § 41.20(a)) <u>San Remo Hotel</u> was decided 15 years ago. As late as *2016*, THC was continuing to stipulate to injunctions in HCO enforcement actions that only enjoined the renting of rooms for a period of less than 7 days – without regard to the residency status of those occupants. (2 AA 359-360 (the Carl Hotel))

4. <u>The 2017 HCO Amendments Materially Changed</u> The HCO To Plaintiffs' Substantial Detriment

The HCO Amendments became effective on March 19, 2017. Under the Amendments, Plaintiffs are immediately and permanently prohibited from engaging in acts that were previously lawful under the HCO. (1 AA 5-11, 127) As relevant here, the key provisions of the Amendments are:

(1) redefining prohibited "tourist or transient" use and "unlawful actions" to entirely eliminate SRO operators' pre-existing year-round right

to rent SRO units on a weekly basis (1 AA 111; S.F. Administrative Code § 41.4 - "tourist or transient use");

(2) prohibiting the rental of SRO units (except in compliance with the HCO's restrictive seasonal tourist rental provisions) for any term less than 32 days, thus effectively converting all SRO hotel units into apartments for at least half the year, and irrevocably subjecting them to the restrictions of the City's Rent and Eviction Control Ordinance. (1 AA 127; S.F. Administrative Code § 41.20(a)(2))

5. <u>At the Trial Court Hearing, The City Could Not Defend</u> <u>Its More Than 20-Year History Of Interpreting The HCO</u> <u>To Permit UnfetteredWeekly Rentals of Residential</u> <u>Hotel Rooms</u>

At oral argument, the City's attorney stated: "The Hotel Ordinance before the recent amendments and after the recent amendments always prohibited the rental whether for seven days or 32 days or any amount of days to a tourist or a transient. It required occupancy to be by – to San Francisco residents who intended to be permanent residents of the hotel." (RT 35:18-24) The trial court inquired: "Didn't the City take a contrary position to that?" (RT 36:17-18) The City could not explain its conflicting position in the <u>Patel</u> litigation or before the Supreme Court, nor could it explain why it has consistently allowed THC to obtain judgments barring only less-than-7-day rentals without limitation to residence status. Instead, it initially denied ever having taken a contrary position. (RT 37:2-6) In response, the trial court read from the City's own amicus brief in <u>THC v.</u> <u>Patel</u>, #A077469, quoted above, and the City ultimately had to acknowledge that it had taken a contrary position. (RT 37:25-38:1)

6. <u>The Trial Court Properly Determined That The HCO</u> <u>Had Previously Allowed The Rentals That Plaintiffs</u> <u>Seek To Preserve</u>

In its order denying the motion for preliminary injunction, the trial court agreed that Plaintiffs had accurately portrayed the relevant regulatory history of the HCO: "The pre-2017 Amendments version of the Residential Hotel Unit Conversion and Demolition Ordinance ('HCO') did allow certain types of rentals of residential units that are now prohibited by the Amendments, e.g., seven day (or longer) rentals for residential use to non-permanent residents." (2 AA 422) This is correct because "[t]he construction placed on a piece of legislation by the enacting body is of very persuasive significance." (<u>City of Walnut Creek v. County of Contra Costa</u> (1980) 101 Cal.App.3d 1012, 1021) If the City had always construed the HCO to prohibit rentals for less than 32-day periods, it would have advocated that position in prior litigation.

Below, the City cited to two things to establish that it has always interpreted the HCO to prohibit rentals of units designated residential to non-permanent residents for less than 32 days: the declarations of Department of Building Inspection ("DBI") Chief Housing Inspector Rosemary Bosque and deputy City Attorney Andrea Ruiz-Escuide. (1 AA 154; 2 AA 217) Neither one supports the City's position. First, the City offers Chief Inspector Bosque's declaration to support DBI's interpretation of a City ordinance and argues that it should be given substantial deference. (1 AA 145-146) However, the law on which it relies, primarily <u>Yamaha</u> <u>Corp. of America v. State Bd. of Equalization</u> (1998) 19 Cal.4th 1, supports Plaintiffs:

Whether judicial deference to an agency's interpretation is appropriate and, if so, its extent-the "weight" it should be given-is thus fundamentally *situational*. A court assessing the value of an interpretation must consider a complex of factors material to the substantive legal issue before it, the particular agency offering the interpretation, and the comparative weight the factors ought in reason to command. (Yamaha, supra, 19 Cal.4th at 12, emph. in orig.)

The evidence the City offers of DBI's "historical" interpretation of the prior HCO only goes back to 2016. In her declaration, Chief Inspector Bosque states that prior to the 2017 Amendments, "DBI consistently informed owners and operators of residential hotels that may not be rented for tourist or transient use" but only provided evidence from 2016 – the year during which the HCO Amendments were conceived. (1 AA 155, 15-169) There is no evidence how long this practice has been. In contrast, DBI annual reports going back to 2000-2001 only state that units designated residential must be rented for at least 7 days. (2 AA 362-364) Even the legislative digest for the amendment states: "The HCO defines conversion as . . . renting a residential unit for a less than 7-day tenancy. . . ." (2 AA 360) Moreover, courts are more likely to defer to an agency's interpretation of its *own regulation* than to its interpretation of a *statute*. (Yamaha, supra, 19 Cal.4th at 12) In Tower Lane Properties v. City of Los Angeles (2014) 224 Cal.App.4th 262, the Court of Appeal gave *no* deference to a local agency interpretation of a Los Angeles municipal code section dealing with grading permits on large tracts of land. The Court discussed several factors that, even more so here, warranted independent judicial statutory construction, particularly unclear and inconsistent historical positions on the ordinance. (Tower Lane, supra, 224 Cal.App.4th at 275-278) Since DBI did not promulgate the HCO, which was enacted by the Board of Supervisors, and because the City Attorney, representing the City, has historically interpreted the HCO very differently than DBI, and has done so in various legal proceedings, the trial court properly rejected the City's new interpretation and this Court should as well.

However, notwithstanding its rejection of the City's justification for the inapplicability of the lawful non-conforming use doctrine, the trial court refused to enjoin enforcement of the 2017 amendment. (2 AA 427) As shown below, the trial court erred as a matter of law: the Amendments patently violate decades of settled law that lawful, non-nuisance, land uses cannot be enjoined without payment of compensation or amortization. Plaintiffs have an absolute likelihood of winning on the merits and the record discloses that all SROs are deprived of their lawful rights, without

due process, as a result of the Amendments. The trial court should have enjoined the Amendments pending trial on the merits.

STATEMENT OF THE CASE

Plaintiffs filed the underlying action on May 8, 2017. (1 AA 12) On June 7, the trial court heard oral argument on Plaintiffs' motion for preliminary injunction. (2 AA 427) On June 14, 2017, the trial court denied the motion. (2 AA 426-427) The trial court ruled that Plaintiffs had not demonstrated a likelihood of prevailing on the merits. It first found that the "pre-2017 Amendment version of the [HCO] did allow certain types of rentals of residential units that are not prohibited by the Amendments, e.g., seven day (or longer) rentals for resident use to non-permanent residents." (2 AA 427) Yet it concluded that Plaintiffs had not shown "the existence of a vested right of which they have been wrongfully and unlawfully deprived." (2 AA 427) The trial court issued its order denying the motion on June 19. (2 AA 428) On June 27, Plaintiffs filed their notice of appeal. (2 AA 429)

STATEMENT OF APPEALABILITY

An order denying a motion for preliminary injunction is appealable. (CCP § 904.1(a)(6)) The notice of appeal was filed 8 days after entry of the order denying the motion. (2 AA 429) Therefore, this appeal is both proper and timely. (Rule of Court 8.104(a))

STANDARD OF REVIEW

"In determining whether to issue a preliminary injunction, the trial court considers: (1) the likelihood that the moving party will prevail on the merits and (2) the interim harm to the respective parties if an injunction is granted or denied." (Sahlolbei v. Providence Healthcare, Inc. (2003) 112 Cal.App.4th 1137, 1145) "Ordinarily, the trial court's evaluation of the two foregoing factors is reviewed on appeal for abuse of discretion." (Association for Los Angeles Deputy Sheriffs v. Superior Court (2017) 13 Cal.App.5th 413, 430-431) "However, where the Superior Court [as here] limits its ruling to only one of these factors, it is that ground which must conclusively support the order." (Efstratis v. First Northern Bank (1997) 59 Cal.App.4th 667, 671) Further, "[w]here the 'likelihood of prevailing on the merits' factor depends upon a question of law ..., the standard of review is not abuse of discretion but ... de novo." (Efstratis, supra, 59 Cal.App.4th at 671)

In this case, the issue whether the Amendments deprive Plaintiffs of vested rights depends on the interpretation of the HCO, the Amendments, and their application to undisputed facts of SROs as nonconforming uses, and is thus a legal question subject to independent review. (Besaro Mobile Home Park, LLC v. City of Fremont (2012) 204 Cal.App.4th 345, 354)

ARGUMENT

I. <u>CALIFORNIA LAW PROVIDES STRONG PROTECTION FOR</u> <u>LAWFUL NONCONFORMING USES OF PROPERTY WHICH</u> <u>PREVENTS MUNICIPALITIES FROM FORCING NON-</u> <u>NUISANCE USES TO BE DISCONTINUED IMMEDIATELY</u> <u>WITHOUT COMPENSATION OR WITHOUT A REASONABLE</u> <u>AMORTIZATION PERIOD</u>

A. <u>Constitutional Protection Of Nonconforming Uses Has Been</u> Recognized For More Than 100 Years

"Land use regulation in California historically has been a function of local government under the [California Constitution's] grant of police power. . . ." (<u>Big Creek Lumber Co. v. County of Santa Cruz</u> (2006) 38 Cal.4th 1139, 1151) However, such power is limited by the due process and equal protection clauses of the federal and state Constitutions. (<u>Griffin</u> <u>Development Co. v. City of Oxnard</u> (1985) 39 Cal.3d 256, 270) Where the exercise of police power "'results in consequences which are oppressive and unreasonable, courts do not hesitate to protect the rights of the property owner against the unlawful interference with his property."" (<u>Griffin</u> <u>Development</u>, supra, 39 Cal.3d at 270, cit. om.)

The limitations on municipal power to interfere with, and eliminate, land uses and business operations which <u>Griffin Development</u> refers to are well over 100 years old. In <u>Dobbins v. City of Los Angeles</u> (1904) 195 U.S. 223, 236, 25 S.Ct. 18, 20, the U.S. Supreme Court reversed a California Superior Court judgment sustaining a demurrer to a due process claim arising from a zoning enactment. The high court stated: "The legislature

may not, under the guise of protecting the public interests, arbitrarily interfere with private business or impose unusual and unnecessary restrictions upon lawful occupations." (<u>Dobbins</u>, supra, 195 U.S. at 236, 25 S.Ct. at 20, quoting <u>Lawton v. Steele</u> (1894) 152 U. S. 133-137) The Supreme Court further observed:

> [I]t is now thoroughly well settled by decisions of this court that municipal by-laws and ordinances, and even legislative enactments undertaking to regulate useful business enterprises, are subject to investigation in the courts with a view to determining whether the law or ordinance is a lawful exercise of the police power, or whether, under the guise of enforcing police regulations, there has been unwarranted and arbitrary interference with the constitutional rights to carry on a lawful business, to make contracts, or to use and enjoy property.

(Dobbins, supra, 195 U.S. at 236, 25 S.Ct. at 20)

B. <u>Decades Of Case Law Have Avoided Constitutional Infirmities</u> By Barring Immediate And Uncompensated Cessation Of Lawful Business Operations

A quarter century after <u>Dobbins</u>, in the seminal state case <u>Jones v</u>. <u>City of Los Angeles</u> (1930) 211 Cal. 304, 321 the California Supreme Court held that "where . . . a retroactive ordinance causes substantial injury and the prohibited business is not a nuisance, the ordinance is to that extent an unreasonable and unjustifiable exercise of police power." In <u>Jones</u>, Los Angeles annexed a neighboring area (Mar Vista) and shortly thereafter enacted an ordinance barring the operation of sanitariums throughout the city except in certain locations which did not include Mar Vista. (Jones, supra, 211 Cal. at 306) "The said ordinance was enacted independently of the general zoning plan of the city, and its restrictive provisions are directed toward one type of business." (Jones, supra, 211 Cal. at 305-306) Naturally, there were four lawfully-operating sanitariums in Mar Vista when the ordinance was enacted. (Jones, supra, 211 Cal. at 306)

<u>Jones</u> distinguished two different situations – one being businesses that constitute nuisances and the other being non-nuisance businesses operating in a lawful manner. (<u>Jones</u>, supra, 211 Cal. at 314-316) As to the former, the Supreme Court recognized broad municipal police power to immediately enjoin nuisances. (<u>Jones</u>, supra, 211 Cal. at 314-316) As to the latter, it recognized that "[o]nly a paramount and compelling public necessity could sanction so extraordinary an interference with useful business." (<u>Jones</u>, supra, 211 Cal. at 314) The ordinance in Jones was not "directed against actual nuisances." (<u>Jones</u>, supra, 211 Cal. at 316) The Court of Appeal and Supreme Court have continued to follow <u>Jones</u>.

<u>Jones</u> is so influential that it was cited 27 years later by Maryland's highest court for the observation that "[i]t soon was and still generally is held that it is unreasonable and unconstitutional for a zoning law to require immediate cessation of nonconforming uses otherwise lawful." (<u>Grant v.</u> <u>Mayor and City Council of Baltimore</u> (1957) 129 A.2d 363, 365, citing <u>Jones</u>, inter alia) The court in <u>Grant</u> was also "impressed . . . with the soundness of two California decisions", <u>City of Los Angeles v. Gage</u> (1954)

127 Cal.App.2d 442 and <u>Livingston Rock & Gravel Co. v. County of Los</u> <u>Angeles</u> (1954) 43 Cal.2d 121, discussed infra, and quoted both.

<u>Biscay v. City of Burlingame</u> (1932) 127 Cal.App. 213, 222 reversed a judgment for the City of Burlingame in a zoning ordinance case. In doing so, it noted that "Nonconforming uses may be required to be removed, but the majority of the cases seem to indicate that if this procedure is attempted the ordinance will be declared unconstitutional because unreasonable." (<u>Biscay</u>, supra, 127 Cal.App. at 220, quoting Byrne, The Constitutionality of a General Zoning Ordinance, 11 Marquette L. Rev. 189, 214)

In <u>Wilkins v. City of San Bernardino</u> (1946) 29 Cal.2d 332, 340, citing <u>Jones</u>, supra, 211 Cal. 304, the Supreme Court stated: "An examination of the California decisions discloses that the cases in which zoning ordinances have been held invalid and unreasonable as applied to particular property fall roughly into four categories: 1. Where the zoning ordinance attempts to exclude and prohibit existing and established uses or businesses that are not nuisances.

In <u>Gage</u>, supra, 127 Cal.App.2d at 460, the Court of Appeal stated: "Use of a reasonable amortization scheme provides an equitable means of reconciliation of the conflicting interests in satisfaction of due process requirements."

Also that year, our Supreme Court stated:

The rights of the users of property as those rights existed under prevailing zoning conditions are well *recognized and have always been protected*. [cite] Accordingly, a provision which exempts existing nonconforming uses is ordinarily included in rezoning ordinances because of the hardship and doubtful constitutionality of compelling the immediate discontinuance of nonconforming uses.

(<u>Livingston Rock</u>, supra, 43 Cal.2d at 127, cites om., emph. added)

In <u>McCaslin v. City of Monterey Park</u> (1958) 163 Cal.App.2d 339, 341, the Court of Appeal affirmed a "judgment for plaintiff permanently enjoining defendants from enforcing the provisions of two zoning ordinances expressly designed to compel the discontinuance of the use of plaintiff's property as a decomposed granite quarry." <u>McCaslin</u> relied extensively on <u>Livingston Rock</u>, <u>Dobbins</u>, and <u>Jones</u>. (<u>McCaslin</u>, supra, 163 Cal.App.2d at 346-347 and fn.5)

In 1960, in a case with similar political overtones, a New York trial court enjoined a "zoning ordinance and [] building code which were recently amended in a manner apparently calculated to legislate the defendant [owner/operator of a private school] out of existence." (Incorporated Village of Brookville v. Paulgene Realty Corp. (N.Y. Sup. Ct. 1960) 200 N.Y.S.2d 126, 130], aff'd (N.Y.App.Div. 1961) 218 N.Y.S.2d 264, aff'd (1962) 180 N.E.2d 905) New York, like California, protects nonconforming uses which were lawful at the time of a zoning change. (See Village of Brookville, supra, 200 N.Y.S.2d at 133)

The 1960s also saw an increase in billboard removal litigation. In

1962, the Court of Appeal stated:

From the inception of zoning, it has been recognized that ultimate elimination of a nonconforming use may be effected by restrictions upon extension of the nonconforming building, prohibition of its replacement if it be destroyed, and proscription of renewal of the use after discontinuance. In general, the older cases drew the line, however, at outright prohibition of continuance of the use after the effective date of the zoning ordinance [cite]. In more recent years, it has been recognized that this rule bars only discontinuance which is immediate, and not that which allows a reasonable amortization period [cite]. Zoning legislation "looks to ... the eventual liquidation of nonconforming uses within a prescribed period commensurate with the investment involved" [cite]. But such legislation is valid only if the period of amortization be reasonable [cites].

(National Advertising Co. v. Monterey County (1962) 211 Cal.App.2d 375, 380–381, disapproved of on other grounds by <u>Metromedia</u>, Inc. v. City of <u>San Diego</u> (1979) 23 Cal.3d 762, disapproved of on other grounds by <u>Metromedia</u>, Inc. v. City of San Diego (1980) 26 Cal.3d 848)

In a later action between National Advertising Co. and Monterey

County, the California Supreme Court stated, "With respect to the other 11

signs, not yet fully amortized, removal should await expiration of a

reasonable amortization period in order to permit plaintiff to recover their

original cost." (National Advertising Co. v. County of Monterey (1970) 1

Cal.3d 875, 880, emph. added)

In another sign ordinance case, the Court of Appeal stated:

California decisional precedent establishes beyond doubt "that a city seeking to eliminate

nonconforming uses may pursue two constitutionally equivalent alternatives: It can eliminate the use immediately by payment of just compensation, or it can require removal of the use without compensation following a reasonable amortization period." [cite] The use of a reasonable amortization scheme does not constitute a taking of property, as it "provides an equitable means of reconciliation of the conflicting interests in satisfaction of due process requirements." (<u>United Business Com. v. City of</u> San Diego (1979) 91 Cal.App.3d 156, 179–180)

The principle that "zoning legislation may validly provide for the eventual termination of nonconforming property uses without compensation if it provides a reasonable amortization period commensurate with the investment involved" was affirmed in 1982 in <u>Castner v. City of Oakland</u> (1982) 129 Cal.App.3d 94, 96 and in 1991 by <u>Tahoe Regional Planning</u> <u>Agency v. King</u> (1991) 233 Cal.App.3d 1365, 1393 ("<u>TRPA</u>").

In the 1990s, the Supreme Court again affirmed these principles. (See <u>Hansen Brothers</u>, supra, 12 Cal.4th at 551-552) "The rights of users of property as those rights existed at the time of the adoption of a zoning ordinance are well recognized and have always been protected." (<u>Hansen Brothers</u>, supra,12 Cal.4th at 552, quoting <u>Edmonds v. County of Los</u> <u>Angeles</u> (1953) 40 Cal.2d 642, 651) "Zoning ordinances and other land use regulations customarily exempt existing uses to avoid questions as to the constitutionality of their application to those uses." (<u>Hansen Brothers</u>, supra,12 Cal.4th at 552) "Accordingly, a provision which exempts existing nonconforming uses 'is ordinarily included in zoning ordinances because of

the hardship and doubtful constitutionality of compelling the immediate discontinuance of nonconforming uses." (<u>Hansen Brothers</u>, supra,12 Cal.4th at 552)

In 2012, the Federal District Court for the Central District of California applied these and other cases to determine that a medical cannabis dispensary zoning ordinance with a 180 day amortization period denied the plaintiff due process of law. (Santa Barbara Patients' Collective <u>Health Co-op. v. City of Santa Barbara</u> (C.D. Cal. 2012) 911 F.Supp.2d 884 ("S.B. Patients")) In determining plaintiff's vested rights claim, the federal court reviewed the history of applicable California law and noted that under such law "a vested right to operate . . . cannot be infringed by [ordinance] without due process of law." (S.B. Patients, supra, 911 F.Supp.2d at 892-893, citing <u>Communities for a Better Env't v. South Coast Air Quality Dist.</u> (2010) 48 Cal.4th 310; <u>O'Hagen v. Bd. of Zoning Adjustment</u> (1971) 19 Cal.App.3d 151, 158; <u>Bauer v. City of San Diego</u> (1999) 75 Cal.App.4th 1281, 1292; <u>Hansen Brothers</u>, supra, 12 Cal.4th 533)

"[W]hile the government may infringe upon vested rights under certain circumstances, such rights may only be impaired 'with due process of law."" (<u>S.B. Patients</u>, supra, 911 F.Supp.2d at 893, quoting <u>Davidson v.</u> <u>County of San Diego</u> (1996) 49 Cal.App.4th 639, 648; also citing <u>TRPA</u>, supra, 233 Cal.App.3d at 1395) "Along such lines, California courts have recognized the 'hardship and doubtful constitutionality of compelling the

immediate discontinuance of nonconforming uses."" (<u>S.B. Patients</u>, supra, 911 F.Supp.2d at 893, quoting <u>San Diego County v. McClurken</u> (1951) 37 Cal.2d 683, 686) "For this reason, zoning ordinances 'customarily exempt existing land uses (or amortize them over time) to avoid questions as to the constitutionality of their application to those uses."" (<u>S.B. Patients</u>, supra, 911 F.Supp.2d at 893, quoting <u>Calvert v. County of Yuba</u> (2006) 145 Cal.App.4th 613, 625) "A zoning ordinance which requires the discontinuance forthwith of a nonconforming use existing when the ordinance was adopted is a deprivation of property without due process of law unless the use is a public nuisance."" (<u>S.B. Patients</u>, supra, 911 F.Supp.2d at 893, quoting <u>McCaslin</u>, supra, 163 Cal.App.2d at 346-347)

Though the HCO and its amendments do not modify City zoning laws denominated as such per se, they have the same practical effect of zoning out, throughout the City, land uses that involve the business of operating SRO hotels. In <u>City of Santa Barbara v. Modern Neon Sign Co.</u> (1961) 189 Cal.App.2d 188 ("<u>Modern Neon</u>"), the Court of Appeal considered a local ordinance that prohibited the use of certain kinds of signs. (<u>Modern Neon</u>, supra, 189 Cal.App.2d at 190-193) The Court restated the, even-by-then, long-established rule: "In the field of zoning, it is established that destruction of a non-conforming building or discontinuance of its non-conforming use cannot be accomplished immediately without compensation; that a reasonable amortization period must be allowed." (<u>Modern Neon</u>, supra, 189 Cal.App.2d at 195, disapproved of on other grounds by <u>Metromedia, Inc.</u>, supra, 23 Cal.3d 762, disapproved of by <u>Metromedia, Inc.</u>, supra, 26 Cal.3d 848) The Court then acknowledged that this principle also applies to non-zoning ordinances which interfere with vested rights:

> While the instant ordinance cannot be classified as zoning, these cases are equally applicable at bar for the question is one of fundamental constitutional rights. They do not vary with the form of attack upon them. If a zoning ordinance cannot effect an immediate non-cimpensated [sic] impairment of a property owner's vested rights neither can an advertising sign ordinance do so. The same principle applies.

> (<u>Modern Neon</u>, supra, 189 Cal.App.2d at 195, disapproved of on other grounds as stated above; see <u>also Palacio De Anza v. Palm Springs Rent Review</u> <u>Com.</u> (1989) 209 Cal.App.3d 116, 120, citing <u>Modern Neon</u> - local enactments created land-use property rights resulting in situation or status analogous to that of one who has established the right to pursue a nonconforming use on land following a zoning change)

Accordingly, as decades of California jurisprudence clearly establish,

whether through traditional zoning ordinances or any other land use

regulation, municipalities may not force lawful, non-nuisance businesses to

cease operating without pre-cessation compensation or a reasonable

amortization period within which to recoup their investments. In

contravention of this constitutionally- compelled rule, the City's HCO

Amendments compel SROs to immediately cease their lawful operation as

SRO businesses and thereafter operate, if at all, only as rent-controlled apartments. As shown below, he trial court abused its discretion in denying Plaintiffs an injunction preserving the status quo pending resolution on the merits.

II. <u>THE TRIAL COURT ABUSED ITS DISCRETION AND</u> <u>COMMITTED REVERSIBLE ERROR BY REFUSING TO</u> <u>PRELIMINARILY ENJOIN THE AMENDMENT</u>

A. <u>The Trial Court Committed Reversible Error As A Matter Of</u> <u>Law By Finding That Plaintiffs Have Not Demonstrated the</u> <u>Existence of a Vested Right Of Which They Have Been</u> Wrongfully And Unlawfully Deprived

Below, the City argued that "[f]or . . . three independent reasons, the SRO Hotels have failed to demonstrate any vested right that would support a takings claim." (1 AA 147) The trial court agreed with the City's argument and found that "plaintiffs have not demonstrated the existence of a vested right of which they have been wrongfully and unlawfully deprived." (2 AA 427) Because the trial court did not specify why it found that Plaintiffs have not met this burden, they address all three reasons the City advocated and establish why the trial court erred in finding any of them in the City's favor.

> 1. <u>The Law Relied On By The City And Trial Court</u> <u>Pertains To A Different Kind Of Vested Right Not</u> <u>Applicable In This Matter</u>

The City conflates two different types of vested rights. One involves a "a vested right to complete a construction project in conformity with properly issued building permits once it has performed substantial work and incurred substantial liabilities in good faith reliance thereon despite changes in the governing regulations." (Stokes v. Board of Permit Appeals (1997) 52 Cal.App.4th 1348, 1353, citing <u>Avco Community Developers, Inc. v.</u> <u>South Coast Regional Com.</u> (1976) 17 Cal.3d 785, 791) In a completely different form, "[t]he law recognizes a vested right to continue a use which existed at the time zoning regulations changed and the use thereafter became a nonconforming use." (<u>Stokes</u>, supra, 52 Cal.App.4th at 1353, citing <u>Hansen Brothers</u>, supra, 12 Cal.4th at 540) "A purchaser of land ... acquires a right to continue a Use [sic] instituted before the enactment of a more restrictive zoning." (<u>HFH, Ltd. v. Superior Court</u> (1975) 15 Cal.3d 508, 516)

The vested right involved in this case is the latter kind – the right to continue a use which existed at the time the land use regulations changed. This is the rule that applies to the paradigm this case presents. None of the pre-compensation-or-amortization cases on which Plaintiffs rely turn whatsoever on the necessity of permits as a precondition of the right to continue a lawful use instituted before the enactment of a more restrictive land use scheme. Therefore, cases regarding the former type of vested right – the right to complete construction – are not relevant in any way. This includes <u>Hermosa Beach Stop Oil Coalition v. City of Hermosa Beach</u> (2001) 86 Cal.App.4th 534, 553 and <u>Toigo v. Town of Ross</u> (1998) 70 Cal.App.4th 309, 322), on which the City relied on below. (1 AA 147, 148)

Additionally, while Plaintiffs did cite to Goat Hill Tavern v. Costa Mesa (1992) 6 Cal.App.4th 1519, that case is unnecessary to their position because the underlying act here was not the adjudicative act of improperly denying renewal of a conditional use permit of a nonconforming use but rather the legislative act of effectively eliminating SROs as a permitted or conditional use in San Francisco. (1 AA 111, 147) Indeed, the City's entire response to Goat Hill Tavern was predicated on an "interpretation" of the prior version of the HCO which not only did the trial court reject, but which was patently contrary to what the City has officially, and consistently, represented to various courts over the last 20+ years. (1 AA 148; 2 AA 322-356, 375-379) Given the City's interpretation of the HCO from 1995 until at least 2007, and given the obvious effect that 32-day rental has on SRO operations - triggering rent control and compelling apartment business operations - it is absurd to argue that the Amendment "preserves residential units for rent by existing or prospective Permanent Residents (people who already reside or intend to reside in the unit for 32 or more days)." (1 AA 148)

2. <u>The Motion Did Not Require An Individualized, Fact-Based Inquiry</u>

The vested rights doctrine protects not only the right to do a business or part of the business, but "the overall business operation" in effect at the time of the new law, including "incidental aspects". (<u>Hansen Brothers</u>, supra, 12 Cal.4th at 565) Plaintiffs seek the ability to rent rooms in the

same manner that they had been allowed to going back to 1990. Since the Amendments change the restrictions imposed on SROs to such a degree that they force them to become rent-controlled apartment buildings, it is wrong for the City to claim that "the HCO Amendments do not require residential hotels in San Francisco to go out of business." It is true that buildings in which the SROs operate may still be used for a residential purpose but that purpose is the rent-controlled apartment business, not the SRO hotel business. Though they share a similarity of residential use, these are, in effect, different kinds of businesses. The key difference is what the City has eliminated: the right to rent to anyone so long as the occupancy is at least 7 days. Paraphrasing the City's brief below, because SRO hotels had the right to "rent the units to non-residential tenants from seven to 30 days without violating" the HCO, they *do* have a vested right to rent out these units for weekly rentals as they did since as far back as 1990. (1 AA 148)

The City also argues "whether or not legislation interferes with a vested right is a fact-based inquiry, which precludes injunctive relief." (1 AA 149) It then cited a case involving *administrative* decisions. (1 AA 149, quoting <u>Standard Oil Co. v. Feldstein</u> (1980) 105 Cal.App.3d 590, 603-604) However, "zoning ordinances . . . are legislative acts." (<u>Arnel Development Co. v. City of Costa Mesa</u> (1980) 28 Cal.3d 511, 514) Indeed, "the amending of an ordinance is a legislative and not an administrative act." (<u>Plum v. City of Healdsburg</u> (1965) 237 Cal.App.2d 308, 319)

"Generally speaking, a legislative action is the formulation of a rule to be applied to all future cases, while an adjudicatory act involves the actual application of such a rule to a specific set of existing facts." (<u>Strumsky v.</u> <u>San Diego County Employees Retirement Assn.</u> (1974) 11 Cal.3d 28, 35) The City did not explain how cases involving adjudicatory acts apply to disputes over legislative acts. Nothing in this action, or on the underlying motion, involves an administrative adjudication of any particular SRO hotel's situation.

Moreover, this matter does not present a particularized fact-based inquiry. The City argues that "those facts would include the precise terms of the conditional use permit(s) or other lawful government permit which provide the source of the vested right." (1 AA 149) That is wrong. <u>Termo Co. v. Luther</u> (2008) 169 Cal.App.4th 394 rejects the City's position that the owner/operators needed a specific permit to operate in the manner allowed by the prior version of the HCO: "To argue that the issuance of a license or permit per se is outcome determinative is to elevate form over substance. We are talking about government permission of one sort or another to carry on a business. . . ." (Termo, supra, 169 Cal.App.4th at 408)

The essential permission that all SRO owner/operators had was that granted by the Planning Code read in conjunction with the prior version of the HCO – weekly rentals. This was permitted, as of right, by local codes and ordinances irrespective of whether Plaintiffs had pieces of paper called

"permits". Now, the City has decided that no SRO can continue to rent these units by the week. Instead, they must, as a class, undergo a fundamental change to their business operations and be forced into the rentcontrolled *apartment* business, with the occupants entitled to rent control status. (See S.F. Rent Ordinance § 37.9(a)) For this reason, the City misapplied <u>Standard Oil</u>, supra, 105 Cal.App.3d at 603-604 for the proposition that every SRO owner/operator must make an as-applied challenge to determine whether the impact of the HCO Amendments on them violated a vested right. Here, all the SRO owner/operators share exactly the same relationship to the Amendments: each owner/operator is permitted, under the Planning Code, to rent residential units by the week. (S.F. Planning Code § 102, defining "residential use" to include "group housing")

The City is also incorrect in arguing that Plaintiffs "must establish that they have incurred substantial 'hard' costs in reliance on the permits to operate." (1 AA 149) Again, the City conflates the two types of vested rights. The hard-costs requirement only pertains to the vested right to complete construction, not the vested right to continue operating a lawful use in a structure that already exists. Indeed, the very case the City relies on, <u>Avco</u>, supra, 17 Cal.3d at 791, is a "vested right to complete construction" case. In contrast, under the "vested right to continue use"-type of vested right, incurring costs is not a factor. (See City of Ukiah v.

<u>County of Mendocino</u> (1987) 196 Cal.App.3d 47, 57 – where use permitted as a matter of right prior to zoning prohibition, no use permit required and right to operate is vested) In fact, none of the nonconforming use/zoning change cases Plaintiffs cite above required anything like what the City argues is necessary here. The only applicable questions are: 1) were the SRO hotels lawfully operating in a particular manner when the HCO was changed, 2) did the Amendment require immediate discontinuance of that use, and 3) did the City compensate the owners as a condition of immediate discontinuance? The answers are: 1) yes, 2) yes, and 3) no. Therefore, the Amendments are prohibited by California law.

Whatever the wisdom and merits of rent control status for SRO occupants, it fundamentally changes the nature of all of Plaintiffs' businesses. Some owner/operators may suffer greater impacts than other owner/operators, but the illegitimate, forced loss of their right to rent residential rooms by the week, without rent control impacts, affects all of them in the exact, same way. (See Tom v. City and County of San <u>Francisco</u> (2004) 120 Cal.App.4th 674, 680-681 – facial challenge focuses on those affected by the law) What their other damages are is different, and not relevant here, but how they are affected, and the loss of their underlying, fundamental right to continue operating until the City complies with <u>Jones</u>, et al., is not. Therefore, to the extent that the trial court agreed with the City that each SRO hotel owner/operator had to establish their individual entitlement to preliminary relief, it erred as a matter of law and therefore abused its discretion.

3. <u>The City's Position That There Is Now A Compelling</u> <u>Public Need To Eliminate Weekly SRO Rentals Is Not</u> <u>Supported By The Record</u>

The City's third argument in support of its position is that the "SRO Hotels acknowledge that the government may revoke a permit for 'good cause" and that it has "determined there was a compelling public necessity supporting the Amendments." (1 AA 150) The City is simply wrong and this case does not involve the quasi-judicial revocation of permits. The ability to force businesses to cease operating immediately and without payment of compensation *may* exist where the operation is a public nuisance. (Jones, supra, 211 Cal. at 306; McCaslin, supra, 163 Cal.App.2d at 346-347; O'Hagen, supra, 19 Cal.App.3d at 161) The City cites nothing to support the proposition that the weekly rentals of residentially-classified SRO rooms is a public nuisance. Indeed, what was, until a short time ago, housing, on a weekly basis, for "many who cannot afford security and rent deposits for an apartment" (San Remo Hotel, supra, 27 Cal.4th at 674) did not suddenly become a public nuisance by fiat simply so that the City could force SRO operators to shoulder additional burdens of society-at-large's failure to deal with its housing problems. (See Levin v. City and County of San Francisco (N.D. Cal. 2014) 71 F.Supp.3d 1072, 1089, appeal dismissed and remanded (9th Cir. 2017) 680 Fed.Appx. 610 - "The Constitution

prohibits the City from taking the policy shortcut it has taken here, in which the City seeks to "forc[e] some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.") Simply put, the operation of SROs in compliance with the Planning Code and the prior version of the HCO is no more a nuisance now, in the sense of compelling public necessity, than it was the day before the Amendments took effect.

B. <u>On This Record, This Court Should Find That The Balancing</u> Of Harms Favors Plaintiffs

1. <u>This Court Should Resolve The Balance Of Hardships In</u> <u>Plaintiffs' Favor</u>

In resolving the motion, the trial court was required to weigh both "how likely it is that the moving party will prevail on the merits" and "the relative harm the parties will suffer in the interim due to the issuance or nonissuance of the injunction." (<u>Tosi v. County of Fresno</u> (2008) 161 Cal.App.4th 799, 803)

> The determination whether to issue a preliminary injunction requires the trial court to exercise its discretion by considering and weighing "'two interrelated factors,' specifically, the likelihood that plaintiffs will prevail on the merits at trial, and the comparative harm to be suffered by plaintiffs if the injunction does not issue against the harm to be suffered by defendants ... if it does." The more likely it is that plaintiffs will ultimately prevail, the less severe must be the harm that they allege will occur if the injunction does not issue. Further, "if the party seeking the injunction can make a sufficiently strong showing of likelihood of success on the merits, the trial court has discretion to issue

the injunction notwithstanding that party's inability to show that the balance of harms tips in his favor."

(<u>Right Site Coalition v. Los Angeles Unified School</u> <u>Dist.</u> (2008) 160 Cal.App.4th 336, 338-339, cits. om.)

Because the trial court did not reach the issue of relative hardship, this court must determine whether the determination of merits conclusively supports the trial court's ruling on the motion regardless of the remaining considerations. (Department of Fish & Game v. Anderson-Cottonwood Irrigation Dist. (1992) 8 Cal.App.4th 1554, 1561 ("ACID")) Citing ACID, Miller v. City of Hermosa Beach (1993) 13 Cal.App.4th 1118, 1143 stated:

> Since the trial court did not engage in a balancing of the harms analysis, we would ordinarily remand this matter for a hearing on that issue and determination whether a preliminary injunction should issue pending a final judgment on the petition. However, respondents were given a full opportunity in the trial court to present evidence on and brief this issue and failed to identify any significant harm which would result from the issuance of a preliminary injunction. Since the material facts pertaining to the hotel project are not seriously disputed, in the interest of judicial economy [cite], we have undertaken the required balancing on the record before us and conclude that an injunction should issue.

Accordingly, while this Court can remand for a determination of relative hardship, given the record and the on-going interference with established constitutional land-use rights, this Court should either find that Plaintiffs' merits position is so well-established that judgment will be compelled in their favor or it should resolve the balance of hardships in their favor.

2. <u>It Would Be An Abuse Of Discretion To Find That</u> The Balance Of Hardships Does Not Favor Plaintiffs

If Plaintiffs are forced to comply with the HCO Amendments, that will: 1) force Des Arts and all the Coalition's members to cease engaging in weekly rentals, thereby losing the income derived from such rentals; 2) force them to reorganize their operations substantially (or be subject to criminal sanctions¹); 3) turn away occupants who cannot afford monthly rentals with the additional types of apartment expenses not charged for weekly rentals (e.g., first and last months rents, and security deposit); 4 cancel existing reservations for less than 32 days; and 5) most importantly, be subject to the onerous requirements of the Rent Ordinance, including eviction controls, if they decide not to leave units empty. These are serious consequences with no benefit to the public.

Below, the City argued <u>San Remo Hotel</u>'s observation regarding SROs, quoted above at page 15, that they "serve many who cannot afford security and rent deposits for an apartment." (1 AA 150) Ironically, the net, and completely foreseeable, effect of enforcing the HCO Amendments is that it will likely cause many SRO operators to keep units vacant. As to those units not kept vacant, as Plaintiffs stated in their opening memorandum below: because of the Amendments, SRO residents "will

¹ "If charged as a misdemeanor, the penalty upon conviction therefor shall be a fine of not less than \$500 or more than \$1,000 or imprisonment in the county jail, not exceeding six months, or both fine and imprisonment." (1 AA 119-120)

either be forced to sign and bind themselves to long-term conventional rental agreements, and post large security and advance rental deposits. . ." or leave San Francisco. (1 AA 46, 76-77) The Amendments thus do the exact opposite of what the City claims they will do, and that alone provides a compelling reason for this Court to find, on this record, that it was an abuse of discretion to deny the injunction.

In contrast, there is no harm at all to the City nor did it cite any. The operation of SROs where otherwise lawfully-permitted is not a nuisance. Operation in conformity with Plaintiffs' vested rights will not cause noxious odors or loud sounds to be emitted, do not present threats to life or limb, do not injure public morals, and do not have any characteristics that justifies immediate elimination. Indeed, if they did, then all tourist hotels in San Francisco would have to be shuttered. Moreover, the City produced no evidence that any person would be harmed by maintaining the status quo that was acceptable to it for more than 20 years.

- C. <u>Because The City Must Either Pay Pre-Cessation</u> <u>Compensation Or Provide An Amortization Period, Post-</u> <u>Deprivation Damages Is Not An Adequate Remedy</u>
 - 1. <u>California's Pre-Cessation Compensation-Or-</u> <u>Amortization Rule Does Not Permit The Post-</u> Deprivation Compensation Rule The City Advocates

It has long been judicial policy that determination on appeal of constitutional issues is to be avoided when a case can be decided on other grounds. (See Palermo v. Stockton Theaters, Inc. (1948) 32 Cal.2d 53, 65;

In re Sutter Health Uninsured Pricing Cases (2009) 171 Cal.App.4th 495, 507, citing Palermo) California (and other jurisdictions) have gone further and adopted the rule - in order to avoid constitutional questions and due process violations in zoning-change, and similar, cases – that lawful businesses may not be eliminated without either pre-cessation compensation or an amortization period. (Supra at 35-45) San Francisco may not avoid this rule by fait accompli and then offer to be dragged through administrative and judicial takings processes as a "remedy" for its wrongful conduct. That there is a cognizable distinction between Jones, which parallels the HCO Amendments in their absence of constitutional safeguards, and ordinances which did provide safeguards, was made clear in Gage, supra, 127 Cal.App.2d 442, and Livingston Rock, supra, 43 Cal.2d 121, discussed and cited above. In each, although the challenged ordinances were retroactive and thereby made unlawful previouslyoperating businesses that were not nuisances, they were not subject to being enjoined because they provided appropriate constitutional safeguards. (Gage, 127 Cal.App.2d at 457-458; Livingston, supra, 43 Cal.2d at 126) This distinction, directly stated in Gage, makes clear that it is no defense to a request for injunctive relief to point to the possibility of future correction that does not exist within the challenged ordinance at the time of the challenge. For these reasons, as explained further below, Tahoe Keys Property Owners' Assn. v. State Water Resources Control Bd. (1994) 23

Cal.App.4th 1459 and <u>Hensler v. City of Glendale</u> (1994) 8 Cal.4th 1 do not apply.

2. <u>Tahoe Keys Property Owners' Assn. v. State Water</u> Resources Control Bd. Does Not Apply

Tahoe Keys did not involve a zoning or land use regulation that required immediate cessation of lawful land uses. Instead, it involved the payment of a mitigation fee which plaintiffs considered unlawful. Nothing in that case has anything to do with the concept that lawful nonconforming uses may not be enjoined without pre-compensation or amortization. Moreover, while Tahoe Keys does state the general rule that "if the plaintiff may be fully compensated by the payment of damages in the event he prevails, then preliminary injunctive relief should be denied" (Tahoe Keys, supra, 23 Cal.App.4th at 1471), that rule does not apply in this situation or decades of explicit jurisprudence would have held the opposite - that municipalities may compel the immediate cessation of disfavored, but otherwise lawful land uses and businesses, only subject to forcing the owner/operators through a cumbersome and expensive post-cessation takings process. Moreover, Tahoe Keys recognizes that courts are not precluded from enjoining unconstitutional acts. (Tahoe Keys, supra, 23) Cal.App.4th at 1471)

3. <u>Hensler v. City of Glendale Does Not Apply</u>

<u>Hensler</u> is also factually inapposite because it did not involve a local ordinance which prohibited an *on-going*, lawful business. In complete

contrast, that case involved a local ordinance which prohibited *future* development on part of plaintiff's property, which is, at most, similar to a claim that a zoning change deprives a landowner of *future* uses. (Hensler, supra, 8 Cal.4th at 11-12) Hensler simply has nothing to do with this case. If <u>Hensler</u> intended to overrule 90 years of state and federal decisions holding that existing lawful uses may not be immediately eliminated by zoning changes without *prior* compensation (or eliminated with an amortization period), it would have said so. It would also have found a reason to apply inapposite law to that case. Moreover, had <u>Hensler</u> overruled decades of settled law, such cases as <u>Hansen Brothers</u> and <u>S.B.</u> <u>Patients</u> – both post-dating <u>Hensler</u> – would have been decided differently.

Regardless, the application of <u>Hensler</u> that the City argues makes no sense here given that, on the merits, municipalities can only force the discontinuance of lawful, non-nuisance business operations either by paying compensation *as a condition* of immediate discontinuance or by providing a reasonable amortization period in which to wrap up operations. (<u>E.g.</u> <u>United Business Com.</u>, supra, 91 Cal.App.3d 156, 179–180) If a municipality cannot eliminate on-going operations except by either paying the business to stop or giving it adequate time in which to do so, it cannot be that the same municipality can ignore this body of law, force the immediate cessation under threat of criminal sanction, and then essentially say "sue us for damages". That is not the law in California.

III. THIS COURT SHOULD RESOLVE THE ULTIMATE MERITS OF THE DISPUTE AND REMAND TO THE TRIAL COURT FOR FURTHER PROCEEDINGS

California law recognizes that, under narrow circumstances, an appellate court can resolve the merits of a controversy in reviewing a preliminary injunction order. (<u>King v. Meese</u> (1987) 43 Cal.3d 1217, 1227-1228) As discussed next, those narrow circumstances exist here, particularly since if Plaintiffs are correct about the constitutionality of the Amendments, there is nothing left to do but enjoin their application.

> Ordinarily, appellate review is limited to whether the trial court abused its discretion in evaluating the foregoing [preliminary injunction] factors. [cite] "Occasionally, however, the likelihood of prevailing on the merits depends upon a question of pure law rather than upon [t]he evidence to be introduced at a subsequent full trial. This issue can arise, for example, when it is contended that an ordinance or statute is unconstitutional on its face and that no factual controversy remains to be tried."

> (Jamison v. Department of Transportation (2016) 4 Cal.App.5th 356, 362, cits. om.; <u>accord Law School</u> Admission Council, Inc. v. State (2014) 222 Cal.App.4th 1265, 1280; <u>Citizens to Save California</u> v. California Fair Political Practices Com. (2006) 145 Cal.App.4th 736, 746)

Here, the question on the merits of the ultimate controversy is whether the City may require SROs to immediate operate as rent-controlled apartments without pre-conversion compensation. This presents a pure question of law. The answer is "no". Plaintiffs are unaware of any other legal or factual determinations that the trial court must make in order to find the Amendments unenforceable. Accordingly, further delay in vindicating Plaintiffs' constitutional rights serves no purpose. "The issue of the validity of the challenged regulations is solely one of law, and this court is in as good a position to resolve the issue now as the trial court would be after determination of this appeal. (North Coast Coalition v. Woods (1980) 110 Cal.App.3d 800, 805)

Normally, it would be appropriate to remand the case to the trial court for consideration of the latter question [balance of hardships]. However, plaintiffs have argued, and we agree, that there exist no contested factual questions necessary to resolve the case. In addition, the legal issues have been exhaustively briefed by the parties and numerous amici. In light of these factors and the importance of the case, we take the unusual, but practical, step of reaching and resolving the merits ourselves.

(King, supra, 43 Cal.3d at 1227-1228)

This Court should take that unusual, but practical step too and resolve the merits in favor of Plaintiffs.

CONCLUSION

This is the latest in a series of San Francisco land use decisions that have sought to force private property owners to bear the public's burden of easing the twin problems of housing – availability and cost. Here, rather than take Plaintiff SRO owners' property outright and operate it as the City sees fit, it amended its Administrative Code to immediately force SROs to cease long-allowed weekly rentals and rent only to permanent residents on at least a 32-day basis, transforming purpose-operated hotel buildings into rent-controlled apartments. Long-standing constitutional law bars San Francisco from doing this. The City can either compensate SROs as a condition of ceasing business or it can provide a reasonable amortization period in which to wrap up current operations. The City chose neither.

The Court should reverse the order denying the preliminary injunction and find that, under long-controlling case law, the Amendments may not be enforced as written. Even if the Court simply remands for determination of the balance of hardships issue, it should still make clear that the merits are with Plaintiffs.

Respectfully Submitted,

November 6, 2017

ZACKS, FREEDMAN & PATTERSON, PC

/s/ Andrew M. Zacks

By:Andrew M. Zacks Counsel for Plaintiffs/Appellants CERTIFICATE OF WORD COUNT (CRC 8.204)

The text of this brief consists of 12,366 words as counted by

the Wordperfect word-processing program used to prepare the brief.

November 6, 2017

ZACKS, FREEDMAN & PATTERSON, PC

/s/ James B. Kraus

By: James B. Kraus Counsel for Plaintiffs/Appellants

EXHIBIT F

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5		E STATE OF CALIFORNIA
		AN FRANCISCO
	SAN FRANCISCO SRO HOTEL COALITION, an unincorporated association,	Case No. CPF-17-515656
	HOTEL DES ARTS, LLČ, a Delaware limited liability company, and BRENT HAAS,	DECLARATION OF ANDREW M. ZACKS IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION
	Petitioners and Plaintiffs,	CEQA ACTION
	v.	Date: June 5, 2017
	CITY AND COUNTY OF SAN FRANCISCO, a public agency, acting by and	Time: 2:00 p.m. Dept: CEQA, room 503
	through the BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN	Judge: Hon. Teri L. Jackson
	FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY	
	AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in his official capacity as Mayor	
	of the City and County of San Francisco, and DOES 1 through 100, inclusive,	
2	Respondents and Defendants.	
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	Zacks Dec	c. ISO MfPI

I, Andrew M. Zacks, declare as follows:

I am an attorney for Plaintiffs in this action. I have personal knowledge of
 the following facts and could testify truthfully thereto if called to do so.

I have been practicing San Francisco land use law since 1991. I have been 2. 4 defending hotel owners and operators in litigation involving the Hotel Conversion 5 Ordinance ("HCO") since the beginning of my career. I have also represented multiple 6 clients in legal challenges to prior versions of the HCO and other land use regulations. 7 These cases have been litigated as far as the U.S. Supreme Court. These cases include: 8 San Remo Hotel L.P. v. City And County of San Francisco (2002) 27 Cal.4th 643; San 9 Remo Hotel, L.P. v. City and County of San Francisco, Cal. (2005) 545 U.S. 323, 125 S.Ct. 2491; 10 Tenderloin Housing Clinic, Inc. v. Patel (1998) 1st Dist. #A077469; Tenderloin Housing 11 Clinic, Inc. v. Astoria Hotel, Inc. (2000) 83 Cal.App.4th 139; Lambert v. City & County of 12 San Francisco (1997) 1st Dist. #A076116; and Ching v. San Francisco Bd. of Permit 13 Appeals (Harsch Inv. Corp.) (1998) 60 Cal.App.4th 888. 14

15 3. 1 participated, as counsel, in the formation of plaintiff San Francisco SRO
 16 Hotel Coalition (the "Coalition"), which is an unincorporated association whose members
 17 are private, for-profit owners and operators of numerous residential hotels in San Francisco
 18 that are subject to regulation under the HCO.

From representing and advising residential hotel owners, as well as from my
 litigation of the HCO, I have learned that the HCO regulates approximately 18,000
 residential units within approximately 500 San Francisco hotels. Approximately 300 are
 owned by for-profit entities and the remaining 200 are run by nonprofit organizations.

5. A single room occupancy ("SRO") unit is a small hotel room, often as small
as 100 square feet but can be as large as 350 square feet. SRO rooms generally do not
have private bathrooms and kitchens. SRO hotels generally utilize shared bathrooms,
often one or more per floor. Some SRO hotels may have communal kitchens; for others,

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residents must use their own microwaves, hot plates, etc., or in some cases, bring prepared
 food in or eat out. Essentially, they are hotel rooms that often suffice as residences for
 persons of modest or little means.

6. These hotels provide a critical service of relatively low-cost rooms for rent
on a weekly basis, or several-weekly basis. A wide variety of people rent these rooms:
low-income people who would be homeless if they had to rent in a traditional, monthly
manner; short-term visitors who cannot afford tourist hotel rates; people coming in to work
in the City for short periods of time; and even medical patients, and their families, who
also cannot afford tourist rates.

7. One good example is the Carl Hotel, which I represent, located at 198 Carl 10 Street near UCSF hospital. The Carl is a 28-room hotel historically occupied by a mix of 11 permanent San Francisco residents protected by San Francisco's rent control law and 12 shorter term residents who are often in San Francisco to care for ailing family members in 13 UCSF Benioff Hospital. The Carl has provided a decent, affordable and convenient place 14 of respite for families of hospital patients who must be in San Francisco for longer than a 15 week, but less than a month. The 2017 HCO amendments sweep this use away making it 16 unlawful by their mere passage and enactment in direct violation of long standing 17 California property rights jurisprudence. 18

19I declare, under penalty of perjury of the laws of the State of California, that the20foregoing is true and correct.

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21 Date: May 41, 2017

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Andrew M. Zacks

ADTITUDE COONT (Der No. 124206)	ELECTRONICALLY
ARTHUR F. COON (Bar No. 124206) BRYAN W. WENTER (Bar No. 236257)	FILED
MILLER STARR REGALIA	Superior Court of California,
2 A Professional Law Corporation	County of San Francisco
3 1331 N. California Blvd., Fifth Floor Walnut Creek, California 94596	05/09/2017 Clerk of the Court
Telephone: 925 935 9400	BY:CAROL BALISTRERI
4 Facsimile: 925 933 4126	Deputy Clerk
5 Email: arthur.coon@msrlegal.com bryan.wenter@msrlegal.com	1. 이번 200 일도 올랐어요즘 아들이었어.
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6 Attorneys for Petitioner and Plaintiff	
SAN FRANCISCO SRO HOTEL COALITION	
ANDREW M. ZACKS (Bar No. 147794)	不可能是我们就在此这些这些事情。
8 SCOTT A, FREEDMAN (Bar No. 240872)	에서 이 것을 가지 못했을까지 않는 것 같은 것을 가지 않다. 이렇게 이 같은 것은 것은 것은 것은 것을 하는 것이다.
JAMES B. KRAUS (Bar No. 184118) 9 ZACKS, FREEDMAN & PATTERSON, P.C.	
235 Montgomery Street, Suite 400	
10 San Francisco, CA 94104	사람 가는 이 비가 가지 않는 것을 통하는 것이다. 같은 것이 같은 바람이 같은 것이 같은 것이다. 같은 것이다.
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4 SAN FRANCISCO SRO HOTEL COALITION	
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SAN FRANCISCO SRO HOTEL	Case No. CPF-17-515656
18 COALITION, an unincorporated association,	
19 HOTEL DES ARTS, LLC, a Delaware limited 19 liability company, and BRENT HAAS,	DECLARATION OF BRENT HAAS IN
	SUPPORT OF PLAINTIFFS' MOTION FO
20 Petitioners and Plaintiffs,	PRELIMINARY INJUNCTION
21 v.	[CCP sec. 526]
22 CITY AND COUNTY OF SAN FRANCISCO, a public agency, acting by and	Date: June 5, 2017 Time: 2:00 p.m.
23 through the BOARD OF SUPERVISORS OF	Dept: CEQA, room 503
THE CITY AND COUNTY OF SAN	Judge: Hon. Teri L. Jackson
24 FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY	
25 AND COUNTY OF SAN FRANCISCO;	
EDWIN LEE, in his official capacity as Mayor	
26 of the City and County of San Francisco, and DOES 1 through 100, inclusive,	1. 清晰的 1997 - 网络加加尔教研究教育研究研究 1. 网络教师教师 - 新闻和学校 - 中国家的大学校
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I, Brent Haas, declare as follows:

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I am over the age of 18 and have personal knowledge of the following
 facts. I could testify truthfully thereto if called to do so.

I am a hair stylist and visual artist. (www.brenthaas.com) I also care for
 my elderly, widowed mother (age 82) who lives alone in Ohio. I moved to San Francisco
 right after Loma Prieta in 1989. My father died about 30 years ago and I have been
 visiting my mother regularly since. These visits are important to both of us. I am a
 California resident – I get healthcare here, pay CA resident taxes, and consider San
 Francisco my home – but due to the circumstances of being the primary caregiver for my
 aging mother, I have to spend considerable time in Ohio, her state of legal residency.

3. For the past 12 years, I've generally spent about 10 days to 3 weeks of every
month living and working in the City, and the other 1-3 weeks in Ohio with my mother.

4. When I am in the City, I generally stay at several SROs. The ability to
rent rooms at these SROs by the week – meaning I don't pay first and last month, and
security deposit – is a godsend. Not having to pay expenses that I do not incur because of
the ability to rent weekly or biweekly enables me to visit my mother. On rare occasion, I
am in the City for more than 3 weeks in which case I stay at the Zen Center.

5. If San Francisco prohibits hotels like the ones I stay at from being able to
rent to me on a weekly or biweekly basis, it would be very difficult for me to continue to
visit my mother regularly. I would have to pay much more in rent and would have little
time to visit her. I certainly could not be gone for 2-3 weeks and not work if I were paying
rent on an apartment or I would have to leave San Francisco. I certainly do not want to do
that anymore than any other San Franciscan wants to.

I declare, under penalty of perjury of the laws of the State of California, that the foregoing is true and correct.

Date: April 24, 2017 26

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-2-Decl. of Brent Haas ISO Plaintiffs' Mo for Preliminary Injunction

Brent Haas

u Maria Lina Jami di Lina da		ELECTRONICALLY
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	BRYAN W. WENTER (Bar No. 236257) MILLER STARR REGALIA	Superior Court of California, County of San Francisco
2	A Professional Law Corporation	05/09/2017
2	1331 N. California Blvd., Fifth Floor Walnut Creek, California 94596	Clerk of the Court BY CAROL BALISTRERI
	Telephone: 925 935 9400	Deputy Clerk
4	Facsimile: 925 933 4126 Email: arthur.coon@msrlegal.com	
5	bryan.wenter@msrlegal.com	
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6	Attorneys for Petitioner and Plaintiff	
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8	ANDREW M. ZACKS (Bar No. 147794) SCOTT A. FREEDMAN (Bar No. 240872)	
	JAMES B. KRAUS (Bar No. 184118)	
9	ZACKS, FREEDMAN & PATTERSON, P.C. 235 Montgomery Street, Suite 400	가지 이 가장 한 것은 것을 받으시다. 가지 않는 것은 것은 것은 것을 가 있다. 같은 것은 것은 것은 것은 것은 것은 것은 것은 것은 것을 것을 것을 수 있다.
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í li	Telephone: 415 956 8100 Facsimile: 415 288 9755	
	Email: az@zfplaw.com	
12	scott@zfplaw.com james@zfplaw.com	1989년 1월 1일 - 1999년 1월 1999년 1월 1991년 1 1991년 1월 1991년 1월 19
13		ada a serie de la companya de la com La companya de la comp
14	Attorneys for Petitioners and Plaintiffs SAN FRANCISCO SRO HOTEL COALITION,	그는 옷에 가슴을 물었다. 좀 너희 많은 것을
	HOTEL DES ARTS, LLC, and BRENT HAAS	같은 것은 것은 것을 통해 가격을 가려면 가격한 것을 수상할 것 같은 것은 것은 것을 것을 것을 것을 것을 것을 수 있는 것을 것을 것을 수 있다.
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17	COUNTY OF S	AN FRANCISCO
	SAN FRANCISCO SRO HOTEL	Case No. CPF-17-515656
18	COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited	
19	liability company, and BRENT HAAS,	DECLARATION OF HAMED SHAHAMIRI
20	Petitioners and Plaintiffs,	IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION
		18 영문(19 Here 20 Here 2
21		[CCP sec. 526]
22	CITY AND COUNTY OF SAN	Date: June 5, 2017
23	FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF	Time: 2:00 p.m. Dept: CEQA, room 503
23	THE CITY AND COUNTY OF SAN	Judge: Hon. Teri L. Jackson
24	FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY	
25	AND COUNTY OF SAN FRANCISCO;	이는 이상, 그는 이가의 있다는 것은 것도 같은 것이가 가가 가다. 지난 사이는 방법에서 그리고, 그는 것이가 같은 것이라고 가지.
	EDWIN LEE, in his official capacity as Mayor	
26	of the City and County of San Francisco, and DOES 1 through 100, inclusive,	
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28	Respondents and Defendants.	
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		ntiffs' Mo for Preliminary Injunction
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I, Hamed Shahamiri, declare as follows:

I am over the age of 18 years. I have personal knowledge of the following
 facts and could testify truthfully thereto if called to do so.

2. I am the manager of the Carl Hotel, located at 198 Carl Street, San
5 Francisco. The cross-street is Stanyan. The Carl has <u>28</u> rooms - <u>16</u> tourist and
6 <u>28</u> residential. We have three permanent residents.

7 3. The Carl is about 4 blocks from UCSF medical center on Parnassus Avenue. Many of our guests comprise medical patients, and their family members or 8 friends. I know this because many of theses guests tell me why they are visiting and 9 10 particularly staying at the Carl. In fact, some of these guests take the time to write friendly notes to me, appreciating the availability of the Carl – both due to its proximity to UCSF, 11 but also its affordability; our weekly rates range from $\frac{539}{1085}$ to $\frac{1085}{1085}$. I am 12 attaching a true and correct sample of copies of these letters I have received as Exh. A. 13 I declare under penalty of perjury of the laws of the State of California that the 14 foregoing is true and correct. 15

Date: April 20, 2017 16

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Hamed Shahamiri

-2-Decl. of Samantha Felix ISO Plaintiffs' Mo for Preliminary Injunction . .

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Judy Vivian November 11, 2012 Robert, Manager Carl Hotel

Dear Robert,

Larry and I would like to thank you so much for all of your help and hospitality at your hotel.

My husband had surgery Oct. 29th, for his thyroid, and he had a totally successful surgery.

We want to thank you for your help and flexibility with a surgery we had no idea about, or how long Larry would be in the hospital. It took so much stress away with your flexability on our days in the hotel.

It was also a great help to have a single room for our daughter and letting her move to our room when Larry entered the hospital.

The convenience of your hotel was a great relief.

We will recommend our friends and family to your hotel with great confidence.

Sincerely Judy/and Larry ivian

May 26, 2010

Management of the Carl Hotel 198 Carl Street San Francisco, CA 94117

Re: Hamed

To Whom It May Concern,

I feel compelled to write and let you know of the tremendous assistance your employee, Hamed, gave me in a great time of need. I am a nurse at an Alzheimer's facility in Eureka, CA and we serve many disabled adults not just those with Alzheimer's disease. We recently had the occasion to send one of our client's to San Francisco for a medical consult, an extensive surgery, and then back a third time for a follow up. She was accommodated quite comfortably in your hotel and was very grateful but on her final visit she ran into some problems that Hamed assisted me from this great distance away to rectify. She has some mental health issues and can be quite charming but lacks judgment. On each prior visit she had been accompanied by her children who were able to mange her affairs and cope with any problems that arose but on this visit they were unable to be there. On her final day she would have missed her transportation home and been stuck in San Francisco without any money had Hamed not helped her and me resolve the problems that arose and make the arrangements that she needed. I am completely in his debt and wanted you to be aware of the excellent employee that you have. We could not have resolved this problem were it not for his efforts and she would have been stuck in San Francisco without any money or accommodations. I have no idea how we would have found her and gotten her safely home. Thank you for everything and especially thank you to Hamed for saving the day. I am completely in his debt.

Sincerely,

Geland Ban

As the staff The Carl Hotel. A note to thank you for your thoughtfulness and for the warmth you express with every kind word. thank you so much for your hospitality and help while 9 stayed with you, while my his band had his surgery Syncard Admine

November 14, 2007

Hamed (sp?),

Forgive me if I am misspelling your name, but the purpose of this letter is to thank you so much for your great customer relations. You were so helpful, courteous, and kind to me in helping me with my reservations at your hotel for the period of Nov. 1-8, 2007.

You helped make my journey from Orlando, Florida to San Francisco to be with my son during his radical surgery at UCSF during that period so much easier because of your friendly and helpful support.

Without offending you I would like to leave you with a quote from my Bible which is, "May the God of hope fill you with all joy and peace. Rom.15-13.

Thank you again for your friendly support and compassion.

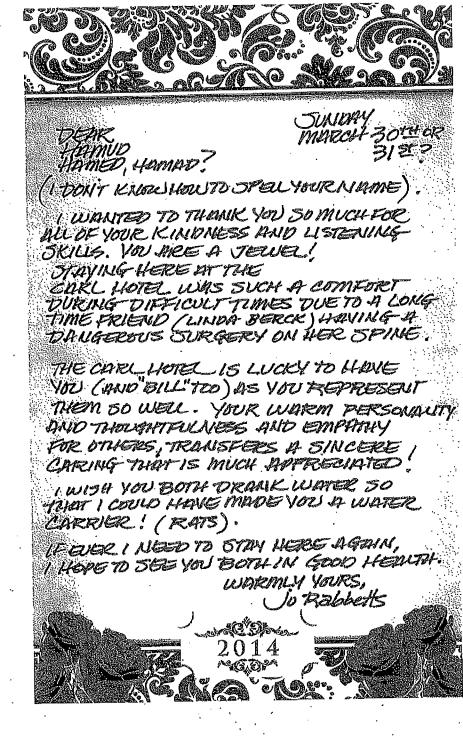
when W Richard D. Jarvis

actables 7, 3002 Dean Hamed, This note is to express my familije dege apprecia tion to you for being so help ful and bend to all of us drivings the times we were in San Francisco for Dannye brain turnor We enjoyed out accommodations and the lovely spectro. Dan's latest M. R. I. showed" no recurrent or risidual turnor " and we Chank God for this . He has recovered well but now is having chemo place)

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former of the net of the sound of the set of the set of the loss of the set of the sound of the set o allengtion Sund allowing us the selfuit Just when by you have and man for the week the server and while while the way have all man the server of the serve on accomodutions. Clear Staff Hotel Mundus . • • • •

the surgery! Seens ul chelise his been doing somer for the locker . V I this mostly. Thank you for making what was an Reforcary more thre elapsed ,... we wanted to let you know Dear Hamid (ZBII)otherwise very stressful the how much your kindness forus @ URSE a little. bit ason during our stay earlier 2 conscientioniss ment All Hebest EAK & Stylenic Sche Reno, NU 5/22/16



long term bases. We chose your hotel as it was so clase D'hospelol. Fieras a good Claece and we talk the hospetol staff to pert up at the Jap of the lest. meat the hotel gat bad and had to return to hospital this happened several times. One of these Times we needed a cob fast none Came Howed. Times we needed a cob fast none Came Howed Very special people Very special people Lourane Parieott noon Me Edordo Shrihamiri, I want to tell you of the wonderful Care we received from Hamed and Eddie abile we were at your hotel. My daughter has a transplant surgery at the university Hospilal. We were in your hat lag daugs. Homed was extermily caring and very The social workers at the pospetal had a She social workers at the pospetal had a stay on

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1 2 3 4 5	ARTHUR F. COON (Bar No. 124206) BRYAN W. WENTER (Bar No. 236257) MILLER STARR REGALIA A Professional Law Corporation 1331 N. California Blvd., Fifth Floor Walnut Creek, California 94596 Telephone: 925 935 9400 Facsimile: 925 933 4126 Email: arthur.coon@msrlegal.com bryan.wenter@msrlegal.com	ELECTRONICALLY FILED Superior Court of California, County of San Francisco 05/09/2017 Clerk of the Court BY:CAROL BALISTRERI Deputy Clerk
6 7	Attorneys for Petitioner and Plaintiff SAN FRANCISCO SRO HOTEL COALITION	
8	ANDREW M. ZACKS (Bar No. 147794) SCOTT A. FREEDMAN (Bar No. 240872) JAMES B. KRAUS (Bar No. 184118)	
9	ZACKS, FREEDMAN & PATTERSON, P.C. 235 Montgomery Street, Suite 400	
10	San Francisco, CA 94104 Telephone: 415 956 8100	
11 12	Facsimile:415 288 9755Email:az@zfplaw.comscott@zfplaw.com	
13	james@zfplaw.com	
14	Attorneys for Petitioners and Plaintiffs SAN FRANCISCO SRO HOTEL COALITION, HOTEL DES ARTS, LLC, and BRENT HAAS	
15		E STATE OF CALIFORNIA
16	COUNTY OF SA	AN FRANCISCO
17 18	SAN FRANCISCO SRO HOTEL	Case No. CPF-17-515656
19	COALITION, an unincorporated association, HOTEL DES ARTS, LLC, a Delaware limited liability company, and BRENT HAAS,	DECLARATION OF SAMANTHA FELIX IN
20	Petitioners and Plaintiffs,	SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION
21	v .	[CCP sec. 526]
22	CITY AND COUNTY OF SAN	Date: June 5, 2017
23	FRANCISCO, a public agency, acting by and through the BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN	Time: 2:00 p.m. Dept: CEQA, room 503 Judge: Hon. Teri L. Jackson
24	FRANCISCO; DEPARTMENT OF BUILDING INSPECTION OF THE CITY	
25 26	AND COUNTY OF SAN FRANCISCO; EDWIN LEE, in his official capacity as Mayor of the City and County of San Eronoisco, and	
27	of the City and County of San Francisco, and DOES 1 through 100, inclusive,	
28	Respondents and Defendants.	
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I, Samantha Felix, declare as follows:

1

1. I am over the age of 18 years. I have personal knowledge of the following
3 facts and could testify truthfully thereto if called to do so.

4 2. I am the general manager of the Hotel Des Arts ("Des Arts"), located at 447
5 Bush Street, San Francisco. I have held this position for 7 years.

6 3. In 2012, the Des Arts was purchased by Stephan Forget and
7 Florence Solal (collectively, the "Forgets"). When the Forgets bought the Des Arts, it
8 needed substantial refurbishing. The Forgets spent thousands of dollars on physical
9 improvements, new paint, new room furnishings, and installing art throughout the hotel,
10 including in each room.

4. The Des Arts contains 51 guest rooms, 38 of which are designated
 "residential" under the Hotel Conversion Ordinance ("HCO") and 13 of which are
 designated "tourist". Eleven of the rooms use shared bathrooms. The Des Arts has one
 permanent resident. There are no kitchen facilities anywhere on the premises. The rooms
 do not even have microwave ovens and are not allowed to under law.

5. The Des Arts takes reservations from a variety of people: university
students; people coming to work in San Francisco for short periods of time; people
considering moving to San Francisco who want to visit it for 1-2 weeks first; and, of
course, some tourists. The Des Arts strictly rents in compliance with the HCO, meaning
that the residential rooms must (prior to the recent HCO Amendments) be rented for a
minimum of 7 days. During the offseason as designated under the HCO, we usually book
7-10 day rentals.

6. After the HCO Amendments took effect, the Des Arts shifted as many
 bookings to the 13 tourist rooms as possible. However, from May through November, we
 still have about 30 bookings, which were lawful under the prior version of the HCO, which
 we cannot shift, which we will have to cancel if the Amendments are in effect.

27
7. If the Des Arts is forced to rent all of its residential rooms for at least 32
28

consecutive days, meaning that the occupants become rent-controlled tenants, we would 1 have to terminate the employment of some of our employees and reduce the hours of 2 others. We currently have six house keepers earning between \$13.00 and \$18.00 per hour, 3 working between 32 and 40 hours per week. With only 13 tourist rooms, we would 4 probably terminate five of the six house keepers. We would also have to reduce front desk 5 staffing. Indeed, the rooms would not be affordable to people who would typically live in 6 SRO rooms. We would have to charge first month's rent, last month's rent, and security 7 deposit. Because there is no way to separately meter each room, we would have to build in 8 all utilities as well. Such a hotel would also be substantially harder to manage since we 9 would have to respond to both short-term guests and long-term residents. We also have 10 two maintenance persons and if forced to operate under the Amendments, I will have to let 11 one go and/or reduce hours. 12

8. However, we would probably not rent the residential units in order to avoid
having them become rent-controlled tenancies, resulting in the same need to reduce
services and staffing. Shuttering the non-tourist rooms would force us to eliminate them as
a forum for local artists to display their work, which would harm the local art community.

9. I reviewed the Des Arts' tax payments, which I have access to as general
manager, in preparation for this declaration. The Des Arts has all required permits. In
2016, it paid \$215,638.21 in various taxes (hotel tax, gross receipts tax, payroll tax,
property tax). Ultimately, the HCO Amendments will result in less tax money to the City,
people's employment terminated or reduced, fewer visitors to the City spending money
here, and a reduction in opportunities for local artists to display their work.

I do not know how the Des Arts would survive in its present form on the few
rooms which can be rented on a tourist basis under the HCO Amendments.

 25
 I declare, under penalty of perjury of the laws of the State of California, that the

 26
 foregoing is true and correct.

²⁷ Date: April <u>10</u>, 2017

Samantha Felix

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EXHIBIT G

The New York Times

Candice Payne Got 30 Hotel Rooms for Homeless People in Chicago During Severe Cold Snap

By Sandra E. Garcia

Feb. 2, 2019

As temperatures plunged to life-threatening lows this week, more than 100 homeless people in Chicago unexpectedly found themselves with food, fresh clothes and a place to stay after a local real estate broker intervened.

The broker, Candice Payne, 34, said it was a "spur-of-the-moment" decision to help. "It was 50 below, and I knew they were going to be sleeping on ice and I had to do something," she said on Saturday.

Ms. Payne contacted hotels and found 30 rooms available at the Amber Inn for Wednesday night at \$70 per room. Temperatures in Chicago reached lows of minus 25 and minus 26 on Wednesday and Thursday, according to the National Weather Service.

After Ms. Payne paid for the rooms on a credit card, she asked on her Instagram account for anyone who could help transport the homeless people. Soon she had a caravan of cars, S.U.V.s and vans with volunteer drivers.

"We met at tent city, where all the homeless people set up tents and live on the side of the expressway," Ms. Payne said. "It is not a secret. The homeless have been living there for years."

She asked as many people as she could to go with her to the Amber Inn as donations were pouring in to her Cash App account.

You have 4 free articles remaining. Subscribe to The Times

Ms. Payne met two pregnant women and a family of five in the first group of homeless people who went to the inn.

"We had to accommodate everyone. It was really overwhelming," Ms. Payne said. "They were so appreciative. They couldn't wait to get in a bath and lay in a bed." 2/3/2019

Ms. Payne bought toiletries, food, prenatal vitamins, lotions, deodorants and snacks and made care packages to help make the people feel comfortable. Restaurants donated trays of food, and many people called the inn.

She said she has spent about \$4,700 so far on the rooms and other materials.

"People from the community, they all piggyback off Candice," said Robyn Smith, the manager of the Amber Inn. "Other people started calling and anonymously paying for rooms," she added, and Ms. Smith lowered the price to accommodate more people.

What started out as 30 rooms doubled to 60, Ms. Smith said. The rooms were only supposed to be occupied until Thursday, when temperatures in Chicago were expected to moderate. But with the donations Ms. Payne has received — more than \$10,000 so far — she has been able to house the people in the hotel and feed them until Sunday.

"I am a regular person," Ms. Payne said. "It all sounded like a rich person did this, but I'm just a little black girl from the South Side. I thought it was unattainable, but after seeing this and seeing people from all around the world, that just tells me that it's not that unattainable. We can all do this together."

Ms. Payne wants to organize other ways to help homeless people in Chicago.

"This was a temporary fix, and it has inspired me to come up with more of a permanent solution," Ms. Payne said before she received a call on her other line — from J.B. Pritzker, the governor of Illinois.

"He thanked me," Ms. Payne said. "He said it was one of the biggest acts of kindness we have seen in a long time."

A version of this article appears in print on Feb. 2, 2019, on Page A19 of the New York edition with the headline: 'Spur-of-the-Moment' Act Gets Homeless Out of Cold

From:	Board of Supervisors, (BOS)
То:	BOS-Supervisors
Subject:	FW: Genentech bus illegally stopped in Muni stop
Date:	Monday, January 28, 2019 3:58:00 PM

From: Sue Vaughan <selizabethvaughan@gmail.com>

Sent: Friday, January 25, 2019 8:16 AM

To: Reiskin, Ed (MTA) <Ed.Reiskin@sfmta.com>; Rebelos, Samantha (MTA) <Samantha.Rebelos@sfmta.com>; MTABoard <MTABoard@sfmta.com>; Cityattorney <Cityattorney@sfcityatty.org>; SFPD Taraval Station, (POL) <SFPDTaravalStation@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Nick Zanjani <nick.zanjani@cpuc.ca.gov>; CAC <cac@sfmta.com>; Roger Marenco <roger_marenco@yahoo.com>; Mar, Gordon (BOS) <gordon.mar@sfgov.org>

Cc: Edward Mason <zabredala3@yahoo.com>; Joe Eskenazi <getbackjoejoe@gmail.com>; Joe Fitzgerald Rodriguez <joe@sfmediaco.com>; Shaban, Bigad (NBCUniversal) <bigad.shaban@nbcuni.com>

Subject: Genentech bus illegally stopped in Muni stop

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

19th Avenue, southbound, at Noriega I think.

Friday; January 25, 2019

8:07 a.m.

Violation: California Vehicle Code 22500.i

Muni driver unable to pull up to curb to board and discharge passengers.

Sue Vaughan

From:	Board of Supervisors, (BOS)
То:	BOS-Supervisors
Subject:	FW: When will City Attorney issue cease and desist letter to Uber and Lyft
Date:	Monday, February 4, 2019 4:39:00 PM

From: Sue Vaughan <selizabethvaughan@gmail.com>
Sent: Saturday, February 02, 2019 6:13 PM
To: Reiskin, Ed (MTA) <Ed.Reiskin@sfmta.com>; Rebelos, Samantha (MTA)
<Samantha.Rebelos@sfmta.com>; MTABoard <MTABoard@sfmta.com>; CAC <cac@sfmta.com>;
Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Scott Wiener
<scott.wiener@sen.ca.gov>; Phil Ting <Assemblymember.Ting@assembly.ca.gov>; David Chiu
<Assemblymember.Chiu@assembly.ca.gov>; Nick Zanjani <nick.zanjani@cpuc.ca.gov>; Cityattorney
<Cityattorney@sfcityatty.org>; Breed, Mayor London (MYR) <mayorlondonbreed@sfgov.org>
Cc: Edward Mason <zabredala3@yahoo.com>; Patrick John Maley <pmaley@mail.sfsu.edu>
Subject: When will City Attorney issue cease and desist letter to Uber and Lyft ...

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

For operating in San Francisco public bus stops in violation of CVC 22500.i?

Uber vehicle violation captured on 2-2-2019 at 5:55 p.m. on Geary Boulevard at 20th Avenue, inbound.

Uber and Lyft:

- -- add to congestion ;
- -- poach riders from public transportation;
- -- are destroying a locally regulated taxi industry in which injured cab drivers qualify for Workers Compensation;
- -- are part of the economic race to the bottom for the drivers; and,
- -- most alarmingly exacerbate climate change.

Sue Vaughan

Board of Supervisors, (BOS)
BOS-Supervisors
FW: They're back (argh!)
Monday, February 4, 2019 4:38:00 PM

From: Meserve Platt <meservep@gmail.com>
Sent: Saturday, February 02, 2019 7:01 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Fwd: They're back (argh!)

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

Dear Supervisors,

Clipper cove is an incredible resource for San Francisco and the Bay Area. Currently it is used by many disparate groups for enjoyment and adventure. Develop it for a small population of exceptionally wealthy people does not serve the Bay Area or the citizens of San Francisco.

The cove is currently the site of:

a small marina that provides affordable space to keep boats

The annual Dragon Boat Races

Collegiate, High School and Youth sailing instruction and regattas.

Overnight anchorage for adventurers and bay area residents

A safe harbor for marine mammals

to name just a few of the many who enjoy this space.

I encourage you to, as you have previously, keep the cove accessible to a majority.

Sincerley, P. Meserve Platt District 8 San Francisco

------ Forwarded message ------From: **Save Clipper Cove** <<u>huntercutting@saveclippercove.emailnb.com</u>> Date: Thu, Jan 31, 2019 at 5:23 PM Subject: They're back (argh!) To: Meserve Platt <<u>meservep@gmail.com</u>>

Save Clipper Cove

Meserve --

Fending off the real estate speculators targeting Clipper Cove is turning out to be a bit like beating back rats.

The developers, led by Darius Anderson, are back with a new proposal that doesn't honor most of the stakeholder agreement reached last year and affirmed by a Board of Supervisors resolution to protect the Cove.

In particular: there is no plan to mitigate the risk of the Cove filling-in due to sedimentation generated by the new marina and the new entrance channel (a problem frequently experienced in other marina projects). There is no analysis calculating the financial risk for the City. And there is no consideration for current berth holders with small and medium sized boats.

In addition, the developers continue to insist that the environmental analysis of the threat to the sea grass beds (new sedimentation) be conducted in the BCDC permit process <u>after</u> the City signs a 66-year lease.

(The SF Examiner has published an op-ed that details most the problems with the new proposal: <u>http://www.sfexaminer.com/clipper-cove-marina-boondoggle-back/</u>)

US Sailing, San Francisco Bay Keeper, the Friends of the Sailing Center, and the Sierra Club have all spoken out to oppose this proposal.

Fortunately, Matt Haney, the new Supervisor representing District Six

(including Treasure Island) has pledged to <u>oppose</u> the proposal until the developers meet the requirements of the stakeholder agreement. Likewise Supervisor Sandra Fewer, who chairs the Budget Committee that will hear this proposal, has pledged her support.

So, for the moment, it looks like this proposal isn't going anywhere until it's reformed.

However, if you would like to help out now, please email Supervisor Matt Haney and thank him profusely for standing up to protect the public interest and encourage him to champion full compliance with the stakeholder agreement. His support is critically important.

You can reach Supervisor Haney at: <u>matt.haney@sfgov.org</u>

The public is already sacrificing part of Clipper Cove for a private luxury marina. In return the developers should meet all of the requirements in the stakeholder agreement, in full.

Save Clipper Cove

http://saveclippercove.nationbuilder.com/

Save Clipper Cove · United States This email was sent to meservep@gmail.com. To stop receiving emails, click here.

Created with <u>NationBuilder</u>, software for leaders.

415-305-6038

From:	Lee Ellen
To:	Elliott, Nicole (ADM); Office of Cannabis (ADM); Board of Supervisors, (BOS); Breed, Mayor London (MYR)
Cc:	章德维David Dehui; Nan Su; assignment@singtaousa.com; editor@worldjournal.com; Han Li; Chineseradio Info; LaMet Mark T. (KGO-TV); Wendy Wong; Meina Young (volunteer); Eva Chao; Terry Chong; DPH - teresaduque; SFPD Central Station, (POL); SFPD Southern Station, (POL); SFPD Bayview Station, (POL); SFPD Mission Station, (POL); SFPD Northern Station, (POL); SFPD Park Station, (POL); SFPD Richmond Station, (POL); SFPD Ingleside Station, (POL); SFPD Taraval Station, (POL); SFPD Tendercloin Station, (POL); Scott, William (POL); instation; (POL); SFPD Taraval Station, (POL); SFPD Tendercloin Station, (POL); Scott, William (POL);
Subject:	jsabatini@sfexaminer.com; joe@sfexaminer.com; rswan@sfchronicle.com; Audrey Leong NO MEANS NO! Duplicated - [Planning Code - Conversion of Medical Cannabis Dispensary Uses to Cannabis
Subject	Retail Uses]
Date:	Sunday, February 3, 2019 11:55:15 PM

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

Dear Ms. Elliott, Mayor London Breed and all of the Board of Supervisors,

No one is above the Law! We, the people from all 11 districts, have been protesting to elected officials and department heads, no more new recreational cannabis stores in our city, no more from medical stores to recreational stores, illegal means illegal! No means no! Enough is enough!

It is government waste! It is government abuse! It is a violation of federal laws! It is violation of the United States constitution! Stop abusing people's power to rule our people government! A patient drug can NOT be a recreational tool to drug people! We, the people will NOT give up and we, the people will NOT back down.

Respectfully; Ellen Lee Zhou, Family Social Worker Volunteer for the S.F. Coalition for Good Neighborhoods. The following information for identify purpose: 33 years, San Francisco Resident 23 years, Sunday School Teacher

- 22 years, Family Social Worker
- 13 years, Public Health Worker for Public Health
- 12 years, SEIU1021 Union Steward for San Francisco government employees
- 2 terms, member of San Francisco Civil Grand Jury 2014/2015 and 2016/2017
- One term, Pedestrian Safety Advisor Committee member as appointed by Former Supervisor David Campos (2016/2017)
- 5 years, Neighborhood Emergency Response Team member (NERT), SF Fire Department
- 13 years, working with the police to fight crimes, graduated from the Community Police Academy 2006.
- 25 years, Community Activist. Educate people their rights and empower them to stand up for their constitutional rights and civil rights
- Since July 2018, serve as Director of Public Relations for California Civil Grand Juror Association, San Francisco Chapter
- June 2018 special election, San Francisco mayoral candidate

Will be in November 2019 election, San Francisco Mayoral Candidate

CC: Media, Police SFCEC SFCGN BAHN-SF chapter

Please note: if the following gets passed, **2165 Irving Street** (District 4) and **3015 San Bruno Avenue** (District 9) will be able to convert from MCD-only to Recreational Cannabis Retail stores directly. **5 Leland Avenue** (District 10), 68 feet from nearest cannabis business at 2442 Bayshore Boulevard, will be allowed to open.

=======

This Ordinance Amendment DID NOT get approved from the second and final reading of BOS last Tuesday, 01/29/2019. Supervisor Safai (D11) requested this Ordinance to be DUPLICATED. Now this Ordinance Amendment has been referred back to the Land Use and Transportation Committee to start over again.

=====Land Use and Transportation Committee Regular Meeting=====

Please note, <u>public comment</u> will be taken at this meeting.

Date: Monday, February 4, 2019 Time: 1:30 PM Room: Room 250 Location: City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689 Agenda: <u>https://sfbos.org/sites/ default/files/lut020419_agenda.pdf</u>

Item #5. Board of Supervisors File No. 190108 [Planning Code - Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses]

Ordinance amending the Planning Code to

-- allow Medical Cannabis Dispensaries (MCDs) with approvals from the Planning Department for a Medical Cannabis Dispensary Use as of January 5, 2018, to apply to convert to Cannabis Retail Uses under the same conditions as MCDs that held valid final permits from the Department of Public Health as of January 5, 2018;

-- exempting all such converted Cannabis Retail Uses from otherwise applicable Conditional Use Authorization requirements;

-- allowing Equity Program or Equity Incubator Applicants who have MCD applications pending at the Planning Department to apply to convert to Cannabis Retail Uses;

-- exempting such Cannabis Retail Uses from the minimum radius requirements between those establishments and existing Cannabis Retailers and Medical Cannabis Retailers;

-- affirming the Planning Department's determination under the California Environmental Quality Act; -- making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1;

-- and making public necessity, convenience, and welfare findings under Planning Code, Section 302. (City Administrator)

FINALLY PASSED by the following vote:

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton, Yee Supervisor Safai, seconded by Supervisor Mandelman, moved to rescind the previous vote. The motion

passed by the following vote:

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton, Yee **Supervisor Safai requested this Ordinance be DUPLICATED.** See duplicated File No. 190108.

FINALLY PASSED by the following vote:

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton, Yee

1/29/19; DUPLICATED. 1/29/19; REFERRED.

Board of Supervisors File No. 190108 <u>https://sfgov.legistar.com/LegislationDetail.aspx?</u> ID=3848445&GUID=D61807B0-A716-4BDD-B846-A3E364539D46

Legislative Digest: <u>https://sfgov.legistar.com/View.ashx?M=F&ID=6719820&GUID=7DBE9790-2CAD-4D65-A730-4D03911E6E0C</u>

Legislation: <u>https://sfgov.legistar.com/View.ashx?M=F&ID=6719812&GUID=064E3A72-C8E7-4462-9EC8-E2DDC5922D8C</u>

Planning Department's Packet: http://commissions.sfplanning.org/cpcpackets/2018-008367PCA.pdf

The fruit of the Spirit is love, joy, peace, forbearance, kindness, goodness, faithfulness, gentleness and self-control. Against such things there is no law. (Bible---Galatians 5:22,23)

Please note: This email may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intent person/people/parties receiving this email, please delete all contents and notify this sender. Your response is greatly appreciated. Thank you. Ellen Lee Zhou

Fror	louis gauci
To:	Breed, Mayor London (MYR); Brown, Valle (BOS); Cohen, Malia (BOS); Eewer, Sandra (BOS); Kim, Jane (BOS); MandelmanStaff, [BOS]; Peskin, Aaron (BOS); Ronen, Hillary; Safai, Ahsha
	(BOS); Stefani, Catherine (BOS); Mar, Gordon (BOS); Yee, Norman (BOS); Board of Supervisors, (BOS)
Sub	Please Help Stop the Dog and Cat Consumption in S. Korea!
Date: Sunday, February 3, 2019 10:54:46 AM	
	e is from outside the City email system. Do not open links or attachments from untrusted sources.
	e is non-ouside the englement system. So not open inks of attachments non-difficulted sources.

Sister City Campaign - Seoul, South Korea - San Francisco, California

Dear Mayor Breed and the members of the Board of Supervisors,

We ask you to please watch these documentaries of South Korea's dog meat industry: <u>https://youtu.be/cCdTceduKcY</u> <u>http://koreandogs.org/horrible-reality-of-meat-dog-farms-you-did-not-know/</u> <u>http://koreandogs.org/companion-animals-for-consumption/</u>.

Do you think that San Francisco should be a Sister city to any city that allows dogs and cats to be tortured and eaten? Dog meat consumption in South Korea is <u>not legal (http://koreandogs.org/kara-publishes-legal-information-booklet-ending-dog-meat-consumption/</u>). Yet their government and general public basically ignore its presence and allow it to continue.

The United States House of Representatives has formally passed H.Res. 401, "Calls for an end to the dog and cat meat industry and urges all nations to outlaw the dog and cat meat trade." (https://www.congress.gov/bill/115th-congress/house-resolution/401)

Please urge Seoul Mayor Park Won-Soon to close down all those illegal dog farms and slaughterhouses, markets, truckers, and restaurants that serve these animal products. An online petition calling for your support in ending the horrendous South Korean dog and cat meat cruelty is in progress: https://www.change.org/p/tell-sister-city-seoul-s-korea-that-we-re-opposed-to-the-torture-and-consumption-of-dogs-and-cats

The favor of your reply is requested. Thank you, Louis

From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Subject:	FW: In support of resolution protecting consumers from PG&E liabilities
Date:	Thursday, January 31, 2019 5:37:00 PM

From: Tushar Karkhanis <tr.karkhanis@gmail.com>
Sent: Wednesday, January 30, 2019 8:11 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: In support of resolution protecting consumers from PG&E liabilities

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Board of Supervisors,

I am writing as a constituent and District 5 resident to applaud the Board of Supervisors' resolution to protect consumers from having to pay the costs of PG&E's negligence and failures. It is absolutely the right decision and I am glad the BoS took this position. I hope the city of SF can continue this pressure to ensure that the CPUC actually provides real oversight over our utilities, rather than being the government arm of these corporations.

As we face a new abnormal in a destabilizing climate, we cannot continue to leave our lives and billions of dollars of property in the hands of a reckless, shareholder value-maximizing corporation, for whom the health and safety of Californians is at best an afterthought. Though the city of SF has committed to a full transition to renewable energy, this is a goal better and more responsibly achieved if we **municipalize our power infrastructure.** We have the opportunity now and I, as a District 5 resident, want to express my support for any plan that puts our power grid in the hands of the city. In addition to facilitating our own transition to renewable energy (and maintaining the safety of the electricity infrastructure), we can serve as another example of California municipalizing its power for the safety of our people and for the climate.

Thanks for your consideration.

Best, Tushar Karkhanis

BOS 11 File No. 181025

From:	Carroll, John (BOS)
To:	BOS-Supervisors; BOS-Legislative Aides
Cc:	Jemma Lester; Calvillo, Angela (BOS); Somera, Alisa (BOS); Board of Supervisors, (BOS)
Subject:	FW: Museum of Ice Cream - follow up information for Type 42 ABC License
Date:	Tuesday, January 29, 2019 10:01:58 AM
Attachments:	Museum of Ice Cream - Info about Type 42 ABC License.pdf SIGNED_Conditions_1and8Inc.pdf Museum of Ice Cream Layout.pdf image001.png

Thank you for your message, Ms. Lester.

By this message, the attached documents are forwarded to the care of the Board members. I will add these documents to the file for this PC or N matter.

Supervisors and Aides:

These support documents relate to agenda item No. 30 on today's Board agenda.

I invite you to review the entire matter on our <u>Legislative Research Center</u> by following the link below:

Board of Supervisors File No. 181025

John Carroll Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

Ko Click here to complete a Board of Supervisors Customer Service Satisfaction form.

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From: Jemma Lester [mailto:jemma@abclicensecompany.com] Sent: Monday, January 28, 2019 9:24 AM **To:** Carroll, John (BOS) <john.carroll@sfgov.org> **Subject:** Fwd: Museum of Ice Cream - follow up information for Type 42 ABC License

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

Hi John,

Here is the letter that was sent to Supervisor Peskin and his Chief of Staff, which includes a copy of the letter sent to each Supervisor's staff.

------ Forwarded message ------From: **Danica Jacinto** <<u>caramel@museumoficecream.com</u>> Date: Fri, Jan 25, 2019 at 11:56 AM Subject: Museum of Ice Cream - follow up information for Type 42 ABC License To: <<u>Sunny.Angulo@sfgov.org</u>> Cc: Manish Vora <<u>flavor@museumoficecream.com</u>>, Jemma Lester <<u>jemma@abclicensecompany.com</u>>, Gabrielle Yacoob <<u>scoop@museumoficecream.com</u>>

Supervisor Peskin & Ms. Angulo,

Thank you for taking the time to meet with us yesterday on such short notice. We take your concerns extremely seriously and want to work with you to find common ground on this project.

Regarding the concerns you brought up yesterday, here are our responses:

1. Keeping minors from entering the mezzanine: we will have a uniformed employee positioned at the entrance/exit doorway downstairs checking ID's and ensuring no alcoholic beverages leave the space. We will have all staff who work in the mezzanine and at the door complete the LEAD (Licensee Education on Alcohol & Drugs) Training offered by the Department of ABC prior to opening. We have no interest in overly intoxicated patrons disrupting the experience for others, and will also maintain standards of not-serving already intoxicated patrons.

2. We understand that you're skeptical about an establishment serving beer and wine at 9am. Would reducing our hourly restrictions to starting at 11am alleviate some of your concern. This would allow us to serve our earlier guests on their way out of the museum and nonticketed patrons who want to stop in around lunch time.

In addition, we are also sending the attached letter to the full Board to review, including our conditions letter and a layout of our space. We spoke with aids from each office Thursday afternoon (aside from Supervisor Stefani whose office was closed) and have provided them with our contact information to address any concerns.

Our patrons are generally upstanding people and we have experienced minimal disruptive behavior in each of our locations. Although the addition of alcohol certainly increases the likelihood of the problems you expressed concern over, the tone of the space is consistent with the rest of the museum: colorful, joyful, and happy. It's not just lip service, we are committed to creating an uplifting experience for patrons and the addition of this license would serve as another way to explore and innovate our mission.

Thank you again for your candor in relaying your office's concerns. We truly hope we have addressed them and again apologize for our failure at outreach. We hope our actions demonstrate how seriously we take this. You will have direct access to our management team to address any concerns going forward.

We appreciate the work you do with the many competing interests of District 3. It's a challenging and dynamic district and we're proud to represent it for the city.

Sincerely,

MANI SH VORA President and Co-Founder DANICA JACINTO General Manager SF --Jemma J. Lester, *Director* ABC License Company (510) 788-5881 ext. 2 phone (845) 389-3958 mobile (510) 255-5176 fax 337 17th Street, Suite 101, Oakland, CA 94612 WEBSITE

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Honorable District Supervisors,

Museum of Ice Cream is reaching out to inform you of our application for an On-Sale Beer & Wine Public Premises (Type 42 ABC License) so we can expand our services to offer beer and wine at a designated and separate space within our Museum.

When we opened our doors in September 2017, we never thought that our small idea would be embraced so widely in the Bay Area and that we would be able to bring the magic of ice cream and community to over 600,000 museum goers permanently. We also recognize that it is through the City's support that we can continue to do our work here in San Francisco.

As we look to our future, we believe this license will provide patrons with a 'taste' of what the MOIC adventure does entail, whether or not they have purchased tickets. It adds another element where we can innovate on our mission. It also serves as another downtown catchpoint for tourists and locals to spend their day.

On Wednesday, Jan. 23, 2019, a motion to deny our application was recommended by District Supervisor Peskin, a primary concern being that we had not completed appropriate outreach to his office to explain what the operation would entail.

We have since met with his office to discuss our application and are providing them with the additional information they require. In the spirit of transparency and clear communication, we are also informing you of the same. We are seeking the motion to be reversed at the Full Board Meeting on Tuesday, January 29, 2019. We ask for your support.

One main concern by Supervisor Peskin's office was how we intend to distinguish this adult-only space from the youthful spirit of our museum experience. ID checks will be held at all times the bar area (on a separate floor) is open. This is the only area where alcohol can be served or consumed, as you can see the attached diagram showing the layout. Nobody is walking around the museum with alcohol.

There will be staff stationed at the downstairs door that leads to the stairs. Our staff members are easily recognizable to customers, we wear brightly colored uniforms with name tags and direct guests through the museum spaces like tour guides. The mezzanine will be staffed by 3-5 employees per shift, so there will be ample monitoring of patrons and beverages. Misbehaving clientele will be quickly addressed as the mezzanine space is visually open to the first floor and that would negatively impact the mood of the whole premises. Maintaining a positive, fun environment for everyone is a top priority.





In terms of security, we have some unique needs based on our popularity and our location. As you may have seen, our tickets sell out quickly and queues form around the block from Grant Street to O'Farrell. This has been the case in our New York City and Los Angeles locations as well.

Though there is always a crowd to manage, we generally find that the type of person interested in coming to an experience like ours is willing to follow the rules and maintain a high standard of good behavior. Our whole intent with this undertaking is to make people happy, and our guests generally leave in that state of mind. If anything, we feel we're putting people who visit us back into the world a little better than they started that day.

We want to add this adult experience to cater better to the families and groups that spend their day with us. We are consistently innovating to improve our experience and help people connect-- in person, offline, and in a joyful way. Our application with the Department of ABC requested hours consistent with our operating hours (9:00 am - 9:00 pm Sun - Thurs and 9:00 am - 12:00 am Fri -Sat). Museum guests can stop in before or after their tour and it is open to the public, just like our gift shop is. We anticipate our busiest hours will be 3-8pm and are discussing with Supervisor Peskin's office if there is a more agreeable opening hour for our alcohol service.

We have toured 3 members of the San Francisco Police Department's Alcohol Liaison Unit through the space and they approved our application with the attached restrictions, including hourly restrictions and no "to go" sales permitted.

We ask for your support in reversing the motion to deny our request for Public Convenience or Necessity at Tuesday's meeting. We are always learning how to be better neighbors and constituents in this beautiful city and thank you for the opportunity to develop our brand here. Any missteps have helped us learn and improve.

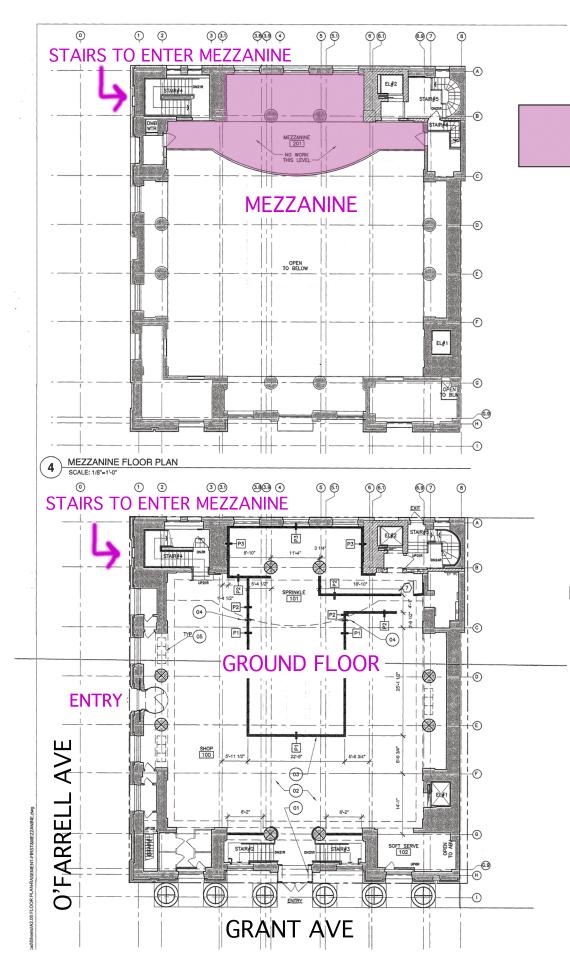
Please don't hesitate to reach out if you have any additional concerns that we can address prior to Tuesday's full Board meeting.

Sincerely,

Manish Vora, President and Co-Founder

Danica Jacinto, General Manager and Head of Operations SF





= LICENSED AREA (ALCOHOL SERVED AND CONSUMED ONLY WITHIN MEZZANINE)

Not Pictured: There is another floor below the ground level that contains the majority of the MOIC experience.

Beer & wine would be served only in the designated area indicated above.

BEFORE THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF

1AND8 INC WHICH WILL DO BUSINESS IN CALIFORNIA AS MUSEUM OF ICE CREAM MUSEUM OF ICE CREAM 1 GRANT AVE SAN FRANCISCO, CA 94108-5801

}	FILE 42-600073
} }	REG.
}	
} }	
}	PETITION FOR CONDITIONAL
} }	<u>PETITION FOR CONDITION</u> <u>LICENSE</u>

For Issuance of an On-Sale Beer And Wine - Public Premises - License

Under the Alcoholic Beverage Control Act

WHEREAS, petitioner(s) has/have filed an application for the issuance of the above-referred-to license(s) for the above-mentioned premises; and,

WHEREAS, pursuant to Section 23958 of the Business and Professions Code, the Department may deny an application for a license where issuance would result in or add to an undue concentration of licenses; and,

WHEREAS, the proposed premises are located in a crime reporting district that has a 20% greater number of reported crimes, as defined in subdivision (c) of Section 23958.4 of the Business and Professions Code, than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency; and,

WHEREAS, the proposed premises are located in Census Tract #0117. where there presently exists an undue concentration of licenses as defined by Section 23958.4 of the Business and Professions Code; and

WHEREAS, the proposed premises are located within the immediate vicinity of a church, to wit: Epic Church and St. Patricks Catholic Church, and issuance of the applied-for license without the below-described conditions would interfere with the normal operation of said facility and constitute grounds for the denial of the application under the provisions of Section 23789 of the Business and Professions Code; and

WHEREAS, the issuance of an unrestricted license would be contrary to public welfare and morals;

NOW, THEREFORE, the undersigned petitioner(s) do/does hereby petition for a conditional license as follows to-wit:

Initials

ABC-172 (5/94)

- 1 Sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 9:00 a.m. and 12:00 a.m. Sunday through Wednesday and 9:00 a.m. and 1:00 a.m. on Thursday, Friday, and Saturday.
- 2 Petitioner(s) shall actively monitor the area under their control in an effort to prevent the loitering of persons on any property adjacent to the licensed premises as depicted on the most recently certified ABC-253.
- 3 The sale of alcoholic beverages for consumption off the premises is prohibited.

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42-600073 Page 3

This petition for conditional license is made pursuant to the provisions of Sections 23800 through 23805 of the Business and Professions Code and will be carried forward in any transfer at the applicant-premises.

Petitioner(s) agree(s) to retain a copy of this petition on the premises at all times and will be prepared to produce it immediately upon the request of any peace officer.

The petitioner(s) understand(s) that any violation of the foregoing condition(s) shall be grounds for the suspension or revocation of the license(s).

DATED THIS 15 DAY OF UANNY Monthly Barrier Application _____, 20___ Applicant/Petitione Applicant/F

From:	Carroll, John (BOS)
To:	BOS-Supervisors; BOS-Legislative Aides
Cc:	Patrick MacCartee; Board of Supervisors, (BOS); Calvillo, Angela (BOS); Somera, Alisa (BOS)
Subject:	FW: PCN Hearing 1/23/19 - Tank18 Follow Up
Date:	Tuesday, January 29, 2019 9:18:28 AM
Attachments:	BYOB Label Question.pdf
	Tank18 Support Signup.pdf
	Tank189 Support Letters.zip
	tank182019-01-28_15-11-14.pdf
	image001.png

Thank you for your message, Mr. MacCartee.

By this message, the attached documents are forwarded to the care of the Board members. I will add these documents to the file for this PC or N matter.

Supervisors and Aides:

These support documents relate to agenda item No. 31 on today's Board agenda.

I invite you to review the entire matter on our <u>Legislative Research Center</u> by following the link below:

Board of Supervisors File No. 181032

John Carroll Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415)554-4445

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From: Patrick MacCartee [mailto:patrick@tank18.com] Sent: Monday, January 28, 2019 7:01 PM To: Carroll, John (BOS) <john.carroll@sfgov.org>
Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Re: PCN Hearing 1/23/19 - Tank18 Follow Up

Hi John,

Attached are the following

- 1. Letters of support we have received today from some of our customers and BYOB fans -37
- 2. Letter of support form CA State Senator Scott Wiener.
- 3. Support Petition that we have been running for a couple days ~113 sign ons.
- 4. BYOB Label Questions answered.

Please let me know if there are any other questions or documents I can provide for you and the board.

On Mon, Jan 28, 2019 at 4:09 PM Carroll, John (BOS) <<u>john.carroll@sfgov.org</u>> wrote:

Thanks for your question. Your previous email went out to all the Supervisors on Friday at 2:08 p.m.

If you have more support documents you would like added to the file and distributed to the Board, please just send in a reply-all to this email. We will take care to deliver.

Regards,

John Carroll

Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

Click <u>here</u> to complete a Board of Supervisors Customer Service Satisfaction form.

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Sent: Monday, January 28, 2019 4:04 PM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Re: PCN Hearing 1/23/19 - Tank18 Follow Up

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Hi John, do I need to forward our support letter and petition to the board or just bring them in with us?

I have like 131 signatures over a dozen letter of support including one from CA senator Wiener.

Patrick

Sent from my iPhone.

------ Forwarded message ------From: **Patrick MacCartee** <<u>patrick@tank18.com</u>> Date: Fri, Jan 25, 2019 at 1:49 PM Subject: PCN Hearing 1/23/19 - Tank18 Follow Up To: Mahogany, Honey (BOS) <<u>honey.mahogany@sfgov.org</u>>, Aaron (BOS) <<u>aaron.peskin@sfgov.org</u>>, Sunny (BOS) <<u>sunny.angulo@sfgov.org</u>>, Lee (BOS) <<u>lee.hepner@sfgov.org</u>>, Hillary <<u>hillary.ronen@sfgov.org</u>>, Amy (BOS) <<u>amy.beinart@sfgov.org</u>>, <<u>matt.haney@sfgov.org</u>>, Amy (BOS) <<u>carolina.morales@sfgov.org</u>> Cc: Cheryln Chin <<u>cchin@tank18.com</u>>, Carroll, John (BOS) <<u>john.carroll@sfgov.org</u>>

Dear Supervisors and other members,

My name is Patrick MacCartee and I am a founder and CEO of Tank18. I wanted to reach out to you and apologize for my absence for the PCN hearing on 1/23/19. I spent all of Tuesday night and most of the early morning Wednesday with my dying dog Hazel. In my sleep-depraved state, I slept through the first half of the meeting. In my absence I learned that a concerned member of the community brought conflicting information to your attention that I wanted to address about retail sales at our location.

Background

When we opened Tank18 6 years ago, it was under a winery license, CA 02, which allowed sale of wine for on-premise consumption and off-premise consumption. In 2017 we had to renew our lease at 2x what we were originally paying. This meant we had to broaden our offering and adapt the

business. When we moved to a type 75 license, we lost the privilege for sale of off-premise consumption, thus we have requested a type 20 so that we can again sell retail wine. As of January 2018, when we started operation under type 75 license, there have been no retails sales for off site consumptions at Tank18. Retail wine sales made up a good amount of business in the past >\$250k, this is why we are requesting the type 20, we don't think our business can survive at the market rate rents we are paying trying to keep pace with tech in encroaching in around us.

The web page grab (included below) the community member shared with you is basic information for one of our wine and food parties that we throw when we bring in a new wine release. 80% of a wineries carbon footprint is in the glass, thus we promote people brining in and reuse their own wine bottles for this event. They fill their bottles for \$9 and drink wine, they have lunch, and it's a fun party for all ages. We do this for about 6 wine releases a year with different themes. This month was Spanish themed and everyone had paella and other tapas with their Spanish style wine. All wine is consumed on premise, nothing leaves the building.

The screen grab shared with the PCN committee never made any mention of taking wine home or the fact that it was retail wine. I am not sure why this community member made that leap, but ultimately it was my fault for not being there to explain further. Is there any information I can provide you with to further help with your decision?

Sincerely,

Patrick MacCartee Co Founder and CEO - Tank18

<image002.png>

Patrick MacCartee Tank18 Winery 1345 Howard St San Francisco, CA 415-637-0257 patrick@tank18.com Patrick MacCartee Tank18 Winery 1345 Howard St San Francisco, CA 415-637-0257 patrick@tank18.com <tank182019-01-28_15-11-14.pdf>

Patrick MacCartee Tank18 Winery 1345 Howard St San Francisco, CA 415-637-0257 patrick@tank18.com

--

BYOB Label Question

We did have a question come in from one of the supervisors about the BYOB label and why we have them.

Why are you putting a BYOB label on the bottles if they are being consumed onsite?

Our BYOB program started when we did have an off premise license. People were reusing the same bottle over 10x and we started to see the build up on the stickers, which was really fun, so we created another recycling game with our customers.

Frequent recycling discounts

- Customers with 5 different BYOB labels on a single bottle got up to 5% off on their order.
- Customers with 10 or more BYOB labels on a single bottle got up to 10% off on their order.

Our customers love this game and they brought their bottles in with pride. It was fun kind of competition and badge of pride with many recyclers.



When we switch licenses and no longer had our retail licenses, we committed to our customers that we were in the works to solve this problem and that they could still earn credit towards their frequent recyclers discount. So customers keep bringing their bottles in and we keep putting stickers on them. They drink their wine onsite, but they get their discount or build up of stickers towards their discount for what ever they drink on site. The ultimate goal for most of them is that they are ready to rock with their 10 stickers if they don't have them already once we can reinstate retail sales.

Count	First Name	City	Zip	Email address
1	Patrick MacCartee	San Francisco	94103	maccartee@gmail.com
2	Sean Lackey	San Francisco	94110	
3	Alex Mastrodonato	San Francisco	94103	Lamastro@gmail.com
4	Angelina Calderon	San Francisco	94122	Alinapaz@gmail.com
5	Tony D. Cornejo	Burlingame	94010	Tcdouglas650@gmail.com
6	Adam Garvey	San Francisco	94114	
7	Jack Krawczyk	San Francisco	94115	
8	Juan Garcia	SAN Francisco	94117	juan@beatboxevents.com
9	Johnnie Thompson	San Francisco	94110	johnniemail@gmail.com
10	Thomas Corvo	HONOLULU	96816	tomcorvo@gmail.com
11	Erich Pearson	San Francisco	94103	Epearsonsf@gmail.com
12	Megan Christopherson	San Francisco	94103	
13	Adam Morrison	Lafayette	94549	lukeadamgo@hotmail.com
14	David Christensen	San Francsico	94109	dc10sf@yahoo.com
15	Brian Flynn	San Francisco	94114	Brianjflynn@hotmail.com
16	Stephanie Brennan	San Francisco	94109	Stephbrennan@gmail.com
17	Mike Dorsey	Oakland	94605	Miked8783@yahoo.com
18	Neena Sihota	San Francisco	94108	neenasihota@gmail.com
19	hector espinoza	San Jose	95116	Gslm21@yahoo.com
20	Khaia Brogan	San Francisco	94117	khaiabrogan@gmail.com
21	Brian Urmanita	San francisco	94114	B.urmanita@gmail.com
22	Brad Baertsch	Los Angeles	90036	brad.baertsch@gmail.com
23	Gale West	Phienix	85020	Gale@galewest.com
24	Jennifer Winger	Menlo Park	94025	jennwinger@icloud.com
25	Rolo Talorda	San Francisco	94112	rolodj@gmail.com
26	Ben Randle	San Francisco	94102	
27	justin young	san francisco	94117	jpcyoung@gmail.com
28	Jason Jackson	San Francisco	94114	Jmattjack@gmail.com
29	John Hunt	San Francisco	94107	Jhunt1970@gmail.com
30	Maureen Benson	Oakland	94605	yesmsbenson@gmail.com
31	Leland Belli	San Francisco	94105	somasf94105@gmail.com
32	Jonah Parsons	San Francisco	94107	jonahparsons@gmail.com
33	Jonathan Taylor	San Francisco	94107	tank18@eljt.net
34	Rodrigo De Lima	SAN FRANCISC	94129	
35	denise latka	San Francisco	94114	deniselawson@hotmail.com
36	Joseph Killian	San Francisco	94103	josephlkillian@gmail.com
37	Bret Allan	San Francisco	94109	Bret.allan@gmail.com
38	Michael Wei	San Francisco	94105	michael.wei@gmail.com
39	Kelly Fix	San Francisco	94131	Misskellyfox@gmail.com
40	Chris Garvey	Oakland	94605	cp_garvey@yahoo.com
41	Demian Rosenblatt	San Francisco	94114	demian@mac.com
42	Carlos Gonzalez	Long Beach	90808	carlosgonzalezjr@gmail.com

43	Jason Fuges	San Francisco	94114	Jfuges@gmail.com
44	Lauren Iyon	San Francisco	94115	lyon.lauren@gmail.com
45	Charles Tindell	San Francisco	94102	charles0677@hotmail.com
46	Rachel Siress	Mountain View	94041	rachel.siress@me.com
47	Matthew Lawrence	San francisco	94107	Matlaw@gmail.com
48	Lowell Caulder	San Francisco	94102	lowell.caulder@gmail.com
49	Jay Barmann	SAN FRANCISC	94117	jay@conflation.info
50	Mike Blank	San Francisco	94103	mike@mikeblank.com
51	Drew guyton	san Francisco	94103	drewguyton@aol.com
52	Randy Maupin	San Francisco	94103	Randysfcatclub@gmail.com
53	Walter Johnson	san francisco	94102	walter.j.johnson@gmail.com
54	Rachel Swedish	San Francisco	94117	Raswedi@gmail.com
55	Beatrice Chin	San Francisco	94131	
56	Gerald Chin	San Francisco	94121	
57	John Adams	San Francisco	94103	jna@retina.net
58	Eric waldron	san francisco	94115	ewaldron949@gmail.com
59	Herbert Hilliard	Sf	94103	Herbert.hilliard@yahoo.com
60	MEGAN WILLSON	SAN FRANCISC	94122	
61	Heather Melton	San Francisco	94103	heatmelt@hotmail
62	Nikkole Gadsden	San leandro	94577	Nikkejg@gmail.com
63	Gregory Green	san francisco	94102	glgreen@gmail.com
64	Schuyler St John	San Francisco	94105	Schstjohn@gmail.com
65	Carlos Cabarcos	San Francisco	94117	
66	lan Hunter	San Francisco	94110	landhunter@yahoo.com
67	John Anaya	San Francisco	94122	johnanaya@gmail.com
68	Timothy Denike	San Francisco	94114	timmy@circuitboy.org
69	Kathleen Bigelow	Kirkland	98034	kbigelow5@hotmail.com
70	Sarah David Bogachyk	San Francisco	94110	lbogachik@gmail.com
71	Luke Powell	San francisco	94115	Luckylamour@gmail.com
72	Arlene Guizar	La jolla	92037	Arleneguizar@gmail.com
73	ronda mcwhorter	waterford	95386	ferretmom6@hotmail.com
74	Tessa Bronner	San Francisco	94112	t_bronner@yahoo.com
75	Paula Crabtree	Salinas	93906	Paula@churchbrothers.com
76	Alisha Liscinsky	San Francisco	94116	
77	Corinne Ng	San Francisco	94107	corinne@corinneng.com
78	Jane Chang	San Francisco	94109	jane@redcoachmotorlodge.com
79	Adrian Hills	San Francisco	94103	Adrianhills@gmail.com
80	aimee Cannon	Salinas	93901	Cannona77@gmail.com
81	Patrick Boscarino	San Jose	95118	Patrick@anml.com
82	Karen padres	Salinas	93901	Richardpadres@comcast.net
83	Jen Adkins	San Fransisco	94107	Jen.adkins24@gmail.com
84	Adam Huffman	San Francisco	94117	adammhuffman.com
85	CheryIn Chin	San Francisco	94103	cheryInchin@yahoo.com

86	Aaron Hagaman	San Francisco	94114	airhagaman@gmail.com
87	Shane Humphreys	Oakland	94605	Shaneadero@gmail.com
88	Josh bukstein	san Francisco	94110	joshbukstein@gmail.com
89	Dara Looney	Berkeley	94710	
90	Rob Kaftan	San Francisco	94114	Rkaftan@yahoo.com
91	Jimmy castellucci	san francisco	94117	jmcast80@gmail.com
92	James Kim	Oakland	94619	James.king@gmail.com
93	Matthew Zils	San Francisco, C	94103	drxilz@gmail.com
94	Olivia Morsd	San Francisco	94110	Olivia.morad@gmail.com
95	David Mohammadi	San Francisco	94114	Dahvideh@hotmail.com
96	Theresa Vu	San Francisco	94102	teavu415@gmail.com
97	Kyle Drechsler	San Francisco	94102	Kyledrechsler@gmail.com
98	John Pacheco	San Francisco	94110	pacheco_john@yahoo.com
99	mark davin	oakland	94611	mdavingz@gmail.com
100	Neil Stewart	San Francisco	94102	mr stewart.n@gmail.com
101	Katie Cubillas	San Francisco	94109	cubillas@gmail.com
102	Liz and Van Adams	Los Gatos	95032	chipsandsalsa@verizon.net
103	Robert Marshall	San Francisco	94115	lucas.marshall@gmail.com
104	Andrew Williams	San Francisco	94110	antixian666@gmail.com
105	Jon Bentley	San francisco	94131	Jobent@gmail.com
106	Cory Knox	San francisco	94114	Corysfo@yahoo.com
107	Lane Stilson	San Francisco	94114	lanestilson@gmail.com
108	Jamie Talbot	San Francisco	94102	jamie@jamietalbot.com
109	Saundra Johnson	Denair	95316	saundra.s.johnson@gmail.com
110	David Suh	San Francisco	94127	
111	Joshua Kotler	San Francisco	94107	Samsunjek@gmail.com
112	Chuck Gutro	San Francisco	94110	cgutro@salesforce.com
113	Mike Dopson	San Francisco	94109	Mdopson@gmail.com

CAPITOL OFFICE STATE CAPITOL, ROOM 4066 SACRAMENTO, CA 95814 TEL (916) 651-4011 FAX (916) 651-4911

DISTRICT OFFICE 455 GOLDEN GATE AVENUE SUITE 14800 SAN FRANCISCO. CA 94102 TEL (415) 557-1300 FAX (415) 557-1252

SENATOR.WIENER@SENATE.CA.GOV



SENATOR SCOTT WIENER 威善高 ELEVENTH SENATE DISTRICT COMMITTEES HUMAN SERVICES CHAIR APPROPRIATIONS ENERGY, UTILITIES & COMMUNICATIONS PUBLIC SAFETY TRANSPORTATION & HOUSING



January 28, 2019

Board President Norman Yee San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place City Hall, Room 244 San Francisco, Ca. 94102-4689

Dear President Yee:

I write in support of the Type-20 license sought by Tank18 at 1345 Howard Street.

In a short amount of time, Tank18 has become a top destination for wine lovers throughout the Bay Area. With over 6,000 square feet of event space, BizBash magazine declared Top18 one of the top new event spaces in San Francisco.

A true "urban winery," Tank18 previously held a Type-20 license which allowed for the sale of wine, both on and off site. In response to rising business costs, Tank18 adapted its business to operate under a Type-75 license. Approval of the Type-20 license will not only allow for the sale of wine again but will help Tank18 stay in business and continue to be a positive addition to the neighborhood.

Tank18 has been able to thrive for six years in the SOMA district, despite being in an area with lots of empty retail space. They have been good neighbors in District 6 bringing in more business and keeping the area lively throughout the week.

Should you have any questions regarding this matter, please do not hesitate to reach out to Victor Ruiz-Cornejo in my office at <u>victor.ruiz-cornejo@sen.ca.gov</u>.

1-3-4 m

Sincerely,

H Wienn

Scott Wiener Senator

CC:

Supervisor Sandra Lee Fewer Supervisor Catherine Stefani Supervisor Aaron Peskin Supervisor Gordon Mar Supervisor Vallie Brown Supervisor Matt Haney Supervisor Rafael Mandelman Supervisor Hillary Ronen Supervisor Shamann Walton Supervisor Ahsha Safaí

I am a local member of the community and neighborhood who feels that Tank18 provides a valuable and unique service in our neighborhood. We love attending their restaurant and wine events and highly desire the ability to take our wine home or to parties once again. Tank18 serves as a beautiful melting pot of all members that make up the fabric of SF's vibrant community, including people of color, LBGTQ, parents & families, and all economic classes with a wide array of offerings. Please help support one of our favorite small local business and help keep SOMA night life and quality food options available.

for WGril Tone Park Signed

Name

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Signed

Johnson

Name

те 1-28-197

Date

Signed Signed Blake Richard Name 1/28/2019

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Fwd: Support for Local Establishment - TANK 18

CheryIn Chin <cchin@tank18.com>

To: Ed Coleman <e2cassoc@sbcglobal.net> Cc: Patrick James MacCartee <patrick@tank18.com>, Ed Chin <scubagolf88@yahoo.com>

Ed, Thank you SO much for sending this directly the Board of Supervisors!!

You are awesome and a loyal Tank18 patron.

Much Gracias!!

Cheryln, Ed & Patrick

CheryIn Chin | Tank 18 Winery | cchin@tank18.com

Begin forwarded message:

From: Edward Coleman <e2cassoc@sbcglobal.net> Subject: Support for Local Establishment - TANK 18 Date: January 28, 2019 at 4:06:01 PM PST To: "sanfranciscoboardofsupervisors@sfgov.org" <sanfranciscoboardofsupervisors@sfgov.org>

Honorable Members of the Board,

I am writing this letter in support of this highly unusual local establishment. I have been a resident of San Francisco for over 40 years, and feel that Tank 18 provides a valuable and unique service in one of our unique neighborhoods in the City. We enjoy patronizing this establishment while meeting our friends of advancing age in an atmosphere which includes young adults representing a multitude of age groups and ethnicity's. We enjoy their restaurant and cherish the opportunity to pair their unique wines with our foods and also have the opportunity to carry home some of their wines for enjoyment later. Tank 18 serves as a unparalleled melting pot in a lovely setting for the varying members of the San Francisco Community, including people of color, LBGTQ individuals, and parents and families from a broad spectrum of economic means. Tank 18's variety of offerings are consonant with this joyfull panoply of humanity. I am asking for your support in sustaining one of our favorite small, local businesses that have so enriched the night life and quality food options in SOMA. As this area continues to grow, Tank 18 will remain a welcome addition.

I hope that you will assist me and members of my family by continuing to avail the food and wine options that Tank 18 has so ably offered to so many of us.

Respectfully,

Edward Coleman

Mon, Jan 28, 2019 at 4:09 PM

Signed

Name

Date

I am a local member of the community and neighborhood who feels that Tank18 provides a valuable and unique service in our neighborhood. We love attending their restaurant and wine events and highly desire the ability to take our wine home or to parties once again. Tank18 serves as a beautiful melting pot of all members that make up the fabric of SF's vibrant community, including people of color, LBGTQ, parents & families, and all economic classes with a wide array of offerings. Please help support one of our favorite small local business and help keep SOMA night life and quality food options available.

Signed

LISA SOBERAN

Name

<u>[.28.19</u> Date

Scanned with CamScanner

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Peter B Orth

Signed

Peter B. Orth

Name

1/28/19

Date

0 Signed Name

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Signed

ANDRAIN FREEMUY Name

1/28 Date

Michael Gorecki

Name

Date

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Leconea

Veronica Name

1.28.19 Date

Signed

Marcelle Mulier Name

Signed

Shante HORNON Name

Date

Signed Name

Concin Minui

Kim - J

1/281

Signed

Kendra Lancin Name

1/28/19

Signed Name

Signed Date

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Name

Sie Name

Date

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Molly Mornson Name

1/28/19 Date

ile Osher Signed Name

01-28-1 Date

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Signed

Walter Gómez

Name

1/28/19

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Signed Signed Jeony Park Name

Signed

Name

Date

Ed Chin Signed Ed Chin Name <u>1/28/19</u> Date

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Edith Mendez

Signed

Name

Date

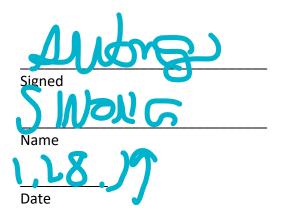
I am a local member of the community and neighborhood who feels that Tank18 provides a valuable and unique service in our neighborhood. We love attending their restaurant and wine events and highly desire the ability to take our wine home or to parties once again. Tank18 serves as a beautiful melting pot of all members that make up the fabric of SF's vibrant community, including people of color, LBGTQ, parents & families, and all economic classes with a wide array of offerings. Please help support one of our favorite small local business and help keep SOMA night life and quality food options available.

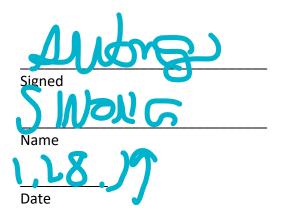
Signed

MICHAEL KINSLEY

Name

01/28/2019





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Joseph Killian Signed

Joseph Killian Name

1/28/2019

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Signed

lan Hunter

Name

Jan 28, 2019 Date

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Signed

Tony Siress

Name

1-28-2019

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Signed

ELLIOTT NATHAN

Name

Jan 28, 2019

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MPRO

Signed

Michael Berl

Name

01/28/19

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Signed

Jim Park

Name

Jan 28, 2018

Signed Name

From:	Board of Supervisors, (BOS)
То:	BOS-Supervisors
Subject:	FW: Complaint Regarding SFMTA Muni Metro Services
Date:	Monday, January 28, 2019 3:54:00 PM

From: Brian Zaik <hello@zaik.co>
Sent: Saturday, January 26, 2019 1:13 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Complaint Regarding SFMTA Muni Metro Services

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

Dear Supervisors of the City and County of San Francisco,

I am contacting you as a resident of District 8. I rely on the SFMTA and MUNI services to get to work every day, and do not own a vehicle anymore in order to help cut down the traffic in our city and help the environment.

The MUNI system, especially the Metro lines, is woefully inadequate for its current and growing ridership. Nearly every day, my train on the K/T, L, M, or S lines is delayed due to train clumping. Trains are frequently overcrowded to the point of being unable to step inside them at my home station, Church. At times during rush hour, there can be more than a ten minute wait for a train to arrive with available space. Then the waiting game in the tunnel begins, often including 5-10 minor stops in the tunnel between Church and Van Ness Stations alone. In inclement weather, even a little rain, these problems are magnified, with significant delays that often force me to consider taking alternate forms of transportation.

My commute downtown—which is only 4 relatively close stops on the Market Street MUNI Metro line—fluctuates in duration wildly. On a rare "good" day, it can take 7 minutes to get from Church Station to Montgomery Station. But other times, and in increasing frequency over the past six months, it can take over 25 minutes. This makes it challenging to rely on MUNI in any reasonable sense. I consider myself one of the lucky ones, because I can only imagine how bad the fluctuations and delays can get for people in outlying districts such as Richmond and Sunset.

While the new train cars are a decent upgrade, the routing and fleet management systems appear to be designed for a much smaller audience of riders and metro network. For instance, the merging of the N and J lines onto the same set of tracks as K/T, L, M, and S, heading into Van Ness Station contributes to many of the random stops and delays. This is a poor design and creates a gigantic bottleneck heading down Market.

I chose to live where I live due to the proximity to metro services down Market Street. But the unreliability of MUNI has made me question the viability of mass transit in our city. I believe in the

role of mass transit in San Francisco, and do not want to see private car hire services like Uber and Lyft assume the responsibility on which our municipal services should be delivering. I would like to see a thorough investigation of the major bottlenecks that cause delays throughout the MUNI system—especially one that measures door-to-door times of commutes from a variety of locations throughout the city. I would also like to see increased focus and investment on improving upon the shortcomings of the MUNI system. Expansion of underground services and improvements to train routing and intelligent fleet management systems are all sorely needed to meet the growing transit needs of myself and other riders across San Francisco.

I thank you for your time, and hope you will consider this letter when working with the SFMTA to address these issues.

Sincerely,

Brian R Zaik District 8, San Francisco

From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Subject:	FW: VNC on call parking
Date:	Monday, January 28, 2019 3:51:00 PM

-----Original Message-----From: Paula Leslie <thepster@gmail.com> Sent: Sunday, January 27, 2019 12:06 PM To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org> Subject: VNC on call parking

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

Dear Shamann Walton and San Francisco supervisors, My name is Paula Leslie and I live in Potrero hill. I am a surgical recovery nurse at CPMC and have a concern about parking regulations/restrictions at the new Van Ness campus. Myself and other nurses in departments such as cardiac cath lab, interventional GI lab, OR, and recovery room nurses are all required to respond to emergency calls on weekends and at night. We must respond and come in, often in the middle of the night. This requires us to be able to drive within a limited amount of time and be at the hospital and ready to work.

We have recently been informed by Sutter, that we are allowed free parking starting at 9PM for emergency calls. However, most of our call shifts start at 7PM or 8PM. Sutter has informed us that it is out of their hands and that we will be required to pay for the extra 1-2 hours of parking not covered. Sutter states that it is out of their control/powers as they are limited to (restricted by) city regulations.

As a nurse serving my community and, yes, literally saving lives, I am struck by such an attempt to charge us for parking.

I first would like to be clear, as Sutter is not always completely forthcoming in their facts, that it is the city that will "make" us pay for the not covered parking or can Sutter merely wave the cost of the extra hour or two. If it is truly the city that has tied Sutter's hands in this matter, I beg you to consider allowing us parking free of charge to continue to keep our community safe.

Sincerely, Paula Leslie RN thepster@gmail.com 415-312-8044

From:	james cortesos
To:	Board of Supervisors, (BOS)
Subject:	Say no to Sfmta.taxi proposal!
Date:	Tuesday, January 29, 2019 3:32:20 PM

Dear BOS.

This is a awfull proposal.....SFMTA <u>staff.do</u> their best to undermine the health of the SF taxi community.Their failure in the medallion sales program is case in point.No faith or.integrity.coming.from this <u>current.agency</u> in helping a city.lic.small business.against 50000 green house Tnc's disrupting.San Francisco.

James Cortesos. K.permit.holder.

From:	Marcelo Fonseca
To:	Board of Supervisors, (BOS)
Subject:	Request to Postpone/Stop SFMTA"s Proposals - Airport Ban
Date:	Tuesday, January 29, 2019 12:48:24 PM

Dear Supervisors,

As you may already know, the "Medallion Sales Program" masterminded by former Mayor Newsom and carried out by late Mayor Lee to balance the SFMTA's budget on the backs of hardworking cab drivers is a failure.

The City's inability and unwillingness to challenge the CPUC over their TNC tailormade regulatory-free environment opened the doors to every Tom, Dick and Harry from hundreds of miles away to flood our streets with a vast over-supply of vehicles for hire. They've caused undeniable traffic congestion, safety hazards, environmental pollution, a relentless wear and tear on the City's infrastructure and they've turned driving for hire into a dead end.

Perhaps not known to you, at the same time hundreds of medallions were being sold for a quarter of a million dollars each, late Mayor Lee, in his State of the City Address on January 28, 2013 praised Uber & Lyft and in July 2013, proclaimed July 13 "LYFT DAY" in San Francisco. Also, Gavin Newsom, as Lieutenant Governor in 2014, urged the California Legislature not to "heavily regulate" Transportation Network Companies (TNCs).

The actions taken by the MTA under the thumbs of every mayor since Newsom have been sleazy, immoral, unethical and very possibly illegal.

Now, because the MTA is being sued by the Credit Union, they are robbing Peter to pay Paul in another flawed attempt to lessen the financial burden of medallion purchases and hopefully balance supply and demand in the City. In their shortsightedness or perhaps drunk with their power, the SFMTA continues to ignore the drastic consequences of this Airport Ban on Pre-K and Prop-K medallions.

The taxi industry cannot afford to continue being backstabbed at the same time it is used as a "cash caw" nor pay for the SFMTA's mistakes regarding the "Medallion Sales Program". If the City of San Francisco and the SFMTA cannot achieve a level playing field in the transportation-for-hire market, they have a moral, ethical and legal obligation to buy those medallions back.

As I thank Supervisors Fewer, Safaí and Haney for introducing resolution to oppose the SFMTA's proposal, I urge all of you to oppose and stop the SFMTA's Airport Ban on 60% of the San Francisco taxi industry.

Thank you for your consideration.

Marcelo Fonseca K Medallion Holder 30-Year Full-time Driver mdf1389@hotmail.com 415-238-7554

Dear Supervisors,

Thank you for voting on a Resolution opposing S.F.M.T.A's plan to ban hundreds of taxis from picking up at S.F.O. beginning February 1.

The SFMTA is out of control. Please remind them their mission is to supervise and protect the cab industry, not to destroy it. We do not need different classes of medallions to create an artificial division between us. All medallions have to stay equal and every T.N.C vehicle working in San Francisco should purchase one.

Sincerely

Gerard Nolot Medallion holder

Dear Supervisors,

Thank you for voting on a Resolution opposing SFMTA's plan to ban hundreds of taxis from picking up at SFO beginning February 1.

This proposed policy is terrible for public service and a disaster for our taxicab industry.

Robert Cesana taxi person

From:	redwoods27
To:	Board of Supervisors, (BOS)
Subject:	Decision on Taxi regulation
Date:	Tuesday, January 29, 2019 11:53:46 AM

Thank you for voting on a Resolution opposing SFMTA's plan to ban hundreds of taxis from picking up at SFO beginning February 1.

This proposed policy is terrible for public service and a disaster for our taxicab industry. Instead of regulating a venerable industry that has served the public, why doesn't the SFMTA go after the relatively unregulated ride-sharing companies that have destroyed the taxi business in San Francisco?

Thank you,

Andy Araneo, 0504 in 1 the cab business since 1977

Sent from my Verizon, Samsung Galaxy smartphone

From:	Sid Castro
To:	Board of Supervisors, (BOS)
Subject:	Incensed taxi drivers propose airport strike - Mission Local
Date:	Tuesday, January 29, 2019 11:40:59 AM

https://missionlocal.org/2019/01/incensed-taxi-drivers-propose-airport-strike/

Sent from Yahoo Mail on Android

From:	Norma Geer
To:	Board of Supervisors, (BOS)
Subject:	Your Resolution Opposing SFMTA"s SFO Ban
Date:	Tuesday, January 29, 2019 11:09:22 AM

Dear Supervisors,

I applaud you for taking a stand against MTA's plan to limit access to the majority of taxis in an attempt to limit more defaults by medallion purchasers and their misguided thinking that purchasers will be able to make timely payments to the San Francisco Federal Credit Union and all will be well.

We long time drivers know that this plan will not make purchasers whole and that flooding city streets with taxis that often cruise for an hour without a fare will be disastrous. In fact, all of us in this industry - lease drivers, K medallion holder and purchasers can never make up for income lost due to the City not regulating Uber and Lyft before the CPUC stepped in and filled the vacuum. I note how quickly and strongly the City acted against hordes of scooters being dropped on our city streets. If only, the same action had been taken vis a vis Uber and Lyft and July 23rd was Taxi Day in San Francisco rather than Lyft Day.

Thank you, Norma L Geer, taxi driver

From:	Zyad S
To:	Board of Supervisors, (BOS)
Subject:	Please continue with new taxi pick up rules as planned feb 1st
Date:	Tuesday, January 29, 2019 10:56:36 AM

Dear Supervisors, I am a purchased medallion owner, I financed my medallion for \$250K. I support the SFO plan which begins 1, February. If the plan is delayed I cannot afford to stay in business and I might default on my medallion loan. We can't wait any longer, we need immediate help. Sent from my iPhone

From:	Zyad S
To:	Board of Supervisors, (BOS)
Subject:	Help medallion purchasers from defaulting on their payments
Date:	Tuesday, January 29, 2019 10:54:07 AM

I am a purchased medallion owner, I financed my medallion for \$250K. I support the SFO plan which begins 1, February. If the plan is delayed I cannot afford to stay in business and I might default on my medallion loan. We can't wait any longer, we need immediate help.

From:	<u>Goat Excellent</u>
To:	Board of Supervisors, (BOS)
Cc:	Breed, Mayor London (MYR); Reiskin, Ed (MTA); dpetersen@sfmediaco.com; iteam@sfchronicle.com
Subject:	*SUPPORT* For the SFO Taxi Plan
Date:	Tuesday, January 29, 2019 9:48:12 AM

Dear Supervisors,

I am a "purchased medallion" owner. I financed my medallion through SFFCU. I support SFMTA's SFO plan which is scheduled to begin February 1st. If we do not receive this immediate relief then many of us will have no choice but to default on our loans, we will not be able to stay in business. The SFTC, SFTWA or any other organization does not represent me.

Please understand that although we appear to be silent we are really just underrepresented, most of us do not have the time to attend the meetings, to organize or to protest. The SFTC received about \$60k in funding in January, 2019 and they used 100% of those funds to fight us. We don't even have one penny to spend. When we park our taxis we don't generate revenue. We drive and manage our own taxis and we invested the most money. We are yet to earn a profit from our investments but the majority of people who protested at City Hall last week all have made hundreds upon thousands of dollars from us for over a decade. Some made millions. Everyone who purchased a medallion either bought out the medallions that once belonged to folks like Carl MacMurdo or leased them from folks like Mark Gruberg, Charles Rathbone or Chris Sweis. We bought medallions when they became available because we wanted to seize our own independence and to secure our future. Instead these folks are still trying to insert themselves between us and our livelihood. Let us at least have opportunity to simply survive, do not delay the February 1st implementation of the new SFO plan.

Signed, Desperate SF "P Medallion" Owner

Dear Supervisors-

I first drove a cab in SF in 1969. I am still active full-time in the industry. The proposal by the SFMTA to ban certain taxis from picking up at SFO would be devastating to the day to day operations of all taxi companies because over half of all taxis would be affected and drivers wouls either want greatly reduced fees or will quit altogether.

Please help us to avoid this egregious proposal by the MTA. Let all stake holders sit down together and come up with a proposal that does not just serve the MTA.

Jim Gillespie Medallion Holder and employee at Yellow Cab of SF

From:	<u>S R</u>
To:	Board of Supervisors, (BOS)
Subject:	Taxicab vote
Date:	Tuesday, January 29, 2019 9:23:19 AM

Thank you for voting on the taxi item today. It is a horror to see the taxi cab industry get destroyed by the SFMTA by their ill conceived ideas. For the SFMTA to have even considered in taking away the old pre k medallions would irreversably harm the elderly and sick who live on social security and put in their time is morally corrupt.

The airport should be open to all medallions in a equal fashion as it has always been. To benifit some and hurt others is not a proper solution.

Thank you supervisiors as it seems some may have a light shining in their heart. Please consider voting for the benefit of all.

Sincerely, Stewart Rosen

josephherrera1492@yahoo.com
Board of Supervisors, (BOS)
SAY NO TO MTA FASCISM
Tuesday, January 29, 2019 8:34:16 AM

The MTA a has just about killed the San francisco taxicab industry. Uber and Lyft are the reasons why you and me and unsuspecting citizens are stuck in down town traffic...please say no to MTA demands to ban cab drivers from SFO. The MTA has picked on us to solve their budget problems lawsuits etc. Now they want only taxis who purchased medallions to operate at SFO.... SAY NO TO this demand.... NO NO NO TO MTA UBER AND LYFT.... NO NO NO. Joseph Herrera.

From:	Carl Macmurdo
To:	Michael; Board of Supervisors, (BOS)
Cc:	<u>Charles Rathburn; Chris Swiese; fogcitycab@gmail.com; Evelyn; Mark Gruberg; sftaxi@sfmta.com;</u> <u>sftaxicab206@gmail.com</u>
Subject:	Re: Flawed SFMTA SFO Taxi Plan
Date:	Tuesday, January 29, 2019 8:23:33 AM

Thanks, Michael.

From: Michael

Sent: Tuesday, January 29, 2019 3:15 AM
To: Board.of.Supervisors@sfgov.org
Cc: Carl Macmurdo ; Charles Rathburn ; Chris Swiese ; fogcitycab@gmail.com ; Evelyn ; Mark Gruberg ; sftaxi@sfmta.com ; sftaxicab206@gmail.com
Subject: Flawed SFMTA SFO Taxi Plan

Honorable Supervisors:

Please support and approve all efforts to BLOCK THE IMPLEMENTATION of the SFMTA's impending (february 1st 2019) disastrous Taxi plan for SFO.

This plan, based on flawed data and a wrongheaded conflicted approach, will not achieve a favorable outcome for any stakeholders.

Quite the contrary, the unentend consequences of this plan, if allowed to move forward, would result in the collapse of the Taxi industry.

It is vital that the SFMTA rework it's approach to the problems of the Taxi industry with respect and honoring of the interest of all stakeholders and the city at large.

Michael Pegues Leasing Drivers Representative San Francisco Taxi Coalition

Sent from my LG G Pad F[™] 8.0, an AT&T 4G LTE tablet

From:	<u>keithraskinsf</u>
To:	Board of Supervisors, (BOS)
Cc:	keithraskinsf@gmail.com
Subject:	Vote NO today in regard to Taxi lockout SFO
Date:	Tuesday, January 29, 2019 7:51:18 AM

It's been a long painful struggle to watch my industry of 40 years be destroyed by various entities. The action by SFMTA to restrict my K medallion #1137 from normal use if SFO will cause me not only to abandon my life long career but also to leave SF after 44 years.

Sent from my Verizon, Samsung Galaxy smartphone

I urge the BOS to vote for the resolution opposing the SFMTA policy regarding taxis and their access to the airport. The SFMTA policy would mean the eventual destruction of the cab business by creating an apartheid system within the cab business. Cabs have been part of San Francisco history for over a hundred years ; longer than the GG bridge and other landmarks. The SFMTA should be seeking ways to IMPROVE taxi business instead of trying to destroy it. I have offered an idea that might improve business but it has been brushed aside by certain administrators at the SFMTA . Please vote for this resolution. Thank you for your time and consideration on this matter.

Peter Greenberg. #551-2

Sent from my iPhone

Good Morning Supervisors,

My name is Edward Scoble. I've

been a taxi driver and medallion holder for 41+ years. I live and vote in San Francisco. I and all of my colleagues are opposed to SFMTA's "SFO Taxi" proposal. Please vote to oppose this ill considered and operationally flawed idea.

Thank you Eddy Scoble District 5 Sent from my iPhone

From:	Billy Joe
To:	Board of Supervisors, (BOS)
Subject:	ALLOW ALL TAXI DRIVERS TO PICK UP AT SFO
Date:	Tuesday, January 29, 2019 4:22:19 AM

Please vote to allow all TAXI drivers to pick up at the airport. There always has been a short system. Why not allow the drivers who purchased medallions to go in the short line and use a two for one short system? Two longs exit who lot for every one short. There has to be a reasonable and fair way to work this out. MR. DELAGACONA 34 YEARS DRIVER

From:	<u>Michael</u>
To:	Board of Supervisors, (BOS)
Cc:	<u>Carl Macmurdo; Charles Rathburn; Chris Swiese; fogcitycab@gmail.com; Evelyn; Mark Gruberg;</u> sftaxi@sfmta.com; sftaxicab206@gmail.com
Subject:	Flawed SFMTA SFO Taxi Plan
Date:	Tuesday, January 29, 2019 3:15:30 AM

Honorable Supervisors:

Please support and approve all efforts to BLOCK THE IMPLEMENTATION of the SFMTA's impending (february 1st 2019) disastrous Taxi plan for SFO.

This plan, based on flawed data and a wrongheaded conflicted approach, will not achieve a favorable outcome for any stakeholders.

Quite the contrary, the unentend consequences of this plan, if allowed to move forward, would result in the collapse of the Taxi industry.

It is vital that the SFMTA rework it's approach to the problems of the Taxi industry with respect and honoring of the interest of all stakeholders and the city at large.

Michael Pegues Leasing Drivers Representative San Francisco Taxi Coalition

Sent from my LG G Pad FTM 8.0, an AT&T 4G LTE tablet

Dear Supervisors,

I started driving a taxi in San Francisco is 1985.

I have been appalled by the recent move by the SFMTA to ban people such as me from working the airport.

It is truly an insane policy.

You have to ask yourself: What in the world is the SFMTA thinking!

Please vote against this ban.

Brad Newsham Oakland, CA

From:	epoquez@aol.com
To:	Board of Supervisors, (BOS)
Subject:	Request to Postpone SFMTA"s Ban on SFO Pickups
Date:	Tuesday, January 29, 2019 12:44:13 AM

Dear Board of Supervisors,

I am Evelyn Poquez, President and General Manager of Alliance Cab, a small cab company who has been in the business for 32 years. I am writing on behalf of San Francisco Taxi Coalition, a non profit Advocacy Group of which I serve as a Board of Director.

The Coalition would like to request 'immediate policy intervention' on SFMTA's ban on SFO pickups. MTA's policy, to take effect Feb 1, 2019, is giving preference to taxi drivers who bought their medallions for \$250,000 while putting the legacy drivers out of business. This while ignoring the larger issue of the outrageous traffic and outright lawlessness of Ubers and Lyfts and why MTA or anybody in the city can exert their rightful jurisdiction over the 40,000 vehicles severely polluting our city.

As an owner of a small, minority cab company, let me share the consequences of what will happen.

Thousands of drivers will quit driving if they could not pickup at SFO Without drivers, cabs will sit in the yard while overhead is running, (we pay the highest insurance). Cab companies paying for the cars will default on car payments. The dispatch, and the logistics of rearranging shifts and drivers will be a nightmare. Small companies already on the verge of collapse will crumble. This will just push them to the edge. There will be no turning back. And who's fault is it?

The city exposed small investors like us to this business of making big debts in public policy. SFMTA created a failed Medallion Sales Program and severely mismanaged with layers and layers of unsound regulations. It is your Fiduciary duty and contractual responsibility to correct this poor decision making.

We would like to request for a 90 day postponement and create a working group among us to find the best solution in restoring the health of the taxi industry. We need your help and look forward to working with you !!

Sincerely,

Evelyn Poquez President & General Manager Alliance Cab

Dear Supervisors,

Thank you for voting on a Resolution opposing SFMTA's plan to ban hundreds of taxis from picking up at SFO beginning February 1.

This proposed policy is terrible for public service and a disaster for our taxicab industry.

Carl Macmurdo taxi person