

From: Toral Patel
To: [Goldberg, Jonathan \(DPW\)](#)
Subject: REVIEW: Q+A
Date: Tuesday, December 05, 2017 11:32:34 AM

BR & I have been working on [this Q+A document](#). Can you please review to make sure the information provided is accurate?

I suspect that many of these questions will be brought up at the next meeting, and would love to have it ready for the Co-Chairs to review by Wednesday afternoon.

Thanks in advance!
Toral

ISGBD Q&A

This document aims to provide clear, concise answers to questions posed by those who do not understand or oppose the GBD's formation process. Please add questions as you hear them, and we'll collectively develop diplomatic and informative answers.

For more Q&A, please see:

- [DNWPH GBD Q&A webpage](#)
- [Feb 2017 Inner Sunset GBD Q&A](#)
- [Nov 2017 Assessment Methodology Q&A](#) (includes Denis's questions)

Q: Is a GBD a regressive tax that hurts poor people and people on fixed incomes?

A: On the contrary, GBDs proactively enable people of all socioeconomic status to engage in the betterment of their own neighborhood. The purpose of a GBD assessment is to be able to provide public benefit services that otherwise would not exist to all members of the district.

If a neighborhood chooses to form a GBD, the annual assessments paid by property owners cannot be passed on to rent-controlled tenants. According to the City Assessor's Office, 89% of Inner Sunset residential units are rent-controlled. The San Francisco Rent Ordinance prohibits owners of rent-controlled rental units from passing through the increased cost of special assessments to tenants in rent-controlled units, with the exception of general obligation bonds approved by 50% of voters and with express language allowing a pass-through. Note: Owners of rent-controlled units do have the right under the San Francisco Rent Ordinance to file a Operating & Maintenance Petition requesting right to pass-through a portion of general operating costs for their buildings (trash, water, etc.), but not solely for increased costs associated special assessments. General tax increases may be considered as one of several cost factors. The petition must be approved by the Rent Board; even if approved, low-income or fixed-income tenants may obtain a hardship exemption from the Rent Board from any pass-through approved by the Rent Board. For unregulated (post-1979) residential units and commercial buildings, the right of the landlord to pass through new assessments will depend on the terms of each individual lease.

It is important to remember that each individual assessment is modest: a 1,500 square foot home on a 2,000 square foot lot and 25 feet of street frontage will pay \$224 annually. Collectively, this translates into \$925,000 per year in new neighborhood services that every property owner, tenant and merchant within the district will benefit from, including those with low or fixed incomes.

Q. Will the Board be democratically representative of the Inner Sunset? Are tenants and merchants considered stakeholders even if they can't vote on the formation of the District?

The nonprofit GBD Board of Directors must reflect the mix of tenants, merchants and property owners within the district. The number of Board seats held by each stakeholder type is unique to each GBD, and must be clearly defined in the GBD's Management Plan, which is developed through a series of public Formation Committee meetings. For reference, the Dogpatch & Northwest Potrero Hill GBD Board is comprised of 60% property owners and 40% non-property owners (www.greenbenefit.org).

The selection process for the GBD's Board is also specific to each GBD. The Formation Committee will discuss the preferred selection process in early January.

Q. What will prevent the Board from being dominated by people who have particular interests, political and/or self motivated, that might result in projects or positions outside the management plan?

The GBD's Board of Directors is an official legislative body created by the SF Board of Supervisors. Its business must be conducted in an open and transparent manner, consistent with the Ralph M. Brown Act and San Francisco's local Sunshine Ordinance. As a 501 (c)3 organization, is legally obligated to include a Conflict of Interest provision in its Bylaws, compliant with City, state, and federal rules for public benefit organizations.

As an official legislative body, the GBD's Board of Directors must comply with state disclosure requirements for government bodies as defined in California Government Codes Section 1090, et. seq. and Section 87100, et. seq., (provided below):

California Government Code Section 87100, et. seq.:

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

California Government Code 1090, et seq.:

(a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

(b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).

(c) As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

A GBD's Board of Directors must also comply with San Francisco's local disclosure requirements, codified in Chapter 2: *Conflict of Interest and Other Prohibited Activities*, Article III: *Conduct of Government Officials and Employees*, of the San Francisco Campaign and Governmental Conduct Code.

Lastly, the City's Contract Agreement with a GBD requires all Directors report all previous and existing contracts, grants, and potential conflicts of interests with City Departments immediately. These disclosures are part of the public record.

In the example of the Dogpatch & Northwest Potrero Hill GBD, Directors must disclose potential and/or perceived conflicts of interest with the Organization's actions, positions, policies, or goals. Each director must disclose any leadership positions in other organizations that operate in the greater Potrero Hill or Dogpatch neighborhoods, as well as any City- or state-wide groups which might affect these neighborhoods.

Prior to discussing an agenda item that has a potential financial connection to a Director, or his or her family member related by blood or marriage to a Director, such connection must be disclosed and the Director recuse his or her self from any and all participation in that agenda item. (Recusal includes not taking part in any discussion or vote on the item, not serving as an information resource on the item, and physically exiting the meeting room.) Meeting minutes shall record all recusals.

The Management Plan serves as the “constitution” of the GBD, once formed. The state and local legislation for GBDs clearly specifies what can and cannot be changed. Boundaries and assessment methodology, for instance, cannot be changed without a petition and ballot. On the other hand, adjustments to the district budget can be made within reason; any changes must be approved by the Board of Directors, then submitted to Public Works and the Board of Supervisors for final approval.

Q. Will the GBD promote high-density market rate housing, which some neighbors feel is undesirable?

A GBD’s purpose is to improve a neighborhood’s public realm — its sidewalks, streets, parks, plazas and other publicly-owned spaces. It has no power or authority to advocate for housing, market rate or otherwise.

In the Dogpatch & Northwest Potrero Hill GBD, the Formation Committee expressly included a provision in the Organization’s bylaws that prohibited Directors from disseminating materials and/or engaging in any political campaign, nor can they engage in activities with the purpose of influencing legislation.

Q. Aren’t many of the proposed GBD services already or should be provided by the City as a baseline?

By state law, the GBD services must be above and beyond what the City already provides.

Q. Is the GBD formation process truly democratic, given it is guided by a Formation Committee who sets the meeting agendas and pace? How can we ensure that all questions can be heard by everyone in an open format in order to make decisions?

The Formation Committee objective is clear: to form a GBD. It has been upfront and transparent about this from the start. The Committee is comprised of neighbors that strongly feel that the GBD is an effective tool to improve the neighborhood. The formation process employs public meetings as a way to invite inputs in the development of the Management Plan - even including inputs from those who oppose the GBD.

The agenda and schedule are generally set by the City according to target legal and legislative requirements, with additional input and direction from the Formation Committee. Ultimately, district property owners must vote twice to establish a GBD - during first the petition, then the ballot. As such, yes, the GBD formation process is truly democratic.

Q. Does a GBD just keep wealth in already wealthy areas instead of redistributing it to places where it’s needed? For example, Western Addition and Buchanan Mall are examples of places that need but don’t have public realm improvement funds.

GBDs can be formed in any type of neighborhood, of any socioeconomic status. It is a tool intended to help increase local community organizing capacity to support and advance a neighborhood's unique goals, by leveraging local resources, leadership, and advocacy from and for the community it represents.

For additional context: In many communities across San Francisco, City staff are some of the primary community organizers to solicit input, feedback, and local ideas for neighborhood-level services and improvement projects. Each project requires an outreach and communications process that is uniquely tailored to that target neighborhood, group of stakeholders, or community -- regardless of socioeconomic status. When a well-organized community group (like the GBD) partners with the City to better solicit local input and feedback, it frees-up City staff time to conduct targeted, specialized outreach in underrepresented and disadvantaged communities citywide.

Q. How specific will the Management Plan be about what services will be provided and where?

The Management Plan will define the types of services and service frequencies that property owners can expect over the term of a GBD. It will also outline the services that *can be* provided, so the document remains relevant and flexible enough to apply in fiscal year 1 as well as through fiscal year 10. In addition, services, improvements, and public realm projects not mentioned in the Management Plan cannot be implemented/executed by a GBD.

Q: What company will send out the petitions and be responsible for counting the votes?

It is standard practice for the Formation Consultant to manage the Petition process. If the Petition process is successful, the City's Department of Elections then manages the Ballot vote (like any absentee vote-by-mail election). For a District the size of the Inner Sunset, Petition documents will be sent to a mail house for printing and assembly.

Each document included in the Petition mailer is reviewed and approved by the City Attorney's office. Any partially-completed or indiscernible Petitions cannot be counted. Each registered Petition vote must include a signed affidavit acknowledging they are the legal property owner and/or legally-recognized representative for the property.

Petitions are initially reviewed and tabulated by members of the Formation Committee and/or Formation Consultant. Signed hard copies of each petition are submitted to Public Works for review, tabulation, and property owner verification. If the Petition vote successfully reaches the 30% weighted support threshold, Public Works will draft a memo for the Board of Supervisors to acknowledge that each Petition has been counted and verified. Public Works then submits all hard copies of the Petition votes to the Clerk of the Board of Supervisors for review and verification of Petition votes. These Petitions are then added to the public record.

A similar process occurs for the Ballot vote, although this is managed entirely by the SF Department of Elections. There are a few unique differences between the two different voting stages, including the legally-mandated 45 day Ballot voting period, the ability to vote in-person at SF City Hall, and the live election results hearing and vote tabulation at the SF Board of Supervisors.

Q: The vote counting is going to be a big problem. This cannot be performed by the formation committee or any members that are directly involved with the GDB. It would be a total conflict of

interests. It has to be performed by a company that has accountability and experience in such matters. - Ray Dudum

The Petition and Ballot voting process employs a significant number of checks and balances, following the set of legal steps detailed in the California constitution and universally practiced throughout the state. It is a comprehensive 2-step voting procedure.

Toral and/or Formation Committee has no legal authority to count and certify the Petition vote. That authority rests with Public Works, and then is checked by the Clerk of the Board of Supervisors. Upon submittal of all completed, accurate, and wet-signed Petitions to Public Works, Public Works then submits all Petitions to the Clerk of the Board of Supervisors for verification. Each Petition vote received -- both yes and no votes -- are added to the public record, so voters can check and verify their Petition vote online. If interested, they can also check their Petition vote in person.

If the Petition is successful, another property owner vote is required for the GBD to pass. This Ballot vote is entirely managed and counted by the Department of Elections -- one can vote in City Hall if one chooses -- much like any regularly scheduled municipal election. These results, much like the Petition vote, are available to view online after the Ballot votes are counted.