

**BALBOA RESERVOIR COMMUNITY ADVISORY COMMITTEE
CITY & COUNTY OF SAN FRANCISCO**

**DOCUMENTS RECEIVED FROM
PUBLIC DURING
4/9/18 REGULAR MEETING**

AND

**EMAILS RECEIVED FROM
PUBLIC VIA BRCAC@SFGOV.ORG**

Period: 2/13/18 – 4/9/18

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Period: 2/13/18 – 4/9/18

Shanahan, Thomas (ECN)

From: aj [REDACTED]
Sent: Tuesday, February 27, 2018 1:53 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Fw: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst
Attachments: 2018-2-26 REQUEST BUDGET ANALYST.docx

BRCAC--

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

SEC. 29.4. BOARD OF SUPERVISORS PROCEDURES FOR DETERMINATION.

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

--aj

----- Forwarded Message -----

From: aj [REDACTED]
To: [REDACTED]
Cc: BRCAC (ECN) <brcac@sfgov.org>
Sent: Monday, February 26, 2018 3:46 PM
Subject: Balboa Reservoir Project: Request for independent, objective evaluation by Budget & Legislative Analyst

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

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

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

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

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

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

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

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

DECEPTIVE AND MISLEADING ADVERTISING

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

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

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

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

ANALYSIS OF HARMS

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

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

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

PRIVATIZATION OF PUBLIC ASSETS IS FISCALLY IRRESPONSIBLE

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

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

THE AFFORDABLE HOUSING SCAM

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

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

The actual commitment:

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

AFFORDABLE FOR WHOM AND FOR HOW LONG?

For Whom:

Middle-income has been redefined from 120% (\$97K) AMI to 150% (\$121K). In reality, the Balboa Reservoir Project will be affordable mainly for the well-to-do (67%). Only 33% of the units will be for regular people

For How Long:

“Permanently affordable” is actually defined as “throughout the useful life of the buildings in which those units are located.” Balboa Reservoir Project’s “permanently affordable” is a limited-time only condition. Read the fine print!

PURPORTED BENEFITS, BUT HOW ABOUT HARMS?

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

Yet the Berkson Report fails to talk about the harms that could outweigh its purported benefits:

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

PUBLIC INPUT: GOING THROUGH THE MOTIONS

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

Submitted by:
Alvin Ja
District 7 resident