

October 2015

Mayor's "Affordability Agenda" Inequities

Re-Elect the Mayor? You're Kidding. Right?

by Patrick Monette-Shaw

Ever since being appointed Mayor five years ago in January 2011, Ed Lee has distinguished himself as a court jester, often favoring his billionaire backers when not plotting out his "legacy."

After cycling through various buzzwords for his legacy — the "jobs-jobs-jobs" mayor, the "affordability agenda" mayor, and the mayor who "assumed" the middle-class were moving out of town and, therefore, San Francisco didn't need to create "affordable housing" — do San Franciscans really need, let alone want, another four years of his so-called "consensus leadership" skills on top of the five years we've already suffered through?

As part of his jobs-jobs-jobs agenda, Lee appears to have potentially been on a City-jobs buying binge.

Given his plunging approval ratings, voters would be wise to elect anyone-but-Ed-Lee, or cast no vote for mayor. There's plenty of upside in withholding your vote for mayor.

As I reported in the *Westside Observer* in [September](#), Mayor Lee was quoted in *Time* magazine in January 2014 as saying "I don't think we paid any attention to the middle class. I think everybody *assumed* the middle class was [*sic*: were] moving out" to explain why very little middle-income housing has been built during his tenure.

As recently as September 24, Emily Green [reported](#) in the *San Francisco Chronicle* Mayor Lee told the *Chronicle's* editorial board he has to "balance out a *sentimental* numerical goal to a practical, realistic invitation to be innovative in the city," referring to Supervisor Jane Kim's initially proposed November 2014 ballot measure that would have required that 33% of housing construction be "affordable."

Now we have the shocking situation of our Mayor claiming that requiring 33% of new housing be 'affordable' is merely a "*sentimental* numerical goal." Jeesh! Just how condescending will this bloviated Mayor get? Who needs this guy, given his unbridled hubris?

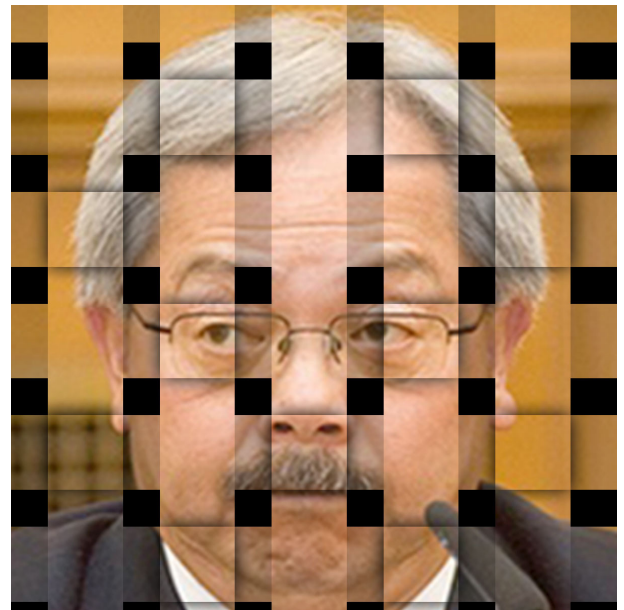
Lee's Approval Ratings Droop

In just a short two-year period, Mayor Lee's approval rating plunged nearly 30%, from 65% favorable approval in 2013 to just 38% as late as April 2015. Concomitantly, his disapproval ratings have soared by almost 20%, from 28% in January 2013 to 46% April 2015. For all anyone knows, his approval ratings may have plunged even further since last April, with an increase in his disapproval ratings. With numbers like these, who would vote for him?

The *San Francisco Chronicle* [reported](#) that 65% of likely voters had a favorable opinion of Mayor Lee in a poll commissioned by the San Francisco Chamber of Commerce conducted by David Binder Research in January 2013 among 500 likely voters. Binder's 2013 poll showed Lee's disapproval rating had risen to 28% from just 3% shortly after he was appointed in January 2011. Wow! A 25% increase in disapproval ratings within just two years.

The *Chronicle* then reported Lee no longer appeared to be an infallible mayor two years into his appointed term. The *Chronicle* suggested perhaps there was something to Lee's toned-down, consensus-building "compromise" approach to governance as a "moderate," even though Lee's approval ratings were plunging, and his disapproval ratings soaring.

By December 4, 2014 SFIST.com [reported](#) a SurveyUSA poll commissioned by KPIX 5 showed Lee's approval rating among another 500 likely voters had slid to 47% (from 65%), with the same percentage saying quality-of-life in the City was getting worse. The SurveyUSA poll revealed 38% of respondents disapproved of Lee and 18% weren't sure.



Original photograph: © Luke Thomas FogCityJournal.com

Weaving Together Ed Lee: When the now-disgraced Enrique Pearce wrote the book "*The Ed Lee Story*" in 2011, Pearce didn't weave into his narrative the allegations of corruption against the mayor that recently surfaced in Federal court, and didn't include Mayor Lee's employee hiring binge or his terrible housing record.

" We have the shocking situation of our Mayor claiming that requiring 33% of new housing be 'affordable' is merely a '*sentimental* numerical goal.' Jeesh! Just how condescending will this bloviated Mayor get? Who needs this guy, given his unbridled hubris? "

On April 21, 2015, the *San Francisco Examiner* carried an [Op-Ed](#) by Larry Bush — a former *Examiner* reporter, former member of San Francisco’s Civil Grand Jury in 2012, a former speechwriter and policy adviser to then-Mayor Art Agnos, and a key leader in San Francisco’s good government watchdog, “Friends of Ethics” — in which Bush reported Lee’s approval rating drooped just four months later to 38%, with a corresponding disapproval rating of 46% and just 16% then unsure. Bush’s poll was conducted by Public Policy Polling, also with a sampling of over 500 potential voters.

“ Now Mayor Lee’s approval rating has plunged nearly 30 percent, from 65% favorable approval in 2013 to just 38% as late as April 2015. ”

Bush reported the Mayor’s approval rating varied across the City’s supervisorial districts.

In Katy Tang’s District 4, Lee had a 50% disapproval rating. In London Breed’s District 5, he had a 51% disapproval rating. In Supervisor Avalos’ District 11, Lee’s disapproval rating last April climbed to 63%. In Supervisor Scott Wiener’s Castro District 8, Lee’s disapproval was at 41%. And in Supervisor Farrell’s District 2, 47% of survey respondents disapproved of Lee’s performance. Voters in almost all districts strongly disapprove his performance.

While voters may “like” Mayor Ed Lee, by a significant margin they don’t approve of his job performance. As with many others, I like him personally. But I think his performance has been deplorable, and stinks on a number of levels.

And that’s pretty much the way voters all across the City viewed his performance last April.

“Jobs, Jobs, Jobs”: Patronage City Jobs?

Between the time Lee was appointed Mayor at the half-way point in FY 2010–2011 and the end of FY 2014–2015 in June 2015, the City’s payroll increased by a staggering 13.1%, from 34,576 employees to 39,122 employees, shown in Figure 1, an increase of 4,546 additional City employees.

Could Mr. Lee have gone shopping for patronage jobs?

While the City likes to paint a picture of a lower number of City employees, the City’s fudged numbers convert part-time employees into so-called “full-time equivalents,” or FTE’s. But in truth, at the end of June 2015 there were a total of 39,122 full- and part-time employees on the City’s payroll, costing an extra \$522.5 million, on an annual going-forward basis.

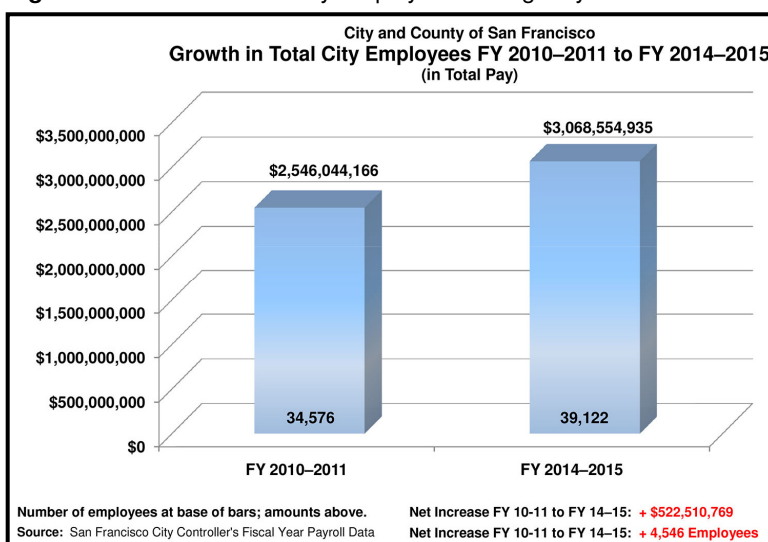
Why does San Francisco need these 4,546 additional City employees under Mayor Lee’s tenure?

The increase in the total number of City employees under his tenure has added over a half-billion dollars in total pay alone (base pay + overtime pay + “other” pay), but excludes the increase in benefits and retirement costs associated with the increased number of City employees.

Mr. Mayor hasn’t explained why San Francisco needed to add an additional 4,546 employees during his tenure — at an increased cost of over half-a-billion dollars over those five fiscal years — and hasn’t indicated how the functions of City government may have changed requiring increased employees to justify such largesse in the warm-bodies headcount.

“ Mr. Mayor hasn’t explained why San Francisco needed to add an additional 4,546 employees during his tenure — at an increased cost of over half-a-billion dollars over those five fiscal years. ”

Figure 1: Growth in Total City Employees During Mayor Lee’s Tenure



Cushy Management Positions

Digging deeper looking into the City Controller’s payroll database for comparisons between when Lee first took office and today, it turns out that of the added 4,546 employees, fully 2,971 of them — 65.4% — are employees earning over \$100,000 annually, as shown in Figure 2.

The 2,971 new employees earning over \$100,000 suck \$491,869,027 — 94.1 % — of the increased \$522,510,769 in payroll costs during Lee’s tenure as mayor shown in Figure 1 above. That’s a half-billion dollars in total pay alone, excluding fringe benefits and future retirement costs.

The 2,971 employees earning over \$100,000 are 64.5% of new hires, but gobble 94.1% of the increased payroll.

For that matter, why did the Mayor need to hire 1,265 more employees earning between \$150,000 and \$199,999 plus another 559 more employees earning \$200,000 and up?

Combined, the 1,824 additional employees earning over \$150,000 and up cost \$345,405,936 — fully 66% of the \$522.5 million increase in the City’s payroll.

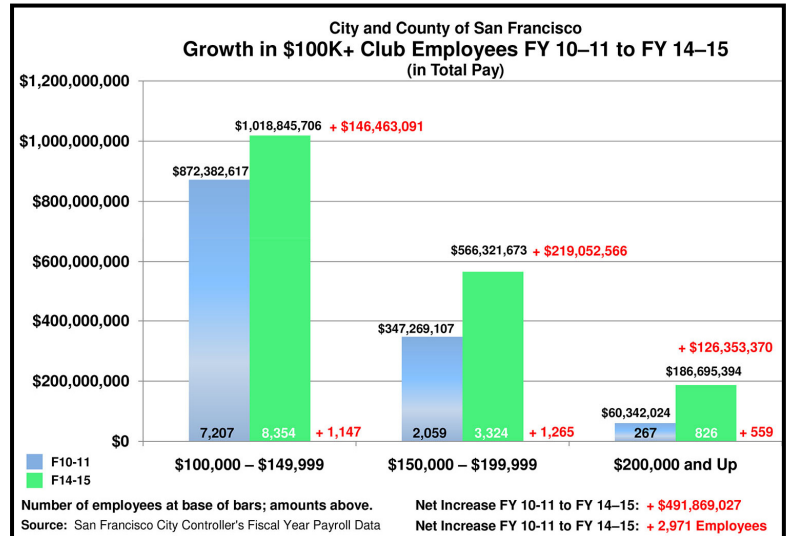
Of the now 39,122 City employees, perhaps the Mayor is redirecting fatter salaries to the 32% who earn over \$100K, not to the 68% of City employees who earn far less than \$100K and who average just \$48,715 in total pay.

Table 1 below shows that between citywide senior managers, and senior managers at MUNI, the Mayor added 129 such positions, at a cost of \$30 million.

Table 2 below shows 89 managers the Mayor added citywide, at a cost of \$24.7 million, including 31 additional Deputy Directors and Department Heads at a cost of \$7.5 million. Why did Mayor Lee need another 31 deputy directors and department heads to run City government? What changed in departmental missions that required adding such bloat in deputy director and department head staff?

“ The 2,971 new employees earning over \$100,000 suck \$491,869,027 — 94.1 % — of the increased \$522,510,769 in payroll costs during Lee’s tenure as mayor shown in Figure 1. ”

Figure 2: Growth in \$100,000+ Club During Lee’s Tenure



“ Why did the Mayor need 1,824 more employees earning over \$150,000 and up, which cost \$345,405,936 — fully 66% of the \$522.5 million increase in the City’s payroll? ”

Table 1: Bloat in Senior Managers Earning Over \$90,000 in Total Pay: FY 10-11 to FY 14-15 (Mayor Lee’s Tenure)

Job Class #	Job Classification Title	FY 2010 – 2011		FY 2014 – 2015		Net Change	
		# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)
	Citywide Senior Managers	700	\$95,401,804	789	\$120,088,263	89	\$24,686,459
	MUNI Senior Managers	322	\$37,690,711	362	\$42,443,432	40	\$4,752,721
	Total	1,022	\$133,092,515	1,151	\$162,531,695	129	\$29,439,180

Table 2: Bloat in Citywide Senior Managers Earning Over \$90,000 in Total Pay: FY 10-11 to FY 14-15

Job Class #	Job Classification Title	FY 2010 – 2011		FY 2014 – 2015		Net Change	
		# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)
1 0922	Manager I	101	\$ 10,804,431	110	\$ 13,035,881	9	\$2,231,450
2 0923	Manager II	95	\$ 10,873,458	132	\$ 16,752,774	37	\$5,879,316
3 0931	Manager III	126	\$ 15,533,242	121	\$ 16,693,717	(5)	\$1,160,475
4 0932	Manager IV	93	\$ 12,442,850	94	\$ 14,182,173	1	\$1,739,323
5 0933	Manager V	64	\$ 9,354,886	77	\$ 12,470,251	13	\$3,115,365
6 0941	Manager VI	61	\$ 9,519,912	59	\$ 10,255,124	(2)	\$735,212
7 0942	Manager VII	24	\$ 3,981,615	24	\$ 4,557,451	0	\$575,836
8 0943	Manager VIII	17	\$ 3,220,065	22	\$ 4,878,228	5	\$1,658,163
9 0951	Deputy Director I	4	\$ 434,396	7	\$ 869,962	3	\$435,566
10 0952	Deputy Director II	20	\$ 2,538,643	24	\$ 3,357,541	4	\$818,897
11 0953	Deputy Director III	24	\$ 3,800,620	43	\$ 7,509,601	19	\$3,708,981
12 0954	Deputy Director IV	19	\$ 3,394,373	24	\$ 4,746,850	5	\$1,352,477
13 0955	Deputy Director V	14	\$ 2,685,347	15	\$ 3,257,733	1	\$572,386
14 0961	Department Head I	11	\$ 1,496,898	11	\$ 1,743,832	0	\$246,934
15 0962	Department Head II	7	\$ 1,127,790	7	\$ 1,244,089	0	\$116,299
16 0963	Department Head III	8	\$ 1,480,644	8	\$ 1,649,549	0	\$168,905
17 0964	Department Head IV	5	\$ 1,041,745	6	\$ 1,394,982	1	\$353,237
18 0965	Department Head V	7	\$ 1,670,892	5	\$ 1,488,527	(2)	(\$182,365)
	Total	700	\$ 95,401,804	789	\$ 120,088,263	89	\$ 24,686,459

Table 3 shows the Mayor also added another 40 senior managers at MUNI, at a cost of almost \$5 million. Has the addition of this many managers improved MUNI’s on-time performance, or reduced switchbacks?

Table 3: Bloat in Senior MUNI Managers Earning Over \$90,000 in Total Pay: FY 10-11 to FY 14-15

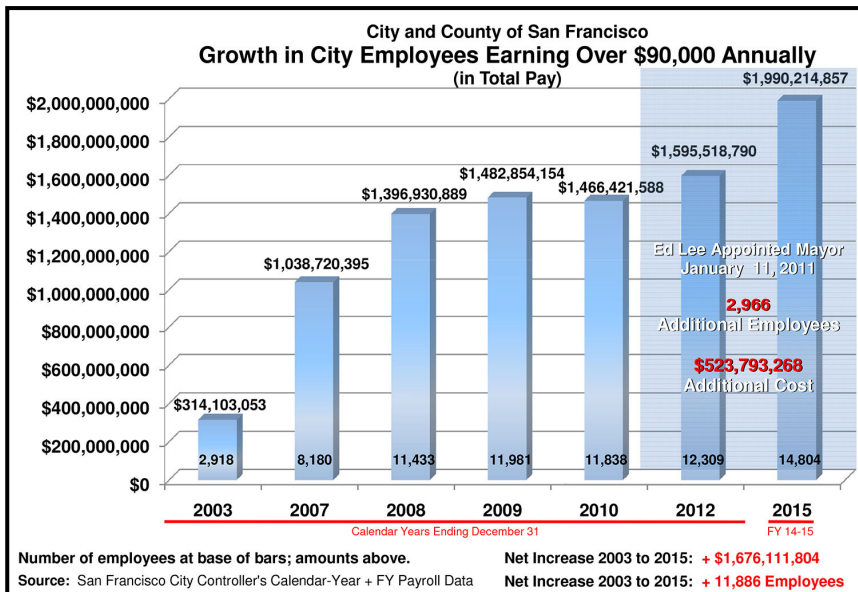
Job Class #	Job Classification Title	FY 2010 – 2011		FY 2014 – 2015		Net Change	
		# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)
1 9139	Transit Supervisor	195	\$22,694,889	214	\$23,587,280	19	\$892,391
2 9140	Transit Manager I	8	\$864,551	10	\$ 893,009	2	\$28,458
3 9141	Transit Manager II	14	\$1,618,290	6	\$ 742,188	(8)	(\$876,103)
4 9143	Senior Operations Manager	1	\$62,365			(1)	(\$62,365)
5 9172	MANAGER II - MTA	9	\$997,880	31	\$ 2,958,503	22	\$1,960,624
6 9174	MANAGER IV - MTA	20	\$2,313,283	29	\$ 3,904,053	9	\$1,590,770
7 9175	MANAGER I - MTA	9	\$650,646			(9)	(\$650,646)
8 9177	MANAGER III - MTA	10	\$1,027,571	11	\$ 1,355,900	1	\$328,329
9 9179	MANAGER V - MTA	16	\$1,937,549	18	\$ 2,249,180	2	\$311,632
10 9180	MANAGER VI - MTA	18	\$2,033,656	14	\$ 1,905,096	(4)	(\$128,560)
11 9181	MANAGER VII - MTA	5	\$811,646	7	\$ 1,069,479	2	\$257,833
12 9182	MANAGER VIII - MTA	10	\$1,408,029	14	\$ 2,360,007	4	\$951,977
13 9183	DEPUTY DIRECTOR I	6	\$960,329	7	\$ 1,109,732	1	\$149,402
14 9186	GENERAL MANAGER	1	\$310,026	1	\$ 309,005	0	(\$1,021)
		322	\$37,690,711	362	\$42,443,432	40	\$4,752,721

As Figure 3 shows, since 2003 when former City Supervisor Tom Ammiano first identified a problem with just 2,918 then-City employees earning greater than \$90,000 annually, we now have 11,886 more employees who do — yes, nearly *twelve thousand* more — costing \$1.7 *billion* more than in 2003.

“ Since 2003, we now have 11,886 more employees who earn more than \$90,000 annually — costing \$1.7 billion more than in 2003. ”

San Franciscans should never forget Lee’s shopping binge hiring an additional 4,546 employees may eventually prove to be an “unsustainable” expense for future mayor’s when the tech “bubble” eventually bursts, and the City goes into years of budget deficits.

Figure 3: Growth Since 2003 of City Employees Earning More Than \$90,000



“ Lee’s shopping binge hiring an additional 4,546 employees may prove to be an ‘unsustainable’ expense in the future. ”

As Table 4 below shows, since 2003 the City hired or promoted 620 senior managers citywide — including an additional 124 deputy directors and department heads — costing an additional \$100 million annually in salaries alone, excluding fringe benefit and eventual retirement costs.

Can anyone explain why San Francisco needed 124 more deputy directors and department heads, 25% — 31 — of whom were added during Lee’s five-year tenure?

How has the increase of 620 additional senior manager city (excluding senior MUNI managers) across this dozen-year period improved City government or services to citizens?

“ Since 2003 the City hired or promoted 620 senior managers citywide — including an additional 124 deputy directors and department heads — costing an additional \$100 million annually in salaries alone. Why did San Francisco need 124 more deputy directors and department heads? ”

Table 4: Bloat in Citywide Senior Managers Earning Over \$90,000 in Total Pay: CY 2003 to FY 14-15

		CA 2003		FY 2014 – 2015		Net Change	
Job Class #	Job Classification Title	# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)	# of Employees	Total Salaries (Base Pay > \$90k)
1	0922 Manager I	2	\$ 187,424	110	\$ 13,035,881	108	\$12,848,457
2	0923 Manager II	33	\$ 3,137,584	132	\$ 16,752,774	99	\$13,615,190
3	0931 Manager III	37	\$ 3,765,949	121	\$ 16,693,717	84	\$12,927,768
4	0932 Manager IV	19	\$ 2,053,889	94	\$ 14,182,173	75	\$12,128,284
5	0933 Manager V	25	\$ 2,953,608	77	\$ 12,470,251	52	\$9,516,643
6	0941 Manager VI	16	\$ 2,012,937	59	\$ 10,255,124	43	\$8,242,187
7	0942 Manager VII	3	\$ 410,684	24	\$ 4,557,451	21	\$4,146,767
8	0943 Manager VIII	8	\$ 1,214,825	22	\$ 4,878,228	14	\$3,663,403
9	0951 Deputy Director I			7	\$ 869,962	7	\$869,962
10	0952 Deputy Director II	4	\$ 401,784	24	\$ 3,357,541	20	\$2,955,757
11	0953 Deputy Director III	7	\$ 884,242	43	\$ 7,509,601	36	\$6,625,359
12	0954 Deputy Director IV			24	\$ 4,746,850	24	\$4,746,850
13	0955 Deputy Director V	8	\$ 1,242,361	15	\$ 3,257,733	7	\$2,015,372
14	0961 Department Head I	3	\$ 321,552	11	\$ 1,743,832	8	\$1,422,280
15	0962 Department Head II	2	\$ 215,234	7	\$ 1,244,089	5	\$1,028,855
16	0963 Department Head III	2	\$ 291,328	8	\$ 1,649,549	6	\$1,358,221
17	0964 Department Head IV			6	\$ 1,394,982	6	\$1,394,982
18	0965 Department Head V			5	\$ 1,488,527	5	\$1,488,527
		169	\$ 19,093,401	789	\$ 120,088,263	620	\$100,994,862

The Mayor’s hiring binge isn’t cooling off. The *Chronicle* published a [story](#) on October 9, 2015 reporting that the City’s current budget includes funds to hire another 1,178 new City employees (or more if these are full-time equivalent positions) at unknown expense. Combined with the 4,546 new employees he had added during his tenure through the end of June 2015, that brings the total to 5,724 new hires, with more likely to follow.

Allegations of Corruption

When San Franciscan’s reached for their morning copy of the *San Francisco Examiner* on August 5, they were roundly, and uniformly, shocked to read an [exposé](#) of allegations of public corruption — featuring photos of Mayor Lee and Board of Supervisors president London Breed — plastered across the front page.

The story’s headline on page four reading “Mayor allegedly took bribes in exchanges for favors” came as a complete shock to most San Franciscans, despite rumors of City Hall corruption that have circulated for decades.

Evidence presented in the racketeering prosecution of Raymond “Shrimp Boy” Chow reportedly alleged implication of a wide array of City and State leaders — including Mayor Lee — involving alleged bribery schemes, pay-to-play plots, campaign contribution money laundering, and state construction contract rigging, according to a filing in Federal court the day before by “Shrimp Boy’s” attorneys.

“Shrimp Boy’s” attorneys requested the case against him be dismissed due to the alleged selective prosecution of him, but not prosecution of Mayor Lee, among others.

“ The City’s current budget includes funds to hire another 1,178 new City employees, at unknown expense. Combined with the 4,546 new employees he had already added through the end of June 2015 that brings the total to 5,724 new hires. ”

“ Then-San Francisco Human Rights Commissioner Nazly Mohajer was recorded on tape explaining how she laundered Lee’s campaign money. ”

The court filing quotes and references FBI wiretaps, body wires, agents, and sources. Then-San Francisco Human Rights Commissioner Nazly Mohajer was recorded on tape as saying former Mayor Willie Brown taught Ed Lee how to do business. Mohajer explained on tape how she laundered Lee's campaign money. She went on to say Lee took \$20,000 in campaign contributions, gifts and trips during his first four months in office, and said "Lee knew he was taking the money illegally."

The next day, on August 6, San Franciscans were even more shocked to read Jonah Owen Lamb's hardcopy [article](#) in the *Examiner* titled "Lee allegedly knew of illegal exchanges."

Lamb reported "Mayor Ed Lee knew his underlings were arranging campaign money laundering schemes, and they were caught saying as much on FBI wires ..."

“ Former Human Rights Commission staff member Zula Jones was also caught on FBI wires saying Lee ‘knew he was taking the money illegally.’ ”

Although prosecutors filed a motion on August 5 to seal the court documents released the day before by "Shrimp Boy's" attorneys, U.S. District Court Judge Charles Breyer eventually ruled not to seal the records, since the court filings had already been made public.

In addition to Mohajer, former Human Rights Commission staff member Zula Jones was also caught on FBI wires saying Lee "knew he was taking the money illegally." For his part, the Mayor claimed he had run a clean campaign and just a week before, the San Francisco's Ethics Commission had closed its records on Lee's campaign.

Obviously, the Ethics Commission could not have known of the corruption allegations that only surfaced a week *after* it closed the books on Lee's campaign when "Shrimp Boy's" attorneys filed its court motion on August 4.

Reportedly, Lee allegedly met with an undercover FBI agent on April 6, 2012 and discussed the first \$10,000 illegal "straw donor" contributions to break up one person's contributions exceeding donor limits into smaller contributions. During an April 25, 2012 phone call, Mohajer spoke ill of the Mayor, saying she found San Francisco politicians are extremely corrupt and that Ed Lee "is worse than all of them."

San Francisco Chronicle Muddies the Waters

Racing to Lee's defense, *San Francisco Chronicle* gossip columnists Matier and Ross [reported](#) on August 6 that both George Gascón and City Attorney Dennis Herrera may or may not be conducting their own independent investigations. Matier and Ross reported other of their sources confirmed that investigations by the District Attorney and City Attorney are underway, although specific targets of the investigations were unclear.

Matier reported that several months before August, an anonymous complaint was filed with San Francisco's Ethics Commission against former San Francisco School Board president Keith Jackson, who has already plead guilty to the Federal racketeering case involving campaign fundraising.

“ The Ethics Commission could not have known of the corruption allegations that only surfaced a week *after* it closed the books on Lee's campaign. ”

Matier and Ross (M&R) reported that Ethics Commissioner Peter Keane said that the Ethics Commission had began looking into the anonymous complaint, but was told by the City Attorney and District Attorney to "just cool the Ethics Commission's part of it" while other investigations were going on. Keane said "The [Ethics Commission] can get back into it, and probably will."

M&R reported Mohajer and Jones had subsequently introduced the undercover agent to the mayor during two separate meetings.

You'd think the Mayor would remember all of these meetings. You would be wrong, because Lee claims he only vaguely recalled the meetings, since they were indistinguishable from hundreds of other meetings he has with people wanting to do business with the City.

This begs the question: How many other meetings has Lee attended with other campaign donors who may also be used to flouting campaign contribution regulations that the FBI used in this apparent sting operation?

A second [article](#) in the *Chronicle* on August 6 racing to Mayor Lee's defense noted Chow's attorneys accused U.S. Attorney Melinda Haag of failing to prosecute Lee and other City officials because they were politically connected and because of the "perceived negative consequences of going after them."

On August 7, the *Chronicle* published an [editorial](#) in print, attempting to absolve Mayor Lee, initially titled “Hot spotlight on City Hall.” The editorial’s title was creatively re-edited to read “City Hall charges can’t be ignored but must be weighed carefully” when it appeared on-line. The *Chronicle* has done everything it can to ignore — and bury — the serious charges revealed by “Shrimp Boy’s” attorneys.

In its abject rush to cover Ed Lee’s backside, the *Chronicle* appears to have abandoned its Fourth Estate responsibility to be a watchdog of City government, preferring to ignore the seriousness of evidence against Lee caught on FBI wires.

Indeed, the *Chronicle* has a nasty habit of first publishing articles and editorials in print using one headline, and then deliberately changing the headlines in its on-line content, making the hardcopy articles extremely difficult for other media watchdogs and average citizens to track down via Google and the Internet. Second, the *Chronicle* has another nasty habit of charging subscription fees to get at its so-called “premium” content, stupidly believing readers don’t retain original published in-print reports and editorials. It charges the subscription fees, in part, to restrict access to stories it has already published in print editions, in effect censoring access to stories it willingly printed to sell hardcopies.

San Francisco Examiner Keeps the Story Alive

Thankfully, it’s far easier to hunt down *San Francisco Examiner* articles on the Internet following publication, but it, too, annoyingly often changes article headlines between original publication and on-line content, creating an unnecessary hurdle to locate articles on-line.

On August 10, the *Examiner* [reported](#) the Mayor and his campaign have vigorously denied any wrongdoing since the evidence surfaced in court records on August 4, and announced that tainted campaign contributions would be donated to the City without identifying how much would be donated.

If there was no wrongdoing, Lee shouldn’t have to refund a penny of it. Since he claimed to be refunding it, he must realize it was, of course, clearly tainted money that court documents suggest he was aware of back in 2012 when he reportedly met with an undercover FBI agent to help retire almost \$300,000 in campaign debts from his 2011 campaign.

With that much campaign debt to retire, you’d think the mayor would remember the names of prominent donors he met with to try to raise that kind of cash.

Zula Jones, for her part, had been indicted in an earlier FBI corruption probe of City Hall. She was indicted in 2000 on 16 counts of fraud for allegedly scheming to defraud the City’s Minority Contracting Program; the charges were eventually dropped in 2002.

In 2015, the Ethics Commission forwarded a complaint about Mohajer’s activities to the District Attorney’s office. The *Examiner* reported again on August 10 that Mohajer reportedly told Keith Jackson — a former School Board member who has plead guilty to racketeering charges, along with former State Senator Leland Yee — that she finds San Francisco politicians corrupt, and that Ed Lee is “worse than all of them.”

On August 11, *Examiner* columnist Joe Fitzgerald Rodriguez [published](#) an informative rationale of why the media holds a special responsibility to hold City Hall accountable. After he read the blather in the *Chronicle*’s August 7 editorial defending Mayor Lee, Rodriguez wrote “my jaw dropped to the floor” when the *Chronicle* jumped straight to Lee’s defense.

Rodriguez noted:

“The Society of Professional Journalists’ code of ethics states reporters must ‘recognize a special obligation to serve as watchdogs over public affairs and government’ and to ‘be vigilant and courageous about holding those with power accountable. Give voice to the voiceless.’ [Ed] Lee is the least voiceless man in San Francisco.”

On August 14, Jonah Owen Lamb [reported](#) in the *Examiner* that “Shrimp Boy” Chow’s August 4 motion also asserted that Annemarie Conroy — who is currently in charge of External Affairs for the U.S. Attorney’s Office and has connections to San Francisco City politicians — “used her position of influence to cull [some] political figures out of the

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“ With \$300,000 in campaign debt to retire, you’d think the mayor would remember the names of prominent donors he met with to raise that kind of cash.”

prosecution, and selectively prosecute others.” In other words, Mr. Lamb reported Ms. Conroy appears to have spared prosecution of Mayor Lee.

San Franciscans may recall that Ms. Conroy [not to be confused with Mayor Lee’s billionaire backer, Ron *Conway*] was wholly unqualified to be the director of San Francisco’s Office of Emergency Services and Homeland Security, but was appointed to that position by then-Mayor Gavin Newsom in 2004, given her political connections as a former City Supervisor. In 2006, she was demoted from director of San Francisco’s Office of Emergency Services and Homeland Security to Deputy Director of Emergency Services in the then- newly-created Department of Emergency Management under then-director Laura Phillips. By 2007 Ms. Conroy had resigned, given mounting public scrutiny of her clear lack of qualifications to serve in these capacities.

“Jonah Owen Lamb reported in the *Examiner* that ‘Shrimp Boy’ Chow’s August 4 motion also asserted that Annemarie Conroy ‘used her position of influence to cull [some] political figures out of the prosecution, and selectively prosecute others.’”

On August 27, 2015 the *Examiner* carried its “Broke-Ass Stuart” (a.k.a., Stuart Schuffman) columnist’s [article](#) on how to fix San Francisco’s corruption problem. Stuart — who is running for election as mayor in November — observed:

“The corruption in this town has become unbearable. It’s so blatant that it’s hit a point of arrogance. The mayor and his cronies feel untouchable and because of this, things are getting worse, far worse.”

Stuart’s three-point plan includes:

1. **We need to elect our elected officials.** Stuart notes that when City Supervisor’s quit or leave, the Mayor gets to appoint their replacement, and noted that 23 Supervisors have been appointed in this manner. Stuart calls for a special election to replace the Supervisors, instead of allowing the Mayor to appointment interim replacements.
2. **San Francisco needs a public advocate.** Stuart says “the public advocate is a badass, whose job is to investigate corruption on all levels and represent the people against the evil armies of bureaucracy.” Stuart says this isn’t a novel idea, since “many other major cities like New York, Seattle and L.A. already have one.”
3. **We need to start giving a shit.** Stuart says this is probably the most important one. He says “The people and media of San Francisco can’t just accept this as business as usual. We need to get mad and we need to take action.” He says San Francisco citizens can get involved by “making their voices heard on election day.”

“‘Broke-Ass Stuart’ says San Francisco citizens can get involved by ‘making their voices heard on election day.’ This is precisely the point of the article you’re now reading.”

This is precisely the point of the article you’re now reading, and what voters need to do on November 3, 2015 by not casting a vote for Ed Lee as mayor.

On August 28, the *Examiner* carried a follow-up [article](#) by Jonah Owen Lamb that reported Judge Breyer declined to dismiss the charges against “Shrimp Boy” Chow, despite Chow’s lawyers assertion that their motion for discovery “was motivated by their belief that it will show the FBI investigation into political corruption in San Francisco was stopped when it got too close to The City’s leaders.”

Lamb reported the FBI agent wanted to make sure the mayor knew all the money [\$20,000 in campaign donations] was coming from him. Lamb reported, “So right after [Zula] Jones got off the phone with the [FBI] agent, she called him back and handed the phone to [Mayor] Lee” who was apparently in the same room and “who [Lee] thanked the man [the undercover FBI agent] for his contribution.”

“Lamb reported, ‘So right after Jones got off the phone with the [FBI] agent, she called him back and handed the phone to Lee’ who was apparently in the same room and ‘who [Lee] thanked the [FBI agent].’”

Apparently, we're to believe the Mayor can not only *not* remember having met with the undercover FBI agent in person, we're also expected to believe Lee has creatively forgotten he spoke on the phone with the same FBI agent?

Shockingly, the *Chronicle* also [reported](#) on August 28 that one of "Shrimp Boy's" defense lawyers, J. Tony Serra, said documents provided to Chow's lawyers and disclosed in the August 4 filing show "This is a political case." Serra said Lee and other officials investigated by the FBI were spared because they're "too big to fall."

More shockingly, as early as August 9, after the allegations against the Mayor surfaced in the *Examiner* on August 4, *Chronicle* columnists Matier and Ross conveniently [claimed](#) on the Mayor's behalf that Lee had returned \$1,500 of the illegal campaign contributions to the City. Matier and Ross wrote:

"He can't send them back, so Mayor Ed Lee has turned over to the city's general fund \$1,500 in questionable contributions that were brought to light in the Raymond "Shrimp Boy" Chow racketeering case."

M&R noted on August 9 that in February 2015 — after a citizen's complaint was filed with the Ethics Commission raising questions about Mohajer's fundraising activities and reappointment to the Human Rights Commission — the City's then-Ethics boss, John St. Croix, wrote a confidential letter to the complainant saying, "There is reason to believe a violation of law may have occurred [emphasis added]."

St. Croix added the matter had been referred to the City Attorney and District Attorney, and "both offices have advised our office that they will investigate the matter."

Let's see if I have this right: Caught on FBI wires that Lee reportedly probably knew of about \$20,000 in potential illegal campaign contributions, the Mayor decided to refund just \$1,500 — a mere 7.5% — of the potential illegal funds, saying the FBI hasn't helped him identify which of the other illegal donations he should return, as if his campaign treasurer can't figure this out himself. Matier and Ross are apparently OK with this, despite their journalist rules of ethics to expose such public wrongdoing, given returning 7.5% on the dollar has to be totally embarrassing and a new low, even for a Mayor.

"Dialing" for Developer Incentives

As I [reported](#) in the *Westside Observer* in September 2015, there are many problems with the \$310 million Affordable Housing Bond measure on the November ballot, since the [legal text of Prop. "A"](#) is so vaguely worded, stating that several planned uses "*may be* allocated" funding, rather than explicitly stating funds "*shall be* expended" for specific stated purposes and clear uses.

Couple this vagueness with the fact that the Mayor's Office of Housing and Community Development has sole discretion on how to spend funds in the 2012 voter-approved \$1.5 billion Housing Trust Fund, and you have a recipe for disaster.

Developer Incentives: The Preliminary "Dial"

On September 9, Emily Green [reported](#) in the *San Francisco Chronicle* that Mayor Lee has announced a plan to build or rehabilitate 10,000 housing units by 2020. Lee is seeking to relax current requirements in the City's Inclusionary Housing Ordinance, it is thought to provide his developer friends with new incentives, creatively called a "dial."

"In February 2015 the City's then-Ethics boss, John St. Croix, wrote a confidential letter to the complainant saying, 'There is reason to believe a violation of law may have occurred,' and the complaint had been forwarded to the City Attorney and District Attorney."

"Let's see if I have this right: Caught on FBI wires that Lee reportedly probably knew of about \$20,000 in potential illegal contributions, the Mayor decided to refund just \$1,500 — a mere 7.5% — of the potential illegal funds, saying the FBI hasn't helped him identify which of the other illegal donations he should return."

"Mayor Lee is seeking to relax current requirements in the City's Inclusionary Housing Ordinance, it is thought to provide his developer friends with new incentives, creatively called a 'dial.'"

Mayor Lee, joined by Supervisors Mark Farrell and Katy Tang, introduced [amendments](#) to the Inclusionary Housing Ordinance on September 8 proposing “incentives” for developers, purportedly to build more below-market-rate housing.

Ms. Green’s article noted the relaxed requirements would allow developers to build affordable units for a broader range of incomes. She wrote: “For example, instead of building 10 units that would be required to rent at \$1,000 a month, developers could build 20 [units] to rent at \$1,500 a month.”

Great! If developers can set the “dial” to increase rents to \$1,500 monthly, who believes developers will continue to build any units at the \$1,000 monthly rent? Won’t this just make it less affordable to live in San Francisco? How is relaxing these requirements going to help foster “inclusionary” housing?

And developers could add up to two stories to a building in exchange for increasing the number of units to rent or sell to low- and middle-income residents.

Ms. Green didn’t go into further detail about Lee’s proposed changes to the Inclusionary Housing Ordinance. [Where Green learned this is not known, since the actual amendments to the Inclusionary Housing Ordinance do not seem to directly address rents that can be charged.]

The “Dial” Worsens

But on September 15, Laura Dudnick at the *San Francisco Examiner* [provided](#) more details about the legislation Lee and Supervisors Farrell and Tang introduced as amendments to the City’s Inclusionary Housing Ordinance to the Board of Supervisors. Details of what else will be “relaxed” are troubling, but typical of this mayor and “moderate” supervisors.

The legislation apparently allows developers to change the “dial” of what they will build. As in press “D” for “Dialing for Dollars.” The package of incentives developers can reset the “dial” for inclusionary housing apparently features:

- Allowing developers to change the area medium income (AMI) for rental units from 55% of AMI to 90% of AMI. Currently, 100% of AMI for a single person is \$71,350; 55% of AMI for one person is just \$39,250, while 90% of AMI is \$64,200. This will likely “dial out” rental units available to those earning less than 90% of AMI.

As I reported in September, the new Housing Balance Report released by the Planning Department on July 7, 2015 shows that in the ten-year period between the first quarter of 2005 through the last quarter of 2014, only 21% of new housing built was affordable — well below the 33% affordable requirement that Mayor Lee has now deemed to be a “sentimental number” — and only 11% of housing in the Projected Housing Balance (projects in the pipeline) will be affordable. Re-setting this dial may not be such a good idea.

San Francisco’s 2013–2014 Civil Grand Jury released a [report](#) in June 2014 that documented the City achieved building only 65% of housing for extremely-low and very-low households (those earning less than 50% of AMI), and the City only produced 16% of the housing goal for low-income earners (50% to 79% of AMI) between 2007 and 2014.

If this “dial” is approved by the full Board of Supervisors and signed into law by the mayor, you can almost guarantee that developers will “dial out” producing inclusionary housing for those earning between 50% and 80% of AMI.

- Allowing developers to build any offsite inclusionary housing within a year of the market-rate units, rather than building the onsite and offsite units at the same time. This will simply delay housing being built, leading to more displacement in the City.
- Allowing non-profit developers to build offsite units that are in the works to have an additional two to three years. Again, this will simply delay housing being built. Comically, while the Mayor and his allies are screaming that Proposition “I” — the Moratorium in the Mission — will delay housing construction for 18 months, they are

“ If developers can set the ‘dial’ to increase rents to \$1,500 monthly, who believes developers will continue to build any units at the \$1,000 monthly rent? Won’t this just make it *less* affordable to live in San Francisco? ”

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apparently OK with non-profits delaying constructing offsite housing for 24 to 36 months, as if the housing crisis isn't urgent.

- Expanding the area in which offsite projects must be built from within a mile of the market-rate housing to within a mile-and-a-quarter.
- Allowing developers to sell both onsite and offsite below-market-rate homes at an equal 90% of AMI. Currently, onsite homes are sold to households earning up to 90% of AMI, while offsite below-market rate homes are available to households earning 70% of AMI (\$49,950 for a single person). Given the Grand Jury's concerns about the amount of housing constructed between 2007 and 2014 for people earning 50% to 79% of AMI, you can expect developers will also "dial out" constructing offsite housing for sale for those earning less than 70% AMI as a way to "*dial up*" their profits.

Expanded Details of the "Dial"

For re-setting these "dials," developers will be allowed to increase density, and perhaps bulk, by adding an additional two to three floors to building projects, apparently bypassing the Planning Commission.

These "dials" are meant to reward the Mayor's developer friends, but are likely to lead to greater displacement.

Details in the "dial" [amendments](#) Lee, Farrell, and Tang, introduced are very worrisome.

Among them, non-profit developers will not only be allowed up to three years to build the housing, they will also be able to base their developments not on the number of units created, but on the square footage of units built. The enabling legislation states on page 34 that "Non-Profit Partner Projects," may meet their "off-site" requirements on a square footage basis, and could provide just 20% of their off-site units based on the square foot floor areas as their principal projects.

That means that instead of 20% of the number of on-site *units* built will have to be built off-site, just 20% of the *square footage* of the on-site units may have to be built off-site. Perhaps as an unintended consequence, this will just incentivize developers to lower the square footage of each of, say, 100 on-site market-rate units, so that instead of having to build 20 off-site units, they may possibly only have to build 10 units, each based on the smaller square footage of the market-rate units.

This may be a "win-win" for Non-Profit Partners, or the non-profit housing mafia, but it may turn out to be a very bad loss for off-site housing seekers forced into ever-smaller square footage "micro-units," at ever escalating rents.

A second problem that emerges from reading the text of the official proposed legislation is that both the on-site and off-site "Dial Up tables" contained on pages 27–28 and pages 40–41, respectively, show that the AMI targets for both ownership and rental targets stipulate that much of the data concerning AMI thresholds is "not available," which, therefore, does not clearly or explicitly describe to San Franciscans what will be required of developers and speculators.

How can AMI information "not be available" before the Board of Supervisors is supposed to prudently analyze and then vote on the wisdom of this proposed ordinance, and its intended purposes and potential unintended consequences?

Not only may developers be able to choose which "dial" they want to Dial for Dollars, they may also be able to claim they based their pick on unavailable AMI percentage thresholds approved by the Board of Supervisors for the 1% of developers, not for us "us-es" in the 99% being forced into smaller square footage housing units, or displaced out of town entirely.

Sweet! Sweet for developers and real estate speculators. Not so much for the rest of us!

“Comically, while the Mayor and his allies are screaming that Proposition ‘I’ – the Moratorium in the Mission – will delay housing construction for 18 months, they are apparently OK with non-profits delaying constructing offsite housing for 24 to 36 months, as if the housing crisis isn’t urgent.”

“These ‘dials’ are meant to reward the Mayor’s developer friends, but are likely to lead to greater displacement.”

“Instead of 20% of the number of on-site *units* built will have to be built off-site, just 20% of the *square footage* of the on-site units may have to be built off-site.”

A Modern “West Side Story”: Proposed “Density Bonus”

Worse than the Hatfield’s vs. the McCoy’s, and worse than the mid-1950’s Broadway play *West Side Story* highlighting feuds between the Jets vs. the Sharks, San Francisco’s West Side is quickly becoming the new turf war in San Francisco.

Whereas the “dial” legislation seeks to increase AMI levels to 120%, a new proposal by the Mayor seeks to push it to 140% of AMI. This comes from the same Mayor who whined to the *Chronicle’s* editorial board, “that a 30% requirement for affordable housing is merely a “sentimental” number. Apparently, he now wants us to be “sentimental” about households earning up to \$142,000, or 140% of AMI. And he wants to bifurcate how the 30% mix of affordable units will be divvied up.

On September 29, 2015, the *San Francisco Chronicle* published an article titled “Lee wants deal to spur more low-cost units,” in which J.K. Dineen [reported](#) developers will be allowed to build “an extra two stories of height on projects that include 30 percent affordable housing, and an extra three stories on 100 percent affordable developments.”

The second proposed ordinance from the Mayor again with Supervisor Katy Tang — legislation separate from the Inclusionary Housing Ordinance “dial” legislation — calls for bifurcating the 30% “affordable housing goal” into 18% of units to be affordable to families making between 120% of AMI (\$122,000) and 140% of AMI (\$142,000) for a family of four, and allowing just 12% of the housing to be “catered” to people who have low- to moderate-incomes. *How nice of the mayor to cater to us “us-es”!*

The density bonus is being touted as for being along transit corridors “upzoned” for density.

Although Dineen’s article starts out saying the Mayor’s proposed legislation would affect neighborhoods across the west side of San Francisco, it’s not yet known whether the legislation will eventually apply everywhere in the City, not just on the west side. It’s likely to spread from the west side rapidly.

Dineen quoted Fernando Marti, a co-director of the Council of Community Housing Organizations, who said his organization would stay neutral on this proposal, because some people feel the density bonus should target lower income levels, particularly for a single-person where an *individual* (not just families of four) is making 140% of AMI (\$100,000) who should be able to qualify for the affordable for-sale units.

Marti was quoted as saying, “We question if that is the income level we should be developing [housing] programs for.” In addition, Marti has concerns up-zoning would ultimately make it more expensive for non-profit developers looking to acquire sites for 100% affordable projects.

A day later, in a September 30, 2015 article in the *San Francisco Examiner* published in print with a title “Mayor, supe introduce affordable housing program” — a title that was changed to “SF seeks to further incentivize developers to build below-market-rate homes” on the *Examiner’s* web site — Laura Dudnick [reported](#) that the Affordable Housing “Bonus” Program would change the requirement of units that are affordable to households earning 55% of AMI to 90% of AMI to 12%, and increase housing units for households earning up to 120% of AMI and 140% of AMI to 18%. There’s the bifurcation again.

The *Examiner* quoted the second co-director of the Council of Community Housing Organizations, Peter Cohen, who said the Mayor’s new below-market-rate housing proposal should include households making 90% of AMI. Cohen said:

“What’s missing in their proposal is getting affordable units at multiple different income levels. What they really should be doing if they’re trying to get 30 percent of [units to be affordable] is a combination of low-, moderate-, and middle-income households.”

“ A second ordinance calls for splitting the 30% ‘affordable housing goal’ into 18% of units to be affordable to families making between 120% of AMI (\$122,000) and 140% of AMI (\$142,000) for a family of four, and allowing just 12% of the housing to be ‘catered’ to people who have low- to moderate-incomes. ”

“ Fernando Marti says some people feel the density bonus should target lower income levels, and says ‘We question if that is the income level we should be developing [housing] programs for.’ ”

“ Peter Cohen says ‘What they really should be doing if they’re trying to get 30 percent of [units to be affordable] is a combination of low-, moderate-, and middle-income households.’ ”

That appears to be lost on Mayor Lee, Supervisor Tang, MOHCD, and perhaps the full Board of Supervisors.

As the *Examiner* [reported](#) on September 21, the “Google bus” problem of tech buses transporting high-tech workers from San Francisco to the Silicon Valley has led to increased evictions and higher rents all across San Francisco, and includes the West Side of town, according to research by the Anti-Eviction Mapping Project, a story I’ll pursue in next month’s *Westside Observer*.

As density increases along West Side transit corridors, West Side residents should brace for more “Google buses” driving up rents and increasing evictions on the West Side. You’ve been warned.

“ As density increases along West Side transit corridors, West Side residents should brace for more ‘Google buses’ driving up rents and increasing evictions on the West Side.”

Small Site Acquisition

Don’t believe campaign mailers you may receive that state passage of the \$310 million Affordable Housing Bond measure will re-fill the reportedly now-depleted citywide Small Site Acquisition fund.

As I also [reported](#) in September, documents from the Affordable Housing Bond’s Budget and Finance Subcommittee changed the planned spending parameters of the Mission Neighborhood Acquisition portion of the bond for Mission District neighborhood site acquisition to also include unit rehabilitation and predevelopment, so it’s unclear whether the planned \$50 million will be dedicated solely to site acquisition.

Table 5: Changes to Planned Uses of Prop. A Bond Measure, June vs. July 2015

Spending Category	Affordable Housing Bond Budget and Finance Subcommittee Report (June 10, 2015)		Affordable Housing Bond Budget and Finance Subcommittee Report (July 8, 2015)		Change During One-Month Period
	Amount	\$ Mix	Amount	\$ Mix	
Public Housing	\$ 47,600,000	15.8%	\$ 80,000,000	25.8%	\$ 32,400,000
Low Income Housing	\$ 146,000,000	48.6%	\$ 100,000,000	32.3%	\$ (46,000,000)
Mission Neighborhood (Site) Acquisition ¹	\$ 50,000,000	16.6%	\$ 50,000,000	16.1%	
Middle-Income Housing	\$ 57,000,000	19.0%	\$ 80,000,000	25.8%	\$ 23,000,000
Proposed Uses Total	\$ 300,600,000		\$ 310,000,000		

¹ In June, the Mission District allocation was for “Neighborhood Acquisitions”; by July 8 that category became “site acquisition, unit rehabilitation, and predevelopment.”

The \$50 million is supposed to only be spent for site acquisition in the Mission District, but campaign rhetoric is now spinning it that the Bond measure will replenish the *citywide* small site acquisition fund. The [legal text](#) that will appear in the November 2015 voter guide describing the \$310 million Affordable Housing bond measure states proposed uses include subsection 3-H, for acquiring, preserving, or developing affordable housing in the Mission Area Plan.

However, subsection 3-H also contains the vague language that this planned use “may be allocated,” not “shall be expended,” so there’s no guarantee that small sites will even be acquired in the Mission District, let alone replenish the citywide small sites acquisition fund.

Beside subsection 3-H, there is nothing anywhere else in the legal text of the bond measure that involves funding small sites acquisition.

Between the \$89.42 million and \$73.99 million collected since 1998 in Inclusionary Affordable Housing fees and the Affordable Housing Job Linkage fees, respectively — for a combined total of \$176.68 million, including \$13 million in interest earned — MOHCD has been on the hook to set aside 10% (\$9 million to \$18 million, at minimum) into the Small Sites Fund, with nothing barring it from dedicating more funding from other sources for Small Sites acquisition.

But it’s not yet known how much MOHCD actually put into the Small Sites Fund, or what it may have spent those funds on, if at all. Amazingly, the initial, and now new amendments to the Inclusionary Affordable Housing Ordinance restricts the Small Sites Fund from exceeding more than \$15 million in that fund at any one time.

“ The \$50 million is supposed to only be spent for site acquisition in the Mission District, but campaign rhetoric is now spinning it that the Bond measure will replenish the *citywide* small site acquisition fund.”

“ Amazingly, the Inclusionary Affordable Housing Ordinance restricts the Small Sites Fund from exceeding more than \$15 million in that fund at any one time.”

These days, \$15 million isn't going to go far in snapping up potential housing sites, whether in the Mission District or elsewhere citywide.

After this article was submitted for publication, requests for additional public records were released. It turns out the Small Sites Fund — Subsections 415.5(f)(2)(A) – (D), Affordable Housing Fee — was added to Planning Code Section 415.5 by the Board of Supervisors on December 14, 2010, which was approved on December 23, and became effective on January 22, 2011 as a sub-fund of the Citywide Affordable Housing Fund established by the Inclusionary Affordable Housing Program.

“ Here we are five-and-a-half years after the Small Sites Fund was to have been set up beginning in FY 11–12, and MOHCD has no records it will produce to show revenues into and expenditures made from the sub-fund? ”

The changes effective January 2011 required MOHCD to designate a new fund and separately account for 10% of all inclusionary housing fees it receives under Section 415.5 by diverting the 10% until the Small Sites Fund reached \$15 million, and to produce annual reports to the Board of Supervisors showing the amount of fees dedicated to the Small Sites Fund and how the funds were used. Nothing in the ordinance prohibits MOHCD from spending other funds on Small Sites.

Because the ordinance was adopted in the middle of FY 10-11, MOHCD should have established this mandated sub-fund in its FY 11–12 budget. But Risa Sandler in the City Controller's Office confirmed the fund wasn't set up expeditiously. She wrote:

*“I have confirmed with the Mayor's Office on Housing that budget and actuals for fiscal years 2013/14 and 2012/13 are not complete in our financial system, as **funding for the acquisition of small sites was not tracked separately until late in Fiscal Year 2013/14** [emphasis added]. Given this, the Mayor's Office on Housing would have the information for the other two fiscal years you have asked about.”*

Prior to asking the City Controller about the fund, a records request had been submitted to MOHCD requesting the annual reports for FY 13–14, FY 14–15, and any other annual reports produced. In response, MOHCD brazenly supplied its overall departmental annual report — not the Small Funds annual report requested — for FY 12–13 and FY 13–14, which contained few details about the Small Site Fund, but did state that the Small Site Program launched on July 24, 2014 with an initial allocation of \$3 million. This put it into FY 14–15, not “late in FY 13–14” as the Controller's Office asserted.

“ MOHCD's accounting of the Small Site Fund's revenue and expenditures appears to be in complete shambles, providing no transparency or accountability. ”

The Controller's Office subsequently provided unclear data for FY 14–15, showing \$5.85 million appeared to be available in the Small Sites Fund for the period ending in June 2015, including a negative balance of \$5.2 million that was carried forward from the previous year (possibly suggesting overspending of the previous budget in FY 13–14) and \$4.15 million in unallcoated General Funds. Confusing matters more, the data provided by the Controller's Office showed no amount was expended in FY 14–15 in the “Actuals: Year-to-Month” line for expenditures.

The Controller's Office suggested I contact MOHCD to obtain the incomplete data, but MOHCD had by that time provided only its departmental annual report. MOHCD's accounting of, and records of, the Small Site Fund's revenue and expenditures appears to be in complete shambles, providing no transparency or accountability almost six years later.

Here we are four years after the Small Sites Fund was to have been set up beginning in FY 11–12, and five-and-a-half years after the enabling legislation was first passed, and MOHCD has no records it will produce to show revenues into, and expenditures made from, the sub-fund, and simply points to a nearly useless departmental annual report. And now five months after the close of FY 14–15 last June, MOHCD refuses to provide any data about expenditures in that fiscal year or any other for over five years into the legislative mandate to create and separately account for this sub-fund.

A Mayor Chasing His Tail for a “Legacy”?

First he claimed to be the “jobs, jobs, jobs” Mayor, which he achieved, in part, by hiring 4,546 new City employees. Then he became the “consensus mayor.” Then he became desperate, hoping his legacy would be that he helped build the new Warriors stadium jutting out from a pier out along the Embarcadero. Big mistake.

Then we heard he was the “[affordability agenda](#)” Mayor, somewhat remotely concerned about solving income inequality disparities, in part by pushing a so-called “sharing economy” with Airbnb, NextDoor, and other rubes.

Then we read his admission in *Time* magazine in January 2014 that he and other City Hall planners had “assumed” the middle class were moving out of town and they apparently didn’t need to do anything about reversing the phenomena.

So it comes with some hilarity that on September 21 Joe Fitzgerald Rodriguez [reported](#) in the *San Francisco Examiner* that Mayor Lee apparently told *Examiner* staff writer Joshua Sabatini that he’s been called lot of names, but “I do enjoy being called the housing mayor.”

Really? This is more like unbridled hilarity. What housing? Right?

Has the Mayor checked his own housing record? The record shows that under his watch:

- According to the Housing Balance Report [released](#) July 7, 2015, just 21% of housing built across the past 10 years — five years of which Lee has served as Mayor’s watch — have been affordable.
- Also according to the Housing Balance Report, just 11% of housing in the upcoming housing pipeline is slated to be “affordable.” With this record, who would call him the “Housing Mayor”? Billionaires and developers?
- The *Examiner* reported March 15, 2015 that when asked about City Hall’s plans to create desperately needed middle-class rental housing, Olson Lee, Director of the Mayor’s Office of Housing, replied, “We don’t have a program right now to build middle-income rental housing.” Goes right along with the Mayor having told *Time* magazine a year earlier “everybody assumed the middle-class was moving out [of the City].” For a “Housing Mayor,” not having a middle-income rental housing program, either, is rich!
- In his January 2014 State of the City speech, Lee [pledged](#) to construct or rehabilitate at least 30,000 housing units by the year 2020. He repeated that in his State of the City speech in January 2015. Has anyone noticed that recently the Mayor quietly “dialed back” that number on September 8 and now claims he’ll only build 10,000 housing units — not 30,000 — by 2020. What happened to the other 20,000 housing units his grand plan claimed would be constructed?
- The Mayor whined to the *Chronicle*’s editorial board that an affordable housing target of 30% to 50% is merely a “sentimental number.”
- According to the Housing Balance Report, the Mayor’s production record contributed to a **negative 375.8%** (yes, -375.8%) affordable housing balance in Supervisor Tang’s District 4, a **negative 32.1%** (-32.1%) affordable housing balance in Supervisor Mar’s District 1, a **negative 12.4%** (-12.4%) affordable housing balance in Supervisor Wiener’s District 8, and a **negative 34.4%** (-34.4%) affordable housing balance in Supervisor Avalos’ District 11.
- The Mayor wants to “dial up” developer “incentives” to build new housing to those earning up to 140% of AMI, or up to \$142,000, which is not “middle class” housing.
- According to Table 2 on PDF page 42 in MOHCD’s most recent [annual report](#), the total Affordable Rental Housing Units produced or preserved plummeted by a negative 57.4% (yes, -57.4%), from 763 such units in FY 12–13 to 325 units in FY 13–14. For that matter, considering just the total Affordable Rental Housing Units preserved during this same period, the decline was more pronounced at a negative 87% (that’s -87%), down from 556 units preserved in FY 12–13 to just 72 units preserved in FY 13–14. Is this a record the “Housing Mayor” is proud of?

“ Mayor Lee claims ‘I do enjoy being called the housing mayor.’ Really? Has the Mayor checked his own housing record under his watch? ”

“ ‘We don’t have a program right now to build middle-income rental housing’ goes right along with ‘everybody assumed the middle-class was moving out.’ ”

“ In his January 2014 State of the City speech, Lee pledged to construct or rehabilitate at least 30,000 housing units by the year 2020. He has quietly ‘dialed back’ that number and now claims he’ll only build 10,000. What happened to the other 20,000 in his grand housing plan? ”

“ Total Affordable Rental Housing Units produced or preserved plummeted by a negative 57.4% (yes, -57.4%), from 763 such units in FY 12–13 to 325 units in FY 13–14. Is this a record the ‘Housing Mayor’ is proud of? ”

- The *Chronicle* also [reported](#) on October 9 that under Lee’s watch, the median price of houses and condos has increased a staggering 75.8%, from \$660,000 in 2011 to \$1.16 million in 2015. And the median rent for apartments of all sizes climbed 62.8%, from \$2,595 monthly in 2011, to \$4,225 in 2015, including an incredible median of \$4,900 monthly for a two-bedroom apartment. Even those earning significant salaries are facing economic pressures and housing insecurity, the *Chronicle* reported.
- Under this mayor, San Francisco now has the fastest growing income inequality gap of any major city in the nation.

“The charges against the Sheriff did not rise to the City Charter’s definition of official misconduct.”

Mayor’s Legacy Includes “L’Affaire Mirkarimi”

Voters should not forget San Francisco’s mainstream daily news media reported only the most superficial information about the issues underlying the official misconduct charges Ed Lee wrongly filed against Sheriff Ross Mirkarimi in March 2012, as I noted in several articles, including [here](#).

Had Lee succeeded at creatively re-interpreting clear language in the San Francisco City Charter’s definition of what constitutes “official misconduct,” each and every City employee could have been charged with the same capriciousness as Lee charged Mirkarimi. The four City supervisors who saw through this ruse and voted to allow Mirkarimi to keep his job reached the correct interpretation of the law, as Mr. Brill presented: The charges against the Sheriff — developed by the City Attorney on the Mayor’s behalf — did **not** rise to the City Charter’s definition of official misconduct.

A dispassionate [analysis](#) of the Ethics Commission’s handling of Sheriff Ross Mirkarimi’s case ripped apart any semblance of logic in the Mayor’s persecution of Mirkarimi. Initially published anonymously in September 2012, the author (who later revealed himself to be San Francisco lawyer Eric A. Brill) noted even Mayor Lee’s attorneys conceded that Ethics Commissioner Paul Renne’s argument — that any and all misconduct is official misconduct, whether it relates to official duties or not — “would cause San Francisco’s ‘official misconduct’ law to fail [a basic] constitutional test,” (that to be constitutional, a law must be sufficiently clear that people required to obey it can easily determine what conduct is prohibited). It would have been an example of the precise *opposite* of the rule of law, it would more appropriately be called the “law of rulers.”

“Lee wasted \$1.3 million in taxpayer funds trying to persecute and oust Mirkarimi.”

The initially-anonymous analysis was provided to Ethics Commissioners, the full Board of Supervisors, and probably to the Mayor and his legal team. In the end, four City Supervisors — David Campos, John Avalos, Jane Kim, and Christina Olague — voted to reinstate Mirkarimi, handing the Mayor an embarrassing defeat. Stupidly, Supervisor Scott Wiener and then-Supervisor David Chiu, both Harvard-educated lawyers, voted to sack Mirkarimi — ignoring the clear legal analysis that Brill had adroitly authored.

Mayor Lee wasted \$1.3 million in taxpayer funds racked up in City Attorney time during the City’s inept proceedings on behalf of the mayor trying to persecute and oust Sheriff Mirkarimi.

“I recommend that you cast no vote for mayor at all. This will help place citizen’s signature petition initiatives for future municipal elections on the ballot easier.”

For this reason alone, voters should consider voting for Mirkarimi for Sheriff. Vicki Hennessey might turn out to be a great Sheriff, but the Mayor’s deplorable treatment of Mirkarimi, and the Mayor’s refusal to even speak to the Sheriff during the past three years, is nothing short of a childish fit of pique.

Mirkarimi gets my vote, partly out of empathy for the soap opera Lee wrongly put him — and the body politic — through for over nine months, and partly for Mirkarimi’s many accomplishments as Sheriff, including a recent award from Harvard University, an awards ceremony the Mayor boycotted attending due to his unending pique.

Upside in Not Voting for a Mayor

Voters have plenty of reason to dislike Ed Lee’s job performance, as reflected in his approval ratings. As I’ve reported, Lee’s quote in *Time* magazine that “everybody assumed the middle-class was moving out,” pretty much says it all regarding his failures to develop affordable housing in San Francisco.

Adding insult to injury, Lee’s having told the *San Francisco Chronicle*’s editorial board that the Prop K goal to build 33% of new housing as affordable housing is a “*sentimental* numerical goal” that he needs to balance that out with “a

practical, realistic invitation to be innovative” is pure hubris. This is precisely the sort of insulting, gibberish, deconstruction spin control San Franciscans have grown tired of hearing from this incumbent.

I recommend that you cast no vote for mayor at all. This will not only send a signal to Lee that voters totally disapprove of his performance, it will also help make placing citizen’s signature petition initiatives for future municipal elections on the ballot easier.

Consider this: In the November 2011 election, only 197,242 of 464,380 registered San Francisco voters bothered to vote. Voter turnout in 2011 was just 42.47%, up from 35.6% voter turnout in the November 2007 election when only 149,465 ballots were cast by then 419,598 registered voters.

Ed Lee garnered just 59,775 votes in the first round of ranked choice votes in 2011, which represented just 30.3% of the total 197,242 votes cast. By the time ranked choice Round 12 concluded, fully 55,625 ballots were exhausted, leaving just 141,617 votes counted toward the election for a mayor. Of the 141,617 ballots counted, Lee snagged just 84,457 shuffled ranked-choice votes, giving him a win with 59.6% of the ballots that qualified.

Given election results in the election of Gavin Newsom for mayor in 2007, just 7,168 valid signatures of registered San Francisco voters were required in 2011 to qualify a proposed signature petition initiative for the ballot, since City Charter §14.101 stipulates the signature threshold is based on 5% of the entire vote cast for all candidates for mayor at the last preceding regular municipal election.

Based on the turnout for Ed Lee for mayor in 2011, the signature threshold climbed to 9,862 for the November 2014 election — an increase of nearly 2,700 additional signatures to qualify an initiative for the ballot.

Notably, under ranked choice voting, if you skip filling in a ranked choice slot, a quirk in San Francisco election law transfers your ranked choices. When first-choice ranking is skipped as required, San Francisco Charter Sec. 13.102 states: “If a voter casts a ranked-choice ballot but skips a rank, the voter’s vote shall be transferred to that voter’s next ranked choice,” whether that’s what you intended to do, or not.

By not voting at all for mayor in November 2015, you will help drive down the number of signatures required to place citizen signature-petition initiatives on future municipal ballots simply by not casting any vote for mayor.

But if you feel compelled to vote for a candidate for mayor, remember that the election is ranked choice. Consider voting for these three candidates, in ranked order: #1: [Francisco Herrera](#), #2: [Amy Farah Weiss](#), and #3: [Stuart Schuffman](#). Or you could write me in as a write-in candidate for Rank #1, and not cast any votes for Ranks 2 and 3, if you’re really compelled to vote for someone for mayor.

Just don’t vote for Ed Lee, who needs to be sent a message voters have completely had it with his housing policies that favor speculators and developers, which is fueling massive displacement of long-time San Franciscans.

After all, the hubris-filled Mayor’s snide remark that requiring 33% of new housing to be affordable is merely a “sentimental number” is insulting to those who’ve already been displaced out of town, and to those who soon will be.

Let’s hand Ed Lee far fewer than the 59,775 votes he garnered during the first round of ranked choice votes in 2011. Maybe that will send him a signal he needs to rapidly become the “people’s mayor,” not the “developer’s mayor.”

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Postscript

After I posted this article on line, the *San Francisco Examiner* published an [editorial](#) accompanying its endorsements for the November 3, 2015 election on Thursday, October 15, noting that Mayor Lee had refused to meet with the *Examiner's* editorial board. The refusal was likely the handiwork of his campaign manager, Bill Barnes.

Its editorial read, in part:

“As a consequence, we lost the opportunity to have a civic argument about how Lee has led this city. Without a well-financed, forceful opponent, Lee has been able to largely ignore his critics and resist calls for dialogue.”

One of the most discouraging moments leading up to these endorsements was Lee’s refusal to meet with the Examiner’s editorial board. His campaign declined our request to have Lee talk with us alongside his challengers, noting the mayor was scheduled to debate the others in an Oct. 8 forum sponsored by the League of Women Voters. “That forum will be convened by an impartial organization and will be open to the public — we prefer that format,” his campaign manager offered.

...

If we at the Examiner are not the favored San Francisco newspaper of the mayor, we can live with that. But it seems a shame that a sitting mayor can get away with being aloof and disengaged with the civic process this election season. Mayor Lee might not have to break a sweat winning reelection, but it’s hard not to feel that without a competitive mayor’s race, without a greater civic dialogue about where we are going and how we intend to get there, The City loses.”

“One of the most discouraging moments leading up to these endorsements was Lee’s refusal to meet with the *Examiner’s* editorial board.’ This demonstrates just how much hubris has engulfed Mayor Lee.’”

“Aloof and disengaged” is certainly a part of the problem, but this demonstrates just how much hubris has engulfed Mayor Lee.