

Tom
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for mayor

A Champion for San Francisco

A City that Works

A Strategy for Fostering a Dynamic Economy that Produces Jobs and Business Opportunities that Benefit Everyone.

San Francisco's Current Economic Challenges

While the entire country is in a recession, the downturn in San Francisco has been more pronounced because of the importance of high tech and tourism to our economy. The speculative nature of the economy of the late 90s also created a tremendous economic growth surge that was not sustainable. Worse still, the City's economic policies did not soften the blow of the recession or the dot-com bust.

Rather than work to maintain the character of San Francisco and to further diversify our economic base, the City allowed speculation and greed to displace businesses, non-profit organizations, and people. San Francisco suffered from this "growth for growth's sake" economic development policy.

City government has compounded the uncertainty of the recession by failing to efficiently deliver City services, provide strongly ethical decision making and transparent rules, and develop policies that provide an even playing field for all businesses.

San Francisco deserves far-reaching and genuine remedies to this recession and an end to the boom and bust cycles. In setting economic policy, I will be guided by the belief that a City that has exceptional infrastructure for the future, delivers great services, and treats businesses fairly will do more to grow and sustain business and create jobs than will any "growth for growth's sake" economic plan. My efforts will also be guided by the belief that the City must foster responsible and balanced growth and development that benefits the whole community.

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A Vision that Works

My administration will foster a job-creating and business-building economic environment that benefits everyone by:

- 1) Investing wisely in the City and its people so that the City continues to be a place where people want to live, work, and visit;
- 2) Directing City resources to expand economic opportunities to people and neighborhoods that have historically been left behind;
- 3) Providing a level and fair playing field for businesses; and
- 4) Leading a City Government that has the vision necessary to leave the boom and bust cycles behind and build a vibrant livable City.

1. Invest Wisely in the City

City government must direct its approximately \$4.8 billion dollar budget to wisely invest in our City's future. In addition to the specific plans discussed below, my administration will invest in the following:

- Affordable and reasonable housing options so that people of various incomes can work and live in San Francisco;
- Improved public schools so that families can send their children to top performing public schools;
- Efficient transportation, so that people can get to work and school;
- Environmental quality, so that we are responsible users of our energy, sewage, and water infrastructure;
- The arts and cultural resources so that our City is livable and vibrant and continues to attract residents and visitors alike; and
- Social service programs that support and nurtures all members of our community.

Build Excellent City Infrastructure

Local government's role in fostering a strong economy starts with developing and maintaining excellent infrastructure. This responsibility includes wise investment in schools, affordable housing, transportation, water and sewer systems, hospitals and clinics and local energy resources.

Voters have adopted or are in the process of considering bond funding for many of these infrastructure components. As mayor, my first responsibility will be to streamline project design and delivery to ensure infrastructure projects are

delivered on time and under budget, yielding maximum benefit to qualified local businesses and residents through contract and employment opportunities.

Major Capital Project Highlights

The next decade will see concerted efforts to rebuild or repair much of our basic infrastructure. Highlights of currently planned major efforts include (but are not limited to):

Redevelopment Project and Survey Areas

Mission Bay, Hunters Point Shipyard, South of Market, Transbay Terminal, Mid-Market, and South Bayshore (Bayview Hunters Point).

MUNI/Transportation Authority

Third Street Light Rail, Chinatown Subway, Rebuilding the Transbay Terminal (connecting MUNI, BART, Caltrain and regional buses), Doyle Drive, development of Bus Rapid Transit on major City arterials.

San Francisco Unified School District

School Facilities Master Plan, including a \$295 million bond on the November 2003 ballot.

SF Public Utilities Commission

Rebuilding the regional and local water system, Clean Water (Sewer) Master Plan, Electricity Resource Plan.

Department of Public Health

Rebuilding San Francisco General Hospital, Laguna Honda Hospital, neighborhood health clinics, and 101 Grove Street.

Mayor's Office of Housing

A revised affordable housing bond for voter consideration.

These capital projects collectively represent an investment of billions to the local economy. As mayor, voters have my commitment that I will choose honest, effective managers and City commissions to oversee this investment; depoliticize the process for awarding contracts by ending special access for lobbyists; and streamline and rationalize contract delivery to ensure maximum benefit for taxpayers, local businesses and residents seeking employment.

Choose Qualified Department Heads

A mayor's choice of department directors is the most critical set of decisions he or she must make – and will be critical to the outcome of our infrastructure projects. In recent history, San Francisco has benefited from a number of department heads regarded as among the best in their fields. Others appear to have won positions based on political allegiance.

The department director process is specified in the Charter. Commissions undertake a selection process yielding three candidates for a mayor's consideration. This process has **not** been seriously observed in recent years.

I have requested that Controller Ed Harrington research best practices for executive recruitment for City departments. As mayor, I will implement his recommendations.

In my administration, I will insist that: 1) talented incumbents be given the opportunity to compete for positions; 2) commissions perform thorough national and internal searches to identify the best qualified candidates; and 3) choices be based on merit. I will appoint women and men to department head positions who are extremely well-qualified in their field and represent the diversity of the City. For Departments undertaking major capital projects, I will choose Directors with expertise in capital project delivery.

Recruit Commissioners with Expertise

Citizen oversight is the foundation of City government. My first qualification for commission posts will be a commitment to public service, not a need for prestige. I will not appoint or nominate from a stable of campaign contributors. My criteria for selection will be expertise in an issue area, a willingness to perform volunteer service, and a cross-section of people representing different political and cultural views.

San Franciscans want clean government. Special access for lobbyists, meddling with contract processes, investigations of misconduct and/or criminal proceedings all undermine confidence in an administration. High ethical standards must emanate from the top.

I will set clear rules from the outset. Commissioners will be prohibited from conducting for-profit consulting to businesses seeking commission approval. Commissioners, department directors and their staff will strictly observe gift limits. Internal reporting of lobbyist contacts will exceed legal requirements. Decision-makers will be directed to decline lunches and dinners paid by lobbyists with business pending before them. I will continue my long-standing practice of not

meeting with lobbyists. Compliance with the Sunshine Ordinance and public access to records will be strictly observed.

Lobbyists can serve an appropriate explaining role to City commissions for business clients unfamiliar with City processes, but this should occur in open commission forums. As mayor, I will require commissioners and City staff to adopt an equal time rule. **Under equal time,** lobbyist or bidder contact with commissioners and staff will be matched by time afforded to residents opposing permit applications or competitors seeking equal consideration. In my administration, money will not buy special access.

Streamline Contract Delivery

City processes for capital project contract issuance are unnecessarily cumbersome. While we must maintain strict observance of local laws that govern contracts (the Equal Benefits Ordinance, MBE/WBE/LBE Ordinance, Prevailing Wage, the Living Wage and Health Care Accountability Ordinances, to name a few), we must improve our compliance procedures and customer service to businesses seeking to do business with the City and Departments seeking contract approval from other City agencies. Delays in contract award for projects like those being pursued by MUNI and the SFPUC can cost taxpayers millions in unnecessary costs.

As mayor, I will work with Controller Ed Harrington, the Civil Service Commission, the Human Rights Commission and the Office of Contract Administration to improve and streamline construction contract oversight and reduce administrative costs associated with construction contracts. A major focus of this effort will be to work with Departments undertaking major development and capital projects to identify contract opportunities early in the process and to work with oversight agencies to pre-qualify local businesses to bid as either prime contractors or subcontractors.

Develop Employment Opportunities for Residents

As mayor, I will direct Departments in charge of major Department capital plans to anticipate construction employment opportunities for San Franciscans.

Through consultation with project planners, the City will determine which crafts will be in greater demand for City funded construction projects over a ten year period. This information will be conveyed to the Workforce Investment Board and City College to develop trade vocational programs offered with the assistance of local unions tailored to that demand.

In consultation with the Board of Supervisors and community stakeholders, I will rewrite the City's First Source Hiring Ordinance to provide interview and job placement opportunities for qualified applicants. Currently, First Source applies only to *entry-level* positions for work associated with City contracts and development projects; it should be expanded to include entry-level skilled trade positions. The recent Third Street Light Rail project – a construction project worth approximately \$500 million – generated approximately 50 new local jobs. This is not acceptable.

Bring Fiber Broadband to Every Home and Business in San Francisco

San Francisco has enjoyed national status as one of the most wired cities in the country for several years running.

Unfortunately, the promise of broadband network expansion by Comcast and its competitors has fallen far short of promised goals. Service in many areas still suffers; build-out to low-income and other neighborhoods has been delayed. In most residential neighborhoods and many commercial corridors, broadband access and the promised suite of telecommunications services (phone, Internet, cable television) is unavailable or still relies on outdated technology with limited bandwidth.

The next frontier in telecommunications, and the step San Francisco must take to become the most wired City in America, is Fiber to the Home (FTTH) and Fiber to the Business (FTTB).

In contrast to the telecommunications networks installed in San Francisco to date, FTTH/FTTB would provide residents, businesses and community based organizations throughout the City with virtually unlimited bandwidth. The deployment of fiber optic networks has occurred primarily in the Downtown and South of Market areas. Businesses outside of this area have not had ready access to fiber optic facilities.

As mayor, I will lead an interdepartmental effort to pursue City-owned Broadband Infrastructure modeled on the Utah Telecommunications Open Infrastructure Agency (UTOPIA), which is slated to begin building a publicly owned advanced telecommunications network to all homes and businesses in eighteen cities including Salt Lake City in January 2004.

UTOPIA is an "interlocal" agency consisting of 18 cities with a population of 724,000 in 249,000 households and 35,000 businesses. UTOPIA plans to operate as a wholesale provider of local transport offering service providers entry to the marketplace. The project is expected to take 3.5 years, and is intended to benefit consumers with more choices, better products, lower prices, and access to enhanced educational and health systems.

Additional benefits of such an approach in San Francisco could include:

- dramatically expanded capacity support for community media,
- lower cost broadband access for City and other local government agencies including emergency service communications,

- the ability to regulate low-income rate discounts for eligible residents through network access contract provisions,
- the ability to establish a reliable, ubiquitous network for providing information to the public in the event of an emergency,
- quicker network access for low-income neighborhoods, and
- possible revenue generation for City coffers.

As mayor, I will direct the Department of Telecommunications and Information Technology to develop a report that analyzes cost/benefits of municipally-owned broadband infrastructure, the number of broadband providers interested in leasing from the City, projected demand for communications services, potential costs of building and maintaining a system and financing mechanisms that **do not** rely on the General Fund or local taxpayer support.

I will also direct the San Francisco Public Utilities Commission to develop a report that analyzes sewer lines that are slated for replacement during the Clean Water Master Plan, the general timelines for the work, and pros and cons of coordinating it with installation of City-owned broadband infrastructure.

Making San Francisco the most wired City in America, with affordable high-speed network access for all, will be an important focus of my administration and my economic development plan.

2. Provide Opportunities for People and Places Historically Left Behind

Create Youth Career Opportunities

Young people from economically disadvantaged environments need the education and skills necessary for life building careers. Building youth opportunity should not be thought of one job at a time, but rather as a system of life-long learning that links local residents to the drivers of the regional economy, beginning when they are young and first entering the job market.

As mayor, I will:

- Coordinate with the Private Industry Council's *Jobs for Youth* program to provide City funding for training hours for youth placed in locally owned small businesses;
- Partner with City College's Career Development and Placement Center to expand training programs that are directly transferable to the local regional economy; and

- Quadruple student participation, from 50 to 200, in the City's *Project Pull*, a 9 week summer program that provides job training and mentoring for student of color who have an ability and interest in a professional career of engineering, architecture, business, law or sciences.

Revitalize Commercial Corridors

All City neighborhoods should enjoy active, thriving commercial corridors. Small businesses are the primary economic engine in San Francisco; almost 90% of companies in San Francisco are classified as small businesses. Our neighborhood-based businesses, in particular, provide services and opportunities to the communities in which they reside.

As mayor, my administration will support neighborhood-based businesses and provide help to those businesses locating in neighborhoods without enough economic activity. My administration will help fill empty storefronts by:

- Assisting small and neighborhood-based businesses by working with community development banks, non-profit organizations and business associations to provide access to capital through micro-lending, low interest loans, and business assistance;
- Retooling the City's low interest business loan program to encourage businesses to locate in disadvantaged neighborhoods;
- Directing the Redevelopment Agency to focus on smaller-scale blight problems in neighborhood commercial districts.

3) Provide a Level Playing Field for Businesses

Implement Fair Permitting

Business growth depends on a level playing field. City government has made significant strides in its interface with the business community with the advent of SF Bizinfo and SF Prospector on-line services. The Treasurer/Tax Collector's Office has improved on-line resources for taxpayers. Unfortunately, several City departments with whom businesses must interface – notably Planning and the Department of Building Inspection – appear riddled with favoritism and politics to those seeking permits.

As mayor, I will clean up City permitting functions so that lobbyists will be a luxury, not a requirement, and permit expeditors will not be required at all. The Civil Grand

Jury report on the Management of the Department of Building Inspection summarized its recommendations as follows:

- Eliminate the undue influence of and preferential treatment received by certain DBI customers.
- Institute quality control procedures in both Plan Check and Inspection Services divisions of DBI.
- Comply with state law by determining the actual cost of providing services of DBI, and adjust fees accordingly.
- Improve management and leadership skills of those in positions of responsibility.

Furthermore, according to the report, the "Controller recommended that the department develop a Code of Professional Conduct to guide its employees in the performance of their duties." As mayor, I will implement these recommendations.

Developers seeking permits through City Planning also face major uncertainty in the development approval process. Zoning is out of date in many of the City's eastern neighborhoods; approvals are subject to numerous appeals adding untold costs to projects. City planning has failed to deliver on rezoning and areas plans for many neighborhoods.

My belief is that while zoning can and should provide that developers contribute to the communities in which they are building (in the form of parks, open space, transportation improvements, affordable housing, childcare, and schools), the City should incentivize these benefits through density bonuses and more certainty in the approval process. Once residents have an opportunity to set the rules through community-based planning, developers should know that rules won't change arbitrarily.

Negotiate Fair Taxation and Fees

Mayor Brown and members of the Board of Supervisors recently inaugurated a broad-based discussion of the City's budget with members of the business community, labor, non-profits and other stakeholders. The truth is painfully clear to those who look closely at the numbers: City government is facing a structural budget deficit that will require both structural changes to the City's budget and new sources of revenue. City workers have rescued the City budget at great personal expense for two consecutive budget cycles; we cannot reasonably expect this continued sacrifice or we risk losing our most qualified personnel.

After repeal of the City's gross receipts tax, which cost the City \$30 million annually in lost revenue, the City is left with a payroll only tax structure (not

including industry specific taxes such as the hotel occupancy tax or the parking tax). This structure unfairly weights the tax burden on employment.

As mayor, I am committed to a fair and balanced discussion of taxation that includes all stakeholders and relies on advice from the City Controller and economic experts. During testimony at the Board of Supervisors last year, law and economic experts testified that a Value-Added Tax structure would comply with California's prohibition on corporate income taxes, while spreading the tax burden more fairly. This option, among others, should be on the table for discussion next year. Reduction or elimination of some recently enacted business-related fees should be on the table as well.

In tandem, we must pursue structural savings to the budget. SPUR, in its newsletter "Crisis and Opportunity in the City Budget", outlined numerous revenue generating and cost-saving proposals that could have limited impact on City services. At the Board of Supervisors, I am currently pursuing one such idea: the civilianization of positions in the San Francisco Police Department that do not require sworn personnel. Substantial savings are also available in the Fire Department, among others.

I also authored the Rainy Day Reserve Charter Amendment (Proposition G) on the November ballot, to require the City to save extraordinary revenue in good times as a cushion in lean times. By pursuing a fair balance of new revenue and budget cuts, and implementing better budgeting like the Rainy Day Reserve, we can restore balance to the City's budget and share the costs of City services more equitably.

4) Leave the Boom and Bust Cycles Behind

Reinstate Ethical Long Range Planning

The portion of our economic crisis that can be blamed on local factors lies mainly in poor city planning. As mayor, I will develop a strong Planning Department that, in tandem with a retooled Redevelopment Agency, will have the vision and commitment to long range planning our City has lacked during recent years.

During the boom economy of the late 90s, speculation and greed displaced businesses, non-profit organizations, and people. The City's "growth for growth's sake" economic development policy worsened the impact of the national recession and the failure of the dot-coms on our economy. City Planning reverted to a permit approval department for favored developers.

My administration will lead a strong Planning Department that will:

- Complete a neighborhood planning process resulting in clear rules shaped by neighborhood values and community needs, including but not limited to the Mission, South of Market, Rincon Hill, the Showplace Square/Potrero Hill/Central Waterfront, Visitacion Valley, and South Bayshore;
- Complete stalled environmental review of zoning and other legislation, including program EIRs that allow developers to buy into environmental clearance and the FAR legislation that will promote downtown housing development;
- Adopt a Housing Element that serves as a foundation for all future rezoning and promotes housing production for all income levels according to market demand;
- Adopt public benefits zoning, particularly for eastern neighborhoods, that trades density bonuses and certainty in the approval process for community benefits such as increased affordable housing, parks, childcare, safe, livable streets and schools while preserving the architectural heritage and distinct feel of City neighborhoods; and
- Adopt rezoning for former industrial zones that creates a safe haven for production, distribution and repair industries that diversify our economic base and provide well-paying jobs for residents.

Implement Responsive Redevelopment

The Redevelopment Agency has recovered substantially from the reputation it earned during redevelopment of the Fillmore and South of Market areas and enjoys staff who are committed to the principles of community decision-making that underlie redevelopment law. The Agency has a better track record of investing tax increment in affordable housing than any other agency in the state. That said, there persists an impression that large development interests still hold sway over Commission decision-making.

As mayor, I will nominate Redevelopment Agency Commissioners committed to the public interest; to completing Redevelopment Area plans; and to negotiating agreements with master developers that yield the most robust set of community benefits possible.

Perhaps the most important Redevelopment projects involve the Hunters Point Shipyard and the South Bayshore (Bayview Hunters Point) Redevelopment Areas. The Hunters Point Plan includes the following goals developed by its Citizen Advisory Committee:

- Create jobs for economic vitality;

- Support existing businesses and an artist's community;
- Create an appropriate mix of businesses;
- Balance development and environmental conservation;
- Facilitate appropriate immediate access;
- Integrate land use; and
- Acknowledge history.

These goals sum up my vision for all Redevelopment Agency work. My administration will lead a responsive Redevelopment Agency that will:

- Pursue aggressive implementation of Project Area plans and pursue development of proposed Area Plans based on the highest level of community input;
- Ensure the highest level of environmental cleanup in the Hunters Point and South Bayshore areas;
- Continue focusing tax increment on affordable housing and supportive housing;
- Partner with the San Francisco Housing Authority to develop financing plans to replace run-down Housing Authority developments on a one-for-one basis;
- Pursue mixed-use land use policies that provide for a mix of jobs and business opportunities for residents and foster local ownership, particularly by neighborhood residents;
- Keep an eye on master developers to ensure that projects are completed as promised; and
- Develop more fine-grained approaches to using future Agency resources to address small-scale blight in City neighborhoods, including underutilized commercial corridors, once work on large scale area plans is substantially underway.

Invest in the Arts

A vibrant Arts Community is a cornerstone of what makes San Francisco special. Carnegie Mellon economist Richard Florida rates San Francisco as number one in the nation on his Creative Index. Marked by tolerance, talent and technology - dubbed by Florida as the "Three T's" - San Francisco has the innovative drive and unique spirit that contributes broadly to the City's economic success.

The Arts Community reflects the creative, diverse and dynamic face of the City. Our cultural landscape of small to large arts organizations is world-renown, and people move to San Francisco to be part of that community. San Francisco is home to cutting edge, progressive art: San Francisco Mime Troupe, Cultural Clash, Cultural Odyssey, National Queer Arts Festival, Dance Brigade, Michael Franti, Kronos Quartet, etc.

The Arts are an important contributor to the economic health and well-being of San Francisco which helps to attract businesses and tourists. The most conservative estimate suggests that the arts generate \$300 million a year in San Francisco.

Unfortunately, the San Francisco Arts Community is an economically beleaguered community, having faced enormous displacement pressures during the dot.com bubble. It is now experiencing unprecedented damage from both State and City budget deficits. After a 94% budget cut, the California Arts Council has been forced to cease its granting programs equaling a loss of 350 grants worth 4 million dollars to San Francisco alone. San Francisco has also decreased its available funds to the arts, declining new grant applicants.

The centerpiece of my Arts program will be hosting and funding a **San Francisco International Arts Festival** in May 2005, in collaboration with the SF Convention & Visitors Bureau, the Chamber of Commerce, individual businesses, and the arts community to showcase local artistic talents and arts industries internationally and attract world-renowned artists to showcase their work in the City.

As mayor, I will also put the arts front and center in my economic development policies by:

- Hosting a quarterly Open Forum to better understand the trends, issues and concerns with leaders in the arts community;
- Appointing a Liaison from the Mayor's Office for the Arts Community to ensure consistent dialogue;
- Partnering the San Francisco Arts Commission, the Mayor's Office of Economic Development and other cities to lobby for state, federal, international and private sector arts funding opportunities that we can leverage and match with existing Bay Area funds;
- Working with the Arts Community, Grants for the Arts and the San Francisco Arts Commission to identify fiscal and program improvements that can be made to increase efficiency and accountability in the current local grant structure;
- Directing with the Mayor's Office of Community Development and the San Francisco Redevelopment Agency to pursue building ownership opportunities for Arts groups, in order to protect against displacement during economic booms.
- Investigating the feasibility of the "art on site" or in-lieu fee assessed to developers to establish space or capital funding for low-cost space for artists and arts organizations.
- Investing in arts education, by passing the Arts, Music, Sports and Preschool for Every Child Charter Amendment which I have proposed for the March of 2004. At full phase-in, this measure will provide the San Francisco Unified School District

with \$20 million annually to fund arts, music, sports and librarians, as well as provide \$40 in annual funding and services for other critical public education needs.

By partnering with the enormous talent and energy in our local arts community, we can foster economic development, jobs, and tourism, as well as continue to foster San Francisco's image regionally, nationally and internationally.