

BOMA San Francisco's 2008 Public Policy Priorities

Since its inception in 1911, the Building Owners and Managers Association of San Francisco ("BOMA") has been a strong and active advocate for its approximately 1,000 current membership, who are owners, managers and service providers for approximately 250 office buildings in San Francisco, Sonoma, Marin and San Mateo counties. In shaping legislation at the Federal, state and local level, BOMA's priorities have been, and will always be about protecting the value of our members' assets, and assuring lawmakers that their well-intentioned laws address the realities of the real estate business and do not harm our industry or infringe on the rights of our property owners. BOMA also strongly supports laws which require government at all levels to be as efficient, cost effective and responsive to the electorate as possible.

The BOMA-San Francisco membership represents approximately 72 million square feet of rentable commercial office and retail space that collectively contributes nearly \$200 million annually to the City in the form of property and related taxes on approximately \$18 billion in assets. This represents 15% of the total value of all assessed properties in San Francisco. (Source: SF Assessors Office – 2006 Annual Report. Total property assessments were \$115.5 billion.)

Consequently, the members of the Building Owners and Managers Association of San Francisco have a significant vested economic interest in good government, especially at the state and local levels. Therefore, the association hereby states its' 2008 public policy priorities and welcomes its member properties and valued associate member firms to communicate these priorities to all representatives of government as well as to their tenants, customers, and clients.

Note: Policies are updated continuously throughout the year as new legislation is proposed. Members are encouraged to submit new issues at any time which they believe should be part of BOMA's 2008 Public Policy Priorities but are not currently included. Direct your comments to **Ken Cleaveland**, Director, Government and Public Affairs for BOMA San Francisco, at 415-362-2662, extension 11, or via e-mail at kenc@boma.com.

2008 Public Policy Priorities

- **Good Government.** BOMA supports all local initiatives that would make our local government more streamlined and cost effective.

BOMA continues to be concerned about the size and cost of San Francisco's city government relative to its population and level of services provided its citizens.

BOMA strongly supports the requirements of Proposition I, passed by the voters in 2004, which require that an economic analysis be done on all legislation with a fiscal impact on the City before action is taken by the Board of Supervisors.

BOMA opposes voter-mandated budget set-asides.

BOMA supports a thorough review of the efficacy of San Francisco's district elections and supports reforms that would provide some measure of representation to citywide interests, such as the business community.

BOMA supports regular audits of all city services, fees, and taxes, to ensure that the City collects what is owed, accounts for all dollars expended, and can identify and eliminate any and all inefficient practices uncovered in the audit process.

BOMA supports the City Assessor's efforts to reduce the backlog of supplemental assessments on properties that have been transferred. BOMA strongly encourages the City to enlist adequate resources necessary to provide timely reassessed value information in the event of property sales and or transfers. Property Owners and tenants that understand their obligations earlier can make more informed decisions with respect to their businesses.

BOMA supports the City's need to update its use of technology to improve communication, efficiency, accountability, cash flow and maintenance of city services. While San Francisco is a leading high technology center for the country, its local government is slow in adopting and implementing new technologies. Many more city services can be provided via the internet, and should be. Every city department and agency should review its website and determine what services can and should be posted and/or made accessible via the internet. All city departments and agencies should be able to communicate electronically, and to be interconnected.

BOMA fully supports the installation and expansion of the new 311 calling system and encourages the City to set up an online searchable reporting system so all complaints can be more easily tracked and remedied.

- **Taxes and Fees.** BOMA asserts that all taxes and fees on commercial property should be fair, transparent, predictable, and justified.

BOMA is concerned with new efforts to impose a so-called "**carbon tax**" on office buildings to offset current payroll taxes charged by the City. The issues surrounding global warming are immense and complex and not easily addressed on the local level. When they are, they should be focused on the positive side with incentives, public-private partnerships, public education programs and recognition that commercial real estate owners have already invested hundreds of millions of dollars in local property and business taxes as well as millions more in upgrading their office buildings to be more resource efficient.

BOMA opposes efforts to create a new **gross receipts** tax in San Francisco as it would unfairly penalize our industry and the thousands of small businesses who constitute the majority of our members' tenants.

BOMA opposes efforts to create a **split roll tax** structure in California as it would also unfairly penalize our industry and the thousands of small businesses who constitute the majority of our members' tenants statewide.

BOMA contends that all **fees** imposed by the City should be fair and directly relate to the cost of the services for which the revenue is being raised. The City should require every department and agency to maintain a full listing of all city fees, make them available to the public via the internet, and adjust them regularly so consumers are not hit with massive one-time increases.

- **Land Use, Building Codes, Transportation, Parking, and Quality of Life Policies.** BOMA supports land use, building codes, transportation, parking and quality of life policies that are balanced, predictable, consistent, transparent, cost-effective, fully vetted, and respect property owner rights. City land use, building code enforcement, transportation policies and parking regulations should *promote* economic growth and job creation which in turn broadens the city's tax base.

BOMA San Francisco submits that the intent of the **California Environmental Quality Act** (CEQA) was to protect the state's environment, and was not intended to be used as a tool for social experimentation. BOMA supports smart planning and green building requirements when they are balanced, consistent, predictable, and have undergone a cost/benefit analysis that weighs both the financial costs and the environmental benefits expected from the new requirements. BOMA also submits that CEQA needs to be amended to streamline the environmental planning process by focusing on a specific and discrete set of environmental impacts with a more predictable process for certification and approval by local authorities. This would reduce the costs and delays arising from a less specific scope of environmental review which inevitably results in additional and unnecessary appeals.

BOMA supports **zoning policies** that are balanced, predictable, and consider all interests. BOMA further supports making changes to the Master Plan when such changes will encourage economic growth of the City and provide greater predictability, uniformity, and equity to all concerned. Such changes should be considered only after the City has conducted the proper economic studies to validate their need and/or expected benefits.

BOMA supports reforms to the City's **conditional use permit process** and discretionary review entitlements. BOMA supports a minimum of 20% of adjacent property owners be required to support an appeal of a CUP for any commercial project, and that no less than a majority of Supervisors (6) be required to support the hearing of an appeal with a supermajority (8) required to overturn the Planning Commission's decision. The City should also require a higher standard be met before any discretionary review appeal is granted.

BOMA supports reform of City Planning ordinances pertaining to the permitting and relocation of **billboard signs**. Property owners should have the right to competitively bid their site locations to all sign companies when current leases expire. Current legislation passed in 2006 effectively binds owners of billboard locations to their existing permit holders, thus reducing competition and the value of these billboard sites. This defect can be corrected without infringing upon the restrictions of Prop G, passed by the voters in 2002 limiting the total number of billboard sites in the City.

BOMA opposes **formula retail restrictions** as counter-productive to the interests of commercial property owners, residents, and to the city's economy and tax base. Current San Francisco restriction of "chain stores" unfairly discourages locally developed businesses from growing, is anti-competitive, and unfair to local residents whose choices are restricted. Anti-chain store legislation actually hurts many small businesses as many national retail outlets actually drive traffic to locally-owned small businesses nearby. Most national retailers also provide living wages and benefits to their employees so such restrictions actually hurt residents financially. BOMA recommends - at a minimum - that the City allow formula retail stores to be replaced on a 1 for 1 basis.

BOMA supports the **Business Processes Re-engineering** Task Force recommendations recently issued by the City's Department of Building Inspection (DBI). These recommendations, if fully implemented, will speed up the Department's design review and inspection processes with enhanced computerized tracking of building permit information, thus saving time and money for BOMA members and their tenants. BOMA will support permit fee increases that will allow for the implementation of the BPR recommendations as long as they are directly tied to enhancing service, including better staffing and training of DBI employees. BOMA will continue to work closely with the Department to create **Administrative Bulletins** which assist building owners, architects, and other professionals in complying with all local and state building, fire, and other codes.

BOMA supports modifying the city's firefighter **Air Replenishment System** regulations as the current code is too restrictive. This amendment would allow greater flexibility in supplying emergency air to firefighters in new high rise buildings in San Francisco.

BOMA supports completion of the City's Transit Effectiveness Study, and urges a complete overhaul of **MUNI service**. BOMA members and their tenants need a public transportation system that is safer, cleaner, more reliable, more accountable, and financially self-sufficient than is currently the case. MUNI should increase its fares, increase the availability of non-cash methods of payment, and increase the surveillance cameras and use of police on all buses and trains. MUNI should reduce the number of bus stops throughout the City to speed up overall service, install NextBus (or equivalent) monitors at every major bus stop and provide more express buses and trains during rush hours.

BOMA supports better **taxi service** in San Francisco through increasing the number of taxi medallions issued and by requiring all medallion holders to be active drivers. The City should establish a central dispatch system for all taxis operators and create a series of official 24 hour pickup points across the city for residents and visitors seeking taxis.

BOMA supports the safe use of more bicycles in San Francisco, and recommends the City install protected parking facilities for **bicycles** in all public buildings, garages, and underground Metro stations. BOMA recommends the completion of a citywide Bike Map and Plan which will promote the creation of more dedicated bike lanes and more bicycling to work. Dedicated bike lanes must be selected and approved only after a full vetting of those streets selected before local businesses, community groups and residents.

BOMA supports **balanced parking policies**, especially as they relate to the downtown (C-3) area, which will allow for adequate new parking structures to be built when necessary to serve residents, shoppers, visitors, and workers. BOMA also supports the revival of the city's Neighborhood Parking Fund to build smaller garages along neighborhood commercial corridors to encourage intra-city commerce. The lack of nearby parking has been identified by local merchants as the #1 reason why shoppers go elsewhere. BOMA strongly opposes any increase in the current city parking tax.

BOMA opposes the implementation of **congestion pricing** in San Francisco and does not agree that San Francisco or the Bay Area's public transit systems are adequate to warrant imposing such a fee. The City should first fully fund efforts to curb double parking and the blocking of intersections, which is a great cause of congestion. Congestion pricing would be very harmful to San Francisco's downtown businesses and retailers.

BOMA supports efforts to enhance the **quality of life** in San Francisco, including the implementation of policies that would increase penalties for aggressive **panhandling**, restrict use of shopping carts on streets and sidewalks in the downtown area, restrict the blockage of sidewalks and sleeping on sidewalks and in doorways in the downtown area, prosecute persons for illegal behavior such as public urination and drug use and drug dealing. BOMA calls for the institutionalization of those homeless individuals whom physicians have certified cannot care for themselves. BOMA supports limiting the growth of so-called "**Pot Clubs**" in San Francisco and favors centralizing these operations to reduce the number of neighborhoods impacted by gangs, drug re-selling and crime that are coincident with such establishments. BOMA supports vigorous enforcement of anti-graffiti laws and enhancement of **graffiti vandalism** penalties, such as changing state law to delete civil compromise statutes. BOMA supports an empowered city Graffiti Advisory Board so long as it includes representation from both commercial and residential property owners, and is fully supported by be the City's Public Works Department in its war against graffiti. BOMA supports full deployment of the City's pedestal **newsracks** as expeditiously as possible, and urges the City to work with property owners who may wish to assist in expediting the newsracks conversions near their buildings. The current roll out is taking far

too long, and the collection of various privately-owned, often dilapidated newsracks are a constant danger to pedestrians on the sidewalks and a blight on the city's image.

BOMA supports the voluntary creation of **community benefit districts** (CBD) in San Francisco whenever and wherever desired by local businesses, residents, and property owners. The costs to establish and maintain a CBD should be based on the fair and impartial assessment of the needs of all owners and tenants within the district. CBD assessments should not replace existing basic city services.

- **Housing Policies.** BOMA supports a balanced approach to building more housing in San Francisco. BOMA believes that the construction of more below-market affordable housing is important for San Francisco businesses but that increasing the total number of all types of housing allowed to be built is the best way to increase overall supply and affordability of housing in San Francisco. BOMA is concerned that unrealistically high demands for so-called inclusionary housing units in new developments or adoption of misguided zoning restrictions or imposition of excessive impact fees may suppress the creation of much-needed new housing (particularly rental housing) as such actions would significantly add to the already high development costs in San Francisco. Developers should be granted density bonuses and other incentives if they will give preferential discounts to the city's police officers, firefighters, paramedics, school teachers, and other important public service personnel who should live in the City, especially in times of an emergency. BOMA also supports homeownership by allowing the construction of more rental housing rather than further restricting conversions to Tenancies-in-Common and/or condominiums. BOMA opposes rent controls of all kinds, and supports efforts to repeal existing ones.
- **Environment.** BOMA supports building and operating a sustainable environment. BOMA members recognize their responsibilities toward creating a more sustainable environment by reducing the use of energy, water and other natural resources. BOMA supports a healthier indoor climate by restricting the introduction of toxics and other indoor air pollutants. The association supports measures that enlist our members' tenants with active participation in the sustainable practices of buildings through such efforts as sub-metering of tenant spaces, purchase of recycled and/or green products, and involvement in recycling programs of various kinds. BOMA supports the introduction of green leasing requirements in current and future commercial leases. BOMA is working in a collaborative fashion with industry and government partners to promote programs and best practices aimed at benchmarking energy usage, reducing energy and water consumption and training building managers, building engineers, and building occupants on ways in which everyone can be involved in sustainability. The BOMA Energy Efficiency Program (BEEP) is a leading example of this effort. BOMA supports the local adoption of reasonable "Green Building" codes and practices when proper consideration is given for their budgetary impacts and to the timing of such requirements.