



February 15, 2018

VIA E-MAIL

Peter Keane
Chairperson
San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220
San Francisco, CA 94105

Re: Agenda Item 4 – Revised Version of the 2017 Anti-Corruption and Accountability Ordinance (“CAO”)

Dear Chairperson Keane:

On behalf of Northern California Grantmakers (NCG) and The San Francisco Foundation, we write to share our thoughts on the proposed amendments to the 2017 Anti-Corruption and Accountability Ordinance. In our February 2, 2018 letter to the San Francisco Board of Supervisors, we raised concerns that the ordinance, as drafted, would impair civic engagement, hinder public-private partnerships, and discourage public service and charitable contributions. We are encouraged to see the Commission consider amendments that continue to target corruption and build public trust in government but narrow the scope of the ordinance to prevent the unintended consequence of harming San Francisco residents. We urge the Commission to consider further amendments and continue to collaborate with the Board of Supervisors to ensure that this important ordinance is effective and impactful.

NCG is a regional association of more than 180 grantmaking organizations and over 1500 individuals whose combined grantmaking exceeds \$3 billion annually. NCG brings philanthropy together with nonprofits, business, and government to build healthy, thriving, and just communities in Northern California. Over \$625 million in grant dollars was invested in San Francisco in 2016 alone, supporting areas such as education, health, human services, community and economic development, and arts and culture.

Rooted in the Bay Area for 70 years, The San Francisco Foundation and its donors have been firmly committed to serving the people of San Francisco and the Bay Area. As one of the nation’s largest community foundations, The San Francisco Foundation mobilizes resources and acts as a catalyst for change to build strong communities, foster civic leadership, and promote philanthropy. In its many roles — civic leader, advocate, grantmaker, philanthropic partner, and convener — The San Francisco Foundation works to ensure that Bay Area



residents have real access to opportunity, good jobs, safe and affordable housing, and a strong political voice.

Protecting Public-Private Partnerships is Critical for the Good of San Francisco

As part of its mission to advance the social good, philanthropy complements government efforts by catalyzing and fueling innovative solutions to complex social problems. Strong partnerships and robust, open dialogue with local government are critical to ensuring that philanthropic resources are leveraged strategically. Homelessness and affordable housing are just two examples of critical issues in San Francisco that have benefited from public-private partnerships to implement new policies and strategies. For example, The HOPE SF Initiative is the nation's first large-scale public housing transformation collaborative aimed at disrupting poverty, reducing social isolation, and creating inclusive mixed-income communities without mass displacement of current residents. The Partnership for HOPE SF is a public-private partnership between three institutional lead organizations: the San Francisco Mayor's Office, The San Francisco Foundation (where it is housed), and Enterprise Community Partners.

We support the proposal to amend the definition of "interested party" in Section 3.600 to parties with a "financial interest in the [officer's] decision." The previous broad definition of "interested party" would have had a strong chilling effect on public-private partnerships – impeding rather than promoting philanthropic collaboration with public partners. Under the previous version, foundation staff, trustees, or donors who are civically engaged, even as private citizens, would have been subject to behested payment reporting requirements for their grantmaking decisions. Such reporting requirements would deter charitable contributions and grantmaking in partnership with the city or deter members of philanthropy from civic engagement – both deeply alarming outcomes.

The proposed amendment makes a critical distinction in requiring disclosure only when an interested party's financial interests are involved. Such a distinction protects community foundations' and philanthropy's ability to address the city's most pressing issues collaboratively through creative partnerships while surfacing conduct that raises the specter of corruption.

The Repeated Recusal Provision Should Be Further Amended to Provide Greater Specificity and Uniformity in its Application

While we support the direction of the proposed amendments to Section 3.209(c) related to repeated recusals, we continue to have concerns about the overall scope of the provision and its continuing potential to discourage public service and volunteerism among our philanthropic members, depriving San Francisco of innovative and thoughtful leaders.



Narrowing Section 3.209(c)(1) to instances in which the board or commission member recuses herself due to the *same* financial interest is an important step towards ensuring that members of philanthropy are not discouraged from participating on the city's board and commissions. We believe that the same baseline – recusals stemming from the same financial interest – should be also be applied to situations under Section 3.209(c)(2) in which a board or commission member recuses herself from one percent or more of the agenda items.

We also have concerns about the vagueness of the “significant and continuing conflict of interest” standard, which will be used by the Ethics Commission in its inquiry under Section 3.209(c). Without further definition or explanation as to how the standard will be applied and which factors will be considered, it will be difficult for individuals to assess their risk for removal. Given that Section 3.209(c) could lead to severe consequences for repeated recusals – removal from office – we urge the Commission to consider removing this provision in its entirety or, at a minimum, consider further amendments to clarify the application of the “significant and continuing” standard and, as noted above, make recusals for the *same* financial interest the baseline throughout the section.

We are encouraged by the amendments under consideration as they are a positive step towards promoting transparency and public trust while ensuring that philanthropy can continue to partner with the city to tackle our community's most pressing issues. We urge you to consider further amendments as discussed above and continue the spirit of collaboration with the Board of Supervisors and diverse stakeholders that has driven this process to date.

If you have any questions or concerns, please do not hesitate to contact us by phone at (415) 872-1016 or email at cchen@ncg.org. Thank you for your time and consideration.

Yours truly,

A handwritten signature in black ink, appearing to read "Ellen LaPointe".

Ellen LaPointe
President & CEO
Northern California Grantmakers

A handwritten signature in black ink, appearing to read "Fred Blackwell".

Fred Blackwell
CEO
The San Francisco Foundation

cc: Daina Chiu, Vice-Chairperson, San Francisco Ethics Commission
Paul A. Renne, Commissioner, San Francisco Ethics Commission
Quentin L. Kopp, Commissioner, San Francisco Ethics Commission



Yvonne Lee, Commissioner, San Francisco Ethics Commission
LeeAnn Pelham, Executive Director, San Francisco Ethics Commission
Kyle Kundert, Senior Policy Analyst, San Francisco Ethics Commission
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