



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

PETER KEANE
CHAIRPERSON

DAINA CHIU
VICE-CHAIRPERSON

PAUL A. RENNE
COMMISSIONER

QUENTIN L. KOPP
COMMISSIONER

YVONNE LEE
COMMISSIONER

LEE ANN PELHAM
EXECUTIVE DIRECTOR

November 29, 2017

Honorable Members

San Francisco Board of Supervisors

Attention: Angela Calvillo, Clerk of the Board of Supervisors

City Hall, Room 244

1 Dr. Carlton B. Goodlett Place

San Francisco, CA 94102

Re: Proposed Ordinance – San Francisco Anti-Corruption and Accountability Ordinance

Dear Members of the Board:

At its November 27, 2017 Regular Meeting, the Ethics Commission voted by a four-fifths majority to support a series of amendments to City law that seek to strengthen the City's Campaign Finance Reform Ordinance and the Conflict of Interest Code to advance the purposes of reducing undue influence, limiting corruption, and ensuring and advancing an informed electorate. The Commission's proposed Ordinance, the *San Francisco Anti-Corruption and Accountability Ordinance* (the "Ordinance") would amend Articles I and III of the Campaign and Governmental Conduct Code ("SFC&GCC"). The Ethics Commission is transmitting the Ordinance to the Board of Supervisors for its consideration and urges the Board to enact the Ordinance into law.

Overview of Proposal

The Ordinance creates a series of new rules designed to reduce the incidence or appearance of corruption and to increase transparency regarding political fundraising and payments made at the behest of City officials.

The Ordinance would amend the SFC&GCC to create or expand certain prohibitions on political contributions. The Ordinance would further restrict the ability of City contractors, prospective City contractors, and individuals with a financial interest in a land use matter pending before a City agency to make payments benefitting certain City officials or other organizations with which these City officials are affiliated. The Ordinance would also prohibit the earmarking of contributions to evade contribution limits and make assumed name contributions a violation of City law.

The Ordinance would also institute new disclosure requirements to better inform the public about money being raised and spent on political campaigns or at the behest of a City official. Officials would be required to disclose certain fundraising activities in relation to ballot measure or independent expenditure committees. Candidates would need to disclose the identity of individuals who bundle large amounts of contributions for their committees. To

further strengthen transparency of campaign finance activities in City elections, the Ordinance would establish a third public disclosure report for campaign committees prior to the date of the election, and business entities that contribute to candidates would be required to provide additional disclosures about their management. Additionally, the Ordinance would create local rules for reporting payments made at the behest of a City official.

Importantly, the Ordinance also would create new rules regarding conflicts of interest, including prohibitions on City officials using their position to obtain something of value for themselves or accepting something of value that is likely to influence their official actions. The Ordinance would also create new procedures for board and commission members who recuse themselves based on a conflict of interest, including a public notice of the conflict and steps to address any conflict that result in a member's repeated recusals.

The Commission's proposed Ordinance was developed and refined over a period of nine months through extensive public comment at Commission hearings and a series of interested persons meetings with Commission Staff. In transmitting its recommendations to the Board of Supervisors, the Commission urges the Board to enact the proposed changes to expand and strengthen City campaign finance and conflict of interest provisions.

For reference, a record of ordinance drafts, written comment received from the public and interested persons, and other supporting materials are attached.

If you have any questions for the Ethics Commission or would like any additional information from our office, please feel free to contact me at (415) 252-3100.

Sincerely,

LeeAnn Pelham

LeeAnn Pelham
Executive Director