



City & County of San Francisco  
**Ethics Commission**



# **2025 Streamlining Project**

June 13, 2025



A black and white photograph of an ornate doorway. The door is highly decorative with intricate carvings and scrollwork. A dark mat with the words 'CITY HALL' in white, serif capital letters is placed on the floor in front of the door. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text 'Project Overview'. A solid light blue triangle is positioned in the top-left corner of the image.

# Project Overview

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# Project Overview

- Evaluate whether existing programs are effective, efficient, and furthering the Commission's mission.
- San Francisco is a leader on ethics rules, often trying new, unique approaches.
- Must ensure that the programs add value and are worth the continued cost to administer.
- If not, programs and policies may need to be scaled down or otherwise revised.
- Particularly true when facing budget reductions.

# Project Overview Cont.

- Project Launched This Year to Review:
  1. Major Developers Program
  2. Campaign Consultant Program
  3. Supplemental Recusal Notifications
  4. Trustee Election Filings
  5. Expenditure Ceilings & Reporting Requirements for the Public Financing Program (Agenda Item 8)
- Two Interested Persons Meetings in March
- Goal for Today: Preview recommendations for potential future action.

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# Major Developers Program



# Background

- Board of Supervisors created this program in June 2014 to increase transparency into the land use decision making process.
- Requires real estate developers to disclose certain donations made to nonprofit organizations that have contacted City officers regarding *major projects* of the developer.
  - Applies to projects with certified Environmental Impact Reports (EIRs) under CEQA and estimated construction costs exceeding \$1,000,000.

# Registration & Reporting Requirements

- Registration within 30 days of EIR certification
- Developer and affiliate information
  - 1) Any nonprofit organization to whom the developer or any of their affiliates made cumulative donations of \$5,000 or more since the date one year before the EIR Application was filed, and
  - 2) that made one or more contacts to a City officer regarding the developer's major project. *Contact* includes oral or written testimony received at a public hearing.
- \$500 registration fee
- 4 quarterly reports (even if no donations)
- Late filing fee of \$50/day after the deadline until the reports are received

# Timeline of Reporting

- Day 1-90: Donation and Nonprofit Engagement
  - A developer donates to a nonprofit. The nonprofit communicates with City officers, such as testifying in support of the developer's project during a public meeting or communicating privately with the City officer.
- Day 30-90: Key Meetings & Decisions
  - City officers make the land-use decisions after engaging with stakeholders, unaware of any donations the nonprofits may have received from the developer.
- Day 90: Reporting Period Ends
  - Donations from this period remain undisclosed.
- Day 105: Filing Due
  - Date at which a filing for the 90-day reporting period is due to be filed with the Ethics Commission.



# Findings

## Poorly Structured Reporting

- Reports Retroactively - City officers may unknowingly act without knowledge of donations
- Reporting obligation ends after 4 reports, even if project is ongoing

## Administrative Burdens & Low Utilization

- \$1 mil threshold is low, creates overly burdensome reporting duties
- 47% of filings reported no donations since 2019
- Lack of awareness of the program

## Unclear & Redundant Objectives

- Unclear policy problem
- Lobbying activity already requires registration and reporting
- Ineffective tool at prevent 'shadow lobbying'

# Preliminary Recommendation

*Eliminate* the registration and reporting components of the Major Developers Program because they are inefficient, place an unreasonable disclosure obligation on developers, offers little value to the public, and is not an effective transparency tool or method for discouraging shadow lobbying.

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# **Campaign Consultant Program**



# Background

- Program was implemented following the passage of Prop G in 1997 to highlight political relationships and financial transactions that were otherwise not easily accessible to the public *at the time*
- Campaign consultants are required to disclose payments of \$1,000 or more that they receive or are promised for providing *campaign management or strategy services*
- Program has gone largely unchanged since its implementation

**Table 1: Information Collected via Campaign Consultant Program**

Type of Information	Available Elsewhere	*Only in Consultant Filings
Campaign Consultant (Individual/Firm) Identification and Contact Information	✓	
Minimal Description of the Consulting Activity	✓	
Payments Promised or Received	✓	
Political Contributions Made by the Campaign Consultant (if \$100+)	✓	
Payments Promised or Received from Vendors or Sub-vendors	✓	
Gifts Made by the Campaign Consultant	✓	
City Contracts Obtained by the Campaign Consultant	✓	
Campaign Consultant Appointments to Public Office by a Client	✓	
Names of Any Local Officeholders or City Employees Employed by the Campaign Consultant or a Client of the Campaign Consultant, at the Behest of the Campaign Consultant		X

# Findings

## High Administrative Burden

- **On filers:** confusing, complex requirements – especially burdensome for individuals and small firms
- **On staff:** duplicates data that is already elsewhere

## Overly Broad Definitions

- Terms like “campaign consultant,” “campaign management,” and “campaign strategy” are nebulous
- \$1,000 qualification threshold low given modern campaign costs

## Limited Public Value

- Key information is already available through Form 460s, disclaimers, and other data sets
- Public feedback indicates consultant filings are not top of mind for folks seeking information

# Preliminary Recommendation

*Eliminate* the current registration and reporting provisions of the Campaign Consultant Program and maintain the necessary definitions and supporting language, including the existing prohibition on campaign consultants lobbying their current or former clients.

- Additionally, shifting the program focus to ensure that campaigns have the information necessary to fully disclose their campaign consultant expenditures through other existing requirements.

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# **Supplemental Recusal Notifications**





# Background

- Per State and City law, members of City boards and commissions who have a financial conflict of interest in a matter are required to recuse themselves from discussing or voting on the matter.
- City has additional duty to file a supplemental recusal notification with the Ethics Commission
  - Does not apply to Board of Supervisors

# Recusal Process

1. **Announce Recusal:** The member must announce their recusal during the meeting and describe the circumstances that give rise to the conflict of interest.
2. **Recuse:** The member must recuse from acting on, or even discussing, the matter.
3. **Leave the Room:** The member is required to leave the room while the matter is being discussed, voted on, or is otherwise before the body.
4. **Record in Meeting Minutes:** The recusal must be recorded in the official meeting minutes.
5. **File Disclosure Form (Within 15 Days):** The member must file a signed public disclosure form with the Ethics Commission within 15 calendar days of the meeting, which includes:
  - The member's name
  - Their board or commission
  - The meeting date
  - The agenda item number
  - A brief description of the matter
  - Indication of if the matter concerns a contract
  - An explanation of the financial interest causing the recusal, and
  - A copy of the meeting agenda

# Findings

## Redundancy

- Already standard recusal procedures outlined in State and City law.
- Recusal information is already disclosed during the meeting.
- Information is reflected in the meeting minutes, where the public would expect to find it.

## Administrative Burden

- Requires additional administrative work for Commission secretaries.
- Burden on volunteer board members and commissioners.
- Officials could face enforcement action and potential penalties for failure to file, even if they otherwise recused properly.

# Preliminary Recommendation

*Eliminate* the supplemental recusal notification required under Subsection 3.209(b) to streamline the process for recusing and decrease the administrative load on officers and employees throughout the City.

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# Trustee Election Filings



# Background

- San Francisco has three benefit-related boards that manage retirement and health benefits for City employees and retirees:
  - Health Service Board
  - Retirement Board
  - Retiree Health Care Trust Fund Board
- Trustee elections administered by the San Francisco Department of Elections
- In 2018, SF Administrative Code was amended to regulate trustee elections due to third-party spending concerns in a 2017 Retiree Health Care Trust Fund Board election.

# Filing Requirements

- Candidates must file with the Ethics Commission:
  - Form 700
  - Candidate intention statement
  - Initial statement of organization
    - Bank account information
  - Required campaign finance statements (pre-election, semi-annual, late contribution)
- *Elected trustees* must continue filing through their term; *unsuccessful candidates* may terminate filings after the election.
- Third-party spenders must:
  - Register with a statement of organization
  - Submit required campaign finance statements

# Findings

## Virtually No Financial Activity

- **Only 7 candidates** have registered and filed since this requirement went in effect
- Of those 7, only **1 candidate** has ever disclosed raising funds
- They raised **\$78.60**, which is too low to appear as an itemized transaction on a campaign statement.

## Overly Strict Requirements

- Barriers to entry for candidates
- Candidates must open a bank account, even if no funds are raised or spent
- File more campaign reports than candidates for Mayor or Board of Supervisors

## Administrative Burden

- Burden on Board staff
- Manage overlapping nomination and reporting periods
- Rules are codified in the *Administrative Code*, not the C&GCC, which limits the ability of the Commission to effectively implement these rules



# Preliminary Recommendation

*Eliminate* the Trustee Election Filing Requirement because it provides minimal public benefit and imposes disproportionate and unnecessary burdens on candidates and City staff.

- Sections of the Administrative Code will soon need to be amended per AB 1637. *Staff recommends that they should be removed entirely.*
- Staff recommend that Chair and the Executive Director send a formal communication to the Board of Supervisors to initiate this legislation

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**Next Steps**

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# Next Steps

- Discussion and feedback today
- Staff are working with the City Attorney's Office to draft legislation regarding:
  - Major Developers
  - Campaign Consultants, and
  - Supplemental Recusal Notices
- Draft language will be brought to a subsequent Commission meeting for review and a potential vote.
- Trustee Election Disclosure Program is agendized for potential action today:
  - Commission may vote to authorize the Chair to sign a formal communication to the Board of Supervisors to pursue legislation discontinuing the program.

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**Thank You!**

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