

**HSN MEMBERSHIP MEETING
DECEMBER 16, 2005
Meeting Minutes**

I) Announcements - *Debbi Lerman*

- HSN's 2006 meeting schedule was distributed. Membership meetings are the third Friday of the month, 9:30 am to 11:30 am at LightHouse for the Blind and Visually Impaired. Public Policy Committee meetings are generally held the last Wednesday of the month, 10 am to Noon at Progress Foundation. These meetings are open to all HSN dues paying members. Steering Committee meetings are held the second Thursday of the month at Huckleberry Youth Programs. HSN members who are interested in joining the Steering Committee are encouraged to contact Debbi Lerman at debbilerman@sfhsn.org.
- HSN's annual dues statement will be e-mailed in early January to the main contact person for each organization. We rely on member dues for 25% of our annual budget.
- HSN has launched our website. Please check it out at www.sfhsn.org. In the future, updates will be posted on the website, and members will receive an e-mail notice with a link to the update on the website.

II) Guest Speaker – *Supervisor Aaron Peskin, President of the Board of Supervisors*

Assessment of San Francisco's fiscal and political situation:

Over the last several decades, federal and state funding for services has decreased. Recently, San Franciscans are not supporting liberal ballot measures, as several housing initiatives and taxes have failed. Taxes that only require 50% support on the ballot, and therefore cannot be dedicated, suffer from distrust between labor and nonprofits over who will receive the funding. The nonprofits get "hollowed out," and we need to stop using duct tape to hold the sector together. The City budget process is not picking between the nonprofits, but letting them all starve slowly.

Upcoming revenue measures: Do not place a measure on the ballot unless there is great trust between the various parties. It is preferable not to go to the ballot, since everything has unintended consequences, such as the Minimum Compensation Ordinance and the Health Care Accountability Ordinance.

There are two options for a revenue measure: 1) Radical tax restructuring, which would abolish the payroll tax and institute a graduated gross receipts tax targeted by industry. This strategy must net out the biggest opponents first; or 2) A specific measure such as the real estate transfer tax. We missed our opportunity on this measure because we didn't poll to find the "sweet spot." The measure proposed increasing the transfer tax rate on homes sold for more than \$1 million. The vehicle license fee could be worth \$70 million annually, if the state will allow local governments the power to put it on the local ballot. Revenue measures can have upper limits and sunsets.

City Hall has failed to create a sustainable network in the community to support the revenue measures. The leadership must come from the community, not the Supervisors. The grassroots groups must truly come together to pass a revenue measure. We need to recognize that such measures face opposition from certain sets of voters and that it is difficult for the community groups to address these voters. We need Government leaders to help win over these voters.

Upcoming budget:

Tax revenue is increasing. The projected deficit of \$120 M has dropped to \$80 M and will probably end up around \$60 M, of which \$50 M can be attributed to MUNI. Whatever the Mayor negotiates with the numerous union contracts, the Board will pass. As long as everything keeps limping along, the public does not believe there is a problem. There must be a crisis before there will be change. Chris Daly will chair the Budget Committee, and the members will be more inclined to preserve health and human services than paving streets. Supervisor Peskin believes that the Mayor sincerely cares about providing services to the most vulnerable San Franciscans. The Mayor's budget instructions traditionally ask departments to absorb all cost increases and propose contingency cuts. We need to work to get some Departments to analyze and articulate the effects on the nonprofit sector and their clients. We also need to better communicate City salary levels.

The Director of Public Health has incredible power and authority that is underutilized. Supervisor Peskin hopes that this will change. The Mayor and the Board have embraced parts of the HMA report on long-term care that Mitch Katz is resisting, such as the creation of a Chief Operating Officer. Rebuilding SF General Hospital is not the primary issue, but a distraction.

Supervisor Peskin is considering a \$25 million fee on downtown businesses that benefit from MUNI. San Francisco is on the cutting edge of the legal side of fees. Most services charge fees for 100% cost recovery. Three-quarters of MUNI service is designed to go to, from or through downtown. His proposal is not property based. It is different from a transit impact development fee, which is a one-time, per square foot fee for capital improvements. He is considering an annual fee. A nexus study is due in June on the issue. Then he will propose an Ordinance that will need six Board votes and agreement from the Mayor not to veto the measure. Downtown businesses will probably challenge the legality of the measure and may place a measure on the ballot.

HSN's proposed summit:

HSN's proposal that the Mayor and Supervisor Peskin convene a summit and task force to discuss comprehensive service delivery for vulnerable populations makes great sense, because otherwise services will continue to erode. Supervisor Peskin will be happy to spearhead the process and discuss it with the Mayor. This is the right time for this conversation, but you never know when someone else will come along with a proposal that messes up everything, such as Laguna Honda Hospital and Prop A.

The City's planning process is surprisingly haphazard. There is no capital plan, no prioritization or analysis on how costs will increase over time. The Mayor's obsession with numbers has helped move the City in the right direction, and there will be a capital plan soon.

- HSN members thanked Supervisor Peskin for his honesty and candor.

III. Follow-up discussion of HSN's policy paper "Caring for Vulnerable San Franciscans" **– Steve Fields**

- Summit: If both the Mayor and Supervisor Peskin agree to spearhead the summit, and key participants from the nonprofit sector and the City are actively involved in the resulting task force, then policy development in San Francisco could move forward in a new light, not just within departments.
- HSN wants to keep the annual budget and COLA discussions within the budget process and out of this summit. The summit must focus on the larger issues and examine the vulnerability of the nonprofit sector and the San Franciscans who rely upon these services.
- Time line: HSN representatives are meeting with the Mayor in mid-January to propose this concept to him. We recognize that the summit must move quickly because the planning efforts around Laguna Honda (LHH) and SF General Hospital are already moving forward. Construction contracts for 780 beds at LHH are going out, with plans to open in 2008. There are people working on a ballot measure to require 1200 beds in the facility.
- Revenue measure for the November 2006 ballot: HSN should discuss with our allies whether the process is moving fast enough. The small business community should be consulted, since they were the moral front for the opposition to Propositions J and K, which failed. It would be better to hold off on a revenue measure than put forward a half-baked, losing proposition. We must also consider that there are numerous Supervisor races in November.

IV. Next Meeting and Adjournment

- HSN's next membership meeting will be held on **Friday, January 20 from 9:30 am – 11:30 am at LightHouse for the Blind and Visually Impaired, 214 Van Ness Ave. (between Grove and Hayes).**
- HSN's next Public Policy Committee Meeting: Wednesday, January 25 at 10 am at Progress Foundation, 368 Fell Street (between Gough and Octavia).
- The meeting adjourned at 11:15 a.m.

ATTENDEES AT HSN GENERAL MEMBERSHIP MEETING, DECEMBER 16, 2005

Sherilyn Adams, Larkin Street
Brett Andrews, Positive Resource Center
Margy Baran, IHSS Consortium
Amy Beinart, Bernal Heights Neighborhood Ctr
Nancy Brundy, Institute on Aging
Merrill Buice, HSN
Debberra Burrell, BVHP Foundation
Brian Cahill, Catholic Charities/CYO
Donna Calame, IHSS Public Authority
Larry Chatmon, HSA Contracts
George Clark, LightHouse for the Blind
Steve Crabiel, Toolworks
Margi Dunlap, International Institute
Steve Fields, Progress Foundation
Bruce Fisher, Huckleberry Youth Programs
Nick Footracer, CCSF
Don Frazier, Walden House
Bill Hirsh, ALRP
Patrick Hoctel, IHSS PA
Jeff Kositsky, Community Housing Partnership
Debbi Lerman, HSN
Marc Levine, JCRC
Rod Libbey, Walden House
Ellen Lord, LightHouse for the Blind
Ilsa Lund, Larking Street
Nancy Nielsen, Lutheran Social Services
Anaal Patel, Walden House
Chester Palesoo, APA
Aaron Rappaport, JCRC
Patrick Regan, CVE
Sandra Santana-Mora, Edgewood
Andrea Spagat, Center for Human Development
Calvin Welch, CCHO
Kelly Wilkinson, ECS