



City and County of San Francisco
Meeting Minutes
Government Audit and Oversight Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Jane Kim, Aaron Peskin, Vallie Brown

Clerk: John Carroll (415) 554-4445

Wednesday, November 7, 2018

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Jane Kim, and Vallie Brown

Excused: 1 - Aaron Peskin

The Government Audit and Oversight Committee met in regular session on November 7, 2018, with Chair Jane Kim presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Kim called the meeting to order at 10:10 a.m. On the call of the roll, Chair Kim and Member Brown were noted present. Vice Chair Peskin was noted not present. There was a quorum.

Supervisor Peskin Excused from Attendance

Chair Kim moved to excuse Supervisor Peskin from attending the Government Audit and Oversight Committee regular meeting of November 7, 2018. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Kim requested that File Nos. 180983, 180984, 180985, 180986, 180987, and 180988 be heard together.

180983 [Mills Act Historical Property Contract - 2253 Webster Street]

Resolution approving an historical property contract between Virginia Hong, the owner of 2253 Webster Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor-Recorder to execute and record the historical property contract. (Historic Preservation Commission)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Michael Jine (Office of the Assessor-Recorder); Amy Beinart (Office of Supervisor Ronen); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180984 [Mills Act Historical Property Contract - 353 Kearny Street]

Resolution approving an historical property contract between Pine Kearny LLC, the owner of 353 Kearny Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; authorizing the Planning Director and the Assessor-Recorder to execute and record the historical property contract. (Historic Preservation Commission)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Michael Jine (Office of the Assessor-Recorder); Amy Beinart (Office of Supervisor Ronen); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180985 [Mills Act Historical Property Contract - 465-467 Oak Street]**Sponsor: Brown**

Resolution approving an historical property contract between Joseph E and Jennifer A Laska Joint Living Trust, the owner of 465-467 Oak Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor-Recorder to execute and record the historical property contract. (Historic Preservation Commission)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Michael Jine (Office of the Assessor-Recorder); Amy Beinart (Office of Supervisor Ronen); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180986 [Mills Act Historical Property Contract - 587 Waller Street]

Resolution approving an historical property contract between Christopher Hansten and June Kwon, the owners of 587 Waller Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor-Recorder to execute and record the historical property contract. (Historic Preservation Commission)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Michael Jine (Office of the Assessor-Recorder); Amy Beinart (Office of Supervisor Ronen); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180987 [Mills Act Historical Property Contract - 354-356 San Carlos Street]**Sponsor: Ronen**

Resolution approving an historical property contract between Joyjit and Preetha Nath, the owners of 354-356 San Carlos Street, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor-Recorder to execute and record the historical property contract. (Historic Preservation Commission)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee. Supervisor Ronen requested to be the primary sponsor.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Michael Jine (Office of the Assessor-Recorder); Amy Beinart (Office of Supervisor Ronen); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180988 [Mills Act Historical Property Contract - 811 Treat Avenue]**Sponsor: Ronen**

Resolution approving an historical property contract between Golden Gate Properties LLC, the owner of 811 Treat Avenue, and the City and County of San Francisco, under Administrative Code, Chapter 71; and authorizing the Planning Director and the Assessor-Recorder to execute and record the historical property contract. (Historic Preservation Commission)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee. Supervisor Ronen requested to be the primary sponsor.

Heard in Committee. Speakers: Shannon Ferguson (Planning Department); Michael Jine (Office of the Assessor-Recorder); Amy Beinart (Office of Supervisor Ronen); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

Chair Kim requested that File Nos. 180963, 181011, 180897, and 181013 be heard together.

180963 [Civic Center Community Benefit District - Annual Report for FY2016-2017]**Sponsor: Kim**

Resolution receiving and approving an annual report for the Civic Center Community Benefit District for FY2016-2017, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's Management Agreement with the City, Section 3.4. (Department of Economic and Workforce Development)

10/02/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/10/18; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Tracy Everwine, Executive Director (Civic Center and Central Market Community Benefit Districts); Helen Mar (Office of Economic and Workforce Development); Simon Bertrang, Executive Director (North of Market/Tenderloin Community Benefit District); Christian Martin, Executive Director (Lower Polk Community Benefit District); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

181011 [Central Market Community Benefit District - Annual Report - 2016 Calendar Year]**Sponsor: Kim**

Resolution receiving and approving an annual report for the Central Market Community Benefit District for the 2016 calendar year, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4. (Department of Economic and Workforce Development)

10/16/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/22/18; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Tracy Everwine, Executive Director (Civic Center and Central Market Community Benefit Districts); Helen Mar (Office of Economic and Workforce Development); Simon Bertrang, Executive Director (North of Market/Tenderloin Community Benefit District); Christian Martin, Executive Director (Lower Polk Community Benefit District); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180897 [North of Market/Tenderloin Community Benefit District - Annual Report to the City - FY2016-2017]**Sponsor: Kim**

Resolution receiving and approving an annual report for the North of Market/Tenderloin Community Benefit District for FY2016-2017, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4. (Department of Economic and Workforce Development)

09/11/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

09/17/18; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Tracy Everwine, Executive Director (Civic Center and Central Market Community Benefit Districts); Helen Mar (Office of Economic and Workforce Development); Simon Bertrang, Executive Director (North of Market/Tenderloin Community Benefit District); Christian Martin, Executive Director (Lower Polk Community Benefit District); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

181013 [Lower Polk Community Benefit District - Annual Report - FY2016-2017]**Sponsor: Peskin**

Resolution receiving and approving an annual report for the Lower Polk Community Benefit District for FY2016-2017, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4. (Department of Economic and Workforce Development)

10/16/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/22/18; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Tracy Everwine, Executive Director (Civic Center and Central Market Community Benefit Districts); Helen Mar (Office of Economic and Workforce Development); Simon Bertrang, Executive Director (North of Market/Tenderloin Community Benefit District); Christian Martin, Executive Director (Lower Polk Community Benefit District); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

181035 [Management Agreement - Owners' Association - Administration/Management of Discover Polk Community Benefit District]**Sponsor: Peskin**

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the "Discover Polk Community Benefit District," pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2029.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/31/18; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

11/01/18; RESPONSE RECEIVED. Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

Heard in Committee. Speaker: Chris Corgas (Office of Economic and Workforce Development); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

Chair Kim requested that File Nos. 180622 and 180623 be heard together.

180622 [Resolution of Intention - Establishing the Central SoMa Special Tax District]

Sponsors: Mayor; Kim

Resolution declaring the intention of the Board of Supervisors to establish City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa), and determining other matters in connection therewith.

06/05/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/17/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee.
Speakers: None.

10/17/18; CONTINUED AS AMENDED.

10/25/18; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee.
Speakers: Lisa Chen (Planning Department); presented information and answered questions raised throughout the discussion. Ace Washington; spoke on various concerns relating to the hearing matter.

10/25/18; CONTINUED AS AMENDED.

Heard in Committee. Speaker: Lisa Chen (Planning Department); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to change the Committee of the Whole hearing date from January 8, 2019, to January 15, 2019. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

Resolution declaring the intention of the Board of Supervisors to establish City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa); ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on January 15, 2019, at 3:00 p.m.; and determining other matters in connection therewith.

Chair Kim moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180623 [Resolution of Intention - Incurring Bonded Indebtedness and Other Debt for the Central SoMa Special Tax District]**Sponsors: Mayor; Kim**

Resolution declaring the intention of the Board of Supervisors to incur bonded indebtedness and other debt for City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa), and determining other matters in connection therewith.

06/05/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/17/18; CONTINUED. Heard in Committee. Speakers: None.

10/25/18; CONTINUED. Heard in Committee. Speakers: Lisa Chen (Planning Department); presented information and answered questions raised throughout the discussion. Ace Washington; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speaker: Lisa Chen (Planning Department); presented information and answered questions raised throughout the discussion.

Chair Kim moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to change the Committee of the Whole hearing date from January 8, 2019, to January 15, 2019. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

Resolution declaring the intention of the Board of Supervisors to incur bonded indebtedness and other debt for City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa); ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on January 15, 2019, at 3:00 p.m.; and determining other matters in connection therewith.

Chair Kim moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

LITIGATION

Chair Kim requested File Nos. 180955, 180962, 180980, and 180982 be called together.

Speakers: None.

Conference with City Attorney

[Convene in Closed Session - Existing Litigation - City as Plaintiff and/or Defendant]

Motion that the Government Audit and Oversight Committee of the Board of Supervisors convene in closed session with the City Attorney for the purpose of conferring with, or receiving advice from, the City Attorney regarding the following existing litigation and anticipated litigation. Administrative Code Section 67.10(d) permit this closed session. Discussion in open session concerning these matters would likely and unavoidably prejudice the position of the City in the pending lawsuits and claims listed below.

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

Persons in attendance: Jon Givner (Office of the City Attorney) and John Carroll (Office of the Clerk of the Board).

180955 [Partial Settlement of Lawsuit - Ho Tan and Lionel Tan - \$245,000]

Ordinance authorizing settlement of the lawsuit filed by Ho Tan and Lionel Tan against the City and County of San Francisco for \$245,000; the lawsuit was filed on August 20, 2015, in San Francisco Superior Court, Case No. CGC-15-547492; entitled David Alfaro, et al. v. City and County of San Francisco; the lawsuit involves inverse condemnation arising out of flooding damage during major rainstorms; as it relates only to property loss of plaintiffs Ho Tan and Lionel Tan, by the payment of \$245,000 and excluding the claim by these plaintiffs for diminution of value for plaintiffs' real property and the claim by plaintiffs for attorney's fees, costs and interest, which will be addressed in later proceedings. (City Attorney)

10/01/18; RECEIVED FROM DEPARTMENT.

10/16/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180962 [Partial Settlement of Lawsuit - Kwok Shing Hong - \$110,796.81]

Ordinance authorizing settlement of the lawsuit filed by Kwok Shing Hong against the City and County of San Francisco for \$110,796.81; the lawsuit was filed on August 20, 2015, in San Francisco Superior Court, Case No. CGC-15-547492; entitled David Alfaro, et al. v. City and County of San Francisco; the lawsuit involves inverse condemnation arising out of flooding damage during major rainstorms; as it relates only to property loss of plaintiff Kwok Shing Hong, by the payment of \$110,796.81 and excluding the claim by this plaintiff for diminution of value for plaintiff's real property and the claim by plaintiff for attorney's fees, costs, and interest, which will be addressed in later proceedings. (City Attorney)

10/01/18; RECEIVED FROM DEPARTMENT.

10/16/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180980 [Settlement of Lawsuit - Lucille Sullivan - \$40,000]

Ordinance authorizing settlement of the lawsuit filed by Lucille Sullivan against the City and County of San Francisco for \$40,000; the lawsuit was filed on July 3, 2017, in San Francisco Superior Court, Case No. CGC-17-559902; entitled Lucille Sullivan v. City and County of San Francisco; the lawsuit involves a personal injury on a City sidewalk. (City Attorney)

10/15/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

180982 [Settlement of Unlitigated Claim - Estate Research Associates - Up to \$80,000]

Resolution approving the settlement of the unlitigated claim filed by Estate Research Associates against the City and County of San Francisco for up to \$76,866.20; the claim was filed on January 26, 2018; the claim involves economic damages allegedly arising from the failure to properly administer two estates. (City Attorney)

10/10/18; RECEIVED FROM DEPARTMENT.

10/23/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to clarify the settlement amount of \$80,000 in the title of the resolution, by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

Resolution approving the settlement of the unlitigated claim filed by Estate Research Associates against the City and County of San Francisco for up to \$80,000; the claim was filed on January 26, 2018; the claim involves economic damages allegedly arising from the failure to properly administer two estates. (City Attorney)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

[Elect Not To Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations listed above.

Member Brown moved not to disclose closed session deliberations. The motion carried by the following vote:

Ayes: 2 - Kim, Brown

Excused: 1 - Peskin

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 11:40 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Government Audit and Oversight Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.