



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: Gordon Mar, Vallie Brown, Aaron Peskin

Clerk: John Carroll (415) 554-4445

Thursday, October 17, 2019

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Gordon Mar, Vallie Brown, and Aaron Peskin

The Government Audit and Oversight Committee met in regular session on October 17, 2019, with Chair Gordon Mar presiding. Chair Mar called the meeting to order at 10:05 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Mar and Vice Chair Brown were noted present. Member Peskin was noted not present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

Supervisor Peskin Excused from Attendance

Vice Chair Brown moved moved that Supervisor Peskin be excused from the Government Audit and Oversight Committee meeting of October 17, 2019, until his arrival at 10:25 a.m. The motion carried by the following vote:

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

REGULAR AGENDA

Chair Mar requested that File Nos. 190913, 190953, 190928, and 190925 be called together.

Member Peskin was noted present at 10:25 a.m.

190913 [Hearing - Removal of 41 Long-Term Beds from the Adult Residential Facility]

Sponsors: Ronen; Haney

Hearing to discuss the Department of Public Health's decision to remove 41 out of 55 long-term beds from the Adult Residential Facility, including: the timeline of when this decision was made by the Department of Public Health and whether alternative options were considered; the reasoning and rationale behind closing beds at the Adult Residential Facility; staffing needs at the Adult Residential Facility and steps taken by the Department of Public Health and Department of Human Resources to fill staffing vacancies, including any efforts made to hire staff on an urgent priority basis; breakdown of the Adult Residential Facility's budget as it relates to operating and staffing costs; justification for why over 20 permanent beds remained empty over the past year, even as people were awaiting entry into the long-term care facility; reasoning for why new clients have not been submitted to the Adult Residential Facility since September 2019, despite availability of beds; how changes to the provisions of services at the Adult Residential Facility were communicated to frontline staff, residents, their families, and the Board of Supervisors; and requesting the Department of Public Health and Department of Human Resources to report.

09/03/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

09/11/19; REFERRED TO DEPARTMENT. Referred to the Department of Public Health and the Department of Human Resources for informational purposes.

Heard in Committee. Speakers: Supervisors Hillary Ronen, Rafael Mandelman, and Matt Haney (Board of Supervisors); presented information and answered questions raised throughout the discussion. Vivian Imperiale (Mental Health Association of San Francisco); Jennifer Esteen; Sharifa Rahman; Jennifer Zakroff and Connie Truong (San Francisco Behavioral Health Center); Amy Wong, Sarah Larson, and Deanna Chan (IFPTE Local 21); Anakh Sul Rama (Treatment on Demand Coalition); Jennifer Friedenbach, Executive Director, and Brian Edwards (San Francisco Coalition on Homelessness); Marcus Huiseman; Michael Lyon; Daniel Becker (SEIU 1021); Ken; spoke on various concerns relating to the hearing matter.

Chair Mar moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190953 [Urging the Department of Public Health to Rescind Their Relocation Notice for Adult Residential Facility Residents]**Sponsors: Haney; Ronen, Walton, Mar, Fewer, Safai and Brown**

Resolution urging the Department of Public Health to rescind their 60-day notice for adult residential facility residents to relocate; and supporting adult residential facility residents and workers.

09/17/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

09/25/19; REFERRED TO DEPARTMENT. Referred to the Department of Public Health and the Department of Human Resources for informational purposes.

Heard in Committee. Speakers: Supervisors Hillary Ronen, Rafael Mandelman, and Matt Haney (Board of Supervisors); presented information and answered questions raised throughout the discussion. Vivian Imperiale (Mental Health Association of San Francisco); Jennifer Esteen; Sharifa Rahman; Jennifer Zakroff and Connie Truong (San Francisco Behavioral Health Center); Amy Wong, Sarah Larson, and Deanna Chan (IFPTE Local 21); Anakh Sul Rama (Treatment on Demand Coalition); Jennifer Friedenbach, Executive Director, and Brian Edwards (San Francisco Coalition on Homelessness); Marcus Huiseman; Michael Lyon; Daniel Becker (SEIU 1021); Ken; spoke on various concerns relating to the hearing matter.

Chair Mar moved that this Resolution be TABLED. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190928 [Health Code - City-Operated Adult Residential Facility]**Sponsors: Ronen, Haney, Walton, Peskin, Mar and Mandelman**

Ordinance amending the Health Code to require the Department of Public Health to maintain and operate at full capacity a 55-bed adult residential facility.

09/10/19; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 10/10/2019.

09/18/19; REFERRED TO DEPARTMENT. Referred to the Department of Public Health and the Department of Human Resources for informational purposes.

Heard in Committee. Speakers: Supervisors Hillary Ronen, Rafael Mandelman, and Matt Haney (Board of Supervisors); presented information and answered questions raised throughout the discussion. Vivian Imperiale (Mental Health Association of San Francisco); Jennifer Esteen; Sharifa Rahman; Jennifer Zakroff and Connie Truong (San Francisco Behavioral Health Center); Amy Wong, Sarah Larson, and Deanna Chan (IFPTE Local 21); Anakh Sul Rama (Treatment on Demand Coalition); Jennifer Friedenbach, Executive Director, and Brian Edwards (San Francisco Coalition on Homelessness); Marcus Huiseman; Michael Lyon; Daniel Becker (SEIU 1021); Ken; spoke on various concerns relating to the hearing matter.

Supervisor Mandelman requested to be added as a co-sponsor.

Chair Mar moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 4-5, by specifying an adult residential facility with no fewer than 41 beds; on Page 2, Lines 18-19, by correcting numerical errors in the number of beds and the Community Care Licensing Division's approval extension; on Page 3, Lines 5-7, by inserting '(a) As of the effective date of this Article 45, and until March 31, 2020, DPH shall operate 28 of the beds at the ARF located at 887 Potrero Avenue as emergency shelter beds for people experiencing homelessness.'; on Page 3, Lines 8-10, by striking 'As of the effective date of this Article 45', inserting 'By no later than April 1, 2020', and specifying that the Department of Public Health shall maintain and operate at full capacity a licensed adult residential facility with no fewer than 41 beds; on Page 3, Lines 17-20, by inserting '(2) Identify clinically appropriate alternative placements for five ARF residents, and work with those residents to facilitate their voluntary relocation. Patients who are offered clinically appropriate alternative placements shall be given the opportunity to discuss their options with the ombudsman program before being transferred'; on Page 4, Lines 3-8, by inserting '(e) DPH shall provide trauma-informed care training to all DPH staff who work at DPH's Behavioral Health Center located at 887 Potrero Ave. This training shall be provided by subject matter experts who do not work at the Behavioral Health Center. (f) DPH shall create a forum in which management and staff of the ARF located at 887 Potrero Avenue can discuss issues relating to resident care and workplace conditions, and shall conduct an analysis and review of the Behavioral Health Center.'; on Page 4, Lines 11-14, by striking 'Within three months of the effective date of this Article 45' and specifying that no later than March 31, 2020, DPH shall submit to the Board of Supervisors a report summarizing the actions it has taken in compliance with Article 45, and its analysis and review of the Behavioral Health Center; on Page 4, Lines 14-19, by striking 'report that describes: (a) The number of ARF beds that have been filled and the number that remain vacant; (b) The number of personnel hired to work at the ARF; and (c) The steps that DPH has taken to ensure compliance with the Corrective Action Plan.'; and making other conforming and clerical amendments. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

Ordinance amending the Health Code to require the Department of Public Health to maintain and operate at full capacity an adult residential facility with no fewer than 41 beds.

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

Ayes: 3 - Mar, Brown, Peskin

190925 [Health Code - City-Operated Adult Residential Facility - 887 Potrero Avenue]**Sponsor: Mandelman**

Ordinance amending the Health Code to require the Department of Public Health to maintain and operate at full capacity a 55-bed adult residential facility located at 887 Potrero Avenue as soon as possible, but by no later than July 1, 2021, recognizing that before then 41 of the 55 beds may be used as emergency shelter for people experiencing homelessness.

09/10/19; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 10/10/2019.

09/18/19; REFERRED TO DEPARTMENT. Referred to the Department of Public Health and the Department of Human Resources for informational purposes.

Heard in Committee. Speakers: Supervisors Hillary Ronen, Rafael Mandelman, and Matt Haney (Board of Supervisors); presented information and answered questions raised throughout the discussion. Vivian Imperiale (Mental Health Association of San Francisco); Jennifer Esteen; Sharifa Rahman; Jennifer Zakroff and Connie Truong (San Francisco Behavioral Health Center); Amy Wong, Sarah Larson, and Deanna Chan (IFPTE Local 21); Anakh Sul Rama (Treatment on Demand Coalition); Jennifer Friedenbach, Executive Director, and Brian Edwards (San Francisco Coalition on Homelessness); Marcus Huiseman; Michael Lyon; Daniel Becker (SEIU 1021); Ken; spoke on various concerns relating to the hearing matter.

Chair Mar moved that this Ordinance be TABLED. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190577 [Tourism Improvement District and Moscone Expansion District - Annual Report - FY2017-2018]**Sponsor: Mayor**

Resolution receiving and approving the annual report for the Tourism Improvement District and Moscone Expansion District for FY2017-2018, 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)

05/21/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/29/19; 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); Cassandra Costello (SF Travel); presented information and answered questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190814 [Yerba Buena Community Benefit District - Annual Report - FY2017-2018]**Sponsor: Haney**

Resolution receiving and approving an annual report for the Yerba Buena Community Benefit District for FY2017-2018, 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.

07/23/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/30/19; 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); Cathy Maupin, Executive Director (Yerba Buena Community Benefit District); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Mar, Brown, Peskin

190762 [Civic Center Community Benefit District - Annual Report for FY2017-2018]**Sponsors: Mayor; Haney and Brown**

Resolution receiving and approving an annual report for the Civic Center Community Benefit District for FY2017-2018, 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.

07/09/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/17/19; 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 Community Benefit District); presented information and answered questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190813 [Central Market Community Benefit District - Annual Report - 2017 Calendar Year]**Sponsor: Haney**

Resolution receiving and approving an annual report for the Central Market Community Benefit District for calendar year 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.

07/23/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/30/19; 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 (Central Market Community Benefit District); presented information and answered questions raised throughout the discussion. Ken; spoke on various concerns relating to the hearing matter.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

LITIGATION

Chair Mar requested File Nos. 190867, 190868, 190916, 190917, 190918, 190993, and 190994 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 and Jeremy Goldman (Office of the City Attorney), and John Carroll (Office of the Clerk of the Board).

Member Peskin moved to convene in closed session. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190867 [Settlement of Lawsuit - California Department of Public Health - City to Pay \$100,000]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco against California Department of Public Health for \$100,000 and a reduction of the citation from AA to A; the lawsuit was filed on April 13, 2017, in San Francisco Superior Court Case No. CGC-17-558162; entitled City and County of San Francisco v. California Department of Public Health; the lawsuit involves affirmative litigation for relief from citation and fine. (City Attorney)

09/10/19; RECEIVED FROM DEPARTMENT.

09/24/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190868 [Settlement of Lawsuit - Lorena Pedraza - \$175,000]

Ordinance authorizing settlement of the lawsuit filed by Lorena Pedraza against the City and County of San Francisco for \$175,000; the lawsuit was filed on September 19, 2018, in San Francisco Superior Court, Case No. CGC-18-569880; entitled Lorena Pedraza v. City and County of San Francisco; the lawsuit involves alleged medical negligence. (City Attorney)

09/11/19; RECEIVED FROM DEPARTMENT.

09/24/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190916 [Settlement of Attorney's Fee Claim - Contest Promotions, LLC - City to Receive \$500,000]

Ordinance authorizing settlement by payment of \$500,000 to the City and County of San Francisco, of the City's claim for attorney's fees and costs arising from the lawsuit that Contest Promotions, LLC, filed against the City; the lawsuit was filed on August 26, 2015, in San Francisco Superior Court, Case No. CGC-15-547630; entitled Contest Promotions, LLC vs. City and County of San Francisco; San Francisco Superior Court Case No. CPF-16-514771 was filed on February 9, 2016, and the actions were consolidated; the lawsuit involves a dispute about the City's compliance with a prior settlement agreement between the parties, and the constitutionality of sections of the Planning Code regulating on-site and off-site commercial signs. (City Attorney)

09/03/19; RECEIVED FROM DEPARTMENT.

09/17/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190917 [Settlement of Lawsuit - Fidelis Cybersecurity, Inc. - City to Receive \$850,978]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco against Fidelis Cybersecurity, Inc. and others for \$850,978; the lawsuit was filed on November 27, 2018, in San Francisco Superior Court, Case No. CGC-18-571572; entitled City and County of San Francisco and the People of the State of California v. Fidelis Cybersecurity, Inc.; Maarek Zalatimo (aka Mark Zalatimo); Heather Zalatimo; Jeff Jorgenson, and Does One through Ten; the lawsuit involves the sale of products to the City in violation of conflict of interest laws; other material terms of the settlement are that Fidelis will pay the settlement amount over 18 months and that the City will return hardware purchased from Fidelis within 30 days. (City Attorney)

09/09/19; RECEIVED FROM DEPARTMENT.

09/17/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190918 [Settlement of Lawsuit - Cheryl Jarne - \$40,000]

Ordinance authorizing settlement of the lawsuit filed by Cheryl Jarne against the City and County of San Francisco for \$40,000; the lawsuit was filed on March 2, 2018, in San Francisco Superior Court, Case No. CGC-18-564726; entitled Cheryl Jarne v. City and County of San Francisco, et al.; the lawsuit involves an alleged personal injury on a City sidewalk. (City Attorney)

09/09/19; RECEIVED FROM DEPARTMENT.

09/17/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190993 [Settlement of Lawsuit - Lu Xia Tan Chen - \$50,000]

Ordinance authorizing settlement of the lawsuit filed by Lu Xia Tan Chen against the City and County of San Francisco for \$50,000; the lawsuit was filed on April 19, 2018, in San Francisco Superior Court, Case No. CGC-18-565891; entitled Lu Xia Tan Chen v. City and County of San Francisco; the lawsuit involves alleged injuries when plaintiff was struck in a crosswalk. (City Attorney)

09/24/19; RECEIVED FROM DEPARTMENT.

10/08/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190994 [Settlement of Lawsuit - Riana Buffin and Crystal Patterson - City to Comply with New Pretrial Detention Policies and Provide Funding for Pretrial Diversion Project]

Ordinance authorizing settlement of the lawsuit filed by Riana Buffin and Crystal Patterson against Sheriff Vicki Hennessy in her official capacity as Sheriff; the settlement prohibits the Sheriff from using the existing bail schedule for arrested individuals and from using any similar policy that determines the existence or length of pre-arraignment detention based on an arrestee's ability to pay, requires the Sheriff to release certain arrestees within 18 hours from the time of booking under some circumstances, and is conditioned on the City providing additional funding to the Own Recognizance Project of the San Francisco Pretrial Diversion Project; the lawsuit was filed on October 28, 2015, in U.S. District Court for the Northern District of California, Case No. 15-CV-04959-YGR; entitled Riana Buffin and Crystal Patterson, on behalf of themselves and others similarly situated v. Vicki Hennessy in her official capacity as the San Francisco Sheriff, et al.; the lawsuit involves claims that the Sheriff's use of the San Francisco Superior Court's bail schedule as a basis for pre-arraignment detention or release of arrestees violates the United States Constitution. (City Attorney)

09/30/19; RECEIVED FROM DEPARTMENT.

10/08/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED to the Board of Supervisors meeting of November 12, 2019, by the following vote:

Ayes: 3 - Mar, Brown, 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 Peskin moved not to disclose closed session deliberations. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 11:54 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.