



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, November 21, 2019

10:00 AM

City Hall, Committee Room 263

Regular Meeting

Present: 2 - Gordon Mar, and Vallie Brown

Excused: 1 - Aaron Peskin

The Government Audit and Oversight Committee met in regular session on November 21, 2019, with Chair Gordon Mar presiding. Chair Mar called the meeting to order at 10:03 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. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

191102 [Health, Administrative Codes - City-Operated Adult Residential Facility]

Sponsors: Ronen, Haney, Walton, Peskin, Mar, Mandelman, Brown, Safai and Yee

Ordinance amending the Health Code to require the Department of Public Health to maintain and operate at full capacity an adult residential facility ("ARF") with no fewer than 41 beds; and amending the Administrative Code to establish the Adult Residential Facility Working Group to advise the Board of Supervisors and the Mayor regarding resident care, training, workplace conditions, and staffing at the ARF located at 887 Potrero Avenue.

10/29/19; RE-REFERRED to Government Audit and Oversight Committee. Duplicated from File No. 190928.

10/29/19; DUPLICATED.

11/13/19; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee.

Speaker: Carolyn Goossen (Office of Supervisor Hillary Ronen); presented information and answered questions raised throughout the discussion.

11/13/19; CONTINUED AS AMENDED.

Heard in Committee. Speakers: None.

Vice Chair Brown moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Mar, Brown

Absent: 1 - Peskin

Supervisor Peskin Excused from Attendance

Chair Mar moved that Supervisor Peskin be excused from attending the Government Audit and Oversight Committee meeting of November 21, 2019. The motion carried by the following vote:

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

Chair Mar requested that File Nos. 191064, 191065, 191066, 191067, and 191068 be called together.

191064 [Mills Act Historical Property Contract - 2251 Webster Street]

Resolution approving an historical property contract between Sally A. Sadosky Revocable Trust, the owner of 2251 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)

10/15/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Michelle Taylor (Planning Department); Sarah O'Rourke (Howard Street LLC); Adele Feng (2137 Folsom Street); Ted Olsson (Swedish Society of San Francisco); Gustav Lindquist (64 Potomac Street); 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: 2 - Mar, Brown

Excused: 1 - Peskin

191065 [Mills Act Historical Property Contract - 1401 Howard Street]

Sponsor: Haney

Resolution approving an historical property contract between 1401 Howard LLC, the owner of 1401 Howard 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)

10/15/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Michelle Taylor (Planning Department); Sarah O'Rourke (Howard Street LLC); Adele Feng (2137 Folsom Street); Ted Olsson (Swedish Society of San Francisco); Gustav Lindquist (64 Potomac Street); 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: 2 - Mar, Brown

Excused: 1 - Peskin

191066 [Mills Act Historical Property Contract - 64 Potomac Street]**Sponsor: Mandelman**

Resolution approving an historical property contract between Gustav Lindqvist & Caroline Ingeborn, the owners of 64 Potomac 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)

10/15/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Michelle Taylor (Planning Department); Sarah O'Rourke (Howard Street LLC); Adele Feng (2137 Folsom Street); Ted Olsson (Swedish Society of San Francisco); Gustav Lindqvist (64 Potomac Street); 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: 2 - Mar, Brown

Excused: 1 - Peskin

191067 [Mills Act Historical Property Contract - 2168 Market Street]**Sponsor: Mandelman**

Resolution approving an historical property contract between the Swedish Society of San Francisco, the owners of 2168 Market 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)

10/15/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Michelle Taylor (Planning Department); Sarah O'Rourke (Howard Street LLC); Adele Feng (2137 Folsom Street); Ted Olsson (Swedish Society of San Francisco); Gustav Lindqvist (64 Potomac Street); 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: 2 - Mar, Brown

Excused: 1 - Peskin

191068 [Mills Act Historical Property Contract - 2731-2735 Folsom Street]**Sponsor: Ronen**

Resolution approving an historical property contract between Adele Feng, Timothy Wen Haw Yen, Brent Goldman, and 2735 Folsom Street, LLC, the owners of 2731-2735 Folsom 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)

10/15/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Michelle Taylor (Planning Department); Sarah O'Rourke (Howard Street LLC); Adele Feng (2137 Folsom Street); Ted Olsson (Swedish Society of San Francisco); Gustav Lindquist (64 Potomac Street); 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: 2 - Mar, Brown

Excused: 1 - Peskin

191130 [Management Agreement - Owners' Association - Administration/Management of Civic Center Community Benefit District]**Sponsors: Mayor; Haney and Brown**

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the "Civic Center Community Benefit District," pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2034.

11/05/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

11/13/19; REFERRED TO DEPARTMENT. Referred to the Controller and the Office of Economic and Workforce Development for informational purposes. Referred to the Planning Department for environmental review.

11/14/19; 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.

RECOMMENDED by the following vote:

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

Chair Mar requested that File Nos. 190767 and 190940 be called together.

190767 [Memorandum of Understanding - Reorganization of the Housing Authority of the City and County of San Francisco - Loan Not to Exceed \$20,000,000]

Sponsor: Mayor

Resolution approving a Memorandum of Understanding between the City and County of San Francisco and the Housing Authority of the City and County of San Francisco (SFHA) regarding the reorganization of SFHA; ratifying and approving a loan not to exceed \$20,000,000 to SFHA and any action heretofore taken in connection with such loan to SFHA; and granting general authority to the Mayor and the Mayor's Office of Housing and Community Development to take actions necessary to implement this Resolution, as defined herein.

(Fiscal Impact)

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

Heard in Committee. Speakers: Severin Campbell (Office of the Budget & Legislative Analyst); Jon Givner (Office of the City Attorney); Daniel Adams, Acting Director (Mayor's Office of Housing and Community Development); Tonia Lediju (Office of the Controller); presented information and answered questions raised throughout the discussion.

Chair Mar moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 5, Line 18, through Page 6, Line 7, by inserting 'WHEREAS, Pursuant to California Health and Safety Code Section 34290, the Board of Supervisors may, by ordinance, declare itself to be the Board of Commissioners of SFHA; and WHEREAS, By a letter from the Mayor to the Board of Supervisors dated November 18, 2019, a copy of which is on file with the Clerk of the Board in Board File No. 190767 and incorporated in this resolution by reference (the "Mayor Letter"), the Mayor will make three appointments to the SFHA Board of Commissioners based on recommendations from the Board of Supervisors, and the Board of Supervisors desires to make such recommendations to assist with oversight of SFHA; and WHEREAS, The Master Development Agreements and Development Agreements for the Potrero Site and Sunnysdale Site, California Health and Safety Code Section 34320, and applicable HUD regulations govern property transactions by SFHA, and the Mayor through the Director of Real Estate, will report to the Board of Supervisors on the disposition of any non-housing assets owned by the SFHA;' and making other conforming, clarifying, and clerical amendments. The motion carried by the following vote:

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

(Fiscal Impact)

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

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

190940 [Hearing - Budget and Legislative Analyst's Performance Audit - City's Assumption of the Housing Authority's Essential Functions]**Sponsor: Mar**

Hearing to review the performance audit of the City's assumption of the Housing Authority's essential functions, prepared for the Board of Supervisors by the Budget and Legislative Analyst; and requesting the Budget and Legislative Analyst, Housing Authority, and Mayor's Office of Housing and Community Development to report.

09/10/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

09/18/19; REFERRED TO DEPARTMENT. Referred to the Budget and Legislative Analyst, Housing Authority, and Mayor's Office of Housing and Community Development for informational purposes.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget & Legislative Analyst); Jon Givner (Office of the City Attorney); Daniel Adams, Acting Director (Mayor's Office of Housing and Community Development); Tonia Lediju (Office of the Controller); presented information and answered questions raised throughout the discussion.

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

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

LITIGATION

Chair Mar requested File Nos. 191060, 191061, and 191063 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).

Vice Chair Brown moved to convene in closed session. The motion carried by the following vote:

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

191060 [Settlement of Lawsuit - Joan Frost - \$105,000 - Appropriation - Wastewater Enterprise Fund Balance]

Ordinance authorizing settlement of the lawsuit filed by Joan Frost against the City and County of San Francisco for \$105,000; the lawsuit was filed on August 3, 2018, in San Francisco Superior Court, Case No. CGC-18-568679; entitled Joan Frost v. The City and County of San Francisco, et al.; the lawsuit involves alleged personal injury from a motor vehicle collision; and appropriating \$105,000 from the San Francisco Public Utilities Commission Wastewater Enterprise fund balance for payment of settlement. (City Attorney)

10/18/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

191061 [Settlement of Lawsuit - Pacific Bell Telephone Company - \$124,500]

Ordinance authorizing settlement of the lawsuit filed by Pacific Bell Telephone Company against the City and County of San Francisco for \$124,500; the lawsuit was filed on April 4, 2019, in San Francisco Superior Court, Case No. CGC-19-575041; entitled Pacific Bell Telephone Company v. City and County of San Francisco; the lawsuit involves a pipe leak that damaged plaintiff's equipment. (City Attorney)

10/18/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

191063 [Settlement of Unlitigated Claim - 220 Golden Gate Associates, L.P. - \$262,184.16 Plus Interest]

Resolution approving the settlement of the unlitigated claim filed by 220 Golden Gate Associates, L.P. against the City and County of San Francisco for \$262,184.16 plus statutory interest; the claim was filed on July 15, 2019; the claim involves an alleged overpayment of property taxes. (City Attorney)

10/16/19; RECEIVED FROM DEPARTMENT.

10/29/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Mar, 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.

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

Ayes: 2 - Mar, Brown

Excused: 1 - Peskin

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 11:30 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.