



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: Dean Preston, Connie Chan, Rafael Mandelman

Clerk: Alisa Somera (415) 554-4447

Thursday, November 3, 2022

10:00 AM

Regular Meeting

IN-PERSON MEETING
City Hall, Legislative Chamber, Room 250

(remote access provided)
(remote public comment provided via teleconference)

Present: 3 - Dean Preston, Connie Chan, and Rafael Mandelman

The Government Audit and Oversight Committee met in regular session, in-person with remote access and public comment via telephone, on Thursday, November 3, 2022, with Chair Dean Preston presiding. Chair Preston called the meeting to order at 10:02 a.m.

Remote Access to Information and Participation

The Board of Supervisors and its committees convene hybrid meetings that allow in-person attendance, remote access, and public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings and watch meetings on demand or watch live meetings on San Francisco Cable Channels 26, 28, 78 or 99 (depending on your provider). Members of the public may provide public comment in-person or remotely via teleconference (detailed instructions available at: <https://sfbos.org/remote-meeting-call>).

Members of the public may submit their comments by email to: Alisa.Somera@sfgov.org; all comments received will be made a part of the official record. Regularly scheduled Government Audit and Oversight Committee Meetings begin at 10:00 a.m. every first and third Thursday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

Please visit the Board's website (www.sfbos.org) regularly to be updated on the current situation as it affects the legislative process. For more information contact the Clerk, Alisa Somera, at (415) 554-7711 or Alisa.Somera@sfgov.org.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Preston and Vice Chair Chan were noted present. Member Mandelman was noted not present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

COMMUNICATIONS

*Stephanie Cabrera, Committee Clerk, instructed members of the public, when general public comment is called, to contribute live comments for up to two minutes in-person or by dialing the provided telephone number. In-person public comment will be taken before remote public comment is called. Those who are providing public comment remotely must dial * 3 to be added to the remote queue to speak. Written comments may be submitted through email (Stephanie.Cabrera@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.*

REGULAR AGENDA

Member Mandelman noted present at 10:07 a.m.

220139 [Hearing - Ethics Department Audit Processes]

Sponsors: Peskin; Chan

Hearing on the Ethics Department's mandatory audit process for City candidates and committees receiving public financing, and the audit process for lobbyist disclosure statements; and to review the performance of the Ethics Department's audit process to date, including any necessary enhancements of the audit process to ensure the timely auditing of campaigns and the public's right to review reports; and requesting the Ethics Department to report.

02/01/22; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

02/09/22; REFERRED TO DEPARTMENT. Referred to the Executive Director of the Ethics Commission for informational purposes.

10/05/22; REMAIN ACTIVE.

Heard in Committee. Speakers: Supervisor Aaron Peskin (Board of Supervisors); LeeAnn Pelham, Director (Ethics Commission); presented information and answered questions raised throughout the discussion.

Chair Preston moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Preston, Chan, Mandelman

221090 [Urging the Continuation of Services After the Closure of the Tenderloin Center]**Sponsors: Preston; Ronen, Chan, Peskin and Walton**

Resolution urging the Mayor's Office and Department of Public Health to ensure no gap in services for the hundreds of people served daily by the Tenderloin Center.

10/18/22; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/25/22; REFERRED TO DEPARTMENT. Referred to the Department of Public Health and the Mayor's Office for informational purposes.

Heard in Committee. Speakers: Dr. Hillary Kunins and Krista Gaeta (Department of Public Health); Tom Paulino (Office of the Mayor); presented information and answered questions raised throughout the discussion. Jordan Davis; Marnie Reagan; Stephanie; Anne Pedenthal; Jennifer Friedenbach; Tina; Linda Chapman; Lydia Branson; Sara Shortt; Ellen Ceantieu; Chris Bradford, Co-Chair (Tenderloin People's Congress); Sara Bitten; Aly Spinter; Wesley Saver; Francisco DaCosta; Ellen Grant; Darren Marsalka; Laura Thomas; Sheba; Speaker; spoke on various concerns relating to the hearing matter.

Chair Preston moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 2 - Preston, Chan

Noes: 1 - Mandelman

LITIGATION

Heard in Committee. 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.

The Deputy City Attorney reported that the Government Audit and Oversight Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

Persons in attendance: Anne Pearson, Kristen Jensen, and Keith Nagayama (Office of the City Attorney); Erica Major and Stephanie Cabrera (Office of the Clerk of the Board).

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

Ayes: 3 - Preston, Chan, Mandelman

[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.

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

Ayes: 3 - Preston, Chan, Mandelman

220729 [Settlement of Lawsuit - Phi Associates (Drisco Hotel) to Make Payments to Benefit the Swords to Plowshares Veterans Academy \$2,500,000]

Ordinance authorizing settlement of the lawsuit filed by Phi Associates L.P., against the City and County of San Francisco for a payment by Phi Associates of \$2,000,000 to provide construction loan repayment and thereby support affordable housing for veterans at the Veterans Academy located at 1030 Girard Road, San Francisco, operated by Swords To Plowshares ("Veterans Academy"), in exchange for the release of 16 Residential Hotel rooms from regulation under the Hotel Conversion Ordinance; the lawsuit was filed on March 17, 2021, in San Francisco Superior Court, Case No. CPF-21-517409, entitled Phi Assoc., L.P. v. City and County of San Francisco; the lawsuit involves petitioner's challenge to the City's enforcement of the Hotel Conversion Ordinance at the Drisco Hotel, located at 2901 Pacific Avenue, San Francisco. (City Attorney)

09/16/22; RECEIVED FROM DEPARTMENT.

09/27/22; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/20/22; CONTINUED.

Chair Preston moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, by updating the short title striking 'Swords to Plowshares to receive loan payoff of \$2,000,000' and replacing it with 'to Make Payments Totaling \$2,500,000 to Benefit the Swords to Plowshares Veterans Academy'; by adding 'and fund capital improvements and operating reserves' to the long title; and adding other clarifying and conforming changes. The motion carried by the following vote:

Ordinance authorizing settlement of the lawsuit filed by Phi Associates L.P., against the City and County of San Francisco for payments by Phi Associates of \$2,500,000 to provide construction loan repayment, and fund capital improvements and operating reserves, and thereby support affordable housing for veterans at the Veterans Academy located at 1030 Girard Road, San Francisco, operated by Swords to Plowshares ("Veterans Academy"), in exchange for the release of 16 Residential Hotel rooms from regulation under the Hotel Conversion Ordinance; the lawsuit was filed on March 17, 2021, in San Francisco Superior Court, Case No. CPF-21-517409, entitled Phi Assoc., L.P. v. City and County of San Francisco; the lawsuit involves petitioner's challenge to the City's enforcement of the Hotel Conversion Ordinance at the Drisco Hotel, located at 2901 Pacific Avenue, San Francisco. (City Attorney)

Chair Preston moved that this Ordinance be CONTINUED AS AMENDED to the Government Audit and Oversight Committee meeting of November 17, 2022. The motion carried by the following vote:

Ayes: 3 - Preston, Chan, Mandelman

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 2:27 p.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.