



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, Catherine Stefani, Connie Chan

Clerk: Alisa Somera
(415) 554-7711 ~ alisa.somera@sfgov.org

Thursday, December 7, 2023

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Dean Preston, Catherine Stefani, and Connie Chan

The Government Audit and Oversight Committee met in regular session on Thursday, December 7, 2023, with Chair Dean Preston presiding. Chair Preston called the meeting to order at 10:05 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Preston, Vice Chair Stefani, and Member Chan were noted present. A quorum of the Committee was present.

COMMUNICATIONS

Victor Young, Assistant Clerk, instructed members of the public that public comment is taken on each item on the agenda.

Alternatively, written comments may be submitted through email (alisa.somera@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

230728 [Hearing - Civil Grand Jury Report - Time to Get to Work: San Francisco's Hiring Crisis]

Hearing on the 2022-2023 Civil Grand Jury Report, entitled "Time to Get to Work: San Francisco's Hiring Crisis." (Clerk of the Board)

06/27/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

06/30/23; REFERRED TO DEPARTMENT. Referred to the Office of the Mayor, Office of the Controller, Homelessness and Supportive Housing, SF Homelessness Oversight Commission, Office of Contracts Administration, and the City Administrator for informational purposes and requesting the departments respond to Findings and Recommendations as requested in the report.

08/18/23; RESPONSE RECEIVED. Consolidated response to the Civil Grand Jury findings and recommendations received from the Office of the Mayor, Office of the City Administrator, Department of Human Resources and the Civil Service Commission.

08/21/23; RESPONSE RECEIVED. Response to the Civil Grand Jury findings and recommendations received from the Office of the Controller.

11/02/23; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker(s): None.

Heard in Committee. Speaker(s): Stan Feinsod, and Marvin Norman (Civil Grand Jury); Carol Isen, Director, and Kate Howard (Department of Human Resources); presented information and answered questions raised throughout the discussion. Sandra Eng (Civil Service Commission); Omar Fall; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Preston, Stefani, Chan

230730 [Hearing - Civil Grand Jury Report - Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services]

Hearing on the 2022-2023 Civil Grand Jury Report, entitled "Hitting the Performance Bullseye: Contracting for Better Outcomes in Homelessness Services" (Clerk of the Board)

06/28/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

08/24/23; RESPONSE RECEIVED. Response to the Civil Grand Jury findings and recommendations received from the Office of the Controller.

08/25/23; RESPONSE RECEIVED. Consolidated response to the Civil Grand Jury findings and recommendations received from the Office of the Mayor, Office of the City Administrator, Department of Homelessness and Supportive Housing, and the Office of Contract Administration.

Heard in Committee. Speaker(s): Rick Ohlrich (Civil Grand Jury); Emily Cohen (Department of Homelessness and Supportive Housing); presented information and answered questions raised throughout the discussion. Michael Carboy; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Preston, Stefani, Chan

Chair Preston requested File Nos. 231058 and 231056 be called together.

231058 [Mills Act Historical Property Contract - 988 Market Street]

Resolution approving a historical property contract between 140 Partners, L.P., a California Limited Partnership and Marlin Cove, Inc., a California corporation, the owners of 988 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)

10/10/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/27/23; REFERRED TO DEPARTMENT. Referred to the Office of the Budget and Legislative Analyst and Planning department for informational purposes and requesting Planning provide a California Environmental Quality Act determination.

11/03/23; TRANSFERRED to Budget and Finance Committee. President Peskin transferred this matter from the Government Audit and Oversight Committee to the Budget and Finance Committee.

11/06/23; TRANSFERRED to Government Audit and Oversight Committee. President Peskin transferred this matter from the Budget and Finance Committee to the Government Audit and Oversight Committee.

11/06/23; RESPONSE RECEIVED. CEQA determination received, determining that this is 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(s): Shannon Ferguson, and Elizabeth Gordon-Jonckheer (Planning Department); Michael Jine (Office of the Assessor-Recorder); Michael Foley, Owner (2209 Webster Street); presented information and answered questions raised throughout the discussion. Mark Shkolnikov (988 Market Street); spoke in support of the hearing matter.

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

Ayes: 3 - Preston, Stefani, Chan

231056 [Mills Act Historical Property Contract - 2209 Webster Street]

Resolution approving a historical property contract between Michael Foley and Chiao Mei Lin, as Trustees of The Foley Lin Family Trust dated June 20, 2023, the owners of 2209 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)

10/10/23; RECEIVED FROM DEPARTMENT.

10/24/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

10/27/23; REFERRED TO DEPARTMENT. Referred to the Office of the Budget and Legislative Analyst and Planning department for informational purposes and requesting Planning provide a California Environmental Quality Act determination.

11/03/23; TRANSFERRED to Budget and Finance Committee. President Peskin transferred this matter from the Budget and Finance Committee to the Government Audit and Oversight Committee.

11/06/23; TRANSFERRED to Government Audit and Oversight Committee. President Peskin transferred this matter from the Budget and Finance Committee to the Government Audit and Oversight Committee.

11/06/23; RESPONSE RECEIVED. CEQA Determination received, determining that this is 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(s): Shannon Ferguson, and Elizabeth Gordon-Jonckheer (Planning Department); Michael Jine (Office of the Assessor-Recorder); Michael Foley, Owner (2209 Webster Street); presented information and answered questions raised throughout the discussion. Mark Shkolnikov (988 Market Street); spoke in support of the hearing matter.

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

Ayes: 3 - Preston, Stefani, Chan

231167 [Contract - Heluna Health - San Francisco Homeless Outreach Team - Not to Exceed \$36,897,380]**Sponsor: Mayor**

Resolution approving the contract between Heluna Health and the Department of Homelessness and Supportive Housing ("HSH") to provide comprehensive outreach and case management through the San Francisco Homeless Outreach Team; approving a term of January 1, 2024, through June 30, 2027, and a total amount not to exceed \$36,897,380; and authorizing HSH to enter into any amendments or other modifications to the contract that do not materially increase the obligations or liabilities or materially decrease the benefits to the City, and are necessary or advisable to effectuate the purposes of the contract. (Department of Homelessness and Supportive Housing)
(Fiscal Impact)

11/07/23; RECEIVED AND ASSIGNED to Homelessness and Behavioral Health Select Committee.

11/30/23; TRANSFERRED to Government Audit and Oversight Committee. President Peskin transferred this matter from the Homelessness and Behavioral Health Select Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Nicholas Menard (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion.

Vice Chair Stefani was noted not present at 12:52 p.m. and for the remainder of the meeting.

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

Ayes: 2 - Preston, Chan

Absent: 1 - Stefani

Supervisor Stefani Excused from Attendance

Vice Chair Preston moved to excuse Supervisor Stefani from the remainder of the Government Audit and Oversight Committee meeting of December 7, 2023. The motion carried by the following vote:

Ayes: 2 - Preston, Chan

Excused: 1 - Stefani

231197 [Real Property Lease - LAWRENCE B. STONE PROPERTIES #08, LLC - 2177 Jerrold Avenue - Temporary Shelter - Not to Exceed Annual Base Rent of \$2,469,606 - Tenant Improvements \$5,866,869]

Sponsors: Mayor; Walton

Resolution approving and authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to execute a lease agreement with LAWRENCE B. STONE PROPERTIES #08, LLC, for use of the property located at 2177 Jerrold Avenue as a temporary shelter program for the term of 15 years, to commence upon approval of this Resolution, with two five-year options to extend and an annual base rent of \$2,469,606 with 3% annual increases beginning in 2024 under Charter, Section 9.118; authorizing the City's contribution of up to \$5,866,869 towards the cost of tenant improvements; affirming the Planning Department's determination under the California Environmental Quality Act, and adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1; and authorizing the Director of Property to execute any amendments, options to extend the agreement term, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the lease agreement or this Resolution. (Real Estate Department)
(Fiscal Impact)

11/14/23; RECEIVED AND ASSIGNED to Budget and Finance Committee.

11/30/23; TRANSFERRED to Government Audit and Oversight Committee. President Peskin transferred this matter from the Budget and Finance Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Emily Cohen (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Michael Jalbee; spoke in support of 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

Excused: 1 - Stefani

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 1:36 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.