



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: John Carroll (415) 554-4445

Thursday, July 15, 2021

10:00 AM

Regular Meeting

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

The Government Audit and Oversight Committee met in Regular session through videoconferencing, and provided public comment through teleconferencing, on Thursday, July 15, 2021, with Chair Dean Preston presiding. Chair Preston called the meeting to order at 10:01 a.m.

Remote Access to Information and Participation

On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand. Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>.

Members of the public may participate by phone or may submit their comments by email to: john.carroll@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>.

ROLL CALL AND ANNOUNCEMENTS

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

Chair Preston recessed the meeting at 10:05 a.m., and reconvened at 10:14 a.m.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

210365 [Hearing - Investigation of Complaints of Substandard Living Conditions at Plaza East and Proposed Plans for the Property]

Sponsor: Preston

Hearing on the investigation of complaints of substandard living conditions at Plaza East and discussions of proposed plans for the property; and requesting the Department of Building Inspection, Mayor's Office of Housing and Community Development, Housing Authority, and Office of the City Attorney to report.

04/06/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

04/14/21; REMAIN ACTIVE. Referred to the Department of Building Inspection, Mayor's Office of Housing and Community Development, Housing Authority, and Office of the City Attorney for informational purposes.

05/06/21; CONTINUED. Heard in Committee. Speakers: Dr. Tonia Lediju, Chief Executive Officer (San Francisco Housing Authority); Adhi Nagraj (McCormack Baron Salazar); Sulaiman Hyatt (Housing Rights Committee); Luis Barahona (Department of Building Inspection); Lydia Ely (Mayor's Office of Housing and Community Development); Pauline UI and Tony Salazar (McCormack Baron Salazar); presented information and answered questions raised throughout the discussion. Joyce Armstrong; Victor Jones; Speaker; Danielle Banks; Camelia; Tes Wellborn; Kevin Daniel; Denis Williams; Diana Pearson; Darius Perkins; Lorraine Petty; Yolanda Marshall; Speaker; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speakers: Dr. Tonia Lediju, Director (San Francisco Housing Authority); Adhi Nagraj and Pauline Blackwell (McCormack Baron Salazar); Will Daniels (John Stewart Company); Lydia Ely (Mayor's Office of Housing and Community Development); Luis Barahona (Department of Building Inspection); Kevin Daniel (Urban Strategies Inc.); Danielle Banks (FRH Consulting); presented information and answered questions raised throughout the discussion. Dr. Cedric Jackson; Gary Banks (FRH Consulting); Linda Chapman; Nube Brown (San Francisco Bayview National Black Newspaper); Arnold Townsend; spoke on various concerns relating to the hearing matter.

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

LITIGATION

Chair Preston requested that File Nos. 210490, 210731, 210732, 210733, and 210528 be heard together.

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 and Ronald Flynn (Office of the City Attorney); Alisa Somera and John Carroll (Office of the Clerk of the Board).

Ronald Flynn was noted not present at 12:04 p.m., and for the remainder of the litigation agenda closed session deliberations.

Vice Chair Chan was noted not present at 12:04 p.m.

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

Ayes: 3 - Preston, Chan, Mandelman

Supervisor Chan Excused from Attendance

Member Mandelman moved that Vice Chair Chan be excused from the meeting from 12:04 p.m. through 12:15 p.m. The motion carried by the following vote:

Ayes: 2 - Preston, Mandelman

Excused: 1 - Chan

210490 [Joint Stipulation - American Beverage Association, California State Outdoor Advertising Association, and California Retailers Association - \$0]

Ordinance authorizing the entry of a joint stipulation in the lawsuit filed by the American Beverage Association, California State Outdoor Advertising Association, and California Retailers Association against the City and County of San Francisco; the lawsuit was filed on July 24, 2015, in U.S. District Court for the Northern District of California, Case No. 3:15-cv-03415 EMC; entitled American Beverage Association et al. v. City and County of San Francisco; the lawsuit claims that the City's sugar-sweetened beverage warning law, codified in Article 42 of the San Francisco Health Code, violates the United States Constitution; the joint stipulation provides for dismissal of the lawsuit if the City repeals Article 42 of the San Francisco Health Code and conditionally extends Plaintiffs' time to file a motion for attorneys' fees and costs by four years. (City Attorney)

05/03/21; RECEIVED FROM DEPARTMENT.

05/11/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Mandelman
Excused: 1 - Chan

210731 [Settlement of Lawsuit - Con-Quest Contractors, Inc. - \$325,000]

Ordinance authorizing settlement of the lawsuit filed by Con-Quest Contractors, Inc. against the City and County of San Francisco for \$325,000; the lawsuit was filed on April 9, 2020, in San Francisco Superior Court, Case No. CGC-20-584105; entitled Con-Quest Contractors, Inc. v. City and County of San Francisco; the lawsuit involves construction claims. (City Attorney)

06/21/21; RECEIVED FROM DEPARTMENT.

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Mandelman
Excused: 1 - Chan

210732 [Settlement of Lawsuit - Sean Wendell Moore - \$3,250,000]

Ordinance authorizing settlement of the lawsuit filed by Sean Wendell Moore against the City and County of San Francisco for \$3,250,000; the lawsuit was filed on January 29, 2018, in United States District Court for the Northern District of California, Case No. 3:18-cv-00634-SI; entitled Sean Moore v. City and County of San Francisco, et al.; the lawsuit involves claims of civil rights violations and use of excessive force. (City Attorney)

06/21/21; RECEIVED FROM DEPARTMENT.

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Mandelman
Excused: 1 - Chan

210733 [Settlement of Lawsuit - Colin James Baca - \$265,000]

Ordinance authorizing settlement of the lawsuit filed by Colin James Baca against the City and County of San Francisco for \$230,000 and settlement of the related Complaint in Intervention of XL Specialty Insurance Company in the amount of \$35,000; the lawsuit was filed on March 7, 2017, in the San Francisco Superior Court, Case No. CGC-17-557438; entitled Colin James Baca v. David George Camerlo, et al.; the lawsuit involves alleged personal injury from a vehicle collision and a subrogation claim for workers compensation benefits paid to Colin James Baca. (City Attorney)

06/21/21; RECEIVED FROM DEPARTMENT.

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Mandelman

Excused: 1 - Chan

210528 [Settlement of Unlitigated Claims - Wing Lok ("Walter") Wong; W. Wong Construction; Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin International Ventures, LLC - City to Receive Settlement Payments and Credits Totaling \$1,772,271.64]

Resolution approving settlement of unlitigated claims against Wing Lok "Walter" Wong; W. Wong Construction; Alternate Choice, LLC; Jaidin Consulting Group, LLC; and Jaidin International Ventures, LLC, (collectively "the Wong Parties") for payments and credits totaling \$1,772,271.64; the claims involve allegations that the Wong Parties provided gifts to officials of the City and County of San Francisco ("the City") in exchange for the unlawful award of City contracts to the Wong Parties, failure to report contacts with City officials, and failure to report contributions to political campaigns as required under City law; other material terms of the settlement are that the Wong Parties will not do business with the City, including as permit expeditors, for five years. (City Attorney)

05/10/21; RECEIVED FROM DEPARTMENT.

05/18/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/01/21; CONTINUED TO CALL OF THE CHAIR.

Chair Preston moved that this Resolution be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors. 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: 2 - Preston, Mandelman

Excused: 1 - Chan

SPECIAL ORDER 12:00 P.M.**210496 [Health Code - Sugar-Sweetened Beverage Warning for Advertisements]****Sponsor: Walton**

Ordinance amending the Health Code to repeal the requirement that advertisements for sugar-sweetened beverages include a warning about the potentially harmful health effects of consuming such beverages.

05/04/21; ASSIGNED UNDER 30 DAY RULE to Public Safety and Neighborhood Services Committee, expires on 6/3/2021.

05/10/21; TRANSFERRED to Government Audit and Oversight Committee. President Walton transferred this matter from the Public Safety and Neighborhood Services Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speaker: Anne Pearson (Office of the City Attorney); presented information and answered questions raised throughout the discussion.

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

Ayes: 2 - Preston, Mandelman

Excused: 1 - Chan

Vice Chair Chan was noted present at 12:18 p.m., and for the remainder of the meeting.

210636 [Mental Health Services Act Annual Update - FY2021-2022]

Resolution authorizing adoption of the San Francisco Mental Health Services Act Annual Update Fiscal Year (FY) 2021-2022. (Public Health Department)

05/25/21; RECEIVED FROM DEPARTMENT.

06/08/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/01/21; CONTINUED. Heard in Committee. Speakers: Tracey Helton, Charles Mayer-Twomey, Jessica Brown, and Hillary Kunins (Department of Public Health); presented information and answered questions raised throughout the discussion. Francisco da Costa; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speaker: Tracey Helton (Department of Public Health); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Preston, Chan, Mandelman

210772 [Purchase of Real Property - TC II 888 Post, LLC - 888 Post Street - Homelessness and Supportive Housing - \$29,000,000]**Sponsors: Mayor; Peskin**

Resolution approving the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to execute a purchase and sale agreement for the purchase of real property located at 888 Post Street, for \$29,000,000 plus typical closing costs, from TC II 888 Post, LLC; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Purchase Agreement, the Purchase Option, the Lease and this Resolution, as defined herein.

(Fiscal Impact)

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Dylan Schneider (Department of Homelessness and Supportive Housing); Andrico Penick, Director (Real Estate Division); Nicolas Menard (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Preston, Chan, Mandelman

Chair Preston moved to rescind the previous vote. The motion carried by the following vote:

Ayes: 3 - Preston, Chan, Mandelman

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

Ayes: 3 - Preston, Chan, Mandelman

210773 [Real Property Lease Extension - Opera Plaza, L.P. - Administrative Offices - 601 Van Ness Avenue - \$363,132 Annual Base Rent]**Sponsor: Mayor**

Resolution authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to exercise a Lease Extension Option for approximately 8,646 rentable square feet of office space located at 601 Van Ness Avenue, Suite P, with Opera Plaza L.P., for use as administrative offices, for an extended term to commence on the later of August 1, 2021, or approval of this Resolution, and terminating on July 31, 2026, at the monthly base rent of \$30,261 for a total annual base rent of \$363,132 in the initial year of the extended term, plus an annual \$1 per square foot increase each August 1 thereafter; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of exercising the Lease Extension Option and this Resolution, as defined herein. (Department of Homelessness and Supportive Housing)

(Fiscal Impact)

06/29/21; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Dylan Schneider (Department of Homelessness and Supportive Housing); Nicolas Menard (Office of the Budget and Legislative Analyst); Andrico Penick, Director (Real Estate Division); presented information and answered questions raised throughout the discussion.

Chair Preston moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. 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 12:46 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.