



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, December 5, 2019

10:00 AM

City Hall, Committee Room 263

Regular Meeting

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

The Government Audit and Oversight Committee met in regular session on December 5, 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, Vice Chair Brown, and Member Peskin were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

191025 [Assessment Ballots for City Parcels - Noe Valley Community Benefit District]

Sponsor: Mandelman

Resolution authorizing the Mayor or her designee to cast an assessment ballot in the affirmative for the proposed formation of a property and business improvement district to be named the Noe Valley Community Benefit District, with respect to certain parcels of real property owned by the City that would be subject to assessment in said district.

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

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: 3 - Mar, Brown, Peskin

190398 [Opposing California State Senate Bill No. 50 (Wiener) - Housing Development: Incentives - Unless Amended]**Sponsors: Mar; Mandelman, Yee, Fewer, Peskin, Walton, Ronen and Haney**

Resolution opposing California State Senate Bill No. 50, authored by Senator Scott Wiener, which would undermine community participation in planning for the well-being of the environment and the public good, prevent the public from recapturing an equitable portion of the economic benefits conferred to private interests, and significantly restrict San Francisco's ability to protect vulnerable communities from displacement and gentrification, unless further amended.

04/09/19; AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

04/09/19; DUPLICATED. Duplicated from File No. 190319.

04/09/19; RE-REFERRED AS AMENDED to Government Audit and Oversight Committee.

Heard in Committee. Speaker: President Norman Yee (Board of Supervisors); presented information and answered questions raised throughout the discussion. Susan Marsh (San Francisco Tenants Union); Terry McHugh; Speaker; Gary Weiss (San Francisco Land Use Coalition); Jeff Rigo; Peter Cohen (Council for Community Housing); George Wooding; Theresa Flandrich (Senior and Disability Action); Bruce Bowen (Dolores Heights Improvement Club); Norma Garcia (Mission Economic Development Agency); Lori Liederman (Inner Sunset Action Community); Gen Fujioka (Chinatown Community Development Center); Peter Papadapolous (Mission Economic Development Agency); Ms. Mosely; spoke in support of the hearing matter. Susannah Parsons (SPUR); Ken; Laura Foote (YIMBY Action); Corey Smith (San Francisco Housing Action Coalition); Speaker; spoke in opposition of the hearing matter. Eileen Boken; Calvin Welch (Haight Ashbury Neighborhood Council); Lorraine Petty; Speaker; Ozzie Rohm (San Francisco Land Use Coalition); Deepa Varma (San Francisco Tenant's Union); Marleyne Morgan (Van Ness Corridor Neighborhoods); Katherine Howard; Rick Hall; Renee Curran; Tess Welborn; spoke on various concerns relating to the hearing matter.

Chair Mar moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, by rewriting WHEREAS clauses to update the Resolution on developments in the form and status of SB50; on Page 3, Line 12, through Page 4, Line 2, by striking 'to address significant concerns regarding: 1) Use of SB 50 as the base zoning for purposes of calculating the State Density Bonus; 2) Additional incentives or concessions; 3) The authority of local jurisdictions to deny demolition permits to code complying SB 50 projects which involve demolition of existing residential units; 4) Local authority to increase inclusionary requirements on SB 50 projects; 5) Use of SB 50 incentives for construction of 'monster homes;' 6) Treatment of extant and future local Area Plans that increased zoned capacity to levels akin to SB 50; 7) Amend application of Costa Hawkins and the Ellis Act to allow for greater tenant protection in sensitive communities; and 8) A meaningful process for community feedback on the proposed boundaries of sensitive communities; and, be it'; on Page 3, Line 17, through Page 6, Line 7, by inserting ' 1) Ensure SB 50 not apply within areas in San Francisco subject to a local community plan that resulted in increased density and affordable housing benefits from previous zoning. This includes plans a local government has adopted or is in the process of adopting. SB 50 could include a provision for local governments to "opt-in" to SB 50 state land-use interventions for a local community plan area as early as July 1, 2021, pursuant to consultation with community-based organizations in the particular area 2) Ensure communities in hot-market cities, like San Francisco which is meeting or exceeding its Regional Housing Needs Assessment production goals for above-moderate income housing, are afforded sufficient opportunity to create local community plans and submit draft EIRs by January 2026 in lieu of SB 50 state land use preemptions. This local community plan alternative shall include, at a minimum: a. Rezoning to permit multifamily housing development at a range of income levels to meet unmet needs, as informed by the Regional Housing Needs Assessment production goals b. Substantial increases to overall housing development capacity, particularly near transit stops, to meet unmet needs, as informed by the Regional Housing Needs Assessment and in the context of existing zoned residential development capacity c. Increased and explicit affordable housing benefits that meet or exceed the minimum affordability standards set forth in SB 50, and meet or exceed the existing local baseline Inclusionary standard for development projects d. Increased displacement and demolition protections for vulnerable residents that meet or exceed the standards set forth in SB 50 SB 50 should exempt San Francisco from SB 330 and other state laws that would render this local community plan alternative with its minimum requirements infeasible. 3) Ensure Sensitive Communities in San Francisco are properly delineated and exempted from SB 50. The definition shall aim to include all residents at risk of displacement and areas with a history of community gentrification and displacement. The "sensitive community" definition in San Francisco shall be informed by the 11/25/19 "heightened sensitivity" map prepared by the UC Berkeley Urban Displacement Project and conform, at a minimum, to the 12/11/18 map prepared by the Equity Caucus of the Committee to House the Bay Area (CASA) Geography Working Group. SB 50 could include a provision to "opt-in" to SB 50 state land use interventions for a "sensitive community" as early as July 1, 2021, pursuant to consultation with community-based organizations in the particular area 4) Ensure all SB 50 projects are required to make affordable housing contributions substantially higher than existing local affordable housing standards potentially applicable for the site. In San Francisco, affordable housing requirements should be commensurate to the City's "HomeSF" program standard for progressive value capture 5) Ensure clear and strong tenant protection, anti-vacancy, and anti-demolition provisions - with sufficient and robust state funding, programming, and enforcement - to protect all tenants from displacement triggered by SB 50 upzoning 6) Ensure areas impacted by SB 50 showing demonstrable efforts to increase housing (e.g. entitlements) receive increased transportation incentives, especially where services and infrastructure are currently inadequate, subject to delays and overcrowding, and/or deficient in their state of repair. Transportation incentives tied to SB 50 could include, but is not limited to: a. Direct capital and service investments through a bonus pot of grant funds tied to housing provision, a higher share of formula funds distributed by the state (e.g. LCTOP/Low Carbon Transit Operations Program) for associated projects and programs, priority in state-funded competitive grant programs (e.g. TIRCP/Transit Intercity Rail Capital Program and AHSC or Affordable Housing/Sustainable Communities cap and

trade funds), and b. Allowances for jurisdictions to impose private sector development impact fees, CEQA exemptions for public transportation projects for land use changes triggered by SB 50, and/or funds for local community transportation planning; and, be it'. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

Chair Mar moved that this Resolution be CONTINUED AS AMENDED to the Special Government Audit and Oversight Committee meeting of December 11, 2019. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

191120 [Application to Amend San Francisco's Priority Development Area, Priority Conservation Area, and Priority Production Area Designations]**Sponsors: Mar; Fewer**

Resolution authorizing the Planning Department to apply, on behalf of the City and County of San Francisco, to confirm existing and create new and revised designations of Priority Development Areas, Priority Conservation Areas, and Priority Production Areas by the Association of Bay Area Governments and the Metropolitan Transportation Commission, as part of the Plan Bay Area 2050 update. (Planning Department)

11/04/19; RECEIVED FROM DEPARTMENT.

11/12/19; RECEIVED AND ASSIGNED to Land Use and Transportation Committee.

11/20/19; REFERRED TO DEPARTMENT. Referred to the Association of Bay Area Governments, Treasure Island Development Authority, Municipal Transportation Agency, Recreation and Parks Department, and the Department of the Environment for informational purposes.

11/25/19; TRANSFERRED to Government Audit and Oversight Committee. President Yee transferred this matter from Land Use and Transportation Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speakers: Joshua Switzky (Planning Department); Jon Givner (Office of the City Attorney); presented information and answered questions raised throughout the discussion. Eileen Boken; Peter Cohen (Council of Community Housing Obligations); Susannah Parsons (SPUR); Katherine Howard; Batty Hermanson; George Wooding; Corey Smith (San Francisco Housing Action Coalition); Rick Hall; Ozzie Rohm (San Francisco Land Use Coalition); spoke on various concerns relating to the hearing matter.

Supervisors Mar and Fewer requested to be added as sponsor and co-sponsor of the Resolution.

Chair Mar moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Lines 2-3, by inserting 'and address the four topic areas of transportation, housing, the economy and the environment, while integrating Equity and Resilience.'; on Page 2, Lines 13-14, by striking 'may voluntarily nominate these designations based on criteria established by the regional agencies, while local governments'; on Page 2, Lines 15-16, by inserting ', and may voluntarily nominate these designations based on criteria established by the regional agencies'; on Page 3, Lines 1-9, by re-writing WHEREAS clauses to read 'WHEREAS, The Board of Supervisors ("Board") recognizes that all parts of San Francisco share responsibility for equitable housing growth and transit-oriented development to ensure the City remains diverse, improves equity, and meets affordable housing, infrastructure, and other community needs; and has endeavored to achieving geographic balance for unmet affordable housing needs; and WHEREAS, The Board is committed to encouraging and facilitating ongoing local community conversations and community-driven planning for equitable housing growth and equitable transit-oriented development throughout the City, including in areas for which area plans or rezoning have not yet been adopted in recent years; and'; on Page 3, Lines 10-16 by inserting 'WHEREAS, The City has been most successful managing growth through the adoption of local community plans, which included significant upzoning and subsequent housing production; and WHEREAS, The City has met 100 percent of its Regional Housing Needs Assessment goal for above-moderate income housing through the year 2022 but less than 30 percent of moderate and low-income housing goals, and requires resources to expand local community planning to meet affordable housing, infrastructure, and other community needs; and'; on Page 4, Lines 16-17, by inserting 'Accommodating equitable housing growth requires additional infrastructure and planning resources'; and on Page 5, Lines 15-16, by designating a separation between the Sunset Corridors and the West Portal/Forest Hills Station Area as indicated on the maps of the Priority Development Areas. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

Chair Mar moved that this Resolution be CONTINUED AS AMENDED to the Special Government Audit and Oversight Committee meeting of December 11, 2019. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

LITIGATION

Chair Mar requested that File Nos. 191137 and 191138 be called together.

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.

Deputy City Attorney Jon Givner 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: Jon Givner (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

191137 [Settlement of Lawsuit - Academy of Art University - City to Receive \$57,960,000]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco and the People of the State of California against the Stephens Institute and 23 of its affiliated limited liability companies (collectively "Academy") that owned properties in San Francisco, in *People v. Stephens Institute, et. al*, San Francisco Superior Court Number CGC-16-551832; the lawsuit alleged that the Academy had violated the City's Administrative Code, Planning Code, and Building Code, and the State Unfair Competition Law, Business and Professions Code, Section 17200 et seq.; under the settlement, the Academy agrees to: bring its existing uses into compliance with the Planning Code; relocate existing uses or change uses in buildings in accordance with applicable laws in those limited instances where the Planning Department has determined that legalization is not appropriate; compensate the People and the City for alleged past violations by paying approximately \$58,000,000 including providing affordable housing public benefits to the City in the amount of \$37,600,000 and a payment of approximately \$8,200,000 to the City's Small Sites Fund; and work cooperatively with the City in planning for future growth in a manner that accounts for the urban nature of the Academy's campus, without adversely impacting the City's affordable or rent-controlled housing stock, or burdening its transportation system, including, as a part of that plan, building new housing, or converting existing buildings, for its students on property that is zoned for such use. (City Attorney)

11/08/19; RECEIVED FROM DEPARTMENT.

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

Member Peskin moved that this Ordinance be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors meeting of January 7, 2020. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

191138 [Settlement of Lawsuit - Manconia Green - \$82,500]

Ordinance authorizing settlement of the lawsuit filed by Manconia Green against the City and County of San Francisco for \$82,500; the lawsuit was filed on July 25, 2017, in the San Francisco County Superior Court, Case No. CGC-17-560392; entitled *Manconia Green v. City and County of San Francisco, et al.*; the lawsuit involves an employment dispute. (City Attorney)

11/08/19; RECEIVED FROM DEPARTMENT.

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

Member Peskin moved that this Ordinance be RECOMMENDED AS COMMITTEE REPORT. The motion carried 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 12:43 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.