

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

Member: Jackie Fielder, Danny Sauter, Stephen Sherrill

Clerk: Monique Crayton
(415) 554-7750 ~ monique.crayton@sfgov.org

Thursday, October 2, 2025

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Jackie Fielder, Danny Sauter, and Stephen Sherrill

The Government Audit and Oversight Committee met in regular session on Thursday, October 2, 2025, with Chair Jackie Fielder presiding. Chair Fielder called the meeting to order at 10:02 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Fielder, Vice Chair Sauter, and Member Sherrill were noted present. A quorum was present.

COMMUNICATIONS

Brent Jalipa, 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 (Monique.Crayton@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

250775 [Memorandum of Agreement - City of Daly City - Vista Grande Drainage Basin Improvement Project - Not to Exceed \$35,000,000]

Resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with the City of Daly City for the funding, construction, and operation of the Vista Grande Drainage Basin Improvement Project, with a duration of five years starting August 4, 2025, through August 31, 2030, pursuant to Section 9.118 of the Charter. (Public Utilities Commission) (Fiscal Impact)

07/18/25; RECEIVED FROM DEPARTMENT.

07/29/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Obi Nzewi (Public Utilities Commission); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Fielder, Sauter, Sherrill

Chair Fielder requested File Nos. 250698 and 250803 be called together.

250698

[Development Agreement - EQX Jackson SQ Holdco LLC - 530 Sansome Mixed Use Tower and Fire Station 13 Development Project - 530 Sansome Street, 425 Washington, 439-445 Washington Street, and 447 Battery Street] Sponsors: Mayor; Sauter

Ordinance approving a Development Agreement between the City and County of San Francisco and EQX Jackson SQ Holdco LLC for the development of a project on certain real property known as 425 Washington Street, 439-445 Washington Street, 530 Sansome Street, and 447 Battery Street, and generally bounded by Sansome Street to the west, Washington Street to the north, Battery Street to the east, and Merchant Street to the south; approving certain impact fees and accepting and appropriating a \$4,310,710 additional affordable housing payment; confirming compliance with or waiving certain provisions of the Administrative Code, Planning Code, Public Works Code, Labor and Employment Code, and Health Code; ratifying past actions and authorizing future actions in furtherance of this Ordinance, as defined herein; adopting findings under the California Environmental Quality Act; making findings of conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); and making findings of public necessity, convenience, and general welfare under Planning Code, Section 302. (Fiscal Impact)

06/24/25; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 7/24/2025.

06/27/25; TRANSFERRED to Budget and Finance Committee. President Mandelman transferred this ordinance from the Land Use and Transportation committee to the Budget and Finance committee.

07/01/25; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review. Referred to the Planning Commission for findings of consistency with the General Plan; the eight priority policies of Planning Code, Section 101.1; and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

07/01/25; TRANSFERRED to Government Audit and Oversight Committee. President Mandelman transferred this ordinance from the Budget and Finance committee to the Government Audit and Oversight committee.

07/25/25; RESPONSE RECEIVED. CEQA clearance for the 530 Sansome Mixed-Use Tower and Fire Station 13 Development Project Final Environmental Impact Report certified by the San Francisco Planning Commission on July 17, 2025, Motion 21771.

09/26/25; NOTICED. Hearing notice mailed to local agencies, and landowners and the Ten-Day Notice for October 6, 2025 Government Audit and Oversight Committee hearing published in the Examiner and posted, as required per Administrative Code, Sections 56.8 and 56.14, Planning Code, Section 306.3, and Government Code Section 65867.

Heard in Committee. Speaker(s): Jonathan Cherry (Office of Economic and Workforce Development); Sayumi Brannan, Deputy Chief of Administration (Fire Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Jackson Nutt-Beers (San Francisco Chamber of Commerce); Avdi (Chinatown Development Center); Raina Christeson (Hotel Council of San Francisco); Trevor Long (Glaziers Union, Local 718), Markus Alvarez (International Union of Elevator Constructors, Local 8); Rudy Gonzalez and John Doherty (San Francisco Building and Construction Trades Council); Christopher Wright (Advance SF); spoke in support of the ordinance matter.

Vice Chair Sauter moved that this Ordinance be CONTINUED to the special Government Audit and Oversight Committee meeting of October 6, 2025. The motion carried by the following vote:

250803

[Hotel and Fire Station Development Incentive Agreement - EQX Jackson SQ Holdco LLC - 530 Sansome Mixed Use Tower and Fire Station 13 Development Project - 530 Sansome Street, 425 Washington Street, 439-445 Washington Street, and 447 Battery Street]

Sponsors: Mayor; Sauter

Ordinance approving a Hotel and Fire Station Development Incentive Agreement between the City and County of San Francisco and EQX Jackson SQ Holdco LLC for the 530 Sansome Mixed Use Tower and Fire Station 13 Development Project, to provide financial assistance of up to \$86,089,195 in net present value over 25 years calculated for measurement purposes only as a percentage of new Transient Occupancy Taxes the City actually receives from occupancy of guest rooms in a proposed new hotel, related to the development and operation of a project on certain real property known as 425 Washington Street, 439-445 Washington Street, 530 Sansome Street, and 447 Battery Street, and generally bounded by Sansome Street to the west, Washington Street to the north, Battery Street to the east, and Merchant Street to the south; waiving Chapter 21G of the Administrative Code; ratifying past actions and authorizing future actions in furtherance of this Ordinance, as defined herein; and adopting the Board of Supervisors' findings under the California Environmental Quality Act and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Fiscal Impact)

07/29/25; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 8/28/2025.

09/04/25; TRANSFERRED to Government Audit and Oversight Committee. President Mandelman transferred this ordinance from the Land Use and Transportation committee to the Government Audit and Oversight committee.

09/09/25; SUBSTITUTED AND ASSIGNED to Government Audit and Oversight Committee. Mayor Lurie introduced a substitute Ordinance bearing a new title.

09/19/25; NOTICED. Hearing notice mailed to local agencies, and landowners and the Ten-Day Notice for October 2, 2025 Government Audit and Oversight Committee hearing published in the Examiner and posted, as required per Administrative Code, Sections 56.8 and 56.14, Planning Code, Section 306.3, and Government Code Section 65867.

Heard in Committee. Speaker(s): Jonathan Cherry (Office of Economic and Workforce Development); Sayumi Brannan, Deputy Chief of Administration (Fire Department); Nicolas Menard (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Jackson Nutt-Beers (San Francisco Chamber of Commerce); Avdi (Chinatown Development Center); Raina Christeson (Hotel Council of San Francisco); Trevor Long (Glaziers Union, Local 718), Markus Alvarez (International Union of Elevator Constructors, Local 8); Rudy Gonzalez and John Doherty (San Francisco Building and Construction Trades Council); Christopher Wright (Advance SF); spoke in support of the ordinance matter.

Vice Chair Sauter moved that this Ordinance be CONTINUED to the special Government Audit and Oversight Committee meeting of October 6, 2025. The motion carried by the following vote:

250902

[Behested Payment Waiver - Fundraising for Services Related to Immigration, LGBTQ+ Rights, Environmental Protection, Reproductive Rights, and Racial Equity]

Sponsor: Mandelman

Resolution authorizing the Office of the Mayor, Office of the City Attorney, Office of the City Administrator, the head of each division, office, and department under the supervision of the City Administrator, the Assessor-Recorder, and the Deputy Assessors and Director of Policy and Government Affairs in the Assessor-Recorder's Office to solicit donations from various private, nonprofit, philanthropic, and other entities to support 1) the urgent provision of legal services related to the creation and enforcement of immigration laws, regulations, and policies, including litigation and regulatory reform efforts at the local, state, and federal level and non-legal services and support for the City's immigrant communities; 2) goods and services, including legal services, related to defending and supporting LGBTQ+ rights; 3) goods and services, including legal services, related to defending and supporting reproductive rights; 4) goods and services, including legal services, related to defending existing environmental protection laws and promoting environmental protection efforts; and 5) goods and services, including legal services, related to racial equity initiatives, all notwithstanding the Behested Payment Ordinance.

09/02/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): None.

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

Ayes: 3 - Fielder, Sauter, Sherrill

LITIGATION

Chair Fielder requested File Nos. 250484, 250863, 250864, 250865, 250916, 250917 and 250918 be called together.

Heard in Committee. Speaker(s): 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.

Chair Fielder elected not to convene in Closed Session.

250484 [Settlement Agreement - Castagnola's - \$300,000]

Resolution authorizing the Port of San Francisco to execute the settlement agreement between the Port Commission and Castagnola, Inc. of San Francisco and associated parties ("Castagnola") to resolve outstanding litigation, satisfy two terminated agreements, settle debt in excess of \$1,123,884 and allow Castagnola to continue its tenancy under Lease L-7493 for premises at 286 Jefferson Street ("Premises") in exchange for Castagnola: paying Port \$300,000 within 180 days, expending no less than \$900,000 for physical improvements to the Premises, and reopening the restaurant to the public within one year unless extended by the Port Commission, which obligations are enforceable through stipulated judgments in: CITY AND COUNTY OF SAN FRANCISCO VS. CASTAGNOLA, INC. OF SAN FRANCISCO, A CAL. CORP ET AL, Superior Court of San Francisco County, Case No. CUD24674725; and CITY AND COUNTY OF SAN FRANCISCO VS. LOLMAN ENTERPRISES, INC., ET AL, Superior Court of San Francisco County, Case No. CGC23606678. (Port)

05/02/25; RECEIVED FROM DEPARTMENT.

05/09/25; RECEIVED FROM DEPARTMENT.

05/13/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

05/20/25; SUBSTITUTED AND ASSIGNED to Government Audit and Oversight Committee.

06/05/25; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker(s): None.

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

Ayes: 3 - Fielder, Sauter, Sherrill

Chair Fielder moved to rescind the previous vote. The motion carried without objection.

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

Ayes: 3 - Fielder, Sauter, Sherrill

250863 [Settlement of Lawsuit - Kareim McKnight - \$75,000]

Ordinance authorizing settlement of the lawsuit filed by Kareim McKnight against the City and County of San Francisco for \$75,000; the lawsuit was filed on August 9, 2022, in United States District Court for the Northern District of California, Case No. 22-cv-04600 WHO; entitled Kareim McKnight v. City and County of San Francisco, et al.; the lawsuit involves alleged civil rights violations. (City Attorney) 07/30/25; RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

250864 [Settlement of Lawsuit - Lawsuit - Cynthia Pabalate - \$85,000]

Ordinance authorizing settlement of the lawsuit filed by Cynthia Pabalate against the City and County of San Francisco for \$85,000; the lawsuit was filed on July 5, 2022, in San Francisco Superior Court, Case No. CGC-22-600530; entitled Cynthia Pabalate v. City and County of San Francisco, et al.; the lawsuit involves alleged personal injury on a City street. (City Attorney)

08/12/25: RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Fielder, Sauter, Sherrill

250865 [Settlement of Lawsuit - MCI Communications Services LLC; MCImetro Access Transmission Services LLC; Verizon Business Network Services LLC; and XO Communications Services, LLC - City to Receive \$2,280,000]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco ex rel. Roger Schneider against MCI Communications Services LLC; MCImetro Access Transmission Services LLC; Verizon Business Network Services LLC; and XO Communications Services, LLC (collectively "Verizon") for \$2,280,000; the lawsuit was filed on January 29, 2020, in San Francisco Superior Court, Case No. CGC-20-582552; entitled City and County of San Francisco ex rel. Roger Schneider v. AT&T Corporation, et al.; the lawsuit involves allegations that the defendants knowingly under-collected and under-remitted amounts due under the access line tax in violation of the California False Claims Act. (City Attorney's Office)

08/25/25; RECEIVED FROM DEPARTMENT.

09/02/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Fielder, Sauter, Sherrill

250916 [Settlement of Lawsuit - Martine Aniel - \$45,000]

Ordinance authorizing settlement of the lawsuit filed by Martine Aniel against the City and County of San Francisco for \$45,000; the lawsuit was filed on February 21, 2024, in San Francisco Superior Court, Case No. CGC-24-612542; entitled Martine Aniel v. City and County of San Francisco; the lawsuit involves alleged personal injury on a City sidewalk. (City Attorney)

09/02/25; RECEIVED FROM DEPARTMENT.

09/16/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

250917 [Settlement of Lawsuit - Theodore Franzone - \$75,000]

Ordinance authorizing settlement of the lawsuit filed by Theodore Franzone against the City and County of San Francisco for \$75,000; the lawsuit was filed on April 4, 2024, in San Francisco Superior Court, Case No. CGC-24-613654; entitled Theodore Franzone v. City and County of San Francisco, et al.; the lawsuit involves personal injury on City property. (City Attorney)

09/02/25: RECEIVED FROM DEPARTMENT.

09/16/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Fielder, Sauter, Sherrill

250918 [Settlement of Lawsuit - Damena Page - \$75,000]

Ordinance authorizing settlement of the lawsuit filed by Damena Page against the City and County of San Francisco and all allegations in related Government Claim No. 25-00817 for \$75,000; the lawsuit was filed on June 23, 2023, in United States District Court for the Northern District of California, Case No. 23-cv-03129; entitled Damena Page v. City and County of San Francisco, et al.; the lawsuit and Government Claim involve alleged civil rights violations. (City Attorney)

09/08/25: RECEIVED FROM DEPARTMENT.

09/16/25; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Fielder, Sauter, Sherrill

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 10:54 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.