



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

Thursday, February 15, 2024

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Dean Preston, Catherine Stefani, and Shamann Walton

Excused: 1 - Connie Chan

The Government Audit and Oversight Committee met in regular session on Thursday, February 15, 2024, with Chair Dean Preston presiding. Chair Preston called the meeting to order at 10:07 a.m.

ROLL CALL AND ANNOUNCEMENTS

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

COMMUNICATIONS

Monique Crayton, Government Audit and Oversight Committee 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.

Supervisor Chan was Excused from Attendance

Chair Preston moved that Supervisor Chan be excused from attendance from the Government Audit and Oversight Committee Meeting of February 15, 2024. The motion carried by the following vote:

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

REGULAR AGENDA

231255 [Public Works Code - Neighborhood Commercial Districts Banner Fee Waiver]

Sponsor: Preston

Ordinance amending the Public Works Code to waive the banner and inspection fees for nonprofit organizations in certain Neighborhood Commercial Districts (NCDs) and Neighborhood Commercial Transit Districts (NCTDs) through December 31, 2026; and affirming the Planning Department's determination under the California Environmental Quality Act.

12/05/23; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 1/4/2024.

12/15/23; REFERRED TO DEPARTMENT. Referred to Public Works and the Planning Department for informational purposes.

02/09/24; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

02/09/24; RESPONSE RECEIVED. 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): Nicolas Huff (Public Works); provided an overview and responded to questions raised throughout the discussion.

Chair Preston moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Lines 11-13, by adding '(5) Renewal of a banner permit, and modification of the content or design of installed banners, shall require the filing of a new banner permit application under this Section 184.78.'; on Page 4, Lines 2-7, by inserting ' At the time of application for any banner permit, the Exempt Nonprofit Organization shall submit its budget for the current calendar or fiscal year, a copy of its most recent federal tax return or Internal Revenue Service Form 990, if required to file such return, and except to the extent that such return is privileged, and any other information that the Department of Public Works determines is necessary to verify the Exempt Nonprofit Organization's eligibility for the fee waivers contained in this subsection 184.78(r).' after 'located.'. The motion carried by the following vote:

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

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

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

240096 [Agreement - Owners' Association for Administration/Management of San Francisco Tourism Improvement District]**Sponsor: Peskin**

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established business-based business improvement district known as the "San Francisco Tourism Improvement District," pursuant to the California Streets and Highways Code, Section 36651, for a period effective upon approval of this Resolution through December 31, 2038.

01/30/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

02/06/24; REFERRED TO DEPARTMENT.

Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Jackie Hazelwood (Office of Economic and Workforce Development); presented information and answered questions raised throughout the discussion.

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

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

240067 [Hearing - Assessment of Invoices for San Francisco SAFE (SF SAFE)]**Sponsors: Peskin; Chan**

Hearing on the Controller's report on the assessment of invoices reviewed under a grant agreement between the San Francisco Police Department and San Francisco SAFE (SF SAFE); and requesting the Controller's Office, San Francisco Police Department, Mayor's Office of Economic Workforce Development, and SF SAFE Board of Directors to report.

01/23/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

02/02/24; REFERRED TO DEPARTMENT. Referred to the Controller's Office, San Francisco Police Department, Mayor's Office of Economic Workforce Development, and SF SAFE Board of Directors for informational purposes.

Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors); Mark de la Rosa and Selena Wong (Controllers Office); Diana Oliva Aroche, Patrick Leung, and Catherine McGuire (Police Department); Sarah Dennis-Phillips, Executive Director (Office of Economic and Workforce Development); presented information and answered questions raised throughout the discussion. Joanna Hernandez (Latino Taskforce); Gloria Barry (African American Reparations Advisory Committee); shared various concerns regarding the hearing matter.

Chair Preston moved that this Hearing be CONTINUED TO CALL OF THE CHAIR

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

President Aaron Peskin appointed Supervisor Walton in place of Supervisor Chan to the Government Audit and Oversight Committee for the regular meeting of February 15, 2024, for File No. 231264.

231264 [Apologizing to African Americans and Their Descendants]**Sponsors: Walton; Chan, Ronen, Preston, Safai, Peskin, Engardio, Melgar, Mandelman, Stefani and Dorsey**

Resolution apologizing on behalf of the Board of Supervisors of the City and County of San Francisco to African Americans and their descendants for systemic and structural discrimination, targeted acts of violence, and atrocities; and committing to the rectification and redress of past policies and misdeeds.

12/05/23; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Dr. Sheryl Davis (Human Rights Commission); Eric Mc Donnell, Tinisch Hollins (African American Reparations Advisory Committee); Anne Pearson (Office of the City Attorney); presented information and answered questions raised throughout the discussion. Rev. Amos Brown; Gloria Barry (African American Reparations Advisory Committee); Sala-Haquekyah Chandler; Speaker (Latino Taskforce); Brian Cox (SF Public Defender's Office); Laticia Erving (African American Reparations Advisory Committee); Lori Yamauchi (Japantown Task Force); Yasmeen Oakley; David Marcus Dunton; Nicholas Gee; Trinh Lee (Chinese for Affirmative Action); Brother Carriott; Brittini Chicuata shared various concerns regarding the hearing matter.

Member Walton moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 7, Lines 13-15, by adding 'FURTHER RESOLVED, That the Board of Supervisors urges each City department to engage in the process of reflecting on their own role in the City's history of structural discrimination, and to issue their own apology for their actions.' The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Walton

Excused: 1 - Chan

Member Walton moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Preston, Stefani, Walton

Excused: 1 - Chan

LITIGATION

Chair Preston requested File Nos. 240002, 240003, 240034, 240035, 240004, 240010, 240037, and 240050 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 Preston elected not to convene in Closed Session.

240002 [Settlement of Lawsuit - Shally Nguyen and Kyle Ravelo - \$35,000]

Ordinance authorizing settlement of the lawsuit filed by Shally Nguyen and Kyle Ravelo against the City and County of San Francisco for \$35,000; the lawsuit was filed on October 26, 2022, in San Francisco Superior Court, Case No. CGC-22-602620; entitled Shally Nguyen and Kyle Ravelo v. City and County of San Francisco; the lawsuit involves alleged personal injury arising from collision with City vehicle. (City Attorney)

12/07/23; RECEIVED FROM DEPARTMENT.

01/09/24; 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, Stefani

Excused: 1 - Chan

240003 [Settlement of Lawsuit - Peter Misthos - \$65,000]

Ordinance authorizing settlement of the lawsuit filed by Peter Misthos against the City and County of San Francisco for \$65,000; the lawsuit was filed on July 28, 2022, in San Francisco Superior Court, Case No. CGC-22-600973; entitled Peter Misthos v. City and County of San Francisco; the lawsuit involves an employment dispute. (City Attorney)

12/07/23; RECEIVED FROM DEPARTMENT.

01/09/24; 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, Stefani

Excused: 1 - Chan

240034 [Settlement of Lawsuit - Jeffrey Paillet - \$835,000]

Ordinance authorizing settlement of the lawsuit filed by Jeffrey Paillet against the City and County of San Francisco for \$835,000; the lawsuit was filed on November 2, 2021, in San Francisco Superior Court, Case No. CGC-21-596176; entitled Jeffrey Paillet v. City and County of San Francisco, et al.; the lawsuit involves an employment dispute. (City Attorney)

01/09/24; RECEIVED FROM DEPARTMENT.

01/23/24; 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, Stefani

Excused: 1 - Chan

240035 [Settlement of Lawsuit - Mason Masuda - \$9,000,000]

Ordinance authorizing settlement of the lawsuit filed by Mason Masuda against the City and County of San Francisco for \$9,000,000; the lawsuit was filed on May 9, 2023, in San Francisco Superior Court, Case No. CGC-23-606369; entitled Mason Masuda v. City and County of San Francisco, et al.; the lawsuit involves alleged personal injury on a City street. (City Attorney)

01/12/24; RECEIVED FROM DEPARTMENT.

01/23/24; 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, Stefani

Excused: 1 - Chan

240004 [Settlement of Unlitigated Claims - Amazon.com Sales, Inc. - \$448,119.86]

Resolution approving the settlement of the unlitigated claims filed by Amazon.com Sales, Inc. against the City and County of San Francisco for \$448,119.86; the claims were filed on June 26, 2023; the claims involve a refund of payroll expense, gross receipts, and homelessness gross receipts taxes. (City Attorney)

12/07/23; RECEIVED FROM DEPARTMENT.

01/09/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

240010 [Settlement of Unlitigated Claim - Lynette Chun - \$42,115.44]

Resolution approving the settlement of the unlitigated claim filed by Lynette Chun against the City and County of San Francisco for \$42,115.44; the claim was filed on March 6, 2023; the claim involves property damage arising from flooding alleged to be caused by a water main rupture. (City Attorney)

12/21/23; RECEIVED FROM DEPARTMENT.

01/09/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

240037 [Settlement of Unlitigated Claims - Florence Kong; Kin Wo Construction, Inc.; Kwan Wo Ironworks, Inc.; and SFR Recovery, Inc. - San Francisco to Receive \$750,000]

Resolution approving settlement of unlitigated claims against Florence Kong; Kin Wo Construction, Inc.; Kwan Wo Ironworks, Inc.; and SFR Recovery, Inc. (collectively "the Kong Parties") for restitution and civil penalty payments totaling \$750,000; the claims involve allegations that Florence Kong provided gifts to a City official with the intent to unlawfully influence City officials in award of City contracts to the Kong Parties; other material terms of the settlement are that all of the Kong Parties will be debarred except for Kwan Wo Ironworks, Inc., which will remain suspended for a minimum term of three years and until full payment of the settlement amount of \$750,000. (City Attorney)

01/12/24; RECEIVED FROM DEPARTMENT.

01/23/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

240050 [Tolling Agreement - Lyft, Inc. - Gross Receipts, Homelessness Gross Receipts, and Payroll Expense Tax Dispute - \$5,156,634]

Resolution approving a Tolling Agreement to extend the statute of limitations for Lyft, Inc. to bring potential litigation against the City and County of San Francisco for a refund of \$5,156,634 of gross receipts, homelessness gross receipts, and payroll expense taxes to allow for possible resolution of the matter without litigation. (City Attorney)

01/22/24; RECEIVED FROM DEPARTMENT.

01/30/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Preston, Stefani

Excused: 1 - Chan

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 12:51 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.