



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, October 17, 2024

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Dean Preston, and Connie Chan

Excused: 1 - Catherine Stefani

The Government Audit and Oversight Committee met in regular session on Thursday, October 17, 2024, with Chair Dean Preston presiding. Chair Preston called the meeting to order at 10:04 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Preston and Member Chan were noted present. Vice Chair Stefani 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 Stefani Excused from Attendance

Chair Preston moved to excuse Supervisor Stefani from attending the Government Audit and Oversight Committee regular Meeting on October 17, 2024. The motion carried by the following vote:

Ayes: 2 - Preston, Chan

Excused: 1 - Stefani

REGULAR AGENDA

240799 [Administrative Code - “Cash Not Drugs” Sobriety and Recovery Pilot Program]

Sponsors: Dorsey; Mandelman, Safai and Preston

Ordinance amending the Administrative Code to authorize the Human Services Agency, in coordination with the Department of Public Health, to establish a voluntary three-year sobriety and recovery incentive treatment program, known as “Cash Not Drugs,” to provide a weekly payment of up to \$100 to eligible beneficiaries of the County Adult Assistance Programs (“CAAP”) who have been screened for a substance use disorder and referred to substance use disorder treatment as a condition of further receipt of CAAP benefits, and who test negative for illicit drugs once per week; exempting the Cash Not Drugs payments from the CAAP eligibility calculation; providing for a six-month implementation plan before the program becomes operational; and revising the Homelessness and Supportive Housing Fund to include the Cash Not Drugs program as a permitted use of funds.

(Fiscal Impact)

07/30/24; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 8/29/2024.

09/03/24; REFERRED TO DEPARTMENT. Referred to Human Services Agency and Public Health for informational purposes.

09/11/24; TRANSFERRED to Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Supervisor Matt Dorsey (Board of Supervisors), Susie Smith (Human Services Agency); Gary McCoy (HealthRight 360); Billy Lemon (Castro Country Club); Nicolas Menard (Office of the Budget and Legislative Analyst); Emily Raganold (Department of Public Health); provided an overview and responded to questions raised throughout the discussion. Zak Franet (Episcopal Community Services); H. Brown; Speaker; Dennis Williams; Speaker; Theresa Wallace; Speaker; Sala-Haquekyah Chandler; spoke on various concerns relating to the hearing matter.

Supervisor Preston requested to be added as a co-sponsor.

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

Ayes: 2 - Preston, Chan

Excused: 1 - Stefani

240333 [Police Code - Notice of Supermarket Closure]**Sponsors: Preston; Peskin and Chan**

Ordinance amending the Police Code to require large supermarkets to provide six months notice to their customers and the City before permanently closing, and to explore ways to allow for the continued sale of groceries at the location.

04/02/24; ASSIGNED UNDER 30 DAY RULE to Public Safety and Neighborhood Services Committee, expires on 5/2/2024.

04/10/24; REFERRED TO DEPARTMENT. Referred to the Police Department and Office of Economic and Workforce Development for informational purposes.

07/10/24; TRANSFERRED to Government Audit and Oversight Committee. President Peskin transferred this Ordinance from the Public Safety and Neighborhood Services Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Jennifer Callewaert (Department of Public Health), Alice Kawahatsu, Jeremy Chan (Japantown Taskforce); Speaker; Dennis Williams; Howard Smith; Speaker; Theresa Wallace; spoke on various concerns relating to the hearing matter.

Supervisor Chan requested to be added as a co-sponsor.

Chair Preston moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 3, Lines 8-9, by inserting 'the Executive Director of the Human Services Agency (HSA)'; on Page 3, Line 13, by inserting 'the Executive Director of HSA;' on Page 4, Lines 2-8 to read ' During the period between the issuance of the notices required under Section 5702 and the Supermarket's Closure, the Supermarket shall meet and work in good faith with OEWD to find a workable solution to allow for the continued availability of groceries at the Supermarket location. In addition, the Supermarket shall meet and work in good faith with neighborhood residents to find a workable solution by, at a minimum, attending at least one community meeting convened by a neighborhood association, nonprofit association that represents the interests of neighborhood residents, or City department or official;' on Page 4, Lines 14-15, by striking 'The Director of OEWD may issue regulations necessary or appropriate to implement this Article 57;' on Page 4, Lines 16-19, by replacing 'affected by a Supermarket's failure to comply with the requirements of this Article 57' with 'who had purchased groceries or other food items from the Supermarket in the year prior to its closure, or any nonprofit organization representing the interests of such persons;' on Page 5, Lines 1-8, by inserting' (b) The City Attorney may at any time institute civil proceedings for injunctive and monetary relief, including civil penalties, against any Supermarket or Supermarket Owner for violation of this Article 57. SEC. 5705. REGULATIONS. The Director of OEWD, in consultation with representatives from HSA, the Department of Public Health, and the Mayor's Office on Housing and Community Development, may issue regulations necessary or appropriate to implement this Article 57;' and making other clarifying and conforming changes. The motion carried by the following vote:

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

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

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

240914 [Hearing - Investigating the Lack of Oversight of Fraudulent Activities Within Executive Branch Departments, including SFPD and HRC, and the Need to Ensure Corrective Actions and Systemic Reforms]

Sponsors: Peskin; Safai

Hearing to identify what and when departments knew about fraudulent activities within the Executive Branch Departments, such as the San Francisco Police Department (SFPD) and Human Rights Commission (HRC), and their contractors, as well as what preventative follow-up steps were implemented after, including review for conflicts of any staff taking over these functions and duties; and requesting the Mayor, City Controller, Human Resources Department, and SFPD to report.

09/17/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker(s): Supervisor Aaron Peskin (Board of Supervisors), Greg Wagner, Controller (Office of the Controller); Sarah Dennis-Phillips, Director (Office of Economic and Workforce Development); Mawuli Tugbenyoh, Acting Executive Director (Human Rights Commission); Dr. Paula Jones (Department of Public Health); provided an overview and responded to questions raised throughout the discussion. Kim Johnson; Lynette Mackey; Speaker; Margaret Brockman; Theresa Wallace; Speaker; Fred Blackwell (San Francisco Foundation); Gloria Berry; Jay Crawford; Dennis Williams; Ruth Jordan; Lisa Wynn; Dr. Pamela Tate; Tina Sataraka (All My Usos); Nancy; Ashley Smiley; Jessica (Latino Taskforce); Speaker; Ace Washington; Howard Smith; 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: 2 - Preston, Chan

Excused: 1 - Stefani

LITIGATION

Chair Preston requested File Nos. 240823, 240824, 240825, 240826, 240830, 240831, 240861, 240894, 240895 and 240896 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.

240823 [Settlement of Lawsuit - San Francisco Apartment Association, San Francisco Association of Realtors, Coalition for Better Housing, and Small Property Owners of San Francisco Institute - \$93,000]

Ordinance authorizing settlement of the lawsuit filed by San Francisco Apartment Association, San Francisco Association of Realtors, Coalition for Better Housing, and Small Property Owners of San Francisco Institute against the City and County of San Francisco for \$93,000; the lawsuit was filed on May 12, 2020, in San Francisco County Superior Court, Case No. CPF 20-517087; entitled San Francisco Apartment Association, et al. v. City and County of San Francisco; the lawsuit involves a Petition for Writ of Mandate challenging Ordinance No. 36-20, which amended San Francisco Administrative Code § 37.9E to revise the requirements that landlord must follow when engaging in buyout negotiations with tenants. (City Attorney)

08/14/24; RECEIVED FROM DEPARTMENT.

09/03/24; 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, Chan

Excused: 1 - Stefani

240824 [Settlement of Lawsuits - Park Hotels & Resorts Inc. - Stipulated Assessed Value of \$140,700,000 and Refund of \$943,740 Plus Statutory Interest]

Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts Inc. et al. against the City and County of San Francisco concerning the real property located at 555 North Point, San Francisco, CA (Assessor's Parcel Block No. 0029, Lot No. 007) (the "Subject Property") for a stipulated assessed value of the Subject Property of \$140,700,000 as of September 17, 2019, contingent upon the Assessment Appeals Board's approval, and a refund of \$943,740 plus statutory interest; the first lawsuit was filed on August 7, 2023, in San Francisco Superior Court, Case No. CGC-23-608156; entitled Park Hotels & Resorts Inc., et al. v. City and County of San Francisco; the second lawsuit was filed on June 27, 2023, in San Francisco Superior Court, Case No. CGC-23-607311; entitled Park Hotels & Resorts Inc. v. City and County of San Francisco, et al.; the lawsuits involve the assessed value of the Subject Property for property tax purposes as of the September 17, 2019 change in ownership date and a transfer tax refund. (City Attorney)

08/14/24; RECEIVED FROM DEPARTMENT.

09/03/24; 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, Chan

Excused: 1 - Stefani

240825 [Settlement of Lawsuits - Park Hotels & Resorts Inc. - Stipulated Assessed Value of \$93,237,202 and Refund of \$785,531 Plus Statutory Interest]

Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts Inc. et al. against the City and County of San Francisco concerning the real property located at 542-550 Geary Street, San Francisco, CA (Assessor's Parcel Block No. 0305, Lot No. 008 and Assessor's Parcel Block No. 0305, Lot No. 009) (the "Subject Property") for a stipulated assessed value of \$93,237,202 as of September 18, 2019, contingent upon the Assessment Appeals Board's approval, and a refund of \$785,531 plus statutory interest; the first lawsuit was filed on August 18, 2023, in San Francisco Superior Court, Case No. CGC-23-608476; entitled Park Hotels & Resorts Inc., et al. v. City and County of San Francisco; the second lawsuit was filed on June 27, 2023, in San Francisco Superior Court, Case No. CGC-23-607309; entitled Park Hotels & Resorts Inc. v. City and County of San Francisco, et al.; the lawsuits involve the assessed value of the Subject Property for property tax purposes as of the September 18, 2019 change in ownership date and a transfer tax refund. (City Attorney)

08/14/24; RECEIVED FROM DEPARTMENT.

09/03/24; 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, Chan

Excused: 1 - Stefani

240826 [Settlement of Lawsuits - Park Hotels & Resorts Inc. - Stipulated Assessed Value of \$222,145,336 and Refund of \$1,636,749 Plus Statutory Interest]

Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts Inc. et al. against the City and County of San Francisco concerning the real property located at 375 Battery Street, San Francisco, CA (Assessor's Parcel Block No. 0229, Lot No. 020) (the "Subject Property") for a stipulated assessed value of the Subject Property of \$222,145,336 as of September 18, 2019, contingent upon the Assessment Appeals Board's approval, and a refund of \$1,636,749, plus statutory interest; the first lawsuit was filed on August 18, 2023, in San Francisco Superior Court, Case No. CGC-23-608468; entitled Park Hotels & Resorts Inc., et al. v. City and County of San Francisco; the second lawsuit was filed on June 27, 2023, in San Francisco Superior Court, Case No. CGC-23-607304; entitled Park Hotels & Resorts Inc. v. City and County of San Francisco, et al.; the lawsuits involve the assessed value of the Subject Property for property tax purposes as of the September 18, 2019, change in ownership date and a transfer tax refund. (City Attorney)

08/14/24; RECEIVED FROM DEPARTMENT.

09/03/24; 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, Chan

Excused: 1 - Stefani

240830 [Settlement of Unlitigated Claims - Maplebear, Inc. - \$8,250,342.21]

Resolution approving the settlement of the unlitigated claims filed by Maplebear, Inc. against the City and County of San Francisco for \$8,250,342.21; the claims were filed on February 28, 2023, and February 9, 2024; the claims involve a refund of payroll expense, gross receipts, and homelessness gross receipts taxes, and business registration fees for the 2019 to 2022 tax years; other material terms of the settlement are that Maplebear, Inc. shall take certain filing positions with respect to its gross receipts, homelessness gross receipts, and overpaid executive gross receipts taxes, as applicable, for the 2023 and subsequent tax years, and the City will not impose penalties arising from those filing positions for the 2023 tax year. (City Attorney)

08/14/24; RECEIVED FROM DEPARTMENT.

09/03/24; 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, Chan

Excused: 1 - Stefani

240831 [Settlement of Unlitigated Claim - Bechtel Group, Inc. - \$43,235.10]

Resolution approving the settlement of the unlitigated claim filed by Bechtel Group, Inc. against the City and County of San Francisco for \$43,235.10; the claim was filed on May 8, 2024; the claim involves a refund of commercial rents taxes. (City Attorney)

08/14/24; RECEIVED FROM DEPARTMENT.

09/03/24; 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, Chan

Excused: 1 - Stefani

240861 [Settlement of Claims for Stolen Property - Brian McSharry - Not to Exceed \$2,117.88]

Resolution approving the settlement of claims for cost of personal property of City and County Employee damaged/stolen in the line of duty in the amount of \$2,117.88 subject to Board of Supervisors approval under Administrative Code, Section 10.25-9. (Public Utilities Commission)
09/06/24; RECEIVED FROM DEPARTMENT.

09/17/24; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

240894 [Settlement of Lawsuit - Yulanda Williams - \$625,000]

Ordinance authorizing settlement of the lawsuit filed by Yulanda Williams against the City and County of San Francisco for \$625,000; the lawsuit was filed on May 29, 2019, in San Francisco Superior Court, Case No. CGC-19-576323; entitled Yulanda Williams v. City and County of San Francisco et al.; the lawsuit involves an employment dispute. (City Attorney)

09/12/24; RECEIVED FROM DEPARTMENT.

09/24/24; 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, Chan

Excused: 1 - Stefani

240895 [Settlement of Lawsuit - Jane Doe - \$200,000]

Ordinance authorizing settlement of the lawsuit filed by Jane Doe against the City and County of San Francisco for \$200,000; the lawsuit was filed on September 12, 2022, in United States District Court, Northern District of California, Case No. 22-cv-05179; entitled Jane Doe v. City and County of San Francisco, et al.; the lawsuit involves an alleged civil rights violation. (City Attorney)

09/12/24; RECEIVED FROM DEPARTMENT.

09/24/24; 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, Chan

Excused: 1 - Stefani

240896 [Settlement of Lawsuit - Barnard Jones and Patricia Farrell - \$475,000]

Ordinance authorizing settlement of the lawsuit filed by Barnard Jones and Patricia Farrell against the City and County of San Francisco for \$475,000; the lawsuit was filed on June 28, 2023, in San Francisco Superior Court, Case No. CGC-23-607339; entitled Barnard Jones, et al. v. City and County of San Francisco, et al.; the lawsuit involves alleged personal injury on a City street. (City Attorney)

09/12/24; RECEIVED FROM DEPARTMENT.

09/24/24; 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, Chan

Excused: 1 - Stefani

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 1:45 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.