

File No. 241053

Committee Item No. 12

Board Item No. 15

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: November 21, 2024

Board of Supervisors Meeting:

Date: December 10, 2024

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU - FY2022-2024 - Clean                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU - FY2022-2024 - Redline                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract / DRAFT Mills Act Agreement         |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

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Prepared by: Monique Crayton

Date: November 15, 2024

Prepared by: Monique Crayton

Date: November 27, 2024

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Settlement of Lawsuit - Paul Wildes and Reed Sandberg]

2  
3 **Ordinance authorizing settlement of a lawsuit filed by Paul Wildes and Reed Sandberg**  
4 **against London Breed, José Cisneros, and Carmen Chu, each sued in their official**  
5 **capacities as employees of the City and County of San Francisco; the lawsuit was filed**  
6 **on January 29, 2024, in San Francisco Superior Court, Case No. CGC-24-611915;**  
7 **entitled Michael Phillips, et al., v. London Breed, et al.; the lawsuit involves alleged**  
8 **violations of California Constitution, article I, Section 7 - Transgender Status**  
9 **Discrimination; California Constitution, article I, Section 7 - Sex Discrimination;**  
10 **California Constitution, article I, Section 7 - Race/Ethnicity Discrimination; the**  
11 **proposed terms of settlement are a payment of \$3,250 in attorney's fees and costs and**  
12 **injunctive relief.**

13  
14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. The City Attorney is hereby authorized to settle the action entitled "Michael  
16 Phillips, et al., v. London Breed, et al.," San Francisco Superior Court, Case No. CGC-24-  
17 611915, on substantially the same terms as set forth in the Settlement Agreement and Full  
18 and Final Release on file with the Clerk of the Board of Supervisors in File No. 241053, which  
19 is incorporated by reference and declared to be a part of this ordinance as if set forth fully  
20 herein. The Settlement Agreement provides: (1) payment of \$3,250 in attorney's fees and  
21 costs; and (2) injunctive relief agreeing that the City will not continue the guaranteed income  
22 program that Paul Wildes and Reed Sandberg alleged to be unlawful beyond September 2024  
23 and an agreement that the City will not create a new guaranteed income program with the  
24 same eligibility criteria.

Section 2. The above-named action was filed in San Francisco Superior Court, on January 29, 2024 and the following parties were named in the lawsuit: Plaintiffs: Paul Wildes and Reed Sandberg; Defendant: London Breed, José Cisneros, and Carmen Chu.

APPROVED AS TO FORM AND  
RECOMMENDED:  
  
DAVID CHIU  
City Attorney

RECOMMENDED:  
  
MAYOR’S OFFICE OF HOUSING AND  
COMMUNITY DEVELOPMENT

/s/ \_\_\_\_\_  
TARA M. STEELEY  
Deputy City Attorney

/s/ \_\_\_\_\_  
DANIEL ADAMS  
Director

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DAVID CHIU, State Bar #189542  
City Attorney  
WAYNE K. SNODGRASS, State Bar #148137  
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Facsimile: (415) 554-4699  
E-Mail: kaitlyn.murphy@sfcityatty.org

Attorneys for Defendants  
LONDON N. BREED, in her official capacity as  
Mayor of the City and County of San Francisco,  
JOSÉ CISNEROS, in his official capacity as  
Treasurer of the City and County of San Francisco, and  
CARMEN CHU, in her official capacity as  
City Administrator of the City and County of San Francisco

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO - UNLIMITED JURISDICTION

MICHAEL PHILLIPS, PAUL WILDES, and  
REED SANDBERG

Plaintiffs,

vs.

LONDON N. BREED, in her official Capacity as  
Mayor of the City and County of San Francisco,

JOSÉ CISNEROS, in his official capacity as  
Treasurer of the City and County of San  
Francisco,

JOHN DOE, in his official capacity as Executive  
Director of the Office of Transgender Initiatives  
of the City and County of San Francisco,

and

CARMEN CHU, in her official capacity as City  
Administrator of the City and County of San  
Francisco,

Defendants.

Case No. CGC-24-611915

**SETTLEMENT AGREEMENT AND FULL  
AND FINAL RELEASE**

Date Action Filed: January 29, 2024

1        1. This Settlement agreement is entered into by and between (1) Plaintiffs PAUL WILDES and  
2 REED SANDBERG, individually, and on behalf of their heirs, domestic partners, executors,  
3 administrators, and assigns, if any; and (2) Defendants LONDON BREED, in her official capacity as  
4 Mayor of the City and County of San Francisco, JOSE CISNEROS, in his official capacity as  
5 Treasurer of the City and County of San Francisco, and Carmen Chu, in her official capacity as City  
6 Administrator of the City and County of San Francisco (collectively with Plaintiffs, "PARTIES"). In  
7 summary, this settlement provides for the dismissal of this case with prejudice in exchange for the  
8 settlement amount of \$3,250 (Three Thousand Two Hundred Fifty and 00/100 Dollars) and certain  
9 injunctive relief provided by the City and County of San Francisco.

10        2. FOR GOOD AND VALUABLE CONSIDERATION, in the amount of \$3,250 (THREE  
11 THOUSAND TWO HUNDRED FIFTY and 00/100 Dollars) (the "SETTLEMENT AMOUNT"), the  
12 sufficiency of which is hereby admitted and acknowledged, Plaintiffs PAUL WILDES and REED  
13 SANDBERG, individually and on behalf of their heirs, domestic partners, executors, administrators,  
14 and assigns, if any (hereinafter referred to individually and collectively as "RELEASORS"), hereby  
15 agree to fully and forever release and discharge the City and County of San Francisco, together with  
16 its elective and/or appointive boards, agents, servants, employees, consultants, departments,  
17 commissioners, and officers (hereinafter referred to individually and collectively as "SAN  
18 FRANCISCO"), from any and all claims, actions, causes of action, liabilities, damages, demands,  
19 attorneys' fees, expenses and costs (including without limitation court costs) of any kind or nature  
20 whatsoever, whether known or unknown, suspected or unsuspected, which have existed or may have  
21 existed, or which do exist, or which hereafter shall or may exist, and which (1) are alleged or set forth  
22 or attempted to be set forth in the pleadings on file in that certain action entitled *Phillips et al. vs.*  
23 *Breed et al.*, being Action No. CGC-24-611915 on the records of the Superior Court for the City and  
24 County of San Francisco (hereinafter referred to as the "ACTION"), or (2) arise out of or are in any  
25 way related to any of the transactions, occurrences, acts or omissions set forth or alleged in any of the  
26 pleadings in the Action (hereinafter referred to collectively as the "CLAIMS").

27        3. In consideration for the promises provided herein, SAN FRANCISCO agrees to the following:  
28

- a. RELEASORS challenged the Guaranteed Income for Transgender People guaranteed income program (“GIFT Program”), alleging that to be eligible for the GIFT Program, applicants needed to be: (1) transgender, non-binary, gender nonconforming, or intersex; (2) 18 years or older; (3) a resident of San Francisco; (4) earning less than \$600 per month; and (5) willing and able to complete a survey upon enrollment and every three months thereafter; and that among eligible applicants, the GIFT Program prioritized enrollment based on sex and race and/or ethnicity by giving (1) a preference to “[b]iological males identifying as females” over “biological females identifying as male” and (2) a preference to Black or Latino applicants over applicants of other races and/or ethnicities;
- b. SAN FRANCISCO agrees that the GIFT Program is set to expire in September 2024; and
- c. SAN FRANCISCO will not renew the GIFT Program and will not create a new guaranteed income program that relies on the same eligibility and prioritization criteria described in Paragraph 3a.

4. RELEASORS represent and warrant that they have not assigned or transferred, or agreed to assign or transfer, or attempted to assign or transfer, to any third party or entity (including without limitation any insurer) any interest in any of the CLAIMS. RELEASORS agree to defend, indemnify and hold harmless SAN FRANCISCO against any loss, expense or liability, including without limitation reasonable attorneys' fees, arising from any breach of the foregoing. Furthermore, in the event that SAN FRANCISCO learns that RELEASORS have breached this warranty, SAN FRANCISCO may, at its sole option, elect to rescind this Full and Final Release, in which case RELEASORS shall immediately remit to SAN FRANCISCO the SETTLEMENT AMOUNT, plus interest accruing thereon at a rate of ten percent per year, compounded monthly, from the date of payment thereof.

5. RELEASORS represent and warrant that either (a) there are no liens, including without limitation any medical reimbursement, unemployment or disability compensation liens, in existence which may attach to the SETTLEMENT AMOUNT or to any recovery paid to RELEASORS pursuant to the ACTION, or (b) to the extent there are any such liens, RELEASORS will pay and retire all such liens out of the SETTLEMENT AMOUNT. RELEASORS agree to defend, indemnify and hold

harmless SAN FRANCISCO against any and all claims by any person or entity purporting to hold any lien, interest, or other claim, whether for medical care, unemployment and/or disability compensation, attorneys' fees, or otherwise, involving RELEASORS and arising in connection with any of the CLAIMS.

6. In reaching a settlement of the CLAIMS resulting in the execution of this RELEASE, RELEASOR and SAN FRANCISCO have considered and sought to protect the interests of the Centers for Medicare and Medicaid Services ("CMS"), the federal agency that runs Medicare. RELEASOR represents and warrants that either RELEASOR is not Medicare eligible pursuant to 42 U.S.C. 1395c and will not become Medicare eligible within thirty months from the date of this RELEASE, or RELEASOR is Medicare eligible pursuant to 42 U.S.C. 1395c or will be Medicare eligible within thirty months from the date of this RELEASE and further represents and warrants that RELEASOR is not asserting and does not anticipate a need for future medical treatment arising out of or related to the CLAIMS. RELEASOR agrees to defend, indemnify and hold harmless SAN FRANCISCO against any and all claims arising out of or related to the terms of this paragraph, including without limitation, any claims by CMS.

7. RELEASORS certify that they have read Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

RELEASORS hereby waive application of Section 1542 of the Civil Code. RELEASORS understand and acknowledge that, as a consequence of this waiver of Section 1542, even if RELEASORS should eventually suffer additional or further loss, damages or injury arising out of or in any way related to any of the events which gave rise to the CLAIMS, or any of them, RELEASORS will not be permitted to make any further claims against SAN FRANCISCO to recover for such loss, damages or injury. RELEASORS acknowledge that they intend these consequences even as to claims for personal injury or property damage that may exist as of the date of this Full and Final Release but which

1 RELEASORS do not know exist, and which, if known, would materially affect RELEASORS'  
2 decision to execute this Full and Final Release, regardless of whether RELEASORS' lack of  
3 knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

4 8. RELEASORS acknowledge that, in executing this Full and Final Release, they are acting on  
5 their own, independent judgment informed by his/her/their legal counsel. RELEASORS acknowledge  
6 having read this Full and Final Release and having been advised by his/her/their attorney as to its  
7 meaning and effect. RELEASORS acknowledge and warrant that his/her/their execution of this Full  
8 and Final Release is free and voluntary. RELEASORS further represent and warrant that, at the time  
9 they executed this Full and Final Release, they were not in the period of first physical confinement,  
10 whether as an inpatient or outpatient, in a clinic or health facility (as defined in Sections 1203 and  
11 1250 of the Health and Safety Code) as a result of the injury alleged to have given rise to any of the  
12 CLAIMS, and that as a result Business and Professions Code section 6152(b) cannot be used to  
13 invalidate this Full and Final Release.

14 9. RELEASORS acknowledge that this Full and Final Release contains and constitutes the entire  
15 agreement between RELEASORS and SAN FRANCISCO with respect to the CLAIMS. The terms of  
16 this Full and Final Release are contractual and not a mere recital. RELEASORS acknowledge that  
17 SAN FRANCISCO has made no representations, express or implied, to induce RELEASORS to enter  
18 into this Full and Final Release, other than as expressly set forth herein.

19 10. No aspect of this Full and Final Release or the settlement which led to it is intended to be nor  
20 at any time shall be construed, deemed, or treated in any respect as an admission by SAN  
21 FRANCISCO of liability for any purpose. It is expressly understood by RELEASORS that this Full  
22 and Final Release does not constitute an admission of the truth or accuracy of any of the allegations  
23 made in the complaint on file in the ACTION or of liability for any of the CLAIMS, and that SAN  
24 FRANCISCO expressly denies the allegations made in the complaint, as more fully set forth in the  
25 answer or other responsive pleadings on file in the ACTION.

26 11. If any of the provisions of this Full and Final Release or the application thereof is held to be  
27 invalid, its invalidity shall not affect any other provision or application of this Full and Final Release  
28 to the extent that such other provision or application can be given effect without the invalid provision



or application, and to this end, the provisions of this Full and Final Release are declared and understood to be severable; provided, however, that should a court of competent jurisdiction hold that RELEASORS are entitled to sue SAN FRANCISCO upon any of the CLAIMS, and should RELEASORS bring or join in such a suit, then RELEASORS shall immediately remit to SAN FRANCISCO the SETTLEMENT AMOUNT, plus interest thereon accruing at a rate of ten percent per year, compounded monthly, from the date of payment thereof.

12. RELEASORS understand and acknowledge that both RELEASORS and SAN FRANCISCO shall bear their own legal expenses and costs incurred in connection with prosecuting or defending against the ACTION and any of the CLAIMS.

13. RELEASORS will execute a request for dismissal of the action with prejudice to be filed after all settlement documents have been signed.

14. This Full and Final Release and the settlement which led to it have been fully negotiated with the assistance of counsel and should not be construed more strictly against one party than another.

15. This Settlement is subject to approval by the necessary City and County of San Francisco entities. SAN FRANCISCO commits to using reasonable efforts to obtain the necessary approvals. Subject to City approval, this Settlement Agreement is intended to be fully and formally binding and enforceable and is effective as of the date of this Agreement. It contains the entire understanding and agreement between the parties concerning the resolution of all disputes between them and has been executed without reliance on any promise, representation or warranty not contained herein. A copy of this agreement may be used in lieu of the original for all purposes.

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1 16. This Full and Final Release may be executed in two or more counterparts, all of which  
2 counterparts shall be deemed originals.

3  
4  
5 Date:

Aug 21, 2024



Plaintiff Paul Wildes

8  
9 Date:

Aug 11, 2024



Plaintiff Reed Sandberg

11  
12 Date:

Aug. 21, 2024



Kathryn Blankenberg  
Judicial Watch, Inc.  
Counsel for Plaintiff

14  
15  
16 APPROVED AS TO FORM:

17 Date:



KAITLYN MURPHY  
Deputy City Attorney  
Counsel for Defendants