



# City and County of San Francisco

## Meeting Agenda

### 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: Stephanie Cabrera*  
(415) 554-7722 ~ [stephanie.cabrera@sfgov.org](mailto:stephanie.cabrera@sfgov.org)

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Thursday, July 20, 2023

10:00 AM

City Hall, Legislative Chamber, Room 250

### Regular Meeting

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#### **Remote Access to Information and Participation**

The Board of Supervisors ([www.sfbos.org](http://www.sfbos.org)) and its committees convene hybrid meetings that allow in-person attendance, in-person public comment (prioritized before remote public comment), remote access (watch: [www.sfgovtv.org](http://www.sfgovtv.org)), and remote public comment via teleconference (<https://sfbos.org/remote-meeting-call>). Members of the public may also submit their comments by email to the Clerk listed above; all comments received will be made a part of the official record.

#### **PUBLIC COMMENT CALL IN**

[1 \(415\) 655-0001 / Meeting ID: 2663 317 6037 # #](tel:4156550001)

(Press \*3 to enter the speaker line)

#### **ROLL CALL AND ANNOUNCEMENTS**

#### **COMMUNICATIONS**

#### **AGENDA CHANGES**

#### **REGULAR AGENDA**

1. [230825](#) **[Hearing - RWG's Final Governance Plan, Business Plan and Viability Study for a San Francisco Municipal Financial Corporation and a San Francisco Public Bank]**  
**Sponsor: Preston**  
Hearing to consider the Reinvestment Working Group's (RWG) Final Governance Plan, Business Plan and Viability Study for a San Francisco Municipal Financial Corporation and Final Governance Plan, Business Plan and Viability Study for a San Francisco Public Bank; and recommend the Board of Supervisors accept the RWG's proposed Plan; and requesting the Local Agency Formation Commission (LAFCo) to report.  
  
7/11/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.  
  
*The Chair may entertain a motion to Prepare a Motion in Committee to accept the proposed subject Plan.*
2. [230614](#) **[Hearing - SFHA's Report of Quality of Services Provided by Eugene Burger Management Corp]**  
**Sponsor: Walton**  
Hearing on the San Francisco Housing Authority's (SFHA) report of Eugene Burger Management Corp regarding the quality of services provided at the Sunnydale and Potrero Hill HOPE SF Sites; and requesting the SFHA and Eugene Burger Management Corp to report.  
  
5/23/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.  
  
6/15/23; REFERRED TO DEPARTMENT.
3. [230112](#) **[Hearing - Strategies for Fire Prevention in Residential Apartment Buildings]**  
**Sponsors: Preston; Walton, Peskin and Chan**  
Hearing on strategies for apartment building fire prevention and support for victims, including current City protocols and resources available for those facing displacement; and requesting the San Francisco Fire Department and the Human Services Agency to report.  
  
1/31/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.  
  
2/3/23; RECEIVED.
4. [230719](#) **[Audit of the Public Utilities Commission's Water and Wastewater Enterprises, Rate Setting and Oversight Processes With a Focus on Reducing Rate Increases]**  
**Sponsor: Safai**  
Motion directing the Budget and Legislative Analyst, on a priority basis, to audit the Public Utilities Commission's Water and Wastewater Enterprises, rate setting, and contract oversight processes, with a focus on reducing rate increases.  
  
6/6/23; REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING to the Board of Supervisors.  
  
6/13/23; REFERRED to the Government Audit and Oversight Committee.  
  
7/13/23; CONTINUED.

## LITIGATION

### 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.*

5. [230686](#) **[Settlement of Lawsuit - Walgreen Co. - City to Receive \$229,610,002 Over 15 Years]**

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco and the People of the State of California against Walgreen Co. for \$229,610,002 (the City to be paid \$200,000,002 over 15 years, the City's outside counsel to be paid \$29,610,000); the lawsuit was filed on December 18, 2018, in the United States District Court for the Northern District of California, Case No. 3:18-cv-7591-CRB-JSC; entitled The City and County of San Francisco and the People of the State of California v. Purdue Pharma L.P., Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler, Theresa Sackler, David A. Sackler, Trust for the Benefit of Members of the Raymond Sackler Family, Rhodes Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt Plc, Mallinckrodt LLC, Allergan Plc f/k/a Actavis Plc, Watson Pharmaceuticals, Inc. n/k/a Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. f/k/a Watson Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation; the lawsuit involves Walgreen Co.'s improper and unlawful dispensing of prescription opioids at its pharmacies, which contributed to the epidemic of opioid abuse and misuse and caused a public nuisance in San Francisco. (City Attorney)

5/26/23; RECEIVED FROM DEPARTMENT.

6/13/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.

6. [230687](#) **[Settlement of Lawsuit - Teva Pharmaceuticals USA, Inc. and Related Entities - City to Receive \$24,797,604 Over 13 Years]**

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco and the People of the State of California against Cephalon, Inc.; Teva Pharmaceuticals USA, Inc.; Teva Pharmaceutical Industries Ltd; Watson Laboratories, Inc.; Actavis LLC; Actavis Pharma, Inc. (f/k/a Watson Pharma, Inc.); Actavis Elizabeth LLC; Actavis Mid Atlantic LLC; Warner Chilcott Company, LLC; Actavis South Atlantic LLC; Actavis Totowa LLC; Actavis Kadian LLC; Actavis Laboratories UT, Inc. (f/k/a/ Watson Laboratories, Inc.-Salt Lake City); Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc.-Florida); and Anda, Inc. for \$24,797,604 (the City to be paid \$19,499,928 over 13 years, the City's outside counsel to be paid \$3,043,340, and the City Attorney's Office to be paid \$2,254,336) and naloxone valued at \$20,000,000; directing the Controller to allocate funds to the City Attorney's Office as provided in the settlement agreement; the lawsuit was filed on December 18, 2018, in the United States District Court for the Northern District of California, Case No. 3:18-cv-7591-CRB-JSC; entitled The City and County of San Francisco and the People of the State of California v. Purdue Pharma L.P., Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler, Theresa Sackler, David A. Sackler, Trust for the Benefit of Members of the Raymond Sackler Family, Rhodes Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt Plc, Mallinckrodt LLC, Allergan Plc f/k/a Actavis Plc, Watson Pharmaceuticals, Inc. n/k/a Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. f/k/a Watson Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation; the lawsuit involves allegations that the Teva defendants created a public nuisance and violated the Unfair Competition Law by falsely and misleadingly marketing opioids as safer than they actually are and distributing increasingly large volumes of opioids in and around San Francisco despite knowledge of the growing epidemic caused by opioid misuse, and by failing to prevent and report suspicious opioid orders as required by state and federal law. (City Attorney)

5/26/23; RECEIVED FROM DEPARTMENT.

6/13/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.

7. [230688](#) **[Settlement of Lawsuit - Allergan Finance, LLC and Allergan Limited - City to Receive \$12,916,274 Over 5 Years]**

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco and the People of the State of California against Allergan Finance, LLC (f/k/a Actavis, Inc., which, in turn, was f/k/a Watson Pharmaceuticals, Inc.) and Allergan Limited (f/k/a Allergan plc, which, in turn, was f/k/a Actavis plc) for \$12,916,274 (the City to be paid \$10,156,889 over 5 years, the City's outside counsel to be paid \$1,585,179, and the City Attorney's Office to be paid \$1,174,206); directing the Controller to allocate funds to the City Attorney's Office as provided in the settlement agreement; the lawsuit was filed on December 18, 2018, in the United States District Court for the Northern District of California, Case No. 3:18-cv-7591-CRB-JSC; entitled The City and County of San Francisco and the People of the State of California v. Purdue Pharma L.P., Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler, Theresa Sackler, David A. Sackler, Trust for the Benefit of Members of the Raymond Sackler Family, Rhodes Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt Plc, Mallinckrodt LLC, Allergan Plc f/k/a Actavis Plc, Watson Pharmaceuticals, Inc. n/k/a Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. f/k/a Watson Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation; the lawsuit involves allegations that the Allergan defendants created a public nuisance and violated the Unfair Competition Law by falsely and misleadingly marketing opioids as safer than they actually are and distributing increasingly large volumes of opioids in and around San Francisco despite knowledge of the growing epidemic caused by opioid misuse, and by failing to prevent and report suspicious opioid orders as required by state and federal law. (City Attorney)

5/26/23; RECEIVED FROM DEPARTMENT.

6/13/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.

8. [230629](#) **[Settlement of Unlitigated Claims - The Wiseman Group Interior Design, Inc. - \$40,000]**

Resolution approving the settlement of the unlitigated claims filed by The Wiseman Group Interior Design, Inc. against the City and County of San Francisco for \$40,000; the claims were filed on January 30, 2023 and March 8, 2023; the claims involve a refund of gross receipts tax; an additional material term of the settlement is that The Wiseman Group Interior Design, Inc. shall take certain filing positions with respect to its gross receipts taxes for tax year 2023 and subsequent tax years. (City Attorney)

5/25/23; RECEIVED FROM DEPARTMENT.

6/6/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.

9. [230695](#) **[Settlement of Unlitigated Claims - AppLovin Corporation - \$4,197,820.54 Plus Statutory Interest]**

Resolution approving the settlement of the unlitigated claims filed by AppLovin Corporation against the City and County of San Francisco for \$4,197,820.54 plus statutory interest; the claims were filed on February 15, 2023; the claims involve a refund of gross receipts taxes and homelessness gross receipts taxes; additional material terms of the settlement are: 1) the resolution of all claims and potential claims for refund of gross receipts taxes and homelessness gross receipts taxes for tax years 2019 and 2020, and 2) the agreement that AppLovin Corporation and its related entities shall take certain filing positions with respect to their gross receipts taxes, homelessness gross receipts taxes, and overpaid executive taxes for tax years 2021 and subsequent tax years, and with respect to their business registration fees for registration years ending June 30, 2022, and subsequent years. (City Attorney)

6/2/23; RECEIVED FROM DEPARTMENT.

6/13/23; RECEIVED AND ASSIGNED to the Government Audit and Oversight Committee.

*After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.*

*[Elect To Disclose]*

*Motion that the Board finds it is in the public interest to disclose information discussed in closed session, and directs the Chair immediately to disclose that information.*

*[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.*

## ADJOURNMENT

## LEGISLATION UNDER THE 30-DAY RULE

*NOTE: The following legislation will not be considered at this meeting. Board Rule 3.22 provides that when an Ordinance or Resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the Committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.*

*(There is no legislation pending under the 30-Day Rule.)*

### Agenda Item Information

Each item on the Consent or Regular agenda may include the following documents: 1) Legislation; 2) Budget and Legislative Analyst report; 3) Department or Agency cover letter and/or report; 4) Public correspondence. These items are available for review at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, Reception Desk or at <https://sfbos.org/legislative-research-center-lrc>.

### Meeting Procedures

The Board of Supervisors is the legislative body of the City and County of San Francisco. The Board has several standing committees where legislation is the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) vocal or audible support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones or electronic devices; 3) bringing in or displaying signs in the meeting room; and 4) standing in the meeting room. Each member of the public will be allotted the same maximum number of minutes to speak as set by the President or Chair at the beginning of each item or public comment, excluding City representatives; except that public speakers using interpretation assistance will be allowed to testify for twice the amount of time. If simultaneous interpretation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting interpretation assistance. Members of the public who want to display a document should place it on the overhead during their public comment and remove the document when they want the screen to return to live coverage of the meeting.

**IMPORTANT INFORMATION:** The public is encouraged to testify at Board and Committee meetings. Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding agenda items. These comments will be made a part of the official public record and brought to the attention of the Board of Supervisors. Written communications should be submitted to the Clerk of the Board or the Clerk of the Committee: 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Communications not received prior to the hearing may be delivered to the Clerk of the Board or the Clerk of the Committee and will be shared with the Members.

**COPYRIGHT:** All system content that is broadcasted live during public proceedings is secured by High-bandwidth Digital Content Protection (HDCP), which prevents copyrighted or encrypted content from being displayed or transmitted through unauthorized devices. Members of the public who wish to utilize chamber digital, audio and visual technology may not display copyrighted or encrypted content during public proceedings.

**AGENDA PACKET:** Available at <http://www.sfbos.org/meetings>. Meetings are cablecast on SFGovTV, the Government Channel, at [www.sfgovtv.org](http://www.sfgovtv.org) or Cable Channels 26, 28, 78 or 99 (depending on your provider). For DVD copies call (415) 554-4188.

**LANGUAGE INTERPRETERS:** Language services are available in Spanish, Chinese and Filipino if requests are made at least 48 hours in advance of the meeting, to help ensure availability. For more information or to request services: Contact Wilson Ng at (415) 554-5184.

**傳譯服務:** 所有常規及特別市參事會會議和常務委員會會議將提供西班牙文, 中文以及菲律賓文的傳譯服務, 但必須在會議前最少48小時作出請求, 以確保能獲取到傳譯服務. 將因應請求提供交替傳譯服務, 以便公眾向有關政府機構發表意見. 如需更多資訊或請求有關服務, 請致電 (415) 554-5184 聯絡我們.

**AVISO EN ESPAÑOL:** Los servicios de idiomas están disponibles en español, chino, y filipino en todas las reuniones regulares y reuniones especiales de la Junta, de los Comités, si se solicita por lo menos 48 horas antes de la reunión para ayudar a garantizar su disponibilidad. Para más información o solicitar servicios, por favor contactar a (415) 554-5184.

**PAUNAWA:** Mayroong serbisyong pang-wika sa Espanyol, Tsino at Pilipino para sa lahat ng mga regular at espesyal na pagpulong ng Board, at Komite ng Board. Sa kasalukuyan, mayroong serbisyo sa wikang Pilipino na maaaring hilingin, 48 oras (o mas maaga) bago ng pagpulong upang matiyak na matutugunan ang inyong kahilingan. Para sa karagdagang impormasyon o para humiling ng serbisyo pang-wika, tawagan lamang ang (415) 554-5184.

### **Americans with Disabilities Act (ADA)**

The ADA is a civil rights law that protects people with different types of disabilities from discrimination in all aspects of social life. More specifically, Title II of the ADA requires that all programs offered through the state and local government such as the City and County of San Francisco must be accessible and usable to people with disabilities. The ADA and City policy require that people with disabilities have equal access to all City services, activities, and benefits. People with disabilities must have an equal opportunity to participate in the programs and services offered through the City and County of San Francisco. If you believe your rights under the ADA are violated, contact the ADA Coordinator.

Ordinance No. 90-10 added Section 2A.22.3 to the Administrative Code, which adopted a Citywide Americans with Disabilities Act Reasonable Modification Policy that requires City departments to: (1) provide notice to the public of the right to request reasonable modification; (2) respond promptly to such requests; (3) provide appropriate auxiliary aids and services to people with disabilities to ensure effective communication; and (4) train staff to respond to requests from the public for reasonable modification, and that requires the Mayor's Office on Disability to provide technical assistance to City departments responding to requests from the public for reasonable modifications. The Board of Supervisors and Office of the Clerk of the Board support the Mayor's Office on Disability to help make San Francisco a city where all people enjoy equal rights, equal opportunity, and freedom from illegal discrimination under disability rights laws.

Meetings are real-time captioned and are cablecast open-captioned on SFGovTV, the Government Channel, at [www.sfgovtv.org](http://www.sfgovtv.org) or Cable Channels 26, 28, 78 or 99 (depending on your provider). Board and Committee meeting agendas and minutes are available on the Board's website [www.sfbos.org](http://www.sfbos.org) and adhere to web development guidelines based upon the Federal Access Board's Section 508 Guidelines. To request sign language interpreters, readers, large print agendas or other accommodations, please contact (415) 554-5184 or (415) 554-5227 (TTY). Requests made at least 48 hours in advance of the meeting will help to ensure availability. If further assistance is needed, please contact Wilson Ng at (415) 554-5184 [wilson.l.ng@sfgov.org](mailto:wilson.l.ng@sfgov.org).

### **Know Your Rights Under The Sunshine Ordinance**

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102; phone at (415) 554-7724; fax at (415) 554-5163; or by email at [soft@sfgov.org](mailto:soft@sfgov.org) Citizens may obtain a free copy of the Sunshine Ordinance by printing the San Francisco Administrative Code, Chapter 67, on the Internet at <http://www.sfbos.org/sunshine>.

### **Ethics Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site <http://www.sfgov.org/ethics>.

Under Campaign and Governmental Conduct Code, Section 1.127, no person or entity with a financial interest in a land use matter pending before the Board of Appeals, Board of Supervisors, Building Inspection Commission, Commission on Community Investment and Infrastructure, Historic Preservation Commission, Planning Commission, Port Commission, or the Treasure Island Development Authority Board of Directors, may make a campaign contribution to a member of the Board of Supervisors, the Mayor, the City Attorney, or a candidate for any of those offices, from the date the land use matter commenced until 12 months after the board or commission has made a final decision, or any appeal to another City agency from that decision has been resolved. For more information about this restriction, visit <http://www.sfethics.org>.