

File No. 230614

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight

Date: July 20, 2023

Board of Supervisors Meeting:

Date: _____

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| ☒ | ☐ | Mission Local Article 051823 |
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| ☐ | ☐ | _____ |
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| ☐ | ☐ | _____ |

Prepared by: Stephanie Cabrera

Date: July 12, 2023

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

TRENDING

Banko Brown: CA attorney general to review case spurned by DA Jenkins

Mayor, BOS prez shouted down at session on fentanyl crisis

One killed, four injured in crash after SFPD chase carjacking suspect

Walgreens trade group cozy with SF district attorney's office

Real SF dystopia: Two Black men fighting to the death over Walgreens snacks

Local news needs you!

HOUSING

Potrero, Sunnydale public housing mismanaged by private firm, report says



by **CHRISTINA A. MACINTOSH**
MAY 18, 2023



The SFHA's old office at the Potrero Terrace-Annex. Taken May 5, 2023. Photo by Christina MacIntosh.

The sprawling, 54-building Potrero Terrace-Annex public housing complex is being mismanaged by the private company in charge of day-to-day operations, according to a review of the firm's performance by San Francisco city officials obtained through a public records request.

The firm, Eugene Burger Management Corporation, was out of compliance in all five metrics tracked in January and failed four of the five metrics in February, according to **a report** from the San Francisco Housing Authority of the firm's contract serving public housing units in the Potrero Terrace-Annex and Sunnydale.

In January and February, Eugene Burger also failed all 95 site inspections at the complex, for issues like abandoned vehicles and overgrown vegetation.

The company took over units in Potrero in four batches, beginning in February, 2022, and ending in September, 2022. The report, the latest review available, was obtained earlier this month.

Mission Local first became aware of **problems** at the housing complex when a fire broke out in January, killing a man who had been squatting in a vacant unit. Subsequent reporting revealed an **inadequate response** to concerns about squatters from both Eugene Burger and the Housing Authority.

Now, a performance evaluation and interviews with Potrero Terrace-Annex residents reveal that Eugene Burger routinely fails to address maintenance requests, habitability issues, and safety problems at the complex, leaving residents forced to make repairs themselves.

“I’m kind of like a handyman now,” said a resident named Marvin, who declined to give his last name. “It’s kind of like ‘do-it-yourself’ now.”

“You have to call [Eugene Burger] every day,” said Coleone Boone, another resident, saying that residents have to be “eager” to have their maintenance requests completed.

One resident, Maria, who has lived in Potrero since 1999, said that when she complained of mice to Eugene Burger, she was told not to worry, as mice weren’t dangerous.

“Mice don’t bite,” she says an employee told her.

At the time of the fire, and in subsequent reporting on Eugene Burger’s failure to secure vacant units, the company declined to speak about its management, saying it was “outside of their contract scope.” The firm referred Mission Local to the Housing Authority, and continues to decline requests for comment.

The Housing Authority maintained that Eugene Burger was working to secure the units.

“People are really talented,” said Kendra Crawford, director of housing operations for the authority, at a community meeting in February, explaining the pervasive squatting at the complex to residents. “If they want to get in, they’re gonna get in.”

But in fact, the Housing Authority was fully aware that Burger was failing to take care of residents and the property, as it reviewed the management company in January and February.

“Mice don’t bite”

— EUGENE BURGER EMPLOYEE’S ALLEGED COMMENT TO A POTRERO TERRACE-ANNEX RESIDENT

Earlier this month, the Housing Authority declined to comment on the results of the performance scorecard, but commented on Eugene Burger’s maintenance.

“The management, inclusive of maintenance, is the responsibility of [Eugene Burger],” read a statement. “The Authority is no longer the employer; as a result, no information about credentials of their employees are available to us.”

Failed site inspections

The review paints a sordid picture: In **January, 2023**, Eugene Burger failed to mitigate issues threatening the “life or safety” of residents within the mandated 24 hours, or to keep units up to the federal government’s **Housing Quality Standards**, described as the “minimum quality criteria necessary for the health and safety” of residents.

Eugene Burger failed to comply with most of the Housing Authority's expectations.

	Jan	Feb
Abated threats to "the life or safety of residents" within 24 hours	✗	✗
Delivered monthly performance reports	✗	✗
Rents collected and delinquencies managed	✗	✗
Rents charged with "no more than 5% errors"	✗	✗
Units meet the Section 8 Housing Quality Standards	✗	✓

Chart by Will Jarrett.

The standards include a wide range of metrics: functioning windows, lead-based paint, working appliances, and more. It is not clear which specific conditions were out of compliance.

The report said that units were compliant with the standards in February, though zero units were inspected that month.

The report found that in both months, management was unable to address life-threatening issues in the mandated time frame, or to categorize life-threatening issues as "emergency" requests.

A resident uses a pair of pliers to operate her shower. Photo sent to Mission Local.



The company also failed to deliver mandated monthly reports to the Housing Authority and did not respond to the authority's initial complaints



from January, despite repeated reminders.

Of the 95 site inspections performed during January and February, the site was found to have overgrown vegetation 100 percent of the time, excess trash 46 percent of the time, and abandoned vehicles 50 percent of the time. The company cured falling or tripping hazards and backed-up sewage 100 percent of the time, and removed dead trees or branches 98 percent of the time.

Eugene Burger still received an overall score of two out of three for its management of the grounds, and continues to collect more than \$200,000 annually in fees for its management.



Trash piled outside of a building in the Potrero Terrace-Annex. Taken May 5, 2023. Photo by Christina MacIntosh.



A leak outside of a unit. In February, a resident told Mission Local she had been complaining about the leak. Taken May 5, 2023. Photo by Christina MacIntosh.

From public housing to private company

The public housing in the Potrero-Terrace Annex and Sunnydale were the last two public housing sites wholly owned and operated by the Housing Authority, before Eugene Burger took over management last year.

The Housing Authority is no longer a property manager or service provider, but rather a “high-performing contract management and performance monitoring organization,” according to its website. The city’s public housing is now managed by an assortment of both nonprofit and for-profit management companies.

Though the transition to privatization has helped the Housing Authority clean up its finances, it seems it hasn't cleaned up its properties.

"Private management is not efficient if people are suffering," said Lamar Merritt, a construction foreman who worked for the housing authority in the Potrero Terrace-Annex for 31 years, including during the monthslong transition.

He was laid off, along with all of the other maintenance workers, at the end of September, 2022, when the transition to Eugene Burger was completed.

Their absence has created an untenable situation for residents.

The performance reports show that delays and lapses in maintenance were common. In February, Eugene Burger failed to address a third of the 193 work orders submitted by residents within a week, the authority said. The authority previously had a standard of a maximum of 114 work orders per month, with 99 percent addressed within a week.

Though two-thirds of requests are closed within a week, the average open request has been unresolved for 41 days.

Mold, mice, and more

The slow response times have allowed mold, mice, roaches, trash, and other issues to go unmitigated on Potrero Hill.

One resident, who has lived in Potrero for 11 years and asked to remain nameless, said that when her toilet stopped and she put in a request, nobody came for two months. Her back window is broken and doesn't lock, and someone has put up a makeshift ladder and has been entering her unit. She reported this to the management, but no one has come to fix it.

She also has mold in her apartment, she said, which has yet to be addressed despite complaints to management. Other tenants have also complained about mold, she said, and it has been painted over, but not properly cured.

Two women said that they've had mice and roaches in their units, and that there has been no regular pest management since Eugene Burger took over in September. They said that the authority used to have pest management visit the complex twice a year.

When Maria — who says she was told “mice don’t bite” by a Eugene Burger employee — complained about a leaky roof, she was told there was no roofer at the moment. When a resident moved out of her building, the unit wasn’t boarded up by the management, despite issues of chronic squatting. A neighbor boarded up the unit himself.

“I’m afraid of fire,” she said, referencing the January incident.

“The new management is none,” said Marvin, describing leaks, garbage piling up, and calling his unit “the roach factory.”

“I don’t like ‘em, ‘cause they don’t do nothing,” said Marva Milton, another resident, who complained of the piles of trash, untended grass, and a streetlight that doesn’t work, which means that she has to walk around with a flashlight if she goes out at night. Two other residents said that trash left outside of receptacles used to be collected every day, but is now picked up just once a month.

“They need to do their fucking jobs,” Milton added.



One of two reports covering January and February obtained via public records request, showing a review of the management firm Eugene Burger by the San Francisco Housing Authority. Correction: the baseline closed in time is 99%, the baseline not closed in time is 1%.

[READ MORE](#)

Tenants at site of deadly Potrero fire say no one's looking out for them



by [CHRISTINA A. MACINTOSH](#) FEBRUARY 3, 2023

Potrero Hill apartment fire kills one



by [ELENI BALAKRISHNAN](#) and [CHRISTINA A. MACINTOSH](#) JANUARY 25, 2023



Ahimsa Porter Sumchai MD

May 20, 2023 at 2:57 pm

As of May 20,2023 the subhuman living conditions in San Francisco's southeast neighborhoods has failed to garner a response from the D10 Supervisor, the Department of Public Health and DPW. The residents need to file a class action legal suit!



Marco

May 20, 2023 at 10:07 am

Very informative... thank you. Small correction, but good word to know: in the photo caption " A resident uses a wrench to operate her shower."

That tool is actually not a wrench, but a pliers – this particular one is a type of pliers known as a vise grip.



Lydia Chávez

May 20, 2023 at 2:25 pm

Thank you. We will correct, Lydia



Tualatai Mamoe

May 19, 2023 at 4:17 pm

The same can be said for the Home Rise properties formally known as Community Housing Partnership. Right now, we have been relocated from the San Cristina due waterfalls running non-stop for almost a year in three different holes in the ceilings.

I, being in my right mind, filled out a change of address form. The management and staff swore they never heard of such a thing. Instead, the re-entry into society staff have made it a point to go to former location and then pass out some mail haphazardly and never in a timely fashion. I believe the staff have taken my Middle Class Payment as the California Franchise Tax Board has mailed three debit cards to me none of which I have received.

I as the tenant association president and a senior was viciously beaten four times in the hallway of the property while the staff laughing at all the blood refused to help or call an ambulance or police. None of the security cameras work and the police in their hatred of Chesa Boudin refused to lift one finger to investigate.

They have sealed a fire emergency exit door shut and if one were to follow the exit signs to this fire exit, the tenant would be burned alive locked in a stairwell without either door allowing tenants to exit. Property management and fire department do not think this is a safety issue worth addressing.

We are across the street from the Urban Alchemy offices and they protect next door neighbor the white wealthy owners of SUPREME store and allow all drug trafficking to compete right under our windows 24/7 non stop

**Jami**

May 19, 2023 at 3:15 pm

Hi well I'm also in a bad situation I live in San Francisco in a low income apartment since June of 2020 and since then I have been constantly harassed and threatened by my neighbor who lives below me I had to get a restraining order and on sept 30, 2022 I was sexually assaulted by the maintenance man for Caritas property management and I have had a life safety transfer in since October 2022 and I'm still there I have police reports and numerous special accommodations that were totally disregarded until just a few days ago when supposedly they granted my "Life Safety Transfer" I live in fear and nobody cares

**Mark**

May 18, 2023 at 2:12 pm

Public housing, like almost all city services, have been contracted out to private entities whose interest in public service is secondary to its profit motive (or future career opportunities in the case of nonprofits). The city now has neither the employees, resources, or time to do a reasonably competent regulation. I expect the contract with Burger will be renewed, although could change if bribing has a new bidder. Congrats to Dianne Feinstein, Willie Brown and Gavin Newsom, who could not contain their compassion for the poor outcasts not named Getty or Shorenstein.

**TUALATAI MAMOE**

May 19, 2023 at 4:18 pm

EXACTLY

**Kim**

May 18, 2023 at 1:31 pm

If you look up Eugene Burger Management Corp, you will find complaint after complaint. Seems this company is raking in the \$ and not

providing the service they are contracted to provide. Privatization is working just as usual I see, meaning not working at all other than to line someone's pockets.



Aaron Goodman

May 18, 2023 at 12:56 pm

Very sad to see that continuous site visits and pro-active efforts by the SFHA and HD+ MOD departments are not keeping up with issues during the transformation of both sites. This was key to keeping tabs and a pulse on what was occurring daily by project development teams and the SFHA... Keep an eye on it all!



d mwedes

May 18, 2023 at 10:32 am

her 'zoner touted her growing up in the housing projects for political capital.

she ain't done shit for those left in these newly privatized housing project to struggle with poor housing.

how could we expect her to address these issues when she is busy selling out to the worried wealthy that don't want to deal with visible poverty?



Scott Bravmann

May 18, 2023 at 6:58 am

The management company for Plaza East (where Mayor Breed grew up) fails to provide adequate garbage pick up – and has for years. Dumpsters are overflowing most mornings, and trash is scattered around the too-full containers. Staff cleans it up every day, but the solution is paying for larger dumpster service and more frequent collection, which would allow maintenance staff to work on maintenance. The actual solution is providing green, blue and black bins for tenant use.

Rather than arrange for collection of large items, such as old appliances, management has staff pile them up at the corner of Buchanan and Earl Gage streets. Routinely the fire hydrant is buried under mounds of bagged and unbagged trash that gets piled on top of the appliances. SFFD has responded to that intersection at least six times in the past three years: a tent exploded in the middle of the night; a trash container was set on fire; someone started a fire in one of the drains in the middle of Rosa Parks Elementary School's playground, plus several non-fire emergencies. Dozens of 311 reports and direct calls to SFFD about the reason for the recurring problem have been ignored.

Fire fighters have had to throw garbage into the street so they could access the hydrant. The mounds of garbage obscure the red curb, so people park their cars in front of the hydrant.

It's long been fashionable to blame poor people and the homeless for trash accumulation in "blighted" areas, but the problem at Plaza East is that the for-profit management company provides inadequate service to its residents. Because this is a known trash area, the well-heeled drive their fancy cars to the intersection and leave their "well-heeled" trash there because they are too-cheap (and hypocritical) to pay for (or at least arrange for) trash pick up in their "well-heeled" neighborhood. Pac Heights can remain pretty for the people who live there because Pac Heights residents can deliver their spare garbage to the poor part of town. It's doubly good for them because then they can say one of San Francisco's few remaining poor parts of town is a blighted garbage dump and the only solution is to tear down the

existing projects (which are less than 30 years old, and were built as an improvement to the previous projects) and build market rate housing there.

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Items		Criteria	Baseline	Jan	Feb	2023												2024											
RFP Metrics				Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
	2.6.5	All issues or defects threatening the life or safety of residents will be abated within 24 hours		Did Not Comply	Did Not Comply																								
	2.6.10			Did Not Comply	Did Not Comply																								
	2.8.1.1		The Contractor will prepare all monthly property performance reports related to the property for delivery to the Owner		Did Not Comply	Did Not Comply																							
	2.8.3				Did Not Comply	Did Not Comply																							
	2.8.3.1	Rents are to be collected with a goal of 98% and delinquencies are to be managed by appropriate, timely follow-up notices to residents and timely referral for appropriate legal action.		N/A: Reviewed Quarterly	N/A: Reviewed Quarterly																								
	2.8.3.2			Did Not Comply	Did Not Comply																								
Workorders		Units are to meet the Project Based Section 8 Housing Quality Standards		Did Not Comply	Complied																								
Potrero																													
Emergency Workorders																													
	1.1.1	Count of workorders	0	0	0																								
	1.1.2	Count of open workorders	0		0																								
	1.1.3	Percent NOT closed in time	N/A	N/A	N/A																								
	1.1.4	Count of closed workorders	0	0	0																								
	1.1.5	Percent closed in time	N/A	N/A	N/A																								
	1.1.6	Average days open for open orders	0	0	0																								
	1.1.7	Average days to close for closed orders	0	0	0																								
	1.1.8	Residual open workorders	0	0	0																								
Non-Emergency Workorders																													
	1.2.1	Count of workorders	114	158	193																								
	1.2.2	Count of open workorders	13	19	65																								
	1.2.3	Percent NOT closed in time	11%	12%	34%																								
	1.2.4	Count of closed workorders	112.3	139	128																								
	1.2.5	Percent closed in time	99%	88%	66%																								
	1.2.6	Average days open for open orders	16.1	25	41																								
	1.2.7	Average days to close for closed orders	6.3	6	8																								
	1.2.8	Residual open workorders	0	5	17																								
Sunnydale																													
Emergency Workorders																													
	1.1.1	Count of workorders	0	0	0																								
	1.1.2	Count of open workorders	0		0																								
	1.1.3	Percent NOT closed in time	N/A	N/A	N/A																								
	1.1.4	Count of closed workorders	0	0	0																								
	1.1.5	Percent closed in time	N/A	N/A	N/A																								
	1.1.6	Average days open for open orders	0	0	0																								
	1.1.7	Average days to close for closed orders	0	0	0																								
	1.1.8	Residual open workorders	0	0	0																								
Non-Emergency Workorders																													
	1.2.1	Count of workorders	93	144	132																								
	1.2.2	Count of open workorders	18	6	2																								
	1.2.3	Percent NOT closed in time	19%	4%	2%																								
	1.2.4	Count of closed workorders	75	138	130																								
	1.2.5	Percent closed in time	81%	96%	98%																								
	1.2.6	Average days open for open orders	9.9	18.5	39.5																								
	1.2.7	Average days to close for closed orders	14.0	3.5	3.4																								
	1.2.8	Residual open workorders	0	1	3																								
Inspections																													
Potrero																													
Site Inspections																													
	2.1.1	Overall score (out of 3, 1 being best)		2	2																								
	2.1.2	Count of inspections		47	48																								
	2.1.3	Count of inspections passed		0	0																								
	2.1.4	Percent of inspections passed		0%	0%																								
	2.1.5	Trash/Curb Appeal - Pass		27	24																								
	2.1.6	Trash/Curb Appeal - Percent Pass		57%	50%																								
	2.1.7	Overgrown Vegetation - Pass		0	0																								
	2.1.8	Overgrown Vegetation - Percent Pass		0%	0%																								
	2.1.9	Dead Trees/Branches - Pass		46	47																								
	2.1.10	Dead Trees/Branches - Percent Pass		98%	98%																								
	2.1.11	Fall/Tripping Hazard - Pass		47	48																								
	2.1.12	Fall/Tripping Hazard - Percent Pass		100%	100%																								
	2.1.13	Sewer Backed Up - Pass		47	48																								
	2.1.14	Sewer Backed Up - Percent Pass		100%	100%																								
	2.1.15	Abandoned Vehicles - Pass		25	22																								
	2.1.16	Abandoned Vehicles - Percent Pass		53%	46%																								
Unit Inspections																													
	2.2.1	Count of inspections	0	4	0																								
	2.2.2	Count of inspections passed	0	3	0																								
	2.2.3	Percent of inspections passed	0%	75%	N/A																								
	2.2.4	Holds	0	0	0																								
	2.2.5	Average Days Held	0	0	0																								
	2.2.6	Abatements	0	0	0																								
	2.2.7	Average Days Abated	0	0	0																								
Sunnydale																													
Site Inspections																													
	2.1.1	Overall score (out of 3, 1 being best)		2	2																								
	2.1.2	Count of inspections		35	35																								
	2.1.3	Count of inspections passed		0	0																								
	2.1.4	Percent of inspections passed		0%	0%																								
	2.1.5	Trash/Curb Appeal - Pass		4	8																								
	2.1.6	Trash/Curb Appeal - Percent Pass		11%	23%																								
	2.1.7	Overgrown Vegetation - Pass		0	0																								
	2.1.8	Overgrown Vegetation - Percent Pass		0%	0%																								
	2.1.9	Dead Trees/Branches - Pass		28	35																								
	2.1.10	Dead Trees/Branches - Percent Pass		80%	100%																								
	2.1.11	Fall/Tripping Hazard - Pass		34	35																								

[illegible]

BOARD of SUPERVISORS



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MEMORANDUM

TO: Tonia Lediju, Acting Executive Director, San Francisco Housing Authority
Lance Whittenberg, Property Manager, Eugene Burger Management Corp

FROM: Stephanie Cabrera, Assistant Clerk, Government Audit and Oversight Committee

DATE: June 15, 2023

SUBJECT: HEARING MATTER INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following hearing request, introduced by Supervisor Walton on May 23, 2023:

File No. [230614]

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.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Stephanie.Cabrera@sfgov.org

cc: Cindy Gamez, San Francisco Housing Authority
Nancy Rodriguez, San Francisco Housing Authority
Linda Martin-Mason, San Francisco Housing Authority

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: