



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: Jane Kim, Aaron Peskin, London Breed

Clerk: Erica Major (415) 554-4441

Wednesday, March 15, 2017

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 3 - Jane Kim, Aaron Peskin, and London Breed

The Government Audit and Oversight Committee met in regular session on Wednesday, March 15, 2017, with Chair Jane Kim presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Kim called the meeting to order at 10:37 a.m. On the call of the roll, Chair Kim, Vice Chair Peskin, and Member Breed were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

170185 [Noe Valley Community Benefit District - Annual Report for FY2015-2016]

Sponsor: Sheehy

Resolution receiving and approving the annual report for the Noe Valley Community Benefit District for FY2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

02/14/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

02/22/17; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of the Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Debra Niemann, Executive Director (Noe Valley Community Benefit District); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Kim, Peskin, Breed

170220 [Ocean Avenue Community Benefit District - Annual Report to the City - FY2015-2016]**Sponsor: Yee**

Resolution receiving and approving the annual report for the Ocean Avenue Community Benefit District for FY2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

02/28/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

03/06/17; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Dan Weaver, Executive Director (Ocean Avenue Community Benefit District); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Kim, Peskin, Breed

160265 [Hearing - San Francisco Public Utilities Commission Emergency Water Supply System]**Sponsor: Peskin**

Hearing on the operations and maintenance status of the City's emergency water supply system since taking it over from the Fire Department in 2010, and receiving an update on plans to dispose of spare parts deemed no longer useful or necessary to the ongoing functions of the system; and requesting the San Francisco Public Utilities Commission to report.

03/15/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

03/21/16; REFERRED TO DEPARTMENT. Referred to the Fire Department and the San Francisco Public Utilities Commission for informational purposes and requesting the departments to report.

04/07/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: David Briggs (Public Utilities Commission); David Myerson (Public Utilities Commission); Assistant Deputy Chief Ken Lombardi (Fire Department); Brian Strong (Capital Planning Program); presented information and answered questions raised throughout the discussion. James Dalessandro; James Douglas; Thomas W. Doudiet; Daniel Casey (San Francisco Firefighters Local 798); Bryan Rubenstein, President (San Francisco Fire Chief's Association); Dan Linehan; spoke on various concerns relating to the hearing matter.

10/27/16; REMAIN ACTIVE. 10/27/2016 - Supervisor Peskin requested this matter remain active for an additional six months; 4/27/2017.

Heard in Committee. Speakers: David Briggs (Public Utilities Commission); Assistant Deputy Chief Anthony Rivera (Fire Department); David Myerson (Public Utilities Commission); Anne Simonds (Architecture, Engineering, Consulting, Operations, and Maintenance (AECOM)); John Scarpulla (Public Utilities Commission); Supervisor Sandra Lee Fewer (Board of Supervisors); Katie Miller (Public Utilities Commission); presented information and answered questions raised throughout the discussion. Thomas Doudiet; spoke on various concerns relating to the hearing matter.

Vice Chair Peskin moved that this Hearing be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Breed

170158 [Administrative Code - Short-Term Residential Rentals]**Sponsors: Peskin; Breed**

Ordinance amending the Administrative Code to revise the Residential Unit Conversion Ordinance to require Hosting Platforms to exercise reasonable care in verifying that a residential unit is on the City Registry prior to accepting a fee for booking a short-term rental transaction; and affirming the Planning Department's determination under the California Environmental Quality Act.

02/07/17; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 3/9/2017.

02/13/17; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; and to Office of Short-Term Rental Administration and Enforcement for informational purposes.

02/27/17; RESPONSE RECEIVED. The Planning Department noted that this matter is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

03/03/17; TRANSFERRED to Government Audit and Oversight Committee. 3/3/2017 - President Breed transferred this matter from the Land Use and Transportation Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speakers: None.

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

Ayes: 3 - Kim, Peskin, Breed

170217 [Urging the California State Legislature to Amend the Revenue and Taxation Code to Enable California Local Jurisdictions to Levy a Personal Income Tax and a Corporate Income Tax]**Sponsors: Peskin; Fewer, Ronen, Kim, Yee, Safai and Cohen**

Resolution urging the California state legislature to amend the Revenue and Taxation Code to enable local California jurisdictions to levy personal and corporate income taxes, which the City and County of San Francisco could utilize as a sustained source of funding for transportation and public health priorities.

(Supervisor Breed dissented in Committee.)

02/28/17; REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

03/07/17; REFERRED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Carol Lu (Office of the Controller); presented information and answered questions raised throughout the discussion. Peter Straws (San Francisco Transit Riders); Dave Marin; spoke in support of the hearing matter.

RECOMMENDED by the following vote:

Ayes: 2 - Kim, Peskin

Noes: 1 - Breed

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 lawsuits and claims in which proposed settlements are being considered by the Committee. 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.

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

Persons in attendance: Supervisor Sandra Lee Fewer (Board of Supervisors); Noreen Ambrose and Andrew Shen (Office of the City Attorney); John Updike, Director (Real Estate Division); and Erica Major (Office of the Clerk of the Board).

Vice Chair Peskin moved to convene in closed session. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Breed

170197 [Settlement of Lawsuit - Blueline Rental, LLC - \$1,650,000]

Ordinance authorizing settlement of the lawsuit in eminent domain filed by the City and County of San Francisco against Blueline Rental, LLC, for \$1,650,000; the lawsuit was filed on February 24, 2017, in San Francisco Superior Court, Case No. CGC-17-557268; entitled City and County of San Francisco v. Blueline Rental, LLC; the lawsuit involves payment of just compensation for the City's acquisition of a leasehold interest at the property commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Block No. 5250, Lot No. 16; other material terms of the settlement are that tenant, Blueline Rental, LLC agrees to vacate the 1975 Galvez Avenue property no later than April 15, 2017. (City Attorney)

02/27/17; RECEIVED FROM DEPARTMENT.

03/07/17; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kim, Peskin, Breed

[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.

Member Breed moved to not disclose closed session deliberations. The motion carried by the following vote:

Ayes: 3 - Kim, Peskin, Breed

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 12:42 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.