



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: John Carroll (415) 554-4445

Wednesday, April 18, 2018

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Jane Kim, and London Breed

Excused: 1 - Aaron Peskin

The Government Audit and Oversight Committee met in regular session on April 18, 2018, with Chair Jane Kim presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Kim called the meeting to order at 10:17 a.m. On the call of the roll, Chair Kim and Member Breed were noted present. Vice Chair Peskin was noted not present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

Supervisor Peskin Excused from Attendance

Member Breed moved that Supervisor Peskin be Excused from the Government Audit and Oversight Committee meeting of April 18, 2018. The motion carried by the following vote:

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

REGULAR AGENDA

171316 [Reward - Property Tax Underpayment Information - Natasha Khoruzhenko - \$7,095.42]

Sponsor: Peskin

Ordinance approving the Assessor's recommended reward of \$7,095.42 to Natasha Khoruzhenko for information that led to detection of underpayment of property tax from an unreported change in ownership.

12/12/17; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 1/11/2018.

04/04/18; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: None.

Heard in Committee. Speaker: Douglas Legg (Office of the Assessor/Recorder); presented information and answered questions raised throughout the discussion.

Member Breed moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180372 [Setting the Budget and Legislative Analyst Services Audit Plan - San Francisco Municipal Transportation Agency, Effectiveness of Workforce Development Programs, Office of Economic and Workforce Development - FY2018-2019]

Sponsor: Kim

Motion directing the Budget and Legislative Analyst to conduct three performance audits in FY2018-2019 of the trends in Muni ridership and revenues, and the effectiveness of the San Francisco Municipal Transportation Agency in managing traffic congestion and the impact of congestion on Muni; the effectiveness of the City's workforce development programs for low-income, homeless, and formerly homeless adults; and the Office of Economic and Workforce Development's planning for large-scale development and capital projects to address the economic impacts of the projects on surrounding businesses.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker: Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion.

Member Breed moved that this Motion be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

160975 [Hearing - Building Standards in Seismic Safety Zones]**Sponsor: Peskin**

Hearing on existing building standards in seismic safety zones, including infill and waterfront neighborhoods; and requesting the Department of Building Inspection to report.

09/06/16; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

09/12/16; REFERRED TO DEPARTMENT. Referred to the Department of Building Inspection for informational purposes and requested the department to report.

09/22/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Tom Hui, Director, Ronald Tom, William Strawn, Gary Ho, Daniel Lowry, Ed Sweeney, and Hanson Tom (Department of Building Inspection); Raymond Lui; (Public Works); Patrick Otellini (Office of the City Administrator); presented information and answered questions raised throughout the discussion. Denis Shanagher, Esq. (Duane Morris LLP), Evette Davis (BergDavis Public Affairs); Female Speaker; Female Speaker; Nina Agavian; Male Speaker; spoke on various concerns relating to the hearing matter.

10/28/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Director Tom Hui, William Strawn, Hanson Tom, Raymond Lui, Ed Sweeney, and Daniel Lowry (Department of Building Inspection); presented information and answered questions raised throughout the discussion. Frank Jernigan; spoke on various concerns relating to the hearing matter.

11/17/16; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Director Tom Hui, Daniel Lowry, and Ronald Tom (Department of Building Inspection); Frank Chiu, former Director of Department of Building Inspection; Hanson Tom and Gary Ho (Department of Building Inspection); David Briggs (San Francisco Public Utilities Commission); presented information and answered questions raised throughout the discussion. Janet Campbell; spoke on various concerns relating to the hearing matter.

01/12/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Ronald Tom (Department of Building Inspection); Tomio Takeshita and Brian Kuhn (Public Utilities Commission); presented information and answered questions raised throughout the discussion. Mr. Dodson; Andrew Faulk; spoke on various concerns relating to the hearing matter.

02/02/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Professor Jack Moehle (University California Berkeley); Ronald Tom (Department of Building Inspection); presented information and answered questions raised throughout the discussion. Pat Dotson; Mia Omola; spoke on various concerns relating to the hearing matter.

04/28/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Hardip Pannu; Ronald Tom (Department of Building Inspection); Naomi Kelly, City Administrator (Office of the City Administrator); presented information and answered questions raised throughout the discussion.

08/01/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Naomi Kelly, City Administrator (Office of the City Administrator); Gregory Deierlein, Professor (Stanford University); William Strawn (Department of Building Inspection); presented information and answered questions raised throughout the discussion. Jerry Dodson; Paula Pretlow; Robert Mezzetti; David Castleman; Pat Dodson; Male Speaker; spoke on various concerns relating to the hearing matter.

10/18/17; CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ronald Tom (Department of Building Inspection); Angela Calvillo, Clerk of the Board (Board of Supervisors); Derrick Roorda, Director of West Coast Structural Engineering Group (BuroHappold Engineering); presented information and answered questions raised throughout the discussion. Ace Washington; spoke on various concerns relating to the hearing matter.

Heard in Committee. Speaker: Brian Silver; spoke on various concerns related to the hearing matter.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

LITIGATION

Chair Kim requested Files Nos. 180130, 180205, 180206, 180234, 180305, 180308, 180303, 180304, 180306, 180307, 180111, and 180207 be called together.

Speakers: 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 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: Jon Givner (Office of the City Attorney) and John Carroll (Office of the Clerk of the Board).

Member Breed moved to convene in closed session. The motion carried by the following vote:

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180130 [Settlement of Lawsuit - Elizabeth A. Loomis - \$275,000]

Ordinance authorizing settlement of the lawsuit filed by Elizabeth A. Loomis against the City and County of San Francisco for \$275,000; the lawsuit was filed on March 9, 2016, in San Francisco Superior Court, Case No. CGC-16-550880; entitled Elizabeth A. Loomis v. City and County of San Francisco, et al.; the lawsuit involves alleged personal injury due to a trip and fall. (City Attorney)

01/31/18; RECEIVED FROM DEPARTMENT.

02/13/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

03/21/18; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180205 [Settlement of Lawsuit - William Watkins - \$30,000]

Ordinance authorizing settlement of the lawsuit filed by William Watkins against the City and County of San Francisco for \$30,000; the lawsuit was filed on June 27, 2016, in San Francisco Superior Court, Case No. CGC-16-552748; entitled William Watkins v. City and County of San Francisco; the lawsuit involves an employment dispute. (City Attorney)

03/01/18; RECEIVED FROM DEPARTMENT.

03/13/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180206 [Settlement of Lawsuit - Elvin I. Smith - \$500,000]

Ordinance authorizing settlement of the lawsuit filed by Elvin I. Smith against the City and County of San Francisco for \$500,000; the lawsuit was filed on April 12, 2017, in San Francisco Superior Court, Case No. CGC-17-558134; entitled Elvin I. Smith v. City and County of San Francisco; the lawsuit involves alleged personal injury on a City street. (City Attorney)

03/01/18; RECEIVED FROM DEPARTMENT.

03/13/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180234 [Settlement of Lawsuit - California State Lands Commission - Non-Monetary Terms]

Ordinance authorizing settlement of the lawsuit filed by the California State Lands Commission against the City and County of San Francisco; the lawsuit was filed on July 15, 2014, in San Francisco Superior Court, Case No. CGC-14-540531; entitled California State Lands Commission v. City and County of San Francisco; the lawsuit challenges a 2014 voter Initiative Ordinance, Proposition B, as facially invalid under state law and the City's Charter; and the settlement requires the City to make public trust findings in certain approvals regarding Port property and to consider amending the Municipal Elections Code to inform voters of the public trust in ballot measures affecting the trust. (City Attorney)

03/07/18; RECEIVED FROM DEPARTMENT.

03/20/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180305 [Settlement of Lawsuit - Fabio Petrolino; M. P., a Minor, Through Her Guardian Ad Litem, Ana Petrolino; Andrelina Silva; Angela Petrolino and Alex Petrolino - \$100,000]

Ordinance authorizing settlement of the lawsuit filed by Fabio Petrolino; M. P., a minor, through her guardian ad litem, Ana Petrolino; Andrelina Silva; Angela Petrolino and Alex Petrolino against the City and County of San Francisco for \$100,000; the lawsuit was filed on June 2, 2016, in United States District Court, Northern District, Case No. 16-cv-02946 RS; entitled Fabio Petrolino, et al. v. City and County of San Francisco, et al.; the lawsuit involves alleged wrongful death; other material terms of the settlement are co-defendants to pay an additional total of \$500,000. (City Attorney)

03/30/18; RECEIVED FROM DEPARTMENT.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180308 [Settlement of Lawsuit - AvalonBay Communities, Inc. and MVP I, LLC - \$166,019.37]

Ordinance authorizing settlement of the lawsuit filed by AvalonBay Communities, Inc. and MVP I, LLC against the City and County of San Francisco for \$166,019.37; the lawsuit was filed on January 12, 2018, in San Francisco Superior Court, Case No. CGC-18-563657; entitled AvalonBay Communities, Inc. et al. v. City and County of San Francisco et al.; the lawsuit involves a claim for refund of payroll expense taxes and gross receipts taxes for tax years 2014 and 2015. (City Attorney)

03/30/18; RECEIVED FROM DEPARTMENT.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180303 [Partial Settlement of Lawsuit - Rick Popko and Nancy Huff - \$36,000]

Ordinance authorizing settlement of the lawsuit filed by Rick Popko and Nancy Huff against the City and County of San Francisco for \$36,000; the lawsuit was filed on August 20, 2015, in San Francisco Superior Court, Case No. CGC-15-547492; entitled David Alfaro, et al. v. City and County of San Francisco; the lawsuit involves inverse condemnation arising out of flooding damage during major rainstorms; as it relates only to property loss of plaintiffs Rick Popko and Nancy Huff, by the payment of \$36,000 and excluding the claim by these plaintiffs for diminution of value for plaintiffs' real property and the claim by plaintiffs for attorney's fees, costs and interest, which will be addressed in later proceedings (City Attorney)

03/30/18; RECEIVED FROM DEPARTMENT.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180304 [Partial Settlement of Lawsuit - Carlos Gross - \$88,500]

Ordinance authorizing settlement of the lawsuit filed by Carlos Gross against the City and County of San Francisco for \$88,500; the lawsuit was filed on August 20, 2015, in San Francisco Superior Court, Case No. CGC-15-547492; entitled David Alfaro, et al. v. City and County of San Francisco; the lawsuit involves inverse condemnation arising out of flooding damage during major rainstorms; as it relates only to property loss of plaintiff Carlos Gross, by the payment of \$88,500 and excluding the claim by this plaintiff for diminution of value for plaintiff's real property and the claim by plaintiff for attorney's fees, costs and interest, which will be addressed in later proceedings (City Attorney)

03/30/18; RECEIVED FROM DEPARTMENT.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180306 [Partial Settlement of Lawsuit - John and Maria Naniola - \$85,000]

Ordinance authorizing settlement of the lawsuit filed by John and Maria Naniola against the City and County of San Francisco for \$85,000; the lawsuit was filed on August 20, 2015, in San Francisco Superior Court, Case No. CGC-15-547492; entitled David Alfaro, et al. v. City and County of San Francisco; the lawsuit involves inverse condemnation arising out of flooding damage during major rainstorms; as it relates only to property loss of plaintiffs John and Maria Naniola, by the payment of \$85,000 and excluding the claim by these plaintiffs for diminution of value for plaintiffs' real property and the claim by plaintiffs for attorney's fees, costs and interest, which will be addressed in later proceedings. (City Attorney)

03/30/18; RECEIVED FROM DEPARTMENT.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180307 [Partial Settlement of Lawsuit - San Francisco Motorcycle Club - \$140,000]

Ordinance authorizing settlement of the lawsuit filed by San Francisco Motorcycle Club against the City and County of San Francisco for \$140,000; the lawsuit was filed on August 20, 2015, in San Francisco Superior Court, Case No. CGC-15-547492; entitled David Alfaro, et al. v. City and County of San Francisco; the lawsuit involves inverse condemnation arising out of flooding damage during major rainstorms; as it relates only to property loss of plaintiff San Francisco Motorcycle Club, by the payment of \$140,000 and excluding the claim by this plaintiff for diminution of value for plaintiff's real property and the claim by plaintiff for attorney's fees, costs and interest, which will be addressed in later proceedings. (City Attorney)

03/30/18; RECEIVED FROM DEPARTMENT.

04/10/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180111 [Settlement of Unlitigated Claim - Barry L. Marquardt - \$90,000]

Resolution approving the settlement of the unlitigated claim filed by Barry L. Marquardt against the City and County of San Francisco for \$90,000; the claim was filed on March 20, 2017; the claim involves a personal injury on a City sidewalk. (City Attorney)

01/25/18; RECEIVED FROM DEPARTMENT.

02/06/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

03/21/18; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

180207 [Settlement of Unlitigated Claim - Gloria Matz - \$65,000]

Resolution approving the settlement of the unlitigated claim filed by Gloria Matz against the City and County of San Francisco for \$65,000; the claim was filed on June 6, 2017; the claim involves a personal injury on a City sidewalk. (City Attorney)

03/01/18; RECEIVED FROM DEPARTMENT.

03/13/18; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

[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.

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

Ayes: 2 - Kim, Breed

Excused: 1 - Peskin

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 10:40 a.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.