



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: Gordon Mar, Aaron Peskin, Matt Haney

Clerk: John Carroll (415) 554-4445

Thursday, September 17, 2020

10:00 AM

Regular Meeting

Present: 3 - Gordon Mar, Aaron Peskin, and Matt Haney

The Government Audit and Oversight Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Thursday, September 17, 2020, with Chair Gordon Mar presiding. Chair Mar called the meeting to order at 10:01 a.m.

Remote Access to Information and Participation

In accordance with Governor Newsom's Executive Order No. N-33-20 declaring a State of Emergency regarding the COVID-19 outbreak and Mayor London N. Breed's Proclamation declaring a Local Emergency issued on February 25, 2020, including the guidance for gatherings issued by the San Francisco Department of Public Health Officer, aggressive directives were issued to reduce the spread of COVID-19. On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand.

Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>. Members of the public may participate by phone or may submit their comments by email to: john.carroll@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Government Audit and Oversight Committee Meetings begin at 10:00 a.m. on the first and third Thursdays of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Mar and Vice Chair Peskin were noted present. Member Haney was noted not present. A quorum was present.

Member Haney was noted present at 10:02 a.m.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

200956 [Resolution of Intention - Disestablishment - Top of Broadway Community Benefit District - Annual Report FY2018-2019]

Sponsor: Peskin

Resolution declaring the intention of the Board of Supervisors to receive and approve a final annual report for the property-based business improvement district (community benefit district) known as the "Top of Broadway Community Benefit District" for FY2018-2019, to disestablish the District, and to remove a multi-year assessment on all parcels in the District; ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on November 17, 2020, at 3:00 p.m., on the proposed disestablishment; approving the form of the Notice of Public Hearing; and directing environmental findings.

08/18/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Dominic LiMandri, District Director (Top of Broadway 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 - Mar, Peskin, Haney

200820 [Castro/Upper Market Community Benefit District - Annual Report - FY2018-2019]

Sponsor: Mandelman

Resolution receiving and approving an annual report for the Castro/Upper Market Community Benefit District for FY2018-2019, 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.

07/28/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

08/05/20; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Andrea Aiello, Executive Director (Castro/Upper Market Community Benefit District); presented information and answered questions raised throughout the discussion.

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

Ayes: 3 - Mar, Peskin, Haney

200821 [Noe Valley Community Benefit District - Annual Report - FY2018-2019]**Sponsor: Mandelman**

Resolution receiving and approving an annual report for the Noe Valley Community Benefit District for FY2018-2019, 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.

07/28/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

08/05/20; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and Workforce Development for informational purposes.

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

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

Ayes: 3 - Mar, Peskin, Haney

200644 [Ocean Avenue Community Benefit District - FY2018-2019 Annual Report]**Sponsor: Yee**

Resolution receiving and approving an annual report for the Ocean Avenue Community Benefit District for FY2018-2019, 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.

06/16/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

06/24/20; REFERRED TO DEPARTMENT. Referred to the Office of the Controller and the Office of Economic and 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.

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

Ayes: 3 - Mar, Peskin, Haney

191139 [Donation of Retired Ambulance to City College of San Francisco]**Sponsor: Mar**

Resolution authorizing the Fire Department to donate a retired ambulance to the City College of San Francisco's Emergency Medical Services Academy. (Fire Department)

11/07/19; RECEIVED FROM DEPARTMENT.

11/19/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speaker: Mark Corso (Fire Department); presented information and answered questions raised throughout the discussion.

Supervisor Mar requested to be added as the sponsor of the resolution.

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

Ayes: 3 - Mar, Peskin, Haney

200787 [Administrative Code - Selection of Contractors From a Pre-Qualified List and Under As-Needed Public Works Professional Services Contract Reform]**Sponsors: Stefani; Safai**

Ordinance amending the Administrative Code to require notification to prequalified contractors and written documentation of contractor selection from pre-qualified lists, and written documentation of contractor selection for work assigned under as-needed Public Works professional services contracts; and to require the Controller to audit such selection documentation.

07/21/20; ASSIGNED UNDER 30 DAY RULE to Government Audit and Oversight Committee, expires on 8/20/2020.

07/29/20; REFERRED TO DEPARTMENT. Referred to Public Works, the Office of the Controller, the City Administrator, the Office of Contract Administration, and the Municipal Transportation Agency for informational purposes.

09/03/20; CONTINUED. Heard in Committee. Speakers: None.

Heard in Committee. Speaker: Supervisor Catherine Stefani (Board of Supervisors); presented information and answered questions raised throughout the discussion.

Chair Mar moved that this Ordinance be CONTINUED to the Government Audit and Oversight Committee Meeting of October 1, 2020. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

SPECIAL ORDER 11:00 A.M.**200738 [Urging the City to Expand the Vulnerable Population Definition]****Sponsors: Preston; Ronen, Walton, Haney and Mar**

Resolution urging the City and County of San Francisco to expand the definition of vulnerable populations for services for people experiencing homelessness during the COVID-19 crisis.

07/07/20; RECEIVED AND ASSIGNED to Public Safety and Neighborhood Services Committee.

07/15/20; REFERRED TO DEPARTMENT. Referred to the Office of the Mayor, Department of Emergency Management, Department of Homelessness and Supportive Housing, Human Services Agency, Department of Public Health, and the Office of Racial Equity for informational purposes.

08/28/20; TRANSFERRED to Government Audit and Oversight Committee. President Yee transferred this matter from the Public Safety and Neighborhood Services Committee to the Government Audit and Oversight Committee.

Heard in Committee. Speakers: Supervisor Dean Preston (Board of Supervisors); Dr. Deborah Borne and Susie Smith (Department of Public Health); Dylan Schneider (Department of Homelessness and Supportive Housing); presented information and answered questions raised throughout the discussion. Wes Saver (Glide Foundation); Kenn Sutto (Homeless Youth Alliance); Christin Evans (Haight Ashbury Merchants); Dr. Annie Lei; Francisco de Costa; Valerie McEntee (San Francisco Night Ministry); Joe Wilson, Executive Director (Hospitality House); Ozzie Rohm (San Francisco Land Use Coalition); Megan; Renee Curran; spoke on various concerns relating to the hearing matter.

Supervisor Mar requested to be added as a co-sponsor.

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

Ayes: 3 - Mar, Peskin, Haney

200518 [Administrative Code - Rent Control at Midtown Park Apartments]**Sponsors: Preston; Mar, Haney and Peskin**

Ordinance amending the Administrative Code to subject dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco, to the Residential Rent Stabilization and Arbitration Ordinance; and making findings pursuant to as required by the California Tenant Protection Act of 2019.

(Fiscal Impact)

05/19/20; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 6/18/2020.

06/30/20; TRANSFERRED to Government Audit and Oversight Committee. President Yee transferred this matter from Land Use and Transportation Committee to the Government Audit and Oversight Committee.

07/01/20; REFERRED TO DEPARTMENT. Referred to the Residential Rent Arbitration and Stabilization Board and the Mayor's Office of Housing and Community Development for informational purposes.

Heard in Committee. Speakers: Supervisor Dean Preston (Board of Supervisors); Nick Menard (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Tess Wellborn (D5 Action); Eric Brooks (Our City San Francisco); Renee Curran; Speaker; Ross Mirkarimi; Nelson Beltrand; Patricia Smith; Laurie Leiderman; David Woo; Speaker; Anastasia Yovanopoulos; Lorraine Petty (Senior and Disability Action); Carolyn Hatch; Speaker; Mary Ann Mackelberg; Heidi Peterson; Simone Manganelli; Speaker; Natalia; Jane; Betty Traynor (Senior and Disability Action); Alice; Emily; Rufust Watkins; Mr. Wyatt; spoke in support of the hearing matter.

Supervisors Mar, Haney, and Peskin requested to be added as co-sponsors.

Vice Chair Peskin moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 2, Lines 12-13, by striking '(E) The term "rental units" shall include dwelling units at Midtown Park Apartments, as set forth in Section 37.12A'; on Page 3, Lines 5-7, by inserting ', with respect to rental units covered by this Chapter 37 as well as Midtown Park Apartments units as set forth in Administrative Code Chapter 37B'; on Page 3, Line 10, through Page 5, Line 2, by striking the entire text of proposed Section 37.12A; on Page 6, Line 8, through Page 9, Line 3, by inserting 'Section 3. The Administrative Code is hereby amended by adding Chapter 37B, consisting of Sections 37B.1, 37B.2, 37B.3, 37B.4, and 37B.5, to read as follows: CHAPTER 37B: MIDTOWN PARK APARTMENTS SEC. 37B.1. PURPOSE AND FINDINGS.

(a) Midtown Park Apartments ("Midtown"), located at 1415 Scott Street (Lot 31, Assessor's Block 1099), is a City-owned apartment complex in the Western Addition neighborhood that opened in 1968 to provide housing to families displaced by urban renewal policies. From 1968 to 2014, a tenant board was empowered to make decisions regarding Midtown's management and development, and Midtown tenants generally received rent increases commensurate with the city's rent control laws.

(b) On or about January 31, 2014, the Mayor's Office of Housing and Community Development ("MOHCD") began to operate Midtown under a Rent Modification Program and Maximum Rent Schedule and set rents as a percentage of the tenant's gross household income, while also considering factors such as median income for San Francisco, household size, and number of bedrooms. With rents being set under this program, the City's Rent Ordinance (Administrative Code Ch. 37) did not apply, and some tenants began to experience rent increases not allowed under the Rent Ordinance. The Board of Supervisors finds it is appropriate and in the public interest to allow tenants who had been residing at Midtown to receive the benefits of the rent control provisions of the Rent Ordinance even while the MOHCD program remains in effect. This Chapter 37B shall not affect or impair the Rent Ordinance from applying if the City ceases ownership of Midtown and/or this MOHCD program of controlling and regulating the rents at Midtown. SEC. 37B.2. INITIAL BASE RENT.

(a) For residential dwelling units at Midtown where one or more of the tenants has been occupying the unit since January 1, 2014 (each, a "Legacy Tenant"), the initial base rent shall be the lower of the following: (1) rent that was in effect for the unit on May 1, 2014 ("Chapter 37 Rent"); or (2) the rent as calculated under MOHCD's then-existing Rent Modification Program for Midtown.

(b) For residential dwelling units at Midtown without a Legacy Tenant, the initial base rent shall be the rent in effect at the time the tenancy commenced as determined by MOHCD's then-current published maximum affordable rent schedule, or as determined by any successor affordable rent schedule or program for Midtown (either, the "Percentage Rent"). SEC. 37B.3. RENT INCREASE LIMITATIONS.

(a) After the establishment of initial base rent, the maximum allowable rent for a tenant in occupancy at Midtown shall be either of the following: (1) for Legacy Tenants paying Chapter 37 Rent, the initial base rent plus any annual rent increases that may be allowed under Administrative Code Section 37.3(a)(1)-(2) as it may be amended from time to time; or (2) for tenants paying Percentage Rent as initial base rent, as well as any Legacy Tenants who have elected to pay Percentage Rent as set forth in Section 37B.4, the Percentage Rent under the then-current Maximum Rent Schedule published each year, which may include a rent increase from the previous year.

(b) MOHCD shall determine whether any Midtown tenants paid rent between May 1, 2014 and the effective date of the ordinance in Board of Supervisors File No. 200518 enacting this Chapter 37B that exceeded the rent allowed under this Chapter 37B during that time period. If any such excess payments occurred, MOHCD shall promptly credit the excess amounts against the tenant's future rent. SEC. 37B.4. OPTION FOR LEGACY TENANTS. (a) A Legacy Tenant who is paying Chapter 37 Rent as the initial base rent shall at any time in the future have a one-time option to elect to switch from the Chapter 37 Rent to Percentage Rent going forward, but such Legacy Tenant shall have no option to revert to the Chapter 37 Rent after making the election. If a Legacy Tenant elects to change from Chapter 37 Rent to Percentage Rent, the Legacy Tenant must notify MOHCD (or its successor or designee) in writing, and the Percentage Rent shall be implemented within 60 days. SEC. 37B.5. IMPLEMENTATION;

INCOME VERIFICATION.

(a) MOHCD may adopt rules and regulations consistent with this Chapter 37B to manage the Midtown property, and shall develop procedures to verify Legacy Tenant status, and to set the rent consistent with this Chapter. Disputes regarding the allowable rent for a Midtown unit may be appealed to the Rent Board via a rental arbitration petitions as set forth in Chapter 37.

(b) A Legacy Tenant shall not be required to show proof of income in order to be charged the Chapter 37 Rent. However, if MOHCD (or its successor or designee) informs the Legacy Tenant in writing that it needs to verify the Legacy Tenant's household income for compliance with a current financing program or financing application, the Legacy Tenant shall provide such information. MOHCD shall use such information for compliance purposes only, and shall keep such information confidential to the extent permitted by law.; and making conforming, clarifying, and clerical changes throughout the Ordinance. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

Ordinance amending the Administrative Code to adopt rent increase limitations for dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco; and expanding the Rent Board fee to cover those dwelling units.
(Fiscal Impact)

Vice Chair Peskin moved that this Ordinance be CONTINUED AS AMENDED to the Government Audit and Oversight Committee Meeting of October 1, 2020. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200919 [Supporting University of San Francisco Workers United During COVID-19]**Sponsors: Haney; Walton and Mar**

Resolution supporting USF Workers United, a broad coalition of workers and faculty members at the University of San Francisco, drastically affected by furloughs, cuts in healthcare and employment benefits, and lack of safety protocols during COVID-19.

08/11/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: David Woo; Charles Cross (University of San Francisco); Nat Naylor; Amanda McHale; Speaker; Speaker; spoke in support of the hearing matter.

Supervisor Mar requested to be added as a co-sponsor.

Member Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 2, Lines 8-9, to read 'WHEREAS, USF Faculty Association represents the approximately 468 non-law school faculty and librarians who work at USF; and have taken salary cuts to prevent layoffs'. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

Member Haney moved that this Resolution be RECOMMENDED AS AMENDED AS A COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200955 [Urging the Association of Bay Area Governments in the Regional Housing Needs Allocation Process to Focus on Unmet Needs for Affordable Housing]**Sponsors: Mar; Ronen, Walton, Preston, Fewer, Mandelman and Peskin**

Resolution urging the Association of Bay Area Governments (ABAG) in its upcoming Regional Housing Needs Allocation (RHNA) Process to focus on San Francisco's unmet needs for housing affordable to low- and moderate-income residents, counteract the displacement of low- and moderate-income communities of color in core urban cities like San Francisco and Oakland, prioritize increases to the region's above-moderate RHNA allocation in high resource and high opportunity jurisdictions, and limit increases in above-moderate RHNA allocations to Bay Area cities with concentrations of Sensitive Communities.

08/18/20; REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

08/25/20; CONTINUED. Supervisors Walton, Preston, and Fewer requested to be added as co-sponsors.

09/01/20; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Supervisors Mandelman and Peskin requested to be added as co-sponsors.

09/01/20; RE-REFERRED AS AMENDED to Government Audit and Oversight Committee. Supervisor Mar, seconded by Supervisor Preston, moved that this Resolution be REFERRED AS AMENDED to the Government Audit and Oversight Committee. The motion carried by the following vote:

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton, Yee

Absent: 1 - Stefani

Supervisor Peskin, seconded by Supervisor Walton, moved to rescind the previous vote. The motion carried by the following vote:

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton, Yee

Heard in Committee. Speakers: David Woo; Anastasia Yovanopoulos; Jerry Dratler (San Francisco Land Use Coalition); Katherine Howard; Tess Wellborn (Haight Ashbury Neighborhood Council); Lorraine Petty (Senior and Disability Action); Peter Papadopolous (Mission Economic Development Association); Ozzie Rohm (San Francisco Land Use Coalition); Theresa Flandrich (Senior and Disability Action); Bobbi Lopez (TODCO); Fernando Marti (Council of Community Housing Advocates); Speaker; Jeff Rigo; spoke in support of the hearing matter. Ethan Strull and Corey Smith (San Francisco Housing Action Coalition); Sarah Ogelsby; Dan Deutch; Laura Foote (YIMBY Action); Theo Gordon (San Francisco YIMBY); Speaker; Speaker; spoke in opposition of the hearing matter.

Chair Mar moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 2:43 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.