

MOTION

The City's holdings include real property worth billions of dollars that is used for diverse public purposes. In 2003, the City Controller released an audit of the agency at that time responsible for managing much of the property, the Department of General Services (GSD) Asset Management Division. The audit included 18 recommendations for improving the manner in which the diverse real estate portfolio is managed. In 2008, the Controller released a "Follow-Up Audit" to gauge the progress made in the intervening years.

The follow-up audit indicates that the General Services Department had made some progress since 2003. However, the audit also highlighted several key areas for further improvement:

"(1) The City lacks an agreed-upon comprehensive strategy for determining how its portfolio should be managed;

"(2) The surplus property program is cumbersome and lacks strategic vision;

"(3) The City lacks a system-wide database of all properties.

"In order to ensure the optimal use and maximum value of its assets, City leadership must adopt a shared vision and strategic plan relative to asset management."

It has become evident that certain issues relating to the efficiency of management and maintenance of City properties are still deserving of attention, including oversight of the leases by outside entities (including nonprofit organizations) of City properties. These include whether adopted City leasing policies consistently are being adhered to; the status and activities of lessees; the adequacy of maintenance policies relative to structures, equipment and landscaping; the efficiency of the City's surplus property management and disposal efforts; and the status of long-standing efforts to upgrade inventories of City-owned properties.

I THEREFORE MOVE that the CAO and the General Services Department be directed to report on the current implementation status of the Controller's 2003 and 2008 recommendations, with emphasis on the issues noted in this motion; and

I FURTHER MOVE that the CAO and General Services Department be directed to work with the Mayor's Office, and the Chief Legislative Analyst to update the City's policies and comprehensive strategy for the management, use, and/or sale of the City's real properties.

PROPOSED BY: Paul Koretz
PAUL KORETZ
Councilmember, 5th District

SECONDED BY: Mary Mastro

[Signature]
JAN 13 2013

ORIGINAL