

## Laguna Honda Charitable Giving Plummets — Again

by Patrick Monette-Shaw

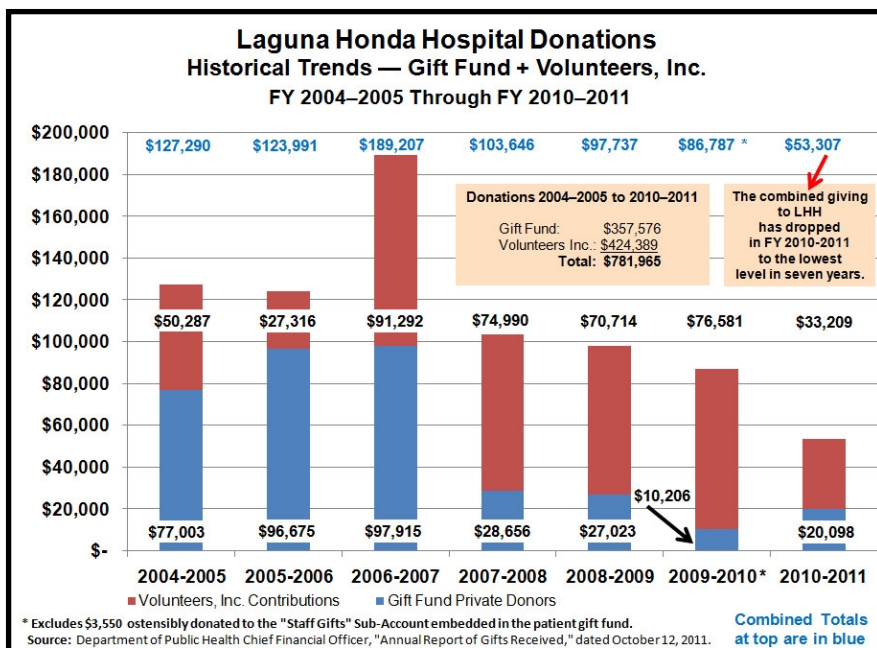
Laguna Honda Hospital's patient gift fund — and the separate Laguna Honda Foundation run by former City Attorney Louise Renne — are once again in the news.

On October 18, the Department of Public Health presented its annual gift fund report for Fiscal Year 2010–2011 prepared by DPH CFO Greg Wagner to the Health Commission.

Of note, contributions to Laguna Honda Hospital's patient gift fund have dropped to their lowest levels across seven years.

In DPH's "Annual Report of Gifts Received in FY 2010-11," presented by DPH's Budget Director Jen Louie, in the fiscal year ending June 30, 2011 contributions from private donors to LHH's patient gift fund reached \$20,098, up from the \$10,206 donated from private sources in Fiscal year 2009–2010, but the second lowest amount of private giving since Fiscal Year 2004–2005.

Had it not been for the \$10,000 donation in FY 10-11 from the Estate of Lois Sullivan to the LHH patient gift fund, private donations (in excess of \$1,000 each) to LHH's gift fund would have dropped in FY 10-11 to just \$8,327, an all-time low.



Also in the fiscal year ending June 30, 2011, Laguna Honda's partner, Laguna Honda Volunteers, Inc. — renamed in 2011 as the "Friends of Laguna Honda" — donated just \$33,209 to the patient gift fund, down from its \$76,581 donation in Fiscal Year 2009–2010. This is also the second lowest amount of Volunteers, Inc. giving since Fiscal Year 2004–2005.

Between private donations and donations from Volunteers Inc., LHH's patient gift fund received just \$53,307 in Fiscal Year 2010–2011 — the lowest amount the gift fund has received across seven years, and approximately only half of what it received in Fiscal Year 2009–2010.

Following Ms. Louie's presentation, several Health Commissioners peppered DPH staff with questions during the Health Commission's meeting.

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Commissioner Edward Chow asked about the status of the Laguna Honda Foundation, because there was no data in DPH's annual gift fund report about this separate foundation. As previously reported, when former City Attorney Louise Renne incorporated her Laguna Honda Foundation in 2004, she did so without setting up a memorandum of understanding between the City, DPH, LHH and her foundation, a continuing source of

consternation to the Health Commission, since the San Francisco General Hospital Foundation has always had a memorandum of understanding with the City.

Mivic Hirose, LHH's official Executive Administrator, responded to Commissioner Chow that San Francisco's Administrative Code doesn't require financial information be provided by Renee's Foundation. Hirose failed to mention that while the City's Administrative Code doesn't require reporting of non-profit financial information, IRS rules do require detailed financial reporting.

Minutes of the Health Commission's October 18 meeting report that Hirose stated, "The LHH Foundation declined to submit data, as they have in the past." As far as anyone knows, Renee's Foundation has never submitted data for DPH's annual gift fund report in the past.

Moreover, Renee's Foundation has contributed not one dime to LHH's patient gift fund across the years, per previous DPH reports of annual gift fund charitable contributions.

Commissioner Chow is concerned that Renee's Foundation is using a City hospital's name to raise funds, but isn't forthcoming about its finances. Chow recommended that LHH's Joint Conference Committee (LHH-JCC) meet with Renee's Foundation.

Next, Commissioner Sonia Melara, Chair of the LHH-JCC, asked if the Renee Foundation's charter states that it would raise funds on behalf of LHH. Ms. Hirose replied that she would review the Laguna Honda Foundation's charter and would report back to the LHH-JCC in November.

Commissioner David Sanchez then recommended that Health Commission President Steven Tierney and Commissioner Melara meet with a few members of the Laguna Honda Foundation's board of directors, which is comical when not sad, because Ms. Renee has adamantly refused to disclose any financial information about her Foundation to anyone.

It's unfortunate that the Health Commissioners are so unaware of the Renee Foundation's primary exempt purpose. According to Laguna Honda Foundation's 2009 IRS Form 990 for the period ending in June 2010 posted on [www.Guidestar.com](http://www.Guidestar.com), the most-recent data available, Renee claims her foundation was "established in order to support Laguna Honda Hospital ... by providing an organizational structure for a \$15,000,000 capital equipment campaign for the hospital's replacement project" and to "serve as the Hospital's Center [of Excellence] for advancing research and educational programs focused on improving the healthcare and quality of life for frail elderly and disabled persons in institutions or in community-based care."

The furniture, fixtures, and equipment for LHH's replacement facility eventually cost over \$40 million, but there has never been any reports that Renee's Foundation ever raised any of the \$15 million it told the IRS it would raise when seeking its non-profit designation.

Surely, Commissioners Sanchez and Chow should already know that Renee's Foundation apparently contributed not one nickel to LHH's furniture, fixtures, and equipment fundraising program.

Finally, during the Health Commission's October 18 meeting, the minutes show that Commissioner Jim Illig asked for information on the IRS 990 forms from the fiscal agent for Renee's Laguna Honda Foundation, because "the Foundation's IRS 990 forms only provide basic information regarding the fiscal agent it uses."

Illig was referring to the fact that the Laguna Honda Foundation's Form 990's filed with the IRS since it first began reporting after being founded in 2004, has not once reported any income, and no expenses. Renee's Foundation has always reported that it is "operated as a project of" either the San Francisco Foundation, or more recently, of Community Initiatives, and its IRS Form 990's have always reported zero income and zero expenses for her Foundation.

The San Francisco Foundation spun off some of its projects in 1996, creating Community Initiatives for organizations that did not have their own IRS non-profit designations. Renee's Laguna Honda Foundation is one

of the few clients of Community Initiatives that actually has independent IRS certification as an independent non-profit. Community Initiatives is a separate non-profit organization that handles the books for Renne's Laguna Honda Foundation, and "rolls up" Renne's Foundation finances into Community Initiatives' own IRS filings.

If Commissioner Illig expects that Community Initiatives will suddenly cough up data on Renne's non-profit Laguna Honda Foundation, he's sadly mistaken.

I requested financial information about Renne's Foundation from Community Initiatives in early 2010. On March 8, 2010, Melanie Beene, CEO and President of Community Initiatives, sent me an e-mail stating that Louise Renne had demanded that all requests for information about her Foundation's finances be directed to Renne.

In August 2010, Beene indicated she would ask Community Initiatives' Board of Directors to consider releasing summarized financial records of revenue and expenditures of its "client," the Laguna Honda Foundation, if the Foundation refused to provide the requested financial records.

But on March 28, 2011, Ms. Beene changed her tune, e-mailing me that "After consultation with legal counsel, we have received verification that neither Community Initiatives, nor its fiscally sponsored project, Laguna Honda Foundation, is required to provide a public requester with any program data other than what appears on each organization's [Form] 990 filed with the IRS."

It's unclear whether the legal counsel Beene relied on came from Ms. Renne, herself, the fox guarding a lucrative hen house. What is clear is that Beene initially thought a sub-set of her client's financial records might be released with the Community Initiatives Board's consent, but was later overturned. More ironically, Ms. Beene authored a Fall 2010 article in Volume 21, Issue 3 of the *Grantmakers in the Arts Reader*, in which she concluded that fiscal sponsors must weed out those who give the field a bad name by laundering funder's grant monies.

If Illig is able to obtain data Renne's Foundation has refused to provide to members of the public, and which Community Initiatives has also refused to provide as a sub-set of its data, more power to him. But he's likely barking up the wrong tree, and will continue to do so until the IRS revokes Renne's IRS non-profit designation.

After all, Renne has installed her minion, former Deputy City Attorney Marc Slavin, as LHH's *de facto* Executive Administrator, and his office at LHH is still reported to be in the space that Renne renovated for her Foundation at taxpayer expense. A reader of this column reported they had called Community Initiatives and was told that Slavin was a Laguna Honda Foundation employee, ostensibly at the same time he was a City employee at LHH — which would create obvious conflicts of interest — but I have been unable to obtain independent confirmation that this information is true.

Commissioner Illig can bark up the wrong tree all he wants, since various scandals involving Renne's Foundation will likely never change, ruining the good reputation of — and charitable contributions to — LHH's patient gift fund.

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