



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, Vallie Brown, Aaron Peskin

Clerk: John Carroll (415) 554-4445

Thursday, July 11, 2019

3:00 PM

City Hall, Committee Room 263

Special Meeting

Present: 3 - Gordon Mar, Vallie Brown, and Aaron Peskin

The Government Audit and Oversight Committee met in special session on July 11 2019, with Chair Gordon Mar presiding. Chair Mar called the meeting to order at 3:03 p.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Mar, Vice Chair Brown, and Member Peskin were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

190547 [Administrative Code - Office of Racial Equity]**Sponsors: Fewer; Brown, Walton, Mandelman, Ronen, Mar and Safai**

Ordinance amending the Administrative Code to create an Office of Racial Equity as a Division of the Human Rights Commission Department, with authority to create a citywide Racial Equity Framework, assist City departments with the development of Racial Equity Action Plans, analyze and report on the impact of ordinances on racial equity, and carry out various other policy and reporting functions regarding racial equity; require City departments to create Racial Equity Action Plans and to provide annual updates on such Plans; require City departments to designate employees as racial equity leaders; and require the Department of Human Resources to produce an annual report concerning racial equity in the City workforce.

(Fiscal Impact)

05/14/19; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 6/13/2019.

05/24/19; TRANSFERRED to Government Audit and Oversight Committee. President Yee transferred this matter from the Rules Committee to the Government Audit and Oversight Committee.

05/24/19; REFERRED TO DEPARTMENT. Referred to all City Department Heads, via the Mayor's Office, the Human Rights Commission, and the Department of Human Resources for informational purposes.

Heard in Committee. Speakers: Supervisor Sandra Lee Fewer (Board of Supervisors); Cheryl Davis, Director, and Zoe Polk (Human Rights Commission); Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Brenda Barros; Cheryl Thornton (SEIU Local 1021); Mr. Wright; Debra Grabelle; Gus Vallejo and Larry Griffin (IFPTE 21); Majad Crawford; Tobias Damm-Luhr (Lawyer's Committee for Civil Rights); Hong Mei Pang (Chinese for Affirmative Action); Lucy Arellano (Mission Economic Development Agency); Gloria Berry; April McGill (California Consortium for Urban Indian Health); Geoffrea Morris (Reentry Council); Lauren Bell (Adult Probation Department); Speaker; Norma Garcia (Mission Economic Development Agency); Kim Lynch (SEIU Local 1021); Phelicia Jones; Natalie Kim (Coleman Advocates); Beatriz Herrera (SF Rising); Ron Weigelt (Department of Public Health); Amanda Hinh (Brightline Defense); Kaleo Vaifale, Jessica Molina, and Kevine Boggess (Coleman Advocates); Eddie Ahn (Brightline Defense); Barbara Mumby; Claudia Flores; Twanda Bailey; Wanda Slaughter; Dante King (Black Employee Alliance Coalition Against Anti-Blackness); Speaker; Speaker; Speaker; Speaker; Speaker; Claire Amable and Lian Ladia (South of Market Community Action Network); Speaker; Zae Malawa; Kelsey Liu; Karen Pierce and Jessica Brown (Department of Public Health); Speaker; Nora Hulton and Austin Truong (San Francisco Youth Commission); Solaire S.; Speaker; Jessie Fernandez; Tamika Chenier; Speaker; Monique; Rodney Chin; Josey Baker (The Mill); Widya Batin; Georgia; Andrew; Judy Young; Arnold Townsend; Patricia O'Farrell; Victoria; Tawana Grey; Ken; spoke on various concerns relating to the hearing matter.

Member Peskin moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Pages 1 through 10, by making changes to the findings; on Page 10, Lines 17-19, by providing a definition of 'People of Color' as used throughout the ordinance; on Page 11, Line 4, by striking 'opportunities, participation, and/or'; on Page 11, Lines 4-6, by inserting ', while recognizing the historical context and systemic harm done to specific racial groups.' and striking 'for everyone, so that Race can no longer be used to predict life outcomes.'; on Page 11, Line 14, by inserting 'overarching'; on Page 11, Lines 20-22, by inserting 'The Framework shall also include metrics by which departments, through the ensuing Racial Equity Action Plans, can measure performance to address racial disparities within the department's workforce, service provision, grants, and contracts.'; on Page 12, Lines 2, by inserting 'environment'; on Page 12, Line 19, through Page 13, Line 1, by making textual edits to the Mission and Purpose of the proposed Office of Racial Equity; on Page 13, Line 10, by specifying that the Racial Equity Framework shall be updated and resubmitted to the Board of Supervisors at least every five years following the initial submission no later than June 30, 2020; on Page 13, Lines 18-22, by adding an additional Racial Equity Indicator to be evaluated on the Racial Equity Report Card; on Page 14, Line 7, to insert 'eight' and strike 'five'; on Page 15, Line 7-9, by clarifying the submission deadlines for the Budget Equity Assessment Tool to be prepared by the proposed Office of Budget Equity for possible approval by the Board of Supervisors; on Page 15, Lines 10-18, by inserting '(9) Public Accountability and Transparency. In addition to ensuring that City departments are abiding by the requirements of this Section 12A.19 and providing for public access to any plans or reports referenced, the Office shall hold itself to a high standard of public transparency. The Office shall abide by principles of integrity, inclusivity, transparency, all with the ultimate aim of creating bold change for Racial Equity in San Francisco. The Office shall provide monthly reports to the Human Rights Commission on the Office's work and activities. The Office shall prioritize regular engagement with community stakeholders and residents impacted by systemic racism, to collect input into the process and to guide the development of the Office's work and plans.'; on Page 15, Line 22, through Page 16, Line 5, by inserting 'The Racial Equity Action Plan shall include internal metrics concerning the department's plans to achieve equity within the department and external metrics concerning the department's services to the public. Departments may consider ways of measuring equity outcomes in hiring and promotional opportunities as well as contracts and provision of services. Prior to submission of these plans, departments shall present them publicly, through the department's commission or other oversight or advisory body. If a department does not have a commission, or other oversight or advisory body, the Office may convene a public meeting for presentation of the department's Plan.'; on Page 16, Lines 5-17, by making changes to the reporting schedule and scope of the proposed Racial Equity Action Plans, specifying that the annual report shall include relevant data on both direct services as well as services provided through grants and contracts, and specifying that 'if a department is not compliant with regards to the Action Plan and annual reports, or if progress is not being made to address key Racial Equity disparities, the Board of Supervisors intends to exercise its discretion to withhold spending authority or freeze hiring during the budget process for the following fiscal year'; on Page 16, Line 18, through Page 17, Line 9, by clarifying the responsibilities of certain department heads in the designation of Racial Equity Leaders; on Page 17, Lines 10-24, by clarifying the requirements of the Department of Human Resources in preparation of the Annual Workforce Report; on Page 18, Lines 1-6, by inserting '(h) Contracts Report. The Controller's Office and the City Administrator, with support from the Office, shall develop processes and systems to gather and report on racial and gender equity in City contracting. No later than June 30, 2020, the offices shall submit to the Mayor and Board of Supervisor an implementation plan to achieve this goal, including project timelines, costs, and the ability to disaggregate data by contract type, level of contracting, and race, sub-ethnicity and gender.'; on Page 18, Lines 7-10, by inserting '(i) Evaluation of Office. Five years after the creation of the Office, the Controller shall conduct an evaluation of the Office with the intent to determine whether the existing structures and staffing are sufficient and how the Office can most effectively to achieve its mission and objectives.'; on Page 18, Lines 11-13, by making changes to the composition of the proposed Office of Racial Equity; and making other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin
(Fiscal Impact)

Member Peskin moved that this Ordinance be CONTINUED AS AMENDED to the Government Audit and Oversight Committee meeting of July 18, 2019. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

190658 [Administrative Code - Ban on City-Funded Travel to and City Contracts Involving States With Restrictive Abortion Laws]**Sponsors: Brown; Fewer, Stefani, Mandelman, Haney, Yee, Ronen, Walton, Safai, Mar and Peskin**

Ordinance amending the Administrative Code to prohibit City-funded travel to states that have enacted laws that prohibit abortion prior to the viability of the fetus, and to prohibit City contracting with companies headquartered in states that have enacted such laws, or where work on the contract would be performed in such states; and making technical amendments regarding the travel and contracting provisions of this ban, which also apply to the existing ban on City-funded travel to and City contracts involving states with laws that discriminate based on sexual orientation, gender identity, or gender expression.

06/04/19; ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 7/4/2019.

06/13/19; REFERRED TO DEPARTMENT. Referred to city departments via the Mayor's Office and the Department on the Status of Women for reports and/or comments.

06/20/19; TRANSFERRED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Elizabeth Newman (Department on the Status of Women); Lauren Babb (Planned Parenthood); Jon Givner (Office of the City Attorney); presented information and answered questions raised throughout the discussion. Mr. Wright; Naima Charles; Susan Anthony; Karen Cancino; Speaker; spoke on various concerns relating to the hearing matter.

Member Peskin moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 6-10, by striking ' ; and making technical amendments regarding the travel and contracting provisions of this ban, which also apply to the existing ban on City-funded travel to and City contracts involving states with laws that discriminate based on sexual orientation, gender identity, or gender expression'; on Page 2, Line 2, through Page 3, Line 23, by reorganizing existing Chapter 12X to prohibit City travel and contracting in states that allow discrimination, adding a new Article 1 relating to states that allow discrimination against LGBT individuals, and striking findings and purpose which relate to abortion issues; on Page 5, Lines 11-22, by striking definitions of 'Abortion Covered State' and 'Award'; on Page 6, Lines 9-10, by inserting 'underwriting services for the purchase and sale of City bonds, notes, and other forms of indebtedness;' and striking 'the issuance, sale, placement, management, trusteeship, or administration of bonds, notes, commercial paper, lease financings, loans, or other similar obligations, and related investment, credit, liquidity, payment exchange, remarketing, repurchase, and other related agreements;'; on Page 6, Lines 17-21, by inserting '(c) Agreements advertised, solicited, or initiated prior to the Operative Date of this Chapter 12X, including amendments to existing Contracts.' and striking '(c) Amendments, modifications, or renewals of a Contract; or (d) Agreements for a cumulative amount of \$10,000 or less per Contractor in a fiscal year.'; on Page 7, Line 20, by specifying that the Operative Date means February 11, 2017; on Page 7, Line 23, through Page 8, Line 3, by striking "United States Headquarters" means a business entity's principal place of business, or "nerve center," in the United States, which is the location where the business' officers direct, control, and coordinate the entity's activities. For business entities in a parent-subsidary relationship, the United States Headquarters will be that of the Contractor, so long as the parent corporation and subsidiary corporation maintain separate corporate structures and identities.'; on Page 8, Line 16, through Page 9, Line 2, by striking '(b) Role of the Department on the Status of Women. The Department on the Status of Women shall analyze whether a state's law meets the definition of an Abortion Covered State. Within 30 days of the effective date of the ordinance in File No.190658, amending this Chapter 12X to include provisions regarding Abortion Covered States, the Department on the Status of Women shall submit a recommendation to the City Administrator of states that satisfy the definition of an Abortion Covered State. If the law that caused the state to meet the definition of an Abortion Covered State is enjoined by a court of competent jurisdiction, the Department on the Status of Women shall not recommend that state for inclusion on the Covered State List. The Department on the Status of Women shall thereafter review the Abortion Covered States that appear on the Covered State List on at least a semiannual basis and shall recommend to the City Administrator any states that should be added to or removed from the Covered State List.'; on Page 9, Line 20-25, by striking '(d) For purposes of this Section 12X.4, "City-funded travel" includes payment or reimbursement for (1) all modes of transportation including but not limited to costs for airfare, bus or train tickets, car rentals, taxi, ride-sharing, parking and tolls, (2) lodging, (3) per diem, and (4) salary or paid work time. "City-funded travel" does not include paid time off such as vacation, or payment or reimbursement for training-related costs such as conference registration or materials.'; on Page 10, Lines 5-9, by striking 'For purposes of this subsection (a), "perform any or all of the work" does not include: (1) work performed on a Contract by a subcontractor, subconsultant, or supplier; or (2) the supply of off-the-shelf equipment, products or supplies, which are available immediately and do not need to be specially designed or custom-made for the City.'; on Page 10, Lines 13-21, by specifying that if, during the term of a Contract, the Contractor moves its headquarters, or the location from which it will provide services to the City, to a state on the Covered State List, such a move shall not constitute grounds to terminate the Contract, and striking '(2) the state in which the Contractor is headquartered or from which it will perform work is added to the Covered State List; or (3) the Contractor merges with or is otherwise acquired by an entity whose headquarters are in a state on the Covered State List.'; on Page 11, Line 25, through Page 12, Line 2, by inserting 'provided that the contracting officer has made a good faith attempt to change the terms or conditions of any such grant, subvention, or agreement to authorize application of this Section'; on Page 12, Line 19, through Page 13, Line 2, by striking '(e) The prohibition of subsection (a) shall not apply to any Contract first advertised, solicited, or initiated prior to February 11, 2017, where such Contract would be prohibited due to a

state's appearance on the Covered State List by virtue of meeting the definition of an LGBT Covered State. (f) The prohibition of subsection (a) shall not apply to any Contract first advertised, solicited, or initiated prior to January 1, 2020, where such Contract would be prohibited due to a state's appearance on the Covered State List by virtue of meeting the definition of an Abortion Covered State.'; on Page 13, Line 5-6, by inserting '(d) The requirements of this Section 12X.5 shall apply to Contracts first advertised, solicited, or initiated on or after the Operative Date.'; on Page 14, Line 12, through Page 22, Line 24, by re-inserting sections relating to findings and purpose, definitions, the covered state list, travel, contracting, rules and regulations, preemption, undertaking for the general welfare, and severability in a new Article II as related to states with restrictive abortion laws; and making other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

Ordinance amending the Administrative Code to prohibit City-funded travel to states that have enacted laws that prohibit abortion prior to the viability of the fetus, and to prohibit City contracting with companies headquartered in states that have enacted such laws, or where work on the contract would be performed in such states.

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

Ayes: 3 - Mar, Brown, Peskin

190549 [Business and Tax Regulations Code - Transient Occupancy Tax Exemption Increase]

Sponsor: Peskin

Ordinance amending the Business and Tax Regulations Code to increase the daily transient occupancy tax exemption amount from less than \$40 to less than \$52; to increase the weekly transient occupancy tax exemption amount from less than \$100 to less than \$130; and to require review in the September 2022 through September 2024 timeframe by the Controller of the exemption amounts for the purpose of considering adjustments in the amounts.

(Fiscal Impact)

05/14/19; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 6/13/2019.

05/16/19; REFERRED TO DEPARTMENT. Referred to the Office of the Treasurer and Tax Collector, Office of the Controller, and Office of the Mayor for informational purposes.

07/05/19; TRANSFERRED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst); presented information and answered questions raised throughout the discussion. Mr. Wright; spoke on various concerns relating to the hearing matter.

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

Ayes: 3 - Mar, Brown, Peskin

190735 [Memorandum of Understanding - Department of Children, Youth, and Their Families - San Francisco Community College District - Funding for Free City College Program]

Sponsors: Mayor; Mar

Resolution authorizing the Department of Children, Youth, and Their Families to enter into a Memorandum of Understanding with the San Francisco Community College District for the City to provide financial support to the Free City College program for the period between July 1, 2019, and June 30, 2029, subject to the budgetary and fiscal provisions of the Charter.

(Fiscal Impact)

06/25/19; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

07/02/19; TRANSFERRED to Rules Committee.

07/03/19; TRANSFERRED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Severin Campbell (Office of the Budget and Legislative Analyst Office); Brad Russi (Office of the City Attorney); presented information and answered questions raised throughout the discussion. Mr. Wright; Diana Gonzalez; Jennifer Worley, President (AFT Local 2121); Connie Ford, President (Labor Council); spoke on various concerns relating to the hearing matter.

Chair Mar moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Line 3, by specifying that the authorizations will apply retroactively to July 1, 2019; on Page 1, Lines 10-13, by striking 'WHEREAS, The Memorandum of Understanding will express the intent of the City to provide funding for the Free City College Program as set forth in this Resolution but will not guarantee that funding because all monies provided by the city will be subject to appropriation in the future'; on Page 3, Lines 5-12, by specifying that funds allocated by the city to the Free City College Program will be used to fund enrollment fees and/or offset educational expenses, and striking references to fully funding enrollment fees; on Page 3, Lines 21-23, by inserting '(g) Any subsequent expansion or adjustment of the MOU will be by mutual agreement of the City and City College after recommendations from the Oversight Committee; and be it '; and making other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Mar, Brown, Peskin

Resolution retroactively authorizing the Department of Children, Youth, and Their Families to enter into a Memorandum of Understanding with the San Francisco Community College District for the City to provide financial support to the Free City College program for the period between July 1, 2019, and June 30, 2029, subject to the budgetary and fiscal provisions of the Charter.

(Fiscal Impact)

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

Ayes: 3 - Mar, Brown, Peskin

ADJOURNMENT

There being no further business, the Government Audit and Oversight Committee adjourned at the hour of 5:18 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.