



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, May 7, 2020

10:00 AM

Regular Meeting

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

The Government Audit and Oversight Committee met remotely in regular session on May 7, 2020, with Chair Gordon Mar presiding. Chair Mar called the meeting to order at 10:05 a.m.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Mar, Vice Chair Peskin, and Member Haney were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

200113 [Planning, Building Codes - Reauthorization and Extension of Fee Waiver - Legalization of Unauthorized Dwelling Units]

Sponsor: Mar

Ordinance amending the Planning and Building Codes to reauthorize the waiver of fees related to granting legal status to existing dwelling units constructed without required permits and extending the waiver through December 31, 2024; requiring annual reports on the fee waiver program; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302. (Fiscal Impact)

02/04/20; ASSIGNED UNDER 30 DAY RULE to Land Use and Transportation Committee, expires on 3/5/2020.

02/11/20; REFERRED TO DEPARTMENT. Referred to the Planning Department and Department of Building Inspection for informational purposes.

02/12/20; REFERRED TO DEPARTMENT. Referred to the Planning Commission pursuant to Planning Code Section 302, for public hearing and recommendation; Planning Department for environmental review; and Building Inspection Commission for comment and recommendation.

02/21/20; RESPONSE RECEIVED. On February 19, 2020, the Commission met and held a duly noticed hearing and recommended approval of the proposed legislation.

02/28/20; RESPONSE RECEIVED. Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

03/04/20; TRANSFERRED to Government Audit and Oversight Committee. President Yee transferred this matter from Land Use and Transportation Committee to Government Audit and Oversight Committee.

04/30/20; RESPONSE RECEIVED. On April 16, 2020, the Commission met and held a duly noticed hearing and recommended approval for the proposed legislation.

Heard in Committee. Speakers: None.

Chair Mar moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200400 [Municipal Elections Code - Expanded Vote-by-Mail for the November 3, 2020 Election - Voter's Choice Act]**Sponsors: Ronen; Haney, Preston, Walton and Mar**

Ordinance amending the Municipal Elections Code to require the Department of Elections to expand use of vote-by-mail ballots at the November 3, 2020, Consolidated General Election; to report to the Board of Supervisors regarding planning for that election; and to report to the Board regarding implementation of the Voter's Choice Act in future San Francisco elections.

(Fiscal Impact)

04/21/20; ASSIGNED to Rules Committee. April 30, 2020 - President Yee waived the 30 day hold.

04/29/20; REFERRED TO DEPARTMENT. Referred to the Department of Elections for informational purposes.

04/30/20; TRANSFERRED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Amy Beinart (Office of Supervisor Hillary Ronen); Severin Campbell (Office of the Budget and Legislative Analyst); John Arntz, Director (Department of Elections); presented information and answered questions raised throughout the discussion. David Campos, President (San Francisco Democratic County Central Committee); spoke in support of the hearing matter.

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

Chair Mar requested that File No. 200400 be DUPLICATED.

DUPLICATED

See Duplicated File No. 200474.

Chair Mar moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 5, Lines 11-13, by striking 'that the Department of Public Health has determined to be safe, necessary' and inserting 'and early voting options to offset the lack of in-person voting due to fewer polling places, in order;' on Page 6, Lines 1-4, to read '(4) the Department shall consult with the Office of Racial Equity and community-based organizations to conduct outreach to and to implement diverse and targeted strategies to engage and inform communities and neighborhoods with historically low voter turnout regarding the expansion of vote-by-mail and other options to vote for the Election;' on Page 6, Lines 11-20, to read 'The report required by this subsection (d) shall address, but is not limited to, the following topics: (1) voter outreach, education, and services, including to limited-English speaking communities and persons with disabilities; (2) staffing needs, hiring strategies, and staff training; (3) voting equipment and capacity; (4) preliminary voting locations and hours, dropbox or curbside drop-off locations and hours; (5) ballot collection and processing; and (6) public health measures and procedures for both voters and poll workers;' on Page 7, Lines 3-4, by changing the report date to the Board of Supervisors from January 31, 2021, to February 28, 2021; and making other conforming and clerical changes. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

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

Ayes: 3 - Mar, Peskin, Haney

200474 [Municipal Elections Code - Expanded Vote-by-Mail for the November 3, 2020 Election - Voter's Choice Act]**Sponsors: Ronen; Haney, Preston, Walton and Mar**

Ordinance amending the Municipal Elections Code to require the Department of Elections to expand use of vote-by-mail ballots at the November 3, 2020, Consolidated General Election; to report to the Board of Supervisors regarding planning for that election; and to report to the Board regarding implementation of the Voter's Choice Act in future San Francisco elections.

(Fiscal Impact)

Duplicated from File No. 200400.

Chair Mar moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 5, Lines 11-13, by striking 'that the Department of Public Health has determined to be safe, necessary' and inserting 'and early voting options to offset the lack of in-person voting due to fewer polling places, in order;' on Page 6, Lines 1-4, to read '(4) the Department shall consult with the Office of Racial Equity and community-based organizations to conduct outreach to and to implement diverse and targeted strategies to engage and inform communities and neighborhoods with historically low voter turnout regarding the expansion of vote-by-mail and other options to vote for the Election;' on Page 6, Lines 11-20, to read 'The report required by this subsection (d) shall address, but is not limited to, the following topics: (1) voter outreach, education, and services, including to limited-English speaking communities and persons with disabilities; (2) staffing needs, hiring strategies, and staff training; (3) voting equipment and capacity; (4) preliminary voting locations and hours, dropbox or curb-side drop-off locations and hours; (5) ballot collection and processing; and (6) public health measures and procedures for both voters and poll workers;' on Page 7, Lines 3-4, by changing the report date to the Board of Supervisors from January 31, 2021, to February 28, 2021; and making other conforming and clerical changes. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

(Fiscal Impact)

Chair Mar moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200379 [Resolution of Intention - Renewal and Expansion - Castro Community Benefit District]**Sponsor: Mandelman**

Resolution declaring the intention of the Board of Supervisors to renew and expand a property-based business improvement district known as the “Castro Community Benefit District” and levy a multi-year assessment on all parcels in the district; approving the management district plan and engineer’s report and proposed boundaries map for 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 July 14, 2020, at 3:00 p.m.; approving the form of the Notice of Public Hearing and Assessment Ballot Proceeding, and Assessment Ballot; directing environmental findings; and directing the Clerk of the Board of Supervisors to give notice of the public hearing and balloting, as required by law.

04/14/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

04/22/20; REFERRED TO DEPARTMENT. Referred to the Office of Economic and Workforce Development, the Controller, and the Department of Elections for informational purposes. Referred to the Small Business Commission for review and comment.

Heard in Committee. Speakers: Supervisor Rafael Mandelman (Board of Supervisors); Chris Corgas (Office of Economic and Workforce Development); Andrea Aiello, Executive Director (Castro 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

200380 [Resolution of Intention - Renewal and Expansion - Fisherman’s Wharf Landside Community Benefit District]**Sponsor: Peskin**

Resolution declaring the intention of the Board of Supervisors to renew and expand a property-based business improvement district known as the “Fisherman’s Wharf Landside Community Benefit District” and levy a multi-year assessment on all parcels in the district; approving the management district plan and engineer’s report and proposed boundaries map for 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 July 14, 2020, at 3:00 p.m.; approving the form of the Notice of Public Hearing and Assessment Ballot Proceeding, and Assessment Ballot; directing environmental findings; and directing the Clerk of the Board of Supervisors to give notice of the public hearing and balloting, as required by law.

04/14/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

04/22/20; REFERRED TO DEPARTMENT. Referred to the Office of Economic and Workforce Development, the Controller, and the Department of Elections for informational purposes. Referred to the Small Business Commission for review and comment.

Heard in Committee. Speakers: Chris Corgas (Office of Economic and Workforce Development); Randall Scott, Executive Director (Fisherman’s Wharf Landside 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

Chair Mar requested that File Nos. 200331, 200332, 200333, and 200334 be called together.

200331 [Lease Agreement - Avis Budget Car Rental, LLC - On-Airport Rental Car Operations - \$11,076,378 Minimum Annual Guarantee]

Resolution approving the On-Airport Rental Car Operations Lease No. 18-0343, between Avis Budget Car Rental, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of five years with two two-year options to extend, and a minimum annual guarantee of \$11,076,378 for the first year of the Lease, to commence upon Board approval. (Airport Commission)

03/30/20; RECEIVED FROM DEPARTMENT.

04/07/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); 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

200332 [Lease Agreement - Enterprise Rent-A-Car Co of San Francisco, LLC - On-Airport Rental Car Operations - \$16,087,548 Minimum Annual Guarantee]

Resolution approving the On-Airport Rental Car Operations Lease No. 18-0342, between Enterprise Rent-A-Car Co of San Francisco, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of five years with two two-year options to extend, and a minimum annual guarantee of \$16,087,548 for the first year of the Lease, to commence following Board approval. (Airport Commission)

03/30/20; RECEIVED FROM DEPARTMENT.

04/07/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); 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

200333 [Lease Agreement - The Hertz Corporation - On-Airport Rental Car Operations - \$16,501,462 Minimum Annual Guarantee]

Resolution approving the On-Airport Rental Car Operations Lease No. 18-0341, between The Hertz Corporation, as tenant, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of five years with two two-year options to extend, and a minimum annual guarantee of \$16,501,462 for the first year of the Lease, to commence following Board approval. (Airport Commission)

03/30/20; RECEIVED FROM DEPARTMENT.

04/07/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); 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

200334 [Lease Agreement - Sixt Rent a Car, LLC - On-Airport Rental Car Operations - \$3,501,004.32 Minimum Annual Guarantee]

Resolution approving the On-Airport Rental Car Operations Lease No. 18-0344, between Sixt Rent a Car, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of five years with two two-year options to extend, and a minimum annual guarantee of \$3,501,004.32 for the first year of the Lease, to commence following Board approval. (Airport Commission)

03/30/20; RECEIVED FROM DEPARTMENT.

04/07/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); 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

LITIGATION

Chair Mar requested that File Nos. 200260 and 200330 be called together.

Heard in Committee. 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 litigation and anticipated litigation. 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.

The Deputy City Attorney reported that the Government Audit and Oversight Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

Persons in attendance: Anne Pearson, Trevor Koski, Christopher Stuart, and Jeremy Goldman (Office of the City Attorney); Cathy Widener and Emylene Aspilla (Airport Department); Pat Mulligan (Office of Labor Standards Enforcement); Alisa Somera and John Carroll (Office of the Clerk of the Board).

Chair Mar moved to convene in closed session. The motion carried by the following vote:

Ayes: 3 - Mar, Peskin, Haney

200260 [Settlement of Lawsuit - Henry McKenzie - \$400,000]

Ordinance authorizing settlement of the lawsuit filed by Henry McKenzie against the City and County of San Francisco for \$400,000; the lawsuit was filed on November 24, 2018, in the United States District Court Northern District of California, Case No. 4:18-cv-7141 DMR; entitled Henry McKenzie v. City and County of San Francisco, et al.; the lawsuit involves an employment dispute. (City Attorney)

03/06/20; RECEIVED FROM DEPARTMENT.

03/17/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

04/16/20; CONTINUED TO CALL OF THE CHAIR.

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

Ayes: 3 - Mar, Peskin, Haney

200330 **[Settlement of Lawsuit - The Hertz Corporation, Enterprise Rent-A-Car Co. of San Francisco LLC, Avis Budget Car Rental, LLC, and Sixt Rent A Car LLC - \$500,000]**
Ordinance authorizing settlement of the lawsuit filed by The Hertz Corporation, Enterprise Rent-A-Car Co. of San Francisco LLC, Avis Budget Car Rental, LLC, and Sixt Rent A Car LLC, against the City and County of San Francisco for \$500,000 (payment to Sixt Rent A Car LLC only); the lawsuit was filed on September 24, 2019, in San Mateo Superior Court, Case No. 19-CIV-05663; entitled The Hertz Corporation et al. v. City and County of San Francisco et al.; the lawsuit involves a challenge to the City's application of prevailing wage requirements for City-owned off-street parking lots, garages, and vehicle storage facilities to leases for the use of the Rental Car Center at the San Francisco International Airport, and the Airport Commission's failure to seek approval by the Board of Supervisors of leases that do not require such payment of prevailing wages applicable to. (City Attorney)

03/30/20; RECEIVED FROM DEPARTMENT.

04/07/20; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

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

Ayes: 3 - Mar, Peskin, Haney

[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 Mar moved not to disclose closed session deliberations. 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 12:15 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.