

**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

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April 17, 2020

**TO:** Budget and Finance Committee

**FROM:** Budget and Legislative Analyst



**SUBJECT:** April 22, 2020 Budget and Finance Committee Meeting

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<p><b>Items 1, 2, &amp; 3</b>  <b>Files 20-0339, 20-0340, &amp; 20-0341</b>  <i>(Continued from April 15, 2020)</i></p>	<p><b>Department:</b>                  Human Rights Commission</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• <u>File 20-0339</u>: The proposed emergency ordinance would amend the Administrative Code to establish the COVID-19 Disaster Family Relief Fund as a “Category 8” fund. Under Administrative Code Section 10.100-1, monies in a Category 8 fund are automatically appropriated and do not require Board of Supervisors’ authorization for spending. The provisions of this ordinance expire sixty days after it becomes effective.</li> <li>• <u>File 20-0340</u>: The proposed ordinance contains the same provisions as File 20-0339 for establishing the COVID-19 Disaster Family Relief Fund. The provisions of this ordinance expire sixty days after the Mayor withdraws the state of emergency proclamation related to COVID-19.</li> <li>• <u>File 20-0341</u>: The proposed ordinance would appropriate \$10 million from the General Reserve to the Human Rights Commission.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• Under the proposed ordinances, the Human Rights Commission would administer the COVID-19 Disaster Family Relief Fund. Monies in this fund would be available for up to 5,000 families with a minimum monthly disbursement of \$500. In evaluating applicants, the Department would assess (1) the severity of the financial hardship, (2) the extent to which the family qualifies for federal or state financial relief, and (3) how disbursement may impact eligibility for other public assistance.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• File 20-0341 would appropriate \$10 million from the General Reserve to a General Fund account under the Human Rights Commission. As noted above, spending from the COVID-19 Disaster Family Relief Fund does not require Board of Supervisors’ approval. Upon termination of the fund, any remaining money will revert to the General Fund.</li> </ul> <p style="text-align: center;"><b>Policy Consideration</b></p> <ul style="list-style-type: none"> <li>• According to the Controller’s March 31, 2020 presentation to the Board of Supervisors, the General Reserve currently contains \$150 million.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ol style="list-style-type: none"> <li>1. Amend the proposed appropriation ordinance (File 20-0341) to clarify that once the COVID-19 Disaster Family Relief Fund is established, the Controller will transfer the funds from the Human Rights Commission account into the proposed COVID-19 Disaster Family Relief Fund.</li> <li>2. Amend the proposed ordinances (File 20-0339, 20-0340, and 20-0341) to require a quarterly written report from the Human Rights Commission to the Board of Supervisors detailing the disbursement of funds from the COVID-19 Disaster Family Relief Fund.</li> <li>3. Approval of the proposed ordinances, as amended, is a policy matter for the Board of Supervisors.</li> </ol>	

## MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors. Passages of ordinances require two readings by the Board of Supervisors; ordinances are effective 30 days after passage.

City Charter Section 2.107 states that the Board of Supervisors may pass emergency ordinances on their first reading with a 2/3 affirmative vote. Emergency ordinances become effective upon approval by the Mayor, the expiration of the ten-day period for the Mayor to approve or veto, or the Board of Supervisors' override of the Mayor's veto. Emergency ordinances expire sixty days after their passage.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance. As with other ordinances, passage of the ordinance requires two readings by the Board of Supervisors and the ordinance is effective 30 days after passage.

## BACKGROUND

On February 25, 2020, Mayor London Breed proclaimed a state of emergency in response to the Novel Coronavirus 2019 Disease ("COVID-19") pandemic. On March 16, 2020, the San Francisco Health Officer issued Order C19-07b, generally requiring, among other things, residents to remain at home and most businesses to shutter. On March 31, 2020 the Health Officer issued Order C19-07b, which extends and tightens those rules through May 3, 2020. While necessary to maintain public health, these restrictions have imposed financial hardship to residents.

## DETAILS OF PROPOSED LEGISLATION

File 20-0339: The proposed emergency ordinance would amend the Administrative Code to establish the COVID-19 Disaster Family Relief Fund as a "Category 8" fund. Under Administrative Code Section 10.100-1, monies in a Category 8 fund are automatically appropriated and do not require Board of Supervisors' authorization for spending. The provisions of this ordinance expire sixty days after it becomes effective.

File 20-0340: The proposed ordinance contains the same provisions as File 20-0339 for establishing the COVID-19 Disaster Family Relief Fund. The provisions of this ordinance expire sixty days after the Mayor withdraws the state of emergency proclamation related to COVID-19.

File 20-0341: The proposed ordinance would appropriate \$10 million from the General Reserve to the Human Rights Commission.

### **Disbursement of COVID-19 Disaster Family Relief Fund**

Under the proposed ordinances, the Human Rights Commission would administer the COVID-19 Disaster Family Relief Fund. Monies in this fund would be available for up to 5,000 families<sup>1</sup> in

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<sup>1</sup> Families must have at least one dependent that is 18 years old or younger.

San Francisco who are experiencing financial hardship, with a minimum disbursement of \$500 per month per family. In evaluating applicants, the Human Rights Commission would assess:

1. the severity of the financial hardship
2. the extent to which the family qualifies for federal or state financial relief
3. how disbursement may impact eligibility for other public assistance

The Human Rights Commission would conduct outreach through community-based organizations.

### **FISCAL IMPACT**

File 20-0341 would appropriate \$10 million from the General Reserve to a General Fund account under the Human Rights Commission. The proposed ordinance should be amended to clarify that once the COVID-19 Disaster Family Relief Fund is established, the Controller will transfer the funds from that account into the proposed COVID-19 Disaster Family Relief Fund. As noted above, spending from the COVID-19 Disaster Family Relief Fund does not require Board of Supervisors' approval. Upon termination of the fund, any remaining money will revert to the General Fund.

### **POLICY CONSIDERATION**

Administrative Code Section 10.60 (b) provides for a General Reserve equal to 2.75 percent of budgeted General Fund revenues in FY 2019-20. If the General Reserve is drawn down, the Administrative Code provides for appropriation of sufficient funds in the Annual Appropriation Ordinance to restore the required funding level. However, the Board of Supervisors may suspend this provision following a declaration of an emergency due to a natural disaster.

According to the Controller's March 31, 2020 presentation to the Board of Supervisors, the General Reserve currently contains \$150 million.

### **RECOMMENDATIONS**

1. Amend the proposed appropriation ordinance (File 20-0341) to clarify that once the COVID-19 Disaster Family Relief Fund is established, the Controller will transfer the funds from that account into the proposed COVID-19 Disaster Family Relief Fund.
2. Amend the proposed ordinances (File 20-0339, 20-0340, and 20-0341) to require a quarterly written report from the Human Rights Commission to the Board of Supervisors detailing the disbursement of funds from the COVID-19 Disaster Family Relief Fund.
3. Approval of the proposed ordinances, as amended, is a policy matter for the Board of Supervisors.