

1 [San Francisco Bonding Program.]

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3 **Ordinance adding Article VIII to Article 20 of the San Francisco Administrative Code to**  
4 **create the San Francisco Bonding Program and to authorize the City to purchase**  
5 **bonds for employers who agree to hire hard-to-place employees.**  
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7 Note: Additions are single-underline italics Times New Roman;  
8 deletions are ~~strikethrough italics Times New Roman~~.  
9 Board amendment additions are double underlined.  
Board amendment deletions are ~~strikethrough normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. The San Francisco Administrative Code is hereby amended by adding a  
12 new Article VIII to Article 20, to read as follows:

13 Article VIII - San Francisco Bonding Program.

14 Sec. 20.320. FINDINGS. The Board of Supervisors finds and declares the following:

15 (a) The City and County of San Francisco funds many programs that provide employment  
16 training, career counseling, access to job lists, and placement for people looking for work; and

17 (b) Many people accessing these services face barriers to employment including criminal  
18 histories, substance abuse histories, or poor credit histories, which lead some employers to view these  
19 people as potentially untrustworthy workers; and

20 (c) There is a significant public interest in providing an incentive for prospective employers  
21 to grant job opportunities to people with these barriers who may be overlooked simply because of their  
22 histories.  
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1 Section 20.321. DEFINITIONS. For purposes of this Article only, the following definitions

2 apply:

3 (a) "At-risk job applicant" means a person seeking employment who faces barriers to  
4 employment that include a criminal history, a substance abuse history, a poor credit history. In  
5 addition, an "at-risk job applicant" includes an economically disadvantaged person who lacks a work  
6 history, and any other individual who DHS determines could secure employment with the assistance of  
7 a bond under this Program.

8 (b) "Bond amount" means the total insurance amount issued by the Program as determined  
9 by the City based on the reasonable justification by the employer as to the theft risk of the job, not to  
10 exceed \$25,000.00.

11 (c) "Bond unit" means one unit of \$5,000.00 of insurance coverage for a six-month period.

12 (d) "Employer" means any individual, group, company, or business, or any other entity in  
13 either the public or private sector that attempts to hire at risk job applicants for any work to be  
14 performed, which may include but not be limited to work in the following industries: construction,  
15 restaurant, hotel, retail, janitorial, or office support.

16 (e) "Fidelity Bond Program" means the federal bonding program administered by the  
17 United States Department of Labor that facilitates the sale of fidelity bonds to purchasing entities for  
18 the purpose of providing free bonds to employers to ensure them against acts of dishonesty by new  
19 employees.

20 (f) "Fidelity Bond Purchase Agreement" means the written agreement that the federal  
21 Fidelity Bond Program requires to purchase bonds for purposes of this Program.

1           Section 20.322. ESTABLISHMENT. A San Francisco Bonding Program ("Program") is hereby  
2 established. The San Francisco Department of Human Services ("DHS") shall administer the Program.  
3 DHS is authorized to enter into a Fidelity Bond Purchase Agreement with the Federal Bonding  
4 Program on behalf of the City. DHS shall provide bonds to prospective employers who agree to hire  
5 at-risk applicants consistent with the rules and regulations of the Federal Bonding Program.

6           Section 20.323. PURPOSE. The purpose of the Program is to provide free bonds to employers  
7 as an incentive for the employer to hire at-risk applicants and to protect the employer against acts of  
8 dishonesty.

9           Section 20.324. OUTREACH REQUIREMENTS.

10           Consistent with the requirements under this Article, DHS and the San Francisco Human Rights  
11 Commission shall inform potential at-risk job applicants seeking services within those agencies of the  
12 bonding opportunities through the San Francisco Bonding Program and shall provide contact and  
13 location information of the Program to those individuals. In addition, the San Francisco Office of the  
14 District Attorney, the San Francisco Office of the Public Defender, and the San Francisco Sheriff's  
15 Department shall provide the same information to potential at-risk job applicants exiting the criminal  
16 justice system.

17           Section 20.325. POWERS AND DUTIES. DHS shall have all of the powers and duties  
18 necessary to administer the Program consistent with the Federal Bonding Program. In addition, DHS  
19 shall have the following powers and duties:

20           (a) Eligibility Criteria. Consistent with this Article, DHS shall determine eligibility criteria  
21 for people to secure employment with the assistance of a bond under this Program. In no event shall a  
22 person be eligible for the Program unless the person has been convicted of a crime that is a  
23 felony or a misdemeanor involving violence, sex offenses, or child abuse or neglect.  
24 Notwithstanding the above, DHS may, at its discretion, determine that a person is eligible for the  
25 Program if the person has been convicted of a crime that is a misdemeanor involving violence, sex offenses,

1 person be eligible for a bond under this program unless an employer has made a job offer to that  
2 person and the person has a date scheduled to start work.

3 (b) Bond Amount. DHS shall establish guidelines that determine the appropriate bond  
4 amount for each employer, but in no instance shall a bond amount exceed \$25,000.00 per employee.  
5 DHS shall take into account the employer's reasonable estimation of the theft risk of the job.

6 (d) Record keeping and reporting requirements. DHS shall comply with all record keeping  
7 requirements of the Federal Bonding Program as may be updated from time to time. In addition, DHS  
8 shall prepare and submit bi-annual reports to the Board of Supervisors that shall include but not be  
9 limited to information on the following: outreach efforts to at-risk applicants; the number of bonds that  
10 the City purchases on behalf of at-risk applicants; the number of at-risk applicants assisted under the  
11 Program, and the number of employers that utilize the Program. The reports shall also inform the  
12 Board of Supervisors of administrative changes that DHS made to improve the program and if  
13 necessary, recommendations for legislative changes that will improve the program.

14 Section 20.326. LIMITATION OF LIABILITY. By adopting this Article, the City and County of  
15 San Francisco is assuming an undertaking only to promote the general welfare. It is not assuming, nor  
16 is it imposing on its officers and employees, an obligation for breach of which it is liable in money  
17 damages to any person who claims that such a breach proximately caused injury.

18 Section 20.327. SEVERABILITY. If any section, subsection, clause, phrase or portion of this  
19 Article is for any reason held invalid or unconstitutional by any court or federal or state agency of  
20 competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision  
21 and such holding shall not affect the validity of the remaining portions thereof.

1 APPROVED AS TO FORM:  
2 DENNIS J. HERRERA, City Attorney

3 By: \_\_\_\_\_  
4 JENNIFER WILLIAMS  
5 Deputy City Attorney  
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