

File No. 241130

Committee Item No. 18

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date December 4, 2024

Board of Supervisors Meeting Date _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Approved Grant Sole Source Waiver 10/31/2024</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Scope of Work</u>
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Completed by: Brent Jalipa Date November 26, 2024

Completed by: Brent Jalipa Date _____

1 [Sole Source Agreement - Retroactive - Low Income Investment Fund - Child Care Facilities
2 Fund and Technical Assistance - Not to Exceed \$67,715,789]

3 **Resolution retroactively approving a Sole Source Agreement between the City, acting**
4 **by and through the Department of Early Childhood (DEC), and Low Income Investment**
5 **Fund to administer the San Francisco Child Care Facilities Fund and Technical**
6 **Assistance for Early Care and Education facilities, for a term of two years from July 1,**
7 **2024, through June 30, 2026, and for a total not to exceed amount of \$67,715,789; and**
8 **to authorize DEC to enter into amendments or modifications to the Agreement that do**
9 **not materially increase the obligations or liabilities to the City and are necessary to**
10 **effectuate the purposes of the Agreement or this Resolution.**

11
12 WHEREAS, The City and County of San Francisco, wishes to provide Early Care and
13 Education Integrated Services by delivering subsidy administration and resource and referral
14 services; and

15 WHEREAS, Low Income Investment Fund ("Grantee") has been providing this Early
16 Care and Education Integrated Services for the City and County of San Francisco dating back
17 to 1998; and

18 WHEREAS, The Department of Early Childhood ("DEC") determined that the facilitation
19 of the creation, expansion, and renovation of high quality early education facilities and
20 environments for San Francisco children and families can only be accomplished by Low
21 Income Investment Fund; and

22 WHEREAS, DEC obtained a Grant Solicitation Waiver from the Grant Consensus
23 Committee to waive the competitive solicitation requirement of Section 21G of the
24 Administrative Code; and

1 WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors' approval by
2 Resolution of any contract which, when entered into, extends over 10 years, and of any
3 contract which, when entered into, costs the City \$10,000,000 or more; and

4 WHEREAS, The Agreement contained in File No. 241130, is substantially in final form,
5 with all material terms and conditions included, and only remains to be executed by the
6 parties upon approval of this Resolution; now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby retroactively approves the
8 Agreement in substantially the form contained in File No. 241130; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors authorizes DEC to make any
10 modifications to the Agreement, prior to its final execution by all parties, that DEC
11 determines, in consultation with the City Attorney, are consistent with this Resolution, in the
12 best interest of the City, do not materially increase the obligations or liabilities of the City, are
13 necessary or advisable to effectuate the purposes of the Agreement, and are in
14 compliance with all applicable laws, including City's Charter; and, be it

15 FURTHER RESOLVED, That within 30 days of the Agreement being fully
16 executed by all parties, DEC shall submit to the Clerk of the Board of Supervisors a
17 completely executed copy for inclusion in File No. 241130; this requirement and
18 obligation resides with the Department, and is for purposes of having a complete file only, and
19 in no manner affects the validity of approved Agreement.
20

21 Recommended:

22
23 /s/
24 Ingrid Mezquita
25 Executive Director
Department of Early Childhood

Item 18 File 24-1130	Department: Department of Early Childhood (DEC)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would retroactively approve a grant agreement between the Department of Early Childhood (DEC) and the Low Income Investment Fund (LIIF) to administer the San Francisco Child Care Facilities Fund and provide technical assistance, for a term of two years from July 1, 2024 to June 30, 2026, for a total amount not to exceed \$67,715,789. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> Under the proposed grant agreement, LIIF would continue to administer the Child Care Facilities Fund to provide grants and loans to childcare providers for capital projects. Projects can be both new childcare facilities and renovation of existing childcares facilities. LIIF would also provide technical assistance to childcare providers through training and resources about the development process, including design, permitting, and financing. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The proposed grant agreement would have an amount not to exceed \$67,715,789 over two years. Approximately 88 percent of projected expenditures would be used for direct grants and approximately 12 percent would be used for LIIF's internal costs, including approximately 13 FTEs. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> This grant was underspent by \$14,948,407 in FY 2022-23 and \$20,890,290 in FY 2023-24, and the Department is proposing a similar budget for the proposed grant agreement. The Board could consider a reduction of funds in the proposed grant or in the following grant cycle if the Department continues to underspend. The proposed grant will shift focus to funding childcare centers for 0-3 year olds as the State is funding childcare for 4-5 year olds. This shift in services may result in higher spending than the prior two-year grant. LIIF was selected on a sole-source basis by DEC, relying on a waiver from the Office of Contract Administration. In the past, the City used competitive solicitations to procure this service, and LIIF has been the only qualified proposer. The Board could consider requesting the Department undertake competitive solicitation in the next cycle of the grant agreement. Our review of the prior procurement found that the minimum qualifications were highly restrictive and may have limited the pool of qualified applicants. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND**Child Care Facilities Fund**

The City launched the Child Care Facilities Fund in 1998 with a mix of federal, state, and local funds to award as a grant to expand the quantity of licensed care options and increase the quality of childcare for families and children. The Child Care Facilities Fund was originally administered by the Human Services Agency (HSA) and is, as of 2022, administered by the Department of Early Childhood (DEC). The City has contracted with Low Income Investment Fund (LIIF), a non-profit, to manage the Child Care Facilities Fund and provide technical assistance since its inception in 1998. The program is designed to improve the facilities of licensed Early Childcare Education (ECE) facilities in San Francisco through funding and technical assistance. As of early 2024, there are approximately 1,000 San Francisco-based licensed ECE facilities of which 400 are Early Education Centers (center-based) and 600 are licensed Family Child Care (FCC) homes. LIIF serves as a centralized resource for providers to provide support for facility planning and construction. The prior grant agreement between DEC and LIIF was for a not-to-exceed amount of \$85,625,200 and a term of two years, which expired June 30, 2024 with no option to extend.

Sole Source Procurement

In the past, the City has gone through the competitive solicitation process for its contracts with LIIF but there historically have not been many applicants. In 2016, LIIF was the only vendor who submitted a proposal in response to a Request for Proposals (RFP). The following cycle, in 2022, there were two proposers – one proposer was determined to not meet the minimum requirements while LIIF did. In April 2024, DEC submitted a sole source waiver to waive competitive solicitation of the grant to the Office of Contract Administration (OCA) in April 2024 and OCA granted approval in October 2024. According to OCA's Director Sailaja Kurella, OCA's Grant Consensus Committee determined DEC met the requirements of Administrative Code 21G.8(b), as DEC demonstrated it had conducted a competitive solicitation process within the last five year and there was a lack of potential grantees.

The BLA reviewed the Request for Proposal (RFP) in 2022 which stated four main minimum qualifications. Together, these might be unnecessarily restrictive and contribute to the lack of nonprofit grantees. The qualifications were: (1) a minimum of three years of experience as a Community Development Financial Institution or financial intermediary; (2) a minimum of three years of experience providing capital projects and technical assistance to licensed ECE programs; (3) three years of experience in facilities development and financing; and (4) three years working with ECEs in San Francisco. Because the ECE permitting process is arduous in California, and

access to financing is such a structural issue for early learning providers, the RFP also identifies the need for a grantee to have a working knowledge about state childcare licensing requirements, San Francisco building and fire codes, and the ability to leverage other financing options for childcare operators. The proposer that did not meet the minimum qualifications in 2022 did not meet #1 or #2.

Underspending in Prior Grant Agreement

There was significant underspending under the prior grant agreement. In FY 2022-23 DEC had actual expenditures of 25,080,143 and \$14,948,407 in unspent funds. In FY 2023-24, DEC had actual expenditures of \$16,922,251 and \$20,890,290 in unspent funds. According to DEC's Executive Director Ingrid Mezquita, new development delays have contributed to the delays in construction of new childcare facilities in FY 2023-24. Unspent funds in the grant were returned to DEC's fund balance.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve a grant agreement between the Department of Early Childhood (DEC) and the Low Income Investment Fund (LIIF) to administer the San Francisco Child Care Facilities Fund and provide technical assistance, for a term of two years from July 1, 2024 to June 30, 2026, and for a total not-to-exceed amount of \$67,715,789, which includes a 3 percent contingency amount. The agreement would also authorize DEC to make necessary, non-material changes to the Grant Agreement before its execution in consultation with the City Attorney. Under the proposed grant agreement, LIIF would administer the Child Care Facilities Fund by providing grants and loans to childcare providers¹ for capital projects and technical assistance for facility development.

Child Care Facilities Fund

LIIF provides grants to childcare providers for construction projects, specifically for new facilities, facility renovation, expansion, and repair. LIIF also provides a small number of grants to childcare providers for outdoor play spaces. For the proposed grant, LIIF will set aside grants specifically for capital expansion and renovation for those facilities with the greatest unmet need, per DEC's Facility Needs Assessment conducted in 2023 that identified high-priority zip codes for underserved communities.

In FY 2023-24, LIIF distributed over \$13 million in direct grants to 91 childcare sites, with grants ranging from \$2,560 to \$2,548,516 each. DEC estimates that the proposed grant will distribute grants to 146 childcare facilities each year during FY 2024-25 and FY 2025-26.

¹ Providers include center-based providers and home-based providers.

Technical Assistance

LIIF provides technical assistance to educators in the form of training, resources, and one-on-one technical assistance related to a childcare facilities' development, including the feasibility analysis, planning, architecture and design, and permitting and construction process.

In FY 2023-24 LIIF provided 1078 hours of technical assistance support to 291 childcare sites. DEC estimates the proposed grant will provide technical assistance to 250 unique sites in FY 2024-26.

Performance Monitoring

LIIF will provide grants and technical assistance to center-based providers and home-based providers. The primary performance indicators are 1) the number of grants LIIF provides childcare providers for facilities expansion, renovation, and repair, and 2) the number of providers that receive technical assistance.² According to the most recent program monitoring report issued in June 2024, LIIF had met or was on track to meet most of its contractual service objectives. Under the proposed grant agreement, like the prior grant agreement, LIIF will be responsible for submitting regular quarterly reports and an annual report to DEC. The grantee's ability to meet ongoing performance targets will continue to be influenced by external factors, including economic conditions and City/State permitting timelines for the childcare facilities and any related housing or office developments.

In FY 2023-24, LIIF did not meet its goal to increase the number of spaces in center-based childcare providers for 0–3 year-olds (37 actual new facilities versus a target of 86) and 3-5 to year olds (50 actual new spaces versus a target of 182). In addition, no new spaces were in the top five high-needs zip codes; the grant had a goal of providing grants to at least half of the new center-based childcare facilities in priority zip codes. Going forward, LIIF and DEC are revising the project eligibility criteria for center-based childcare facilities due to reduced need of 150 new childcare spaces per year for 0–5 year-olds combined (a decrease from 268 per year in the current grant agreement). According to DEC's Executive Director Ingrid Mezquita, as the state of California rolls out universal Pre-K (ages 4-5) by FY 2025-26, DEC anticipates increased need for younger students, infants and toddlers (0–3 year-olds), whose costs are generally greater than Pre-K aged children.

Financial Condition

The Office of Economic and Workforce Development (OEWD) reviewed LIIF's core financial health and governance indicators as part of the FY 2022-23 Citywide Nonprofit Monitoring and Capacity Building Program. The review resulted in no findings, indicating the organization has good financial health.

² Appendix B of the Grant Agreement

FISCAL IMPACT

The proposed grant agreement would authorize the amount of \$67,715,789 over a two-year period, retroactive from July 1, 2024 through June 30, 2026. Exhibit 1 below summarizes the sources and uses of the proposed contract spending.

Exhibit 1: Estimated Sources and Uses of Funds

Sources	Year 1 (FY 2024-25)	Year 2 (FY 2025-26)	Total
CalWorks ³	\$692,325	\$692,325	\$1,384,650
Child Care Capital ⁴	\$2,500,000	\$2,500,000	\$5,000,000
Impact Fees ⁵	\$3,827,243	-	\$3,827,243
Prop C ⁶	\$27,762,860	\$27,768,731	\$55,531,591
Total Sources	\$34,782,428	\$30,961,056	\$65,743,484

Source: DEC

Uses	Year 1 (FY 2024-25)	Year 2 (FY 2025-26)	Total
Salaries & Benefits	\$1,795,490	\$1,849,016	\$3,644,506
Operating Expenses ⁷	\$304,413	\$303,746	\$608,159
Consultants	\$1,175,000	\$1,198,250	\$2,373,250
<i>Subtotal</i>	<i>\$3,274,903</i>	<i>\$3,351,012</i>	<i>\$6,625,915</i>
Indirect (approx 15%)	\$517,960	\$531,078	\$1,049,038
Passthrough (Grants)	\$30,989,565	\$27,078,966	\$58,068,531
Total Uses	\$34,782,428	\$30,961,056	\$65,743,484
Contingency (3%)	\$1,043,473	\$928,832	\$1,972,305
Total Not to Exceed	\$35,825,901	\$31,889,888	\$67,715,789

Source: Appendix B of the Grant Agreement.

As shown in Exhibit 1 above, in Year 1 approximately 89 percent of projected expenditures would be used for passthrough grants and approximately 11 percent would be used for LIIF's internal costs, including salaries and benefits for 12.8 full-time equivalent positions, operating expenses, consultants, and indirect costs. In Year 2, approximately 87 percent of projected expenditures would be used for passthrough grants while 13 percent would be used for internal costs.

³ CalWorks Capacity Building is federal money passed through Human Services Agency (HSA) to support availability of childcare slots for CalWorks eligible families.

⁴ The Child Care Capital fund is a special revenue fund derived from City development and designated for creation of new childcare sites.

⁵ Child Care Development Impact fees are fees charged to developers to ensure childcare slots are available in the impacted area.

⁶ Proposition C, also known as "Baby Prop C," is a commercial rent tax passed by San Francisco voters in June 2018 that allocated 85 percent of revenues to early childhood education and childcare programs and 15 percent of revenues to the City's General Fund.

⁷ Operating expenses include rent, information technology, training, travel, and office supplies.

The proposed grant would cost \$34,782,428 in the first year and \$30,961,056 in the second year, with 3 percent contingency funding. The bulk of the decrease from Year 1 to Year 2 is due to a slight decrease in Early Education Centers (center-based provider) grants.

Reduction in Funding

The prior grant agreement with LIIF included a budget of \$40.0 million in FY 2022-23 and \$37.8 million in FY 2023-24. The decrease in the proposed grant agreement (\$34.8 in FY 2024-25 and \$31.0 in FY 2025-26) is driven by reduction in Child Care Capital revenues and uncertainty regarding availability of Commercial Rent Tax (Proposition C) revenues applied to this grant agreement. These two revenue sources are driven by development and commercial leasing, respectively, and both activities have declined due to local economic conditions. The same economic drivers, i.e., a reduction in development and commercial leasing, impact the timing for development of new childcare sites. In addition, the prior grant agreement included a \$738,788 General Fund allocation, which was reduced as part of the Citywide savings request in FY 2022-23.

POLICY CONSIDERATION

Underspending

Though DEC's facilities development budget is based upon a childcare development pipeline, accessibility of financing and local economic and development conditions strongly influences project execution timelines. According to DEC, the pandemic and its impact on the local population, economy and access to funding has significantly altered the recent childcare development pipeline. This grant was underspent by \$14,948,407 in FY 2022-23 and \$20,890,290 in FY 2023-24, and the Department is proposing a similar budget for the proposed grant agreement. Although the proposed grant budget for FY 2024-25 is \$34,782,428, the past two years of spending on this service suggests that actual spending in FY 2024-25 will be closer to \$21,000,000. The proposed grant will shift focus to funding childcare centers for 0-3 year olds as the State is funding childcare for 4-5 year olds. This shift in services may result in higher spending than the prior two-year grant. LIIF has been able to scale up its spending from an average of \$3,600,000 over FY 2017-18 and FY 2018-19 to an average of \$21,000,000 over FY 2022-23 and FY 2023-24.

The Board could consider a reduction of funds in the proposed grant or in the following grant cycle if DEC continues to underspend this grant money. The grant is funded primarily by the fund balance generated through litigation around Proposition C, a tax on commercial rent (Proposition C), and per Business Tax & Regulations Code Article 21 Section 2112. Proposition C funds can be spent on other allowable uses, including childcare support for low-income families and teacher compensation for early childcare.⁸

⁸ Article 21 Section 2112 details the allowable expenditures of monies in the Babies and Families First Fund (Prop C).

Procurement

The Department submitted and received a sole source waiver from the Office of Contract Administration for this proposed grant agreement. Our review of the prior procurement found that the minimum qualifications were highly restrictive and may have limited the pool of qualified applicants. The Board could consider requesting DEC undertake a competitive solicitation in the next cycle of the grant agreement.

RECOMMENDATION

Approve the proposed resolution.

GRANT AGREEMENT

between

CITY AND COUNTY OF SAN FRANCISCO

and

LOW INCOME INVESTMENT FUND GRANT AGREEMENT ID #1000034323

THIS GRANT AGREEMENT (“Agreement”) is made as of **JULY 1, 2024**, in the City and County of San Francisco, State of California, by and between **LOW INCOME INVESTMENT FUND** (“Grantee”) and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (“City”) acting by and through the **DEPARTMENT OF EARLY CHILDHOOD** (“Department”),

RECITALS

WHEREAS, Grantee has applied to the Department for a grant to administer the San Francisco childcare facilities fund and provide technical assistance to Early Care and Education facilities as set forth in a grant plan; and

WHEREAS, Grantee was selected pursuant to San Francisco Administrative Code Section 21G.8 pursuant to grant solicitation waiver OCA issued on October 31, 2024 granted by the Office of Contract Administration; and

WHEREAS, the City’s **Board of Supervisors** approved this Agreement by **[insert resolution number]** on **[insert date of Board action]** in the amount of \$67,715,789 for the period commencing **July 1, 2024** and ending **June 30, 2026**; and

WHEREAS, City desires to provide such a grant on the terms and conditions set forth herein:

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Specific Terms. Unless the context otherwise requires, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

(a) “**ADA**” shall mean the Americans with Disabilities Act (including all rules and regulations thereunder) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

(b) “**Application Documents**” shall mean collectively: (i) the grant application submitted by Grantee, including all exhibits, schedules, appendices and attachments thereto; (ii) all documents, correspondence and other written materials submitted with respect to the grant application; and (iii) all amendments, modifications or supplements to any of the foregoing approved in writing by City.

- (c) “**Budget**” shall mean the budget attached hereto as part of Appendix B.
- (d) “**Charter**” shall mean the Charter of City.
- (e) “**Contractor**” shall have the meaning as “Grantee” if used in this Agreement, as certain City contracting requirements also apply to grants of the City of San Francisco.
- (f) “**Controller**” shall mean the Controller of City.
- (g) “**Eligible Expenses**” shall have the meaning set forth in Appendix A.
- (h) “**Event of Default**” shall have the meaning set forth in Section 11.1.
- (i) “**Fiscal Quarter**” shall mean each period of three (3) calendar months commencing on July 1, October 1, January 1 and April 1, respectively.
- (j) “**Fiscal Year**” shall mean each period of twelve (12) calendar months commencing on July 1 and ending on June 30 during which all or any portion of this Agreement is in effect.
- (k) “**Funding Request**” shall have the meaning set forth in Section 5.3(a).
- (l) “**Grant**” shall mean this Agreement.
- (m) “**Grant Funds**” shall mean any and all funds allocated or disbursed to Grantee under this Agreement.
- (n) “**Grant Plan**” shall have the meaning set forth in Appendix B..
- (o) “**Indemnified Parties**” shall mean: (i) City, including the Department and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.
- (p) “**Losses**” shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, judgments, fees, expenses and costs of whatsoever kind and nature (including legal fees and expenses and costs of investigation, of prosecuting or defending any Loss described above) whether or not such Loss be founded or unfounded, of whatsoever kind and nature.
- (q) “**Publication**” shall mean any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, web page, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Grant Plan or is paid for in whole or in part using Grant Funds.

1.2 Additional Terms. The terms “as directed,” “as required” or “as permitted” and similar terms shall refer to the direction, requirement, or permission of the Department. The terms “sufficient,” “necessary” or “proper” and similar terms shall mean sufficient, necessary or proper in the sole judgment of the Department. The terms “approval,” “acceptable” or “satisfactory” or similar terms shall mean approved by, or acceptable to, or satisfactory to the Department. The terms “include,” “included” or “including” and similar terms shall be deemed to be followed by the words “without limitation”. The use of the term “subcontractor,” “successor” or “assign” herein refers only to a subcontractor (“subgrantee”), successor or assign expressly permitted under Article 13.

1.3 References to this Agreement. References to this Agreement include: (a) any and all appendices, exhibits, schedules, attachments hereto; (b) any and all statutes, ordinances, regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 17.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as “hereunder,” herein or “hereto” refer to this Agreement as a whole.

ARTICLE 2

APPROPRIATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON CITY'S OBLIGATIONS

2.1 Risk of Non-Appropriation of Grant Funds. This Agreement is subject to the budget and fiscal provisions of the Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Grantee acknowledges that City budget decisions are subject to the discretion of its Mayor and Board of Supervisors. Grantee assumes all risk of possible non-appropriation or non-certification of funds, and such assumption is part of the consideration for this Agreement.

2.2 Certification of Controller. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

2.3 Automatic Termination for Nonappropriation of Funds. This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of any Fiscal Year if funds are not appropriated for the next succeeding Fiscal Year. If funds are appropriated for a portion of any Fiscal Year, this Agreement shall terminate, without penalty, liability or expense of any kind to City, at the end of such portion of the Fiscal Year.

2.4 SUPERSEDURE OF CONFLICTING PROVISIONS. IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

2.5 Maximum Costs. Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials, equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies provided by Grantee that are beyond the scope of the services, materials, equipment and supplies agreed upon herein and not approved by a written amendment to this Agreement lawfully executed by City. City and its employees and officers are not authorized to offer or promise to Grantee additional funding for this Agreement that exceeds the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein shall require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding which exceeds the maximum provided in this Agreement which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained. The Controller is not authorized to make payments on any agreement for which funds have not been certified as available in the budget or by supplemental appropriation.

ARTICLE 3 TERM

3.1 Effective Date. This Agreement shall become effective when the Controller has certified to the availability of funds as set forth in Section 2.2 and the Department has notified Grantee thereof in writing.

3.2 Duration of Term. The term of this Agreement shall commence on **JULY 1, 2024**, and expire on **JUNE 30, 2026**, unless earlier terminated as otherwise provided herein. Grantee shall not begin performance of its obligations under this Agreement until it receives written notice from City to proceed.

ARTICLE 4 IMPLEMENTATION OF GRANT PLAN

4.1 Implementation of Grant Plan; Cooperation with Monitoring. Grantee shall diligently and in good faith implement the Grant Plan on the terms and conditions set forth in this Agreement and, to the extent that they do not differ from this Agreement, the Application Documents. Grantee shall not materially change the nature or scope of the Grant Plan during the term of this Agreement without the prior written consent of City. Grantee shall promptly comply with all standards, specifications and formats of City, as they may from time to time exist, related to evaluation, planning and monitoring of the Grant Plan and shall cooperate in good faith with City in any evaluation, planning or monitoring activities conducted or authorized by City.

4.2 Qualified Personnel. The Grant Plan shall be implemented only by competent personnel under the direction and supervision of Grantee.

4.3 Ownership of Results. Any interest of Grantee or any subgrantee, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by Grantee or any subgrantee in connection with this Agreement or the implementation of the Grant Plan or the services to be performed under this Agreement, shall become the property of and be promptly transmitted to City. Notwithstanding the foregoing, Grantee may retain and use copies for reference and as documentation of its experience and capabilities.

4.4 Works for Hire. If, in connection with this Agreement or the implementation of the Grant Plan, Grantee or any subgrantee creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or Publications, such creations shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations shall be the property of City. If it is ever determined that any such creations are not works for hire under applicable law, Grantee hereby assigns all copyrights thereto to City, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of City, Grantee may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Grantee shall obtain all releases, assignments or other agreements from subgrantees or other persons or entities implementing the Grant Plan to ensure that City obtains the rights set forth in this Grant.

4.5 Publications and Work Product.

(a) Grantee understands and agrees that City has the right to review, approve, disapprove or conditionally approve, in its sole discretion, the work and property funded in whole or part with the Grant Funds, whether those elements are written, oral or in any other medium. Grantee has the burden of demonstrating to City that each element of work or property funded in whole or part with the Grant Funds

is directly and integrally related to the Grant Plan as approved by City. City shall have the sole and final discretion to determine whether Grantee has met this burden.

(b) Without limiting the obligations of Grantee set forth in subsection (a) above, Grantee shall submit to City for City's prior written approval any Publication, and Grantee shall not disseminate any such Publication unless and until it receives City's consent. In addition, Grantee shall submit to City for approval, if City so requests, any other program material or form that Grantee uses or proposes to use in furtherance of the Grant Plan, and Grantee shall promptly provide to City one copy of all such materials or forms within two (2) days following City's request. The City's approval of any material hereunder shall not be deemed an endorsement of, or agreement with, the contents of such material, and the City shall have no liability or responsibility for any such contents. The City reserves the right to disapprove any material covered by this section at any time, notwithstanding a prior approval by the City of such material. Grantee shall not charge for the use or distribution of any Publication funded all or in part with the Grant Funds, without first obtaining City's written consent, which City may give or withhold in its sole discretion.

(c) Grantee shall distribute any Publication solely within San Francisco, unless City otherwise gives its prior written consent, which City may give or withhold in its sole discretion. In addition, Grantee shall furnish any services funded in whole or part with the Grant Funds under this Agreement solely within San Francisco, unless City otherwise gives its prior written consent, which City may give or withhold in its sole discretion.

(d) City may disapprove any element of work or property funded in whole or part by the Grant Funds that City determines, in its sole discretion, has any of the following characteristics: is divisive or discriminatory; undermines the purpose of the Grant Plan; discourages otherwise qualified potential employees or volunteers or any clients from participating in activities covered under the Grant Plan; undermines the effective delivery of services to clients of Grantee; hinders the achievement of any other purpose of City in making the Grant under this Agreement; or violates any other provision of this Agreement or applicable law. If City disapproves any element of the Grant Plan as implemented, or requires any change to it, Grantee shall immediately eliminate the disapproved portions and make the required changes. If City disapproves any materials, activities or services provided by third parties, Grantee shall immediately cease using the materials and terminate the activities or services and shall, at City's request, require that Grantee obtain the return of materials from recipients or deliver such materials to City or destroy them.

(e) City has the right to monitor from time to time the administration by Grantee or any of its subcontractors of any programs or other work, including, without limitation, educational programs or trainings, funded in whole or part by the Grant Funds, to ensure that Grantee is performing such element of the Grant Plan, or causing such element of the Grant Plan to be performed, consistent with the terms and conditions of this Agreement.

(f) Grantee shall acknowledge City's funding under this Agreement in all Publications. Such acknowledgment shall conspicuously state that the activities are sponsored in whole or in part through a grant from the Department. Except as set forth in this subsection, Grantee shall not use the name of the Department or City (as a reference to the municipal corporation as opposed to location) in any Publication without prior written approval of City.

ARTICLE 5

USE AND DISBURSEMENT OF GRANT FUNDS

5.1 Maximum Amount of Grant Funds. In no event shall the amount of Grant Funds disbursed hereunder exceed **SIXTY-FIVE MILLION SEVEN HUNDRED FORTY-THREE THOUSAND**

FOUR HUNDRED EIGHTY-FOUR DOLLARS (\$65,743,484) in the period from **July 1, 2024** to **June 30, 2026**, plus any Contingency Funds authorized and certified by the Department.

In no event shall the Grant Contingency Funds disbursed hereunder exceed **ONE MILLION NINE HUNDRED SEVENTY-TWO THOUSAND THREE HUNDRED FIVE** Dollars (**\$1,972,305**) in the period from July 1, 2022 to June 30, 2024, pending availability of funding and subject to authorization by the Department and certified by the Controller's Office.

The maximum amount of Grant Funds and Contingency Funds disbursed hereunder shall not exceed **SIXTY-SEVEN MILLION SEVEN HUNDRED FIFTEEN THOUSAND SEVEN HUNDRED EIGHTY-NINE** Dollars (**\$67,715,789**) in the period from **July 1, 2024** to **June 30, 2026**.

Grantee understands that, of the maximum amount of funds stated under Section 5.1 of this Agreement:

The amount listed as the Grant Contingent Funds will not be available and may not be used in program budgets entered into the Department's online contract management system and/or attached to Appendix B of this Agreement without an approved budget modification by the Department. Grantee further understands that no payment of any portion of this contingency amount will be made unless and until such funds are certified as available by the Department.

Grantee agrees to fully comply with these laws, regulations, policies, and procedures.

5.2 Use of Grant Funds. Grantee shall use the Grant Funds only for Eligible Expenses as set forth in Appendix A and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Budget and shall obtain the prior approval of City before transferring expenditures from one line item to another within the Budget.

5.3 Disbursement Procedures. Grant Funds shall be disbursed to Grantee as follows:

(a) Grantee shall submit to the Department for approval, in the manner specified for notices pursuant to Article 15, a document (a "Funding Request") substantially in the form attached as Appendix C. Any unapproved Funding Requests shall be returned by the Department to Grantee with a brief explanation why the Funding Request was rejected. If any such rejection relates only to a portion of Eligible Expenses itemized in a Funding Request, the Department shall have no obligation to disburse any Grant Funds for any other Eligible Expenses itemized in such Funding Request unless and until Grantee submits a Funding Request that is in all respects acceptable to the Department.

(b) The Department shall make all disbursements of Grant Funds pursuant to this Section through electronic payment or by check payable to Grantee sent via U.S. mail in accordance with Article 15, unless the Department otherwise agrees in writing, in its sole discretion. For electronic payment, City vendors receiving new contracts, contract renewals, or contract extensions must sign up to receive electronic payments through the City's Automated Clearing House (ACH) payments service/provider. Electronic payments are processed every business day and are safe and secure. To sign up for electronic payments, visit www.sfgov.org/ach. The Department shall make disbursements of Grant Funds no more than once during each **MONTH**.

5.4 State or Federal Funds

(a) **Disallowance.** With respect to Grant Funds, if any, which are ultimately provided by the state or federal government, Grantee agrees that if Grantee claims or receives payment from City for an Eligible Expense, payment or reimbursement of which is later disallowed by the state or federal government, Grantee shall promptly refund the disallowed amount to City upon City's request. At its

option, City may offset all or any portion of the disallowed amount against any other payment due to Grantee hereunder or under any other Agreement. Any such offset with respect to a portion of the disallowed amount shall not release Grantee from Grantee's obligation hereunder to refund the remainder of the disallowed amount.

(b) **Grant Terms.** The funding for this Agreement is provided in full or in part by a Federal or State Grant to the City. As part of the terms of receiving the funds, the City is required to incorporate some of the terms into this Agreement and include certain reporting requirements. The incorporated terms and requirements are stated in Appendix F, "State/Federal Funding Terms."

5.5 Advance of Funds. Grantee shall be entitled to an advance payment in a quarterly amount (**or other agreed upon schedule**) approved by the Department for the current fiscal year. These funds shall be deemed payable to the Grantee upon execution of this Agreement, certification by the Controller and receipt by the Department of a Funding Request from Grantee. Any advance payment from the Department shall be returned in whole or in part, by Grantee upon request by the Department or at the Department's sole discretion deducted in whole or in part, by the Department from disbursements rendered to Grantee as described above.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Regular Reports. Grantee shall provide, in a prompt and timely manner, financial, operational and other reports, as requested by the Department, in form and substance satisfactory to the Department. Such reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages, to the maximum extent possible. The Grantee shall furnish the Department with Quarterly Reports describing its activities under this Grant Agreement and a year-end report in a format to be determined by the Department. Quarterly reports will include, but are not limited to a description of those reports described in Appendix G. Quarterly reports must be received by the Agency by the following dates for the previous calendar quarter: Quarter 1 report due April 30th; Quarter 2 report due July 31; Quarter 3 report due October 31; and Quarter 4 report due January 31.

6.2 Organizational Documents. If requested by City, Grantee shall provide to City the names of its current officers and directors and certified copies of its Articles of Incorporation and Bylaws as well as satisfactory evidence of the valid nonprofit status described in Section 8.1.

6.3 Notification of Defaults or Changes in Circumstances. Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and (b) any change of circumstances that would cause any of the representations and warranties contained in Article 8 to be false or misleading at any time during the term of this Agreement.

6.4 Financial Statements. Pursuant to San Francisco Administrative Code Section 67.32 and Controller requirements, if requested, within sixty (60) days following the end of each Fiscal Year, Grantee shall deliver to City an unaudited balance sheet and the related statement of income and cash flows for such Fiscal Year, all in reasonable detail acceptable to City, certified by an appropriate financial officer of Grantee as accurately presenting the financial position of Grantee. If requested by City, Grantee shall also deliver to City, no later than one hundred twenty (120) days following the end of any Fiscal Year, an audited balance sheet and the related statement of income and cash flows for such Fiscal Year, certified by a reputable accounting firm as accurately presenting the financial position of Grantee.

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of the Grant Plan and the matters funded in whole or in part with Grant Funds during the term of this

Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Eligible Expenses incurred and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later.

6.6 Inspection and Audit. Grantee shall make available to City, its employees and authorized representatives, during regular business hours all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by Grantee under Section 6.5. Grantee shall permit City, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of City pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.

6.7 Submitting False Claims Grantee shall at all times deal in good faith with the City, shall only submit a Funding Request to the City upon a good faith and honest determination that the funds sought are for Eligible Expenses under the Grant, and shall only use Grant Funds for payment of Eligible Expenses as set forth in Appendix A. Any Grantee who commits any of the following false acts shall be liable to the City for three times the amount of damages the City sustains because of the Grantee's act. A Grantee will be deemed to have submitted a false claim to the City if the Grantee: (a) knowingly presents or causes to be presented to an officer or employee of the City a false Funding Request; (b) knowingly disburses Grants Funds for expenses that are not Eligible Expenses; (c) knowingly makes, uses, or causes to be made or used a false record or statement to get a false Funding Request paid or approved by the City; (d) conspires to defraud the City by getting a false Funding Request allowed or paid by the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

6.8 Grantee's Board of Directors. Grantee shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in Grantee's bylaws and other governing documents and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Grantee's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Grantee of its obligations under this Agreement.

6.9. Compliance with Monitoring – Fiscal Requirements, Performance Assessment, Program Management and Technical Assistance.

(a) Through its Board of Directors, the Grantee shall, as determined by the Department, adopt and comply with all standards, specifications and formats related to project evaluation and planning, including, but not limited to the provisions of individual participant information, project information, data statistics, monitoring reports and monthly and/or quarterly activities conducted or authorized by the Department. The Grantee shall maintain accurate and complete records, reports and statistics necessary for the services under this Agreement and to facilitate planning, monitoring, and evaluation by the Department. Appropriate safeguards as determined by the Department shall be established by Grantee to protect the confidentiality of records and to minimize the possibility of theft, loss or destruction.

(b) Grantee shall comply with performance and management assessments and related activities conducted and notified to Grantee by the Department. Such activities which Grantee is required to attend

include quarterly meetings and technical assistance workshops held by the Department.

(c) Grantee shall comply with fiscal and compliance monitoring activities conducted and notified to Grantee by the Department. Grantee is responsible for the proper recording and expenditure of all funds received under the term of the Agreement and agrees to maintain full and complete documentation pertaining to these expenses.

6.10. Online Requirements. Grantee must utilize the Department's online and/or subsequent systems to submit funding requests, monthly invoices, and all reports. The executive director of Grantee may authorize other employees to use his or her digital signature to submit the documents referenced in this Section 6.10 on the executive director's behalf. Grantee must take all actions necessary to maintain the security of the digital signature to prevent its unauthorized use. All username/email addresses must add @sfgov.org to the Safe Senders List in their antispyam software settings.

ARTICLE 7 TAXES

7.1 Grantee to Pay All Taxes. Grantee shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Plan, the Grant Funds or any of the activities contemplated by this Agreement.

7.2 Use of City Real Property. If at any time this Agreement entitles Grantee to the possession, occupancy or use of City real property for private gain, the following provisions shall apply:

(a) Grantee, on behalf of itself and any subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Grantee, and any subgrantee, successor or assign, may be subject to the payment of such taxes.

(b) Grantee, on behalf of itself and any subgrantees, successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Grantee shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty (60) days after such assignment, transfer, renewal or extension.

(c) Grantee shall provide such other information as may be requested by City to enable City to comply with any reporting requirements under applicable law with respect to possessory interests.

7.3 Withholding. Grantee agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Grantee further acknowledges and agrees that City may withhold any payments due to Grantee under this Agreement if Grantee is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Grantee, without interest, upon Grantee coming back into compliance with its obligations.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants each of the following as of the date of this Agreement and at all times

throughout the term of this Agreement:

8.1 Organization; Authorization. Grantee is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed. Grantee has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such Section. Grantee has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.

8.2 Location. Grantee's operations, offices and headquarters are located at the address for notices set forth in Section 15. All aspects of the Grant Plan will be implemented at the geographic location(s), if any, specified in the Grant Plan.

8.3 No Misstatements. No document furnished or to be furnished by Grantee to City in connection with the Application Documents, this Agreement, any Funding Request or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

8.4 Conflict of Interest.

(a) Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

(b) Not more than one member of an immediate family serves or will serve as an officer, director or employee of Grantee, without the prior written consent of City. For purposes of this subsection, "immediate family" shall include husband, wife, domestic partners, brothers, sisters, children and parents (both legal parents and step-parents).

8.5 No Other Agreements with City. Except as expressly itemized in Appendix D, neither Grantee nor any of Grantee's affiliates, officers, directors or employees has any interest, however remote, in any other agreement with City including any commission, department or other subdivision thereof.

8.6 Subcontracts. Except as may be permitted under Section 13.3, Grantee has not entered into any agreement, arrangement or understanding with any other person or entity pursuant to which such person or entity will implement or assist in implementing all or any portion of the Grant Plan.

8.7 Eligibility to Receive Federal Funds. By executing this Agreement, Grantee certifies that Grantee is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Grantee acknowledges that this certification of eligibility to receive federal funds is a material term of the Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

9.1 Indemnification. Grantee shall indemnify, protect, defend and hold harmless each of the

Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party but shall exclude any Loss caused solely by the willful misconduct of the Indemnified Party. The foregoing indemnity shall include, without limitation, consultants and experts and related costs and City's costs of investigating any claims against the City.

9.2 Duty to Defend; Notice of Loss. Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 9.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

9.3 Incidental and Consequential Damages. Losses covered under this Article 9 shall include any and all incidental and consequential damages resulting in whole or in part from Grantee's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

9.4 LIMITATION ON LIABILITY OF CITY. CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS, THE GRANT PLAN OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 10 INSURANCE

10.1 Types and Amounts of Coverage. Without limiting Grantee's liability pursuant to Article 9, Grantee shall maintain in force, during the full term of this Agreement, insurance in the following amounts and coverages:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than one million dollars (\$1,000,000) each accident, injury, or illness.

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; policy must include Abuse and Molestation coverage, and

(c) Commercial Automobile Liability Insurance with limits not less than one million dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional liability insurance for negligent acts, errors or omission with respect to professional or technical services, if any, required in the performance of this Agreement with limits not less than one million dollars (\$1,000,000) each claim.

10.2 Additional Requirements for General and Automobile Coverage. Commercial General Liability and Commercial Automobile Liability insurance policies shall:

(a) Name as additional insured City and its officers, agents and employees.

(b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

10.3 Additional Requirements for All Policies. All policies shall be endorsed to provide at least thirty (30) days' advance written notice to City of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to City's address for notices pursuant to Article 15.

10.4 Required Post-Expiration Coverage. Should any of the insurance required hereunder be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the term hereof give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

10.5 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs. Should any of the insurance required hereunder be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

10.6 Evidence of Insurance. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City's request. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of

California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

10.7 Effect of Approval. Approval of any insurance by City shall not relieve or decrease the liability of Grantee hereunder.

10.8 Insurance for Subcontractors and Evidence of this Insurance. If a subcontractor will be used to complete any portion of this agreement, the grantee shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents, and employees and the grantee listed as additional insureds.

10.9 Worker's Compensation. The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation or warranty contained in this Agreement, in the Application Documents, in any Funding Request or in any other document submitted to City under this Agreement is found by City to be false or misleading.

(b) **Failure to Provide Insurance.** Grantee fails to provide or maintain in effect any policy of insurance required in Article 10.

(c) **Failure to Comply with Representations and Warranties or Applicable Laws.** Grantee fails to perform or breaches any of the terms or provisions of Article 8 or 16.

(d) **Failure to Perform Other Covenants.** Grantee fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by Grantee as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due.

(e) **Cross Default.** Grantee defaults under any other agreement between Grantee and City (after expiration of any grace period expressly stated in such agreement).

(f) **Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Grantee or of any substantial part of Grantee's property or (v) takes action for the purpose of any of the foregoing.

(g) **Involuntary Insolvency.** Without consent by Grantee, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Grantee or with respect to any substantial part of Grantee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage

of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Grantee.

11.2 Remedies upon Event of Default. Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to Grantee of the Event of Default and that, on the date specified in the notice, this Agreement shall terminate and all rights of Grantee hereunder shall be extinguished. In the sole discretion of the City, Grantee may be allowed ten (10) days to cure the default. In the event of termination for default, Grantee will be paid for Eligible Expenses in any Funding Request that was submitted and approved by City prior to the date of termination specified in such notice.

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder, regardless of whether Grantee has previously submitted a Funding Request or whether City has approved the disbursement of the Grant Funds requested in any Funding Request. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to Grantee after cure of applicable Events of Default, if granted by the City in its sole discretion, shall be disbursed without interest.

(c) **Offset.** City may offset against all or any portion of undisbursed Grant Funds hereunder or against any payments due to Grantee under any other agreement between Grantee and City the amount of any outstanding Loss incurred by any Indemnified Party, including any Loss incurred as a result of the Event of Default.

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

11.3 Termination for Convenience. City shall have the option, in its sole discretion, to terminate this Agreement at any time for convenience and without cause. City shall exercise this option by giving Grantee written notice that specifies the effective date of termination. Upon receipt of the notice of termination, Grantee shall undertake with diligence all necessary actions to effect the termination of this Agreement on the date specified by City and minimize the liability of Grantee and City to third parties. Such actions shall include, without limitation:

(a) Halting the performance of all work under this Agreement on the date(s) and in the manner specified by City;

(b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, services, equipment or other items; and

(c) Completing performance of any work that City designates to be completed prior to the date of termination specified by City.

In no event shall City be liable for costs incurred by Grantee or any of its subcontractors after the termination date specified by City, except for those costs incurred at the request of City pursuant to this section.

11.4 Remedies Nonexclusive. Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules

and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

12.1 Proprietary or Confidential Information of City. Grantee understands and acknowledges that, in the performance of this Agreement or in contemplation thereof, Grantee may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential information, the disclosure of which to third parties may be damaging to City. Grantee agrees that all information disclosed by City to Grantee shall be held in confidence and used only in the performance of this Agreement. Grantee shall exercise the same standard of care to protect such information as a reasonably prudent nonprofit entity would use to protect its own proprietary or confidential data.

12.2 Sunshine Ordinance. Grantee acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Grantee covered by Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request.

12.3 Financial Projections. Pursuant to San Francisco Administrative Code Section 67.32, Grantee agrees upon request to provide City with financial projections (including profit and loss figures) for the activities and/or projects contemplated by this Grant ("Project") and annual audited financial statements thereafter. Grantee agrees that all such projections and financial statements shall be public records that must be disclosed.

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

13.1 No Assignment by Grantee. Grantee shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement.

13.2 Agreement Made in Violation of this Article. Any agreement made in violation of Section 13.1 shall confer no rights on any person or entity and shall automatically be null and void.

13.3 Subcontracting. If Appendix E lists any permitted subgrantees, then notwithstanding any other provision of this Agreement to the contrary, Grantee shall have the right to subcontract on the terms set forth in this Section. If Appendix E is blank or specifies that there are no permitted subgrantees, then Grantee shall have no rights under this Section.

(a) **Limitations.** In no event shall Grantee subcontract or delegate the whole of the Grant Plan. Grantee may subcontract with any of the permitted subgrantees set forth on Appendix E without the prior consent of City; provided, however, that Grantee shall not thereby be relieved from any liability or obligation under this Agreement and, as between City and Grantee, Grantee shall be responsible for the acts, defaults and omissions of any subgrantee or its agents or employees as fully as if they were the acts, defaults or omissions of Grantee. Grantee shall ensure that its subgrantees comply with all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Grant Plan. All references herein to duties and obligations of Grantee shall be deemed to pertain also to all subgrantees to the extent applicable. A default by any subgrantee shall be deemed to be an Event of Default hereunder. Nothing contained in this Agreement shall create any contractual relationship between any subgrantee and City.

(b) **Terms of Subcontract.** Each subcontract shall be in form and substance acceptable to City and shall expressly provide that it may be assigned to City without the prior consent of the subgrantee. In addition, each subcontract shall incorporate all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Grant Plan. Without limiting the scope of the foregoing, each subcontract shall provide City, with respect to the subgrantee, the audit and inspection rights set forth in Section 6.6. Upon the request of City, Grantee shall promptly furnish to City true and correct copies of each subcontract permitted hereunder.

13.4 Grantee Retains Responsibility. Grantee shall remain liable for the performance by any assignee or subgrantee of all of the covenants terms and conditions contained in this Agreement.

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

14.1 Nature of Agreement. Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee implements the Grant Plan and uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.

14.2 Direction. Any terms in this Agreement referring to direction or instruction from the Department or City shall be construed as providing for direction as to policy and the result of Grantee's work only, and not as to the means by which such a result is obtained.

14.3 Consequences of Recharacterization.

(a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.

(b) Should a relevant taxing authority determine a liability for past services performed by Grantee for City, upon notification of such fact by City, Grantee shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Grantee under this Agreement (again, offsetting any amounts already paid by Grantee which can be applied as a credit against such liability).

(c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all other purposes of

this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS

15.1 Requirements. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and may be sent by U.S. mail or e-mail, and shall be addressed as follows:):

If to the Department or City: Department of Early Childhood
 1650 Mission St, Ste 312
 San Francisco, CA 94103
 Attn: Graham Dobson
 Email: graham.dobson@sfgov.org

If to Grantee: Low Income Investment Fund
 49 Stevenson Street, Suite 300
 San Francisco, CA 94105
 Attn: General Counsel
 Email: legal@liifund.org

Any notice of default must be sent by registered mail.

15.2 Effective Date. All communications sent in accordance with Section 15.1 shall become effective on the date of receipt

15.3 Change of Address. Any party hereto may designate a new address for purposes of this Article 15 by notice to the other party.

ARTICLE 16 COMPLIANCE

16.2 Reserved.

16.2 Nondiscrimination Requirements.

(a) Grantee shall comply with the provisions of San Francisco Labor and Employment Code Articles 131 and 132. Grantee shall incorporate by reference in all subcontracts the provisions of Sections 131.2(a), 131.2(c)-(k), and 132.3 of the San Francisco Labor and Employment Code and shall require all subcontractors to comply with such provisions. Grantee is subject to the enforcement and penalty provisions in Articles 131 and 132.

(b) **Nondiscrimination in the Provision of Employee Benefits.** San Francisco Labor and Employment Code Article 131.2 applies to this Agreement. Grantee does not as of the date of this

Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Labor and Employment Code Article 131.2.

16.3 Reserved.

16.4 Tropical Hardwood and Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

16.5 Drug-Free Workplace Policy. Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Grantee and its employees, agents or assigns shall comply with all terms and provisions of such Act and the rules and regulations promulgated thereunder.

16.6 Resource Conservation; Liquidated Damages. Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by Grantee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. If Grantee fails to comply in good faith with any of the provisions of Chapter 5, Grantee shall be liable for liquidated damages in an amount equal to Grantee's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to City upon demand and may be offset against any monies due to Grantee from any contract with City.

16.7 Compliance with ADA. Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with all or any portion of the Grant Plan and shall comply at all times with the provisions of the ADA.

16.8. Minimum Compensation Ordinance. Labor and Employment Code Article 111 applies to this Agreement. Grantee shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Grantee is subject to the enforcement and penalty provisions in Article 111. Information about and the text of Article 111 is available on the web at <http://sfgov.org/olse/mco>. Grantee is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Grantee certifies that it complies with Article 111.

16.9 Limitations on Contributions. By executing this Agreement, Grantee acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract;

each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10 % in Grantee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Grantee certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the grant and has provided the names of the persons required to be informed to the City department with whom it is contracting.

16.10 First Source Hiring Program. Contractor must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Agreement, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

16.11 Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity"). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this section. In the event Grantee violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

16.12 Preservative-treated Wood Containing Arsenic. Grantee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Grantee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Grantee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16.13 Working with Minors. In accordance with California Public Resources Code Section 5164, if Grantee, or any subgrantee, is providing services at a City park, playground, recreational center or beach, Contractor shall not hire, and shall prevent its subcontractors from hiring, any person for employment or a volunteer position in a position having supervisory or disciplinary authority over a minor if that person has been convicted of any offense listed in Public Resources Code Section 5164. In addition, if Grantee, or any subgrantee, is providing services to the City involving the supervision or discipline of minors or where Grantee, or any subgrantee, will be working with minors in an unaccompanied setting on more than an incidental or occasional basis, Grantee and any subgrantee shall comply with any and all applicable requirements under federal or state law mandating criminal history screening for such positions and/or prohibiting employment of certain persons including but not limited to California Penal Code Section

290.95. In the event of a conflict between this section and Section 16.16, "Consideration of Criminal History in Hiring and Employment Decisions," of this Agreement, this section shall control. Grantee shall expressly require any of its subgrantees with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subgrantee. Grantee acknowledges and agrees that failure by Grantee or any of its subgrantees to comply with any provision of this section of the Agreement shall constitute an Event of Default.

16.14 Protection of Private Information. Grantee has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Grantee agrees that any failure of Grantee to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against the Grantee pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Grantee.

16.15 Public Access to Meetings and Records. If Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

16.16 Consideration of Criminal History in Hiring and Employment Decisions.

(a) Grantee agrees to comply fully with and be bound by all of the provisions of Article 142, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Labor and Employment Code ("Article 142"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of Article 142 is available on the web at <http://sfgov.org/olse/fco>. Grantee is required to comply with all of the applicable provisions of Article 142, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Article 142.

(b) The requirements of Article 142 shall only apply to a Grantee's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Article 142 shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

16.17 Food Service Waste Reduction Requirements. Grantee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this

Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Grantee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Grantee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Grantee's failure to comply with this provision.

16.18 Reserved. Slavery Era Disclosure.

16.19 Distribution of Beverages and Water.

(a) **Sugar-Sweetened Beverage Prohibition.** Grantee agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

(b) **Packaged Water Prohibition.** Grantee agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.

16.20 Reserved.

16.21 Compliance with Other Laws.

(a) Without limiting the scope of any of the preceding sections of this Article 16, Grantee shall keep itself fully informed of City's Charter, codes, ordinances and regulations and all state, and federal laws, rules and regulations affecting the performance of this Agreement and shall at all times comply with such Charter codes, ordinances, and regulations rules and laws.

(b) Grantee represents that it is in good standing with the California Attorney General's Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Grantee shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City request, Grantee shall provide documentation demonstrating its compliance with applicable legal requirements. If Grantee will use any subcontractors/subgrantees/subrecipients to perform the Agreement, Grantee is responsible for ensuring they are also in compliance with the California Attorney General's Registry of Charitable Trusts at the time of grant execution and for the duration of the agreement. Any failure by Grantee or any subcontractors/subgrantees/subrecipients to remain in good standing with applicable requirements shall be a material breach of this Agreement.

ARTICLE 17 MISCELLANEOUS

17.1 No Waiver. No waiver by the Department or City of any default or breach of this Agreement shall be implied from any failure by the Department or City to take action on account of such default if such default persists or is repeated. No express waiver by the Department or City shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by City or the Department of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the Department or City of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

17.2 Modification. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

17.3 Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning or intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Department Head, as the case may be, of the Department who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.

17.4 Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

17.5 Headings. All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

17.6 Entire Agreement. This Agreement and the Application Documents set forth the entire Agreement between the parties and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:

- Appendix A, Definition of Eligible Expenses
- Appendix B, Definition of Grant Plan
- Appendix C, Form of Funding Request
- Appendix D, Interests in Other City Contracts
- Appendix E, Permitted Subgrantees
- Appendix F, State/Federal Funding Terms
- Appendix G, Department of Early Childhood Reporting Instructions

17.7 Certified Resolution of Signatory Authority. Upon request of City, Grantee shall deliver to City a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the secretary or assistant secretary of Grantee.

17.8 Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

17.9 Successors; No Third-Party Beneficiaries. Subject to the terms of Article 13, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 9, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

17.10 Survival of Terms. The obligations of Grantee and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement:

Section 4.3 Ownership of Results.

Section 6.4 Financial Statements.

Section 6.5	Books and Records.		Coverage.
Section 6.6	Inspection and Audit.	Article 12	Disclosure of Information and
Section 6.7	Submitting False Claims; Monetary Penalties		Documents
Article 7	Taxes	Section 13.4	Grantee Retains
Article 8	Representations and Warranties		Responsibility.
Article 9	Indemnification and General Liability	Section 14.3	Consequences of
			Recharacterization.
		This Article 17	Miscellaneous
Section 10.4	Required Post-Expiration		

17.11 Further Assurances. From and after the date of this Agreement, Grantee agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

17.12 Reserved. Dispute Resolution Procedure.

17.13 Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

17.14 MacBride Principles--Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this section.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first specified herein. The signatories to this Agreement warrant and represent that they have the authority to enter into this agreement on behalf of the respective parties and to bind them to the terms of this Agreement

CITY

GRANTEE

DEPARTMENT OF EARLY CHILDHOOD

LOW INCOME INVESTMENT FUND

By:

Ingrid X. Mezquita
Executive Director

By:

Kimberly Latimer-Nelligan
President

Federal Tax ID: 94-2952578
City Supplier ID: 0000016095

Approved as to Form:

David Chiu
City Attorney

By:

Valerie J. Lopez
Deputy City Attorney

Appendix A--Definition of Eligible Expenses

The term “Eligible Expenses” shall mean expenses incurred and paid by Grantee during the term of this Agreement in implementing the terms of the Grant Plan. The Department will determine if eligible expenses are allowable, reasonable, allocable, and are invoiced based on the proportional benefit received prior to reimbursement. The Department has adopted a modified version of the Controller’s Guidelines for Cost Categorization for Nonprofits Grants. The list below only shows general eligible expenses and may not be comprehensive. Please refer to the most current Department version of these guidelines for a detailed list of all eligible and ineligible expenses. **Please check with the lead Department program officer for further clarification or if an expense is not listed.**

General **eligible** direct expenses may include the following:

- Salaries of all program staff, supervisory staff, and support/clerical staff that work directly on programs (a time study or functional timesheet is required if a staff is funded by multiple sources).
- Fringe benefits such as FICA, SUI, health and medical benefits, and retirement benefits (benefits not required by city, state, and/or federal law must be pre-approved by the Department).
- Stipends for non-staff.
- Professional services and/or subcontracts (requires pre-approval by the Department).
- Materials and supplies used in the operation of the program (includes food for program participants).
- Facilities or occupancy costs associated with building space, rental/lease of space used to run the program, rent for main space and auxiliary space, and costs associated with facility upkeep and maintenance, including janitorial services.
- Portion of utilities used by the program.
- Equipment purchase, lease, and maintenance costs that directly benefit program participants (includes computers, information technology (IT) systems, furniture, ongoing or one-time lease, printers, photocopying equipment, and direct costs or percentage allocation of shared equipment used by the program).
- Transportation and travel costs used for direct staff for program purposes (includes mileage, vehicle rental, tolls, gas, air travel, and ground transportation). Out-of-town travel will need to be pre-approved by the Department. All related costs are subject to GSA per diem rates
- Staff development costs used to pay registration or attendance fees for direct staff to attend workshops or trainings aimed to build capacity for the program (all training costs must be pre-approved by the Department).
- Events and field trip costs directly related to the program.
- Incentives for program participants (gift cards, honoraria, and award for participants, speakers, and volunteers).
- Insurance (commercial general liability, auto, workers compensation, event insurance, and an allocation of program-specific or applicable agency-wide insurance costs).
- Professional licenses for staff, if required for program.
- Job posting and fingerprinting of staff, if required for program.

- Basic needs (items with nominal retail value purchased to support participants which may include diapers, wipes, formula, clothing, basic hygiene items, potty training equipment, breastfeeding supplies, and food).
- Barrier removal items for program participants.

General **eligible administrative/indirect** expenses may include the following (but may not be included as part of shared costs):

- A portion of administrative staff salaries and mandatory fringe benefits (executive director, financial officer, contract/compliance, other administrative, accounting, bookkeeping, payroll, human resources, IT).
- A portion of contractual services (audit fee, administrative IT systems, website).
- A portion of office supplies used by administrative staff or board meetings.
- A portion of rent and utilities used by administrative staff.
- A portion of equipment used by administrative staff.
- A portion of transportation expenses incurred by administrative staff.
- A portion of insurance fees required policies.
- A portion of staff development costs used to pay registration fees for staff to attend workshops or trainings aimed to build capacity for the agency overall.
- A portion of telecommunications costs for administrative staff.

The following are some expenses that are **ineligible for both direct and administrative/indirect expenses** under government funding:

- Facilities or occupancy costs such as property taxes, loans against own property, and security deposits.
- Mortgage principal or mortgage interest attributable to fully depreciated assets.
- Alcoholic beverages, sugar-sweetened beverages, bottled water, and tips/gratuities.
- Personal or business related costs or expenses not associated with program.
- Any costs or expenses which are prohibited under the terms and conditions of any federal or state grant supplying all or any portion of the Grant Funds.
- Parking/moving violations, penalties, late charges or interest on any late payments.
- Taxes or other amounts withheld from wages or salaries which have not actually been paid by Grantee during the term of this Agreement or which relate to periods before or after the term of this Agreement.
- Some capital expenses.
- Any and all fundraising expenses.
- Any and all political activity costs.

Appendix B - Definition of Grant Plan

The term “Grant Plan” shall mean the activities, performance measures and budget documents described in, or attached as, Appendix B.

See attached scope of work and budget.

Additionally, Grantee will participate in evaluation activities of activities funded by this grant. This will include, but not be limited to collection of data on funded activities and participants, analysis of data and reporting of findings. The data to be collected may include but not be limited to demographic information, service utilization information, measurement of outcomes associated with participation in funded activities. The data may be requested of clients, staff and other stakeholders of the funded activities. Grantee may be requested to participate in evaluation activities designed by the Department.

Grantee will also participate in an annual fiscal and compliance monitoring. This will include, but not be limited, to review of invoices and all corresponding back-up documentation, financial statements, audits, and policies and procedures. Grantees may be requested to provide more than two months of invoice documentation by the Department.

Scope of Work

The Child Care Facilities Funding & Technical Assistance (CCFF&TA) program is designed to preserve, improve and expand licensed Early Care and Education (ECE) facilities in San Francisco through the provision of focused technical assistance, funding, and system-wide improvements. The CCFF&TA program provides expertise and a centralized resource for ECE providers to access support for all things related to their facilities.

The CCFF&TA is a publicly funded grant program that include resources to provide expertise and facility-related support to Early Education Centers (centers) and Family Child Care (FCC) homes participating in the Department’s Early Learning For All initiative. This grant is focused on infant and toddler care, where demand has continued to grow. The program goal is to facilitate the creation, expansion, or renovation of high-quality early education environments for San Francisco children and families that specifically support the Citywide vision and goals of the Department.

The CCFF&TA program will provide grant and administrative support and technical assistance in the following service areas:

- Early Education Centers (centers)
- Family Child Care (FCC) homes

Department of Early Childhood Performance Measures Form 7/1/2024 - 6/30/2026	
Service: Provide DEC-network child care providers with facility feasibility, planning, architectural development, construction, acquisition and renovation consultation, and technical assistance services.	
Performance Measures	Annual
1. Number of centers that receive facility feasibility planning technical assistance.	20
2. Number of centers receiving architectural technical assistance.	20
3. Number of Centers receive construction technical assistance.	20
4. Number of Centers receive acquisition technical assistance.	10
5. Number of Centers receive renovation technical assistance.	10
6. Number of FCCs that receive facility feasibility planning technical assistance.	40
7. Number of FCCs receiving architectural technical assistance.	10
8. Number of FCCs receive construction technical assistance.	10
9. Number of FCCs receive site acquisition technical assistance.	10
10. Number of FCCs receive renovation technical assistance.	40
Service: Provide Pre-development, capital start-up, expansion and renovation, and repair grants, resulting in increased/retained 0-5 licensed capacity in under-served communities identified as having the greatest unmet need in the Facility Needs Assessment.	
Performance Measures	Annual
1. Number of Center predevelopment grants up to \$75,000	20
2. Number of Center Capital expansion grants up to \$1,000,000	20
3. Number of Center renovation and repair grants up to \$225,000	15
4. Number of Center start up grants up to \$175,000	20
5. Number of Center Infant Spaces Increase	100
6. Number of Center Infant Spaces Retained	150
9. Number of FCC renovation and repair grants	50
10. Number of FCCs accessing FCC Facility Acquisition Grant.	10
11. Number of FCC Infant Spaces Increased	64
12. Number of FCC Infant Spaces Retained	64
13. Number of FCC PreK Spaces Increased	32
14. Number of Center licensed spaces for 0–3 year-olds in increase	200
15. Number of Center licensed spaces for 3–5-year-olds increases	100
16. Percentage of new 0-5 licensed spaces supported by grant funds in under-served priority neighborhoods	100%
17. Number of PreK to Infant/Toddler classroom conversions thru grant program	20
Service: Provide Connecting Children with Nature grants to eligible Center and FCC applicants for natural outdoor environments.	
Performance Measures	Annual
1. Number of Center outdoor play spaces receiving Connecting Children with Nature grant funds up to \$200,000	5
2. Number of FCC outdoor play spaces receiving Connecting Children with Nature grant funds up to \$50,000	6
Service: Provide Center and FCC operators with access to zero- or low-interest recoverable grants to manage and budget for construction and/or renovation recoverable grant repayments.	
Performance Measures	Annual
1. Number 0% or low-interest recoverable grants to Centers up to \$50,000	5

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2. Number of 0% zero or low-interest recoverable grants to FCCs (including current recoverable grants) up to \$10,000	95
Service: Provide training, resources, linkages, and one-on-one technical assistance related to a facility project's development process, including feasibility analysis, capital planning, architecture and design, construction development, permit process, start-up, and facility maintenance.	
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1. Number of Center and FCC educators trained in facility development, business expansion, and other fiscal/operations training to improve business capacity.	200
2. Number of Centers and FCCs provided targeted individual fiscal and operations consultation or support for asset building.	15
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4. Number of FCC provided TA on financial/cost modeling based on group size, capacity, sources of funds, etc.	10
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Service: Provide annual reporting for all non-city resources, grant fund expenditures, and disaggregated demographics for grants issued by program type, provider type, and child enrollment profiles.	
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1. Percentage of financing leveraged from non-City sources each year.	25%
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Child Care Facilities Grant Estimated Budget for 2024-25 & 2025-26

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Directors/Managers	\$527,338	\$543,161
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Early Education Centers	\$450,000	\$463,500
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Passthrough (no indirect)		
Early Education Centers Grants	\$25,515,217	\$21,440,469
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Administrative/Indirect (approx. 15% of direct expenses)	\$517,960	\$531,078
Total Expenditures	\$34,782,428	\$30,961,056

Appendix C--Form of Funding Request

Grantee will use the Department's online contract management system or subsequent systems to submit funding requests. If the online contract management system is unavailable, there will be Department approved forms made available to the Grantee to submit funding requests. Information submitted on paper forms may be required to be resubmitted via the Department's online contract management system or subsequent systems.

Grantee is responsible for retention of all payroll records, receipts, invoices, and other forms documenting expenses for which reimbursement is requested under this grant. Grantee acknowledges failure to provide adequate documentation – as solely determined by the Department – of an eligible expense may result in denial of reimbursement for the expense in question.

Grantee certifies that:

- (a) The total amount of Grant Funds requested pursuant to this Funding Request will be used to pay Eligible Expenses, which Eligible Expenses are set forth on the attached budget form in Appendix B.
- (b) After giving effect to the disbursement requested pursuant to this Funding Request, the Grant Funds disbursed as of the date of this disbursement will not exceed the maximum amount set forth in Section 5.1.
- (c) The representations and warranties made in the Agreement are true and correct in all material respects as if made on the date hereof;
- (d) No Event of Default has occurred and is continuing; and
- (e) The undersigned is an officer of Grantee authorized to execute this Funding Request on behalf of Grantee.

Appendix D--Interests In Other City Contracts

City Department or Commission	Date of Contract	Amount of Contract
N/A	N/A	N/A

Appendix E - Permitted Subgrantees

None

Appendix F - State/Federal Funding Terms

I. State/Federal Required terms:

The Grantee must comply with terms set out in all articles as stated in this contract as well as any state or federal laws pertaining to each funding source disbursed hereunder. Paying particular attention to the following in relation to state and/or federal funding:

- Section 6.1 Regular Reports
- Section 6.9 Compliance with Monitoring
- Section 6.10 Online Requirements
- Appendix A Definition of Eligible Expenses
- Appendix B Definition of Grant Plan
- Appendix G Department of Early Childhood Reporting Instructions

II. Grant Components:

The City as the pass-through agency is responsible for, at the time of the grant award, to identify and provide to the subrecipient the federal award information listed below.

(1) Federal Award Identification.

- (i) Subrecipient name (which must match the name associated with its unique entity identifier);
- (ii) Subrecipient's unique entity identifier;
- (iii) Federal Award Identification Number (FAIN);
- (iv) Federal Award Date (see §200.39 Federal award date);
- (v) Subaward Period of Performance Start and End Date;
- (vi) Amount of Federal Funds Obligated by this action;
- (vii) Total Amount of Federal Funds Obligated to the subrecipient;
- (viii) Total Amount of the Federal Award;
- (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
- (xi) Assistance Listing (AL) Number, formerly known as the Catalog of Federal Domestic Assistance (CFDA) Number, and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the AL number at time of disbursement;
- (xii) Identification of whether the award is R&D; and

(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

III. – Reporting

The Federal Funding Accountability and Transparency Act (FFATA) requires information on federal awards be made available to the public via a single, searchable website www.USASpending.gov. As a prime grantee of federal awards, the City is required to comply with FFATA reporting requirements and report federal subawards made to subrecipients. This reporting is done using the subrecipient's unique numeric identifier, referred to as a "DUNS number". This DUNS number must be identified and available at the time of award.

IV. Affidavit:

The City must verify that the prospective subrecipient of federal awards is not suspended or debarred or otherwise excluded from participating in the transaction. This verification can be completed through the affidavit below.

By signing the Grant Agreement, Grantee certifies that Grantee is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Grantee acknowledges that this certification of eligibility to receive federal funds is a material term of the Agreement.

Appendix G - Department of Early Childhood (DEC) Reporting Instructions

Program Activity and Financial Reports provide DEC with a detailed and comprehensive description of the accomplishments and activities associated with its grant award.

The Commission requires quarterly reports, an annual report, and financial reports. The information presented in the quarterly reports should highlight the activities that have occurred in the most recent reporting period. The annual report should describe the activities of the last quarter and summarize and evaluate the activities of the whole year. Financial reports include monthly invoices, audited financials, and an annual fiscal assessment conducted by the Agency and/or City.

Quarterly reports should be submitted via the Agency's online contract management system or subsequent systems one month after the end of each quarter.

Quarterly Program Narrative Reports

Program Reporting

Using the scope of work that is part of your grant agreement, report whether the activities that were planned for each objective occurred within the anticipated time frames.

Describe whether the anticipated output objectives were met, not met, or exceeded.

Provide a narrative description of the activities that occurred to achieve the objectives of the grant agreement. Document your accomplishments with data where appropriate.

Describe circumstances that have contributed toward or hampered the performance of the grant activities or meeting the output objectives. If planned activities and outputs are not being achieved, describe corrective actions that will be taken to achieve the objectives of the grant.

Describe the impact or benefit of the activities produced with the grant funds. Describe the method used to assess the impact or benefit.

Provide copies of materials that publicized grant activities or otherwise demonstrate performance of grant activities. Describe how these materials were used.

Provide hard copies of program outreach materials or reports/analysis that would enhance understanding of program activities to Program Officer for grant. These materials can be forwarded to:

Graham Dobson
Department of Early Childhood (DEC)
1650 Mission St, Ste 312
San Francisco, CA 94103

Annual Program Activity Report

In the annual report, report on all the information requested in the quarterly reports. Provide information for the entire grant year, including the last quarter. In addition, respond to the additional information requested in this section.

Describe the findings of your evaluation activities, including lessons learned in the performance of the grant activities. Also:

- Describe immediate and long term impacts the grant activities had on the issue being addressed by the grant objectives.
- Describe any changes you would make in addressing this issue in future activities or efforts.
- Describe how these lessons will be incorporated into activities within your agency and, if appropriate, shared with other San Francisco agencies.

Describe any activities funded by this grant that will be continued following the end of the grant. Describe how the activities will be funded.

Financial Reporting

Reimbursement requests should be submitted via the Agency's online contract management system after the close of the Grantee's books each month. Grantees will need to demonstrate reimbursement requests align with the approved grant budget and if requested produce backup documentation.

DEC participates in the City and County of San Francisco's Citywide Fiscal and Compliance Nonprofit Monitoring program and adheres to its guidelines. Grantee will provide information as requested by Agency staff or other assigned fiscal monitor to demonstrate compliance with the guidelines.

Grant Solicitation Waiver Instructions

WHEN TO USE: For approval of grant solicitation waivers under [Administrative Code Section 21G.8](#), where:

- A competitive process is infeasible or impracticable
- A Public Purpose may reasonably be accomplished by one particular Grantee

Per the City Purchaser's Administrative Code Chapter 21G Rules and Regulations, this Waiver Form is **not required** for grants awarded in accordance with Administrative Code Sections:

- **21G.3(a)(1):** Grants to a governmental entity for programs, activities, or services that can be practically performed only by that particular entity
- **21G.3(a)(2):** Grants to a specific entity as required to comply with applicable law or contract, or as a result of the requirements of the funding source
- **21G.3(a)(3):** Grants made for improvement to property by a property owner
- **21G.8(c):** Grants to any of the four City-owned community cultural center

INSTRUCTIONS: Complete this Grant Solicitation Waiver Form to request approval to waive the competitive solicitation requirements under Administrative Code Section 21G.8. Provide specific and comprehensive information to justify why the requested grant should be awarded absent a solicitation. Attach appropriate/required supporting documentation.

The Grant Solicitation Waiver Form must be signed by the Granting Officer or their designee. The Solicitation Waiver must be fully approved before the department makes a commitment to the grantee, and before City funds are encumbered. If the Solicitation Waiver request is denied, the department must conduct a competitive process to select the grantee(s).

For extensions of Solicitation Waivers for a previously awarded sole source grant, attach a copy of all prior approved Solicitation Waivers or other sole source determinations by the relevant authority.

Submit Grant Solicitation Waiver Form for final approval as follows:

- **Granting Agencies under jurisdiction of a commission or board:** to the commission or board, recommending waiver of solicitation requirements for this grant award.
- **Granting Agencies with no board or commission:** to the Purchaser (oca@sfgov.org), who shall convene the Grant Consensus Committee¹ to review the request.

Once fully approved, upload this signed form, all supporting documentation, and commission, board, or Grant Consensus Committee final approval, as applicable, to PeopleSoft. Select the appropriate Purchasing Authority for the grant award in PeopleSoft.

¹ Representatives from the Controller's Office, Human Resources Department, Office of Contract Administration, and City Attorney's Office

Grant Solicitation Waiver Form

Department: Department of Early Childhood **Phone:** 628-652-3063
Dept. Contact: Matthew Ahn **Email:** MAhn@sfgov.org

Request: ☒ New ☐ Modification **Grantee:** Low Income Investment Fund (LIIF) **Supplier ID:** 0000016095

Short Description of Grant: To administer the San Francisco child care facilities fund and technical assistance.

Grant Amount: \$150,000,000 for requested 5

year grant --> **GRANT AMOUNT TO BE REDUCED COMMENSURATE WITH 2 YEAR GRANT**

(Attach itemized budget if available)

Grant Duration: 2 YEARS (reduced by Grant

Consensus Committee down from requested 5 year duration)

Anticipated Dates: 07/1/2024 -- 06/30/2029

To facilitate the creation, expansion, and renovation of high quality early education facilities and

Describe the Public Purpose to be fulfilled by this Grant: environments for San Francisco children and families.

Justification for Waiver of Competitive Solicitation Requirements

Check the appropriate solicitation waiver reason and address the questions listed. Attach additional supporting documentation as indicated and/or as necessary.

☐ **Competitive solicitation infeasible or impracticable**

- Is this grant required to respond to a public emergency or other exigent circumstances? ☐ Yes ☐ No
- If **YES**, provide a description of the public exigency or emergency, need for the sole source Grant and period of performance, and impact on the Public Purpose if the sole source Grant is not approved.
- If **NO**, grant is not required to respond to public emergency or other exigent circumstance:
 - Why is a competitive process infeasible or impracticable?
 - Why is this the only entity that can fulfill this Public Purpose? What does the entity offer that is essential to fulfilling the Public Purpose?
 - What steps were taken to verify that this is the only entity that can fulfill this Public Purpose? Has the department contacted other entities to evaluate their ability to fulfill the Public Purpose, and if so, describe the entities and explain why they cannot meet the department's needs.

☒ **Public Purpose may reasonably be accomplished by one particular Grantee**

- Why this is the only entity that can fulfill this Public Purpose? What the entity offers that is essential to fulfilling the Public Purpose?

Currently, there are approximately a thousand San Francisco-based licensed Early Childcare Education (ECE) facilities, of which, 400 are center-based and over 600 are licensed Family Child Care (FCC) homes. As the demand grows for licensed early learning programming in SF, so does the increase in the number of ECE programs requesting financing assistance to support facility development, and increase the number of child care spaces in the city. ECE providers lack the resources to fund new capital and historically depend on LIIF's ability to leverage public financing to gain the necessary resources for the development of facility funding and technical assistance for build-out and state-licensing requirements of child care spaces.

LIIF's Child Care Facilities Funding & Technical Assistance (CCFF&TA) program serves as a centralized resource for ECE providers to access support for all things related to facility development - pre-development, capital, start-up, and renovation/repair support - and has been providing these services for over 20 years. LIIF has demonstrated that it is the only agency qualified to perform this work. If this sole source grant is not approved, many San Francisco ECE

providers will lose the resources to expand early education access, resulting in SF families losing access to the essential ECE services they depend on. Many ECE agencies are currently working with LIIF on facility projects in the pipeline and will lose essential financial and TA support for crucial ongoing projects without LIIF's services.

- What steps were taken to verify that this is the only entity that can fulfill this Public Purpose? Has the department contacted other entities to evaluate their ability to fulfill the Public Purpose, and if so, describe the entities and explain why they cannot meet the department's needs.

LIIF is recognized as the sole national leader/expert in providing child care facility advisory, consulting, and technical support. They currently are contracted to provide ECE facility services in Washington DC, New York City, Harris County, Texas, Oregon, and soon in Alameda County. LIIF was the sole respondent to both the 2012 Early Care and Education System Supports and the 2016 Child Care Facilities Funding & Technical Assistance RFPs and was awarded the grants. In the most recent 2022 RFP solicitation, DEC received two proposals, but one proposer was determined to not meet the minimum qualifications. Mission Neighborhood Centers (MNC) lacked the necessary experience in serving as a Community Development Financial Institution (CDFI) and providing capital projects and facilities-related technical assistance to licensed ECE programs. LIIF submitted a responsive proposal that received a score of 89.3 out of 100 from an evaluation panel and was awarded the grant.

- Is this a recurring Grant to the same recipient? ☒ Yes ☐ No

- If **YES**: How long has this entity fulfilled this Public Purpose for the department?

LIIF has been providing this ECE type service dating back to 1998. However, due to the departmental changes throughout the years, I was only able to provide work orders dating back from 2009. I've also provided all the 2012/2016/2022 RFP documentation that reaffirms that Low Income Investment Fund is the only qualified Grantee to perform this work. Please note that both the 2012/2016/2022 CCFF & TA RFPs were procured under the Human Services Agency the creation of the Department of Early Childhood.

- Has department conducted a formal or informal competitive process within the last five years demonstrating lack of other potential Grantees, pursuant to Admin Code §21G.8(b). ☒ Yes ☐ No
- Solicitation document(s), result(s), and other supporting documentation attached? ☒ Yes ☐ No

Grant Solicitation Waiver request is recommended by:

Grants Officer (Dept Head) or Designee Name: Ingrid X. Mezquita

Grants Officer (Dept Head) or Designee Signature: Ingrid X. Mezquita Date: 04/22/2024

For departments without board or commission, this Waiver request is approved by:

OCA Director (on behalf of Grant Consensus Committee): _____ Date: 10/31/2024

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5. Number of Centers receive renovation technical assistance.	10
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8. Number of FCCs receive construction technical assistance.	10
9. Number of FCCs receive site acquisition technical assistance.	10
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November 13, 2024

To: Ms. Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco
401 Van Ness, Room 308
San Francisco, CA 94102

Re: Sole Source Retroactive Grant agreement with Low Income Investment Firm for the provision to provide the City's implementation of the San Francisco Citywide plan for Early Care and Education

Enclosed for the Board of Supervisors' consideration and approval, please find a resolution, which will authorize the sole source grant between the City and County of San Francisco and Low Income Investment Fund for the amount of \$67,715,789 for the period of July 1, 2024 to June 30, 2026.

The purpose of this grant agreement is to administer the San Francisco child care facilities fund and technical assistance and to facilitate the creation, expansion, and renovation of high quality early education facilities and environments for San Francisco children and families.

Because this action exceeds \$10,000,000, the Department is requesting approval from the Board of Supervisors in accordance with the Administrative Code.

Attached please find a copy of the proposed resolution. Please calendar this item for the earliest meeting possible, as this is a time sensitive matter. Please notify Ingrid Mezquita (415-437-4649 or ingrid.mezquita@sfgov.org), with the date of introduction and reach out with any further information.

Thank you for your assistance.

Sincerely,

Ingrid X. Mezquita
Ingrid X. Mezquita
Executive Director
Department of Early Childhood



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 241130

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Matthew Ahn	6286523063
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
DEC Department of Early Childhood	MAhn@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Low Income Investment Fund	TELEPHONE NUMBER 415-276-2900
STREET ADDRESS (including City, State and Zip Code) 49 Stevenson St., Suite 300 San Francisco, CA 94105	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 241130
DESCRIPTION OF AMOUNT OF CONTRACT \$67,715,789		
NATURE OF THE CONTRACT (Please describe) To administer the San Francisco child care facilities grant fund and technical assistance.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Nissenbaum	Daniel	CEO
2	Nelligan	Kimberly	Other Principal Officer
3	Mahendru	Panagiota	CFO
4	Ocanas	Reymundo	Board of Directors
5	Sager	Jessica	Board of Directors
6	Bruemmer	Russell	Board of Directors
7	Fitzgerald	Eileen	Board of Directors
8	Anadu	Margaret	Board of Directors
9	Black	Tawanna	Board of Directors
10	Fleming	David	Board of Directors
11	Gladney	Calvin	Board of Directors
12	Kelly	William	Board of Directors
13	Lee	Gloria	Board of Directors
14	Naughton	Carol	Board of Directors
15	Nelson	Dionne	Board of Directors
16	Poethig	Erika	Board of Directors
17	Quiroz	Yohana	Board of Directors
18	Solomon	Michael	Board of Directors
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board

From: [Trejo, Sara \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Low, Jen \(BOS\)](#); [Lam, Jenny \(DEC\)](#)
Subject: Mayor -- Resolution -- Low Income Investment Fund Agreement
Date: Tuesday, November 19, 2024 2:44:30 PM
Attachments: [Board of Supervisors Memo - Low Income Investment Fund.pdf](#)
[BOS Resolution Letter - Low Income Investment Fund.doc](#)
[Budget Summary - Low Income Investment Fund.pdf](#)
[Form 126 - Low Income Investment Fund.pdf](#)
[Grant Sole Source Waiver - Low Income Investment Fund APPROVED.pdf](#)
[Low Income Investment Fund 1000034737.pdf](#)
[Services to be Provided - Low Income Investment Fund.pdf](#)
[RE Department of Early Childhood BOS Packet - Low Income Investment Fund .msg](#)
[RE Department of Early Childhood BOS Packet - Low Income Investment Fund .msg](#)

Hello Clerks,

Attached is a Resolution retroactively approving a Sole Source Agreement between the City, acting by and through the Department of Early Childhood (DEC), and Low Income Investment Fund to administer the San Francisco Child Care Facilities Fund and Technical Assistance for Early Care and Education facilities, for a term of two years from July 1, 2024 to June 30, 2026, and for a total not to exceed amount of \$67,715,789; and to authorize DEC to make necessary, non-material changes to the Agreement before its execution.

Please note, Supervisor Melgar is a cosponsor of this item.

Best regards,

Sara Trejo

Legislative Aide

Office of the Mayor

City and County of San Francisco