

1 [San Francisco Bonding Program.]

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**Ordinance amending Chapter 30 of the San Francisco Administrative Code to add  
Article II thereto to create the San Francisco Bonding Program and to authorize the City  
to purchase bonds for employers who agree to hire hard-to-place employees.**

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Note: Additions are single-underline italics Times New Roman;  
deletions are ~~strikethrough italics Times New Roman~~.  
Board amendment additions are double underlined.  
Board amendment deletions are ~~strikethrough normal~~.

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

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Section 1. The San Francisco Administrative Code is hereby amended by adding a

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new Article II to Chapter 30, to read as follows:

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Article VIII - San Francisco Bonding Program.

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Sec. 20.32030.20. FINDINGS. The Board of Supervisors finds and declares the following:

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

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

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(c) There is a significant public interest in providing an incentive for prospective employers  
to grant job opportunities to people with these barriers who may be overlooked simply because of their  
histories.

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1            Section 20.32130.21. DEFINITIONS. For purposes of this Article only, the following  
2 definitions apply:

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

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

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

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

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

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

1           Section 20.32230.22. ESTABLISHMENT. A San Francisco Bonding Program ("Program") is  
2 hereby established. The San Francisco Department of Human Services ("DHS") Department of  
3 Economic and Workforce Development ("DEWD") shall administer the Program. DHSThe  
4 DEWD is authorized to enter into a Fidelity Bond Purchase Agreement with the Federal Bonding  
5 Program on behalf of the City. DHSThe DEWD shall provide bonds to prospective employers who  
6 agree to hire at-risk applicants consistent with the rules and regulations of the Federal Bonding  
7 Program.

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9           Section 20.32330.23. PURPOSE. The purpose of the Program is to provide free bonds to  
10 employers as an incentive for the employer to hire at-risk applicants and to protect the employer  
11 against acts of dishonesty.

12           Section 20.32430.24. OUTREACH REQUIREMENTS.

13           Consistent with the requirements under this Article, DHS and the San Francisco Human  
14 Rights Commission, the Department of Economic and Workforce Development, other City  
15 departments, and City-funded organizations implementing workforce development services  
16 shall inform potential at-risk job applicants seeking services within from those agencies of the bonding  
17 opportunities through the San Francisco Bonding Program and shall provide contact and location  
18 information of the Program to those individuals. In addition, the San Francisco Office of the District  
19 Attorney, the San Francisco Office of the Public Defender, the San Francisco Juvenile Probation  
20 Department, the San Francisco Adult Probation Department, and the San Francisco Sheriff's  
21 Department shall provide the same information to potential at-risk job applicants exiting the criminal  
22 justice system.

1           Section 20.32530.25. POWERS AND DUTIES. DHSThe DEWD shall have all of the powers  
2 and duties necessary to administer the Program consistent with the Federal Bonding Program. In  
3 addition, DHSthe DEWD shall have the following powers and duties:

4           (a) Eligibility Criteria. Consistent with this Article, DHSthe DEWD shall determine  
5 eligibility criteria for people to secure employment with the assistance of a bond under this Program.  
6 In no event shall a person be eligible for a bond under this program unless an employer has made a job  
7 offer to that person and the person has a date scheduled to start work.

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

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

21           Section 20.32630.26. LIMITATION OF LIABILITY. By adopting this Article, the City and  
22 County of San Francisco is assuming an undertaking only to promote the general welfare. It is not  
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1 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable  
2 in money damages to any person who claims that such a breach proximately caused injury.

3 Section 20.32730.27. SEVERABILITY. If any section, subsection, clause, phrase or portion of  
4 this Article is for any reason held invalid or unconstitutional by any court or federal or state agency of  
5 competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision  
6 and such holding shall not affect the validity of the remaining portions thereof.  
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9 APPROVED AS TO FORM:  
10 DENNIS J. HERRERA, City Attorney

11 By: \_\_\_\_\_  
12 JENNIFER WILLIAMS  
13 Deputy City Attorney  
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