

File No. 220930

Committee Item No. 1

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date October 5, 2022

Board of Supervisors Meeting Date \_\_\_\_\_

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Completed by: Brent Jalipa Date September 29, 2022

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Grant Agreement - Retroactive - Low Income Investment Fund - San Francisco Child Care  
2 Facilities Fund and Technical Assistance - Not to Exceed \$91,466,252]

3 **Resolution retroactively approving the grant agreement between the City and County of**  
4 **San Francisco and Low Income Investment Fund for the provision to administer the**  
5 **San Francisco Child Care Facilities Fund and technical assistance for the period of**  
6 **July 1, 2022, through June 30, 2024, in an amount not to exceed \$91,466,252.**

7  
8 WHEREAS, The City and County of San Francisco, wishes to provide child care  
9 facilities fund and technical assistance; and

10 WHEREAS, The Office of Early Care and Education (“OECE”), under the auspices of  
11 the Human Services Agency, conducted a Request for Proposals for these services in  
12 February 2022; and

13 WHEREAS, Low Income Investment Fund submitted a responsive and responsible  
14 proposal and was awarded the grant in April 2022, in an amount not to exceed \$91,466,252;  
15 and

16 WHEREAS, The Human Services Agency Commission approved the Low Income  
17 Investment Fund grant agreement at its meeting of July 28, 2022; and

18 WHEREAS, It is anticipated that legislation will be introduced at the Board of  
19 Supervisors in September 2022, to consolidate the Office of Early Care and Education with  
20 the First Five Commission, resulting in a new Department that will succeed the OECE  
21 (“Successor Agency”); and

22 WHEREAS, Upon its establishment, the Successor Agency is expected to assume  
23 responsibility for contracts and grants that had previously been overseen by OECE; now,  
24 therefore, be it

25

1 RESOLVED, That the Board of Supervisors hereby approves award of this grant with  
2 Low Income Investment Fund to provide child care facilities fund and technical assistance , for  
3 the period of July 1, 2022, through June 30, 2024, in the amount of \$91,466,252; and, be it

4 FURTHER RESOLVED, That within thirty (30) days of the grant agreement being fully  
5 executed by all parties, the OECE or the Successor Agency shall provide the final grant to the  
6 Clerk of the Board for inclusion into the official file.

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8 APPROVED:

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10 /s/ \_\_\_\_\_

11 Trent Rhorer  
12 Executive Director, Human Services Agency

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<p><b>Item 1</b> <b>File 22-0930</b></p>	<p><b>Department:</b> Department of Early Childhood (DEC)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• 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 the period of July 2022 through June 2024, in an amount not to exceed \$91,466,252.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• In February 2022, DEC conducted a Request for Proposals (RFP) to administer the Child Care Facilities Fund and provide technical assistance. In April 2022, LIIF, which has provided similar services since the creation of the Child Care Facilities Fund in 1998, submitted the only responsive and responsible proposal that met the minimum requirements and was awarded a grant. In July 2022, the HSA Commission approved the grant agreement.</li> <li>• Under the proposed grant agreement, LIIF would administer the San Francisco Child Care Facilities Fund to provide grants and loans to childcare providers for capital projects. Projects may either be new childcare facilities or expansions of existing facilities. The program provides funding to both family home-based facilities and early education centers. LIIF would provide technical assistance to childcare providers through trainings and resources about the development process, project management, assistance with financing and grant-leveraging, consultation regarding fiscal and operating issues to licensed centers, guidance on facility and environmental design, individualized business technical assistance, and coordination with DEC for City-sponsored trainings.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The proposed grant agreement would have an amount not to exceed \$91,466,252 over the two-year term. Approximately 91 percent of projected expenditures would be used for capital project grants and loans and approximately nine percent would be used for LIIF’s internal costs. Based on projected expenditures and to allow for a 10 percent contingency, the Budget and Legislative Analyst recommends reducing the not-to-exceed amount of the grant agreement by \$5,741,052, for a total not to exceed \$85,625,200.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Amend the proposed resolution to reduce the not-to-exceed amount to \$85,625,200.</li> <li>• Approve the resolution as amended.</li> </ul>	

## 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

In 1998, the City, in partnership with private donors, launched the Child Care Facilities Fund to expand licensed childcare capacity in San Francisco. The Child Care Facilities Fund was previously administered by the Office of Early Care and Education in the Human Services Agency (HSA) and is now administered by the Department of Early Childhood (DEC). As of February 2022, there were over 1,000 licensed early childcare and education facilities in San Francisco, including 400 center-based facilities and 600 family home-based facilities.

The existing grant agreement between HSA and the Low Income Investment Fund (LIIF), which has administered the Child Care Facilities Fund since 1998, expired in June 2022. The existing agreement was for a five-year term and a not-to-exceed amount of \$61,034,611.

### Selection Process

In February 2022, DEC conducted a Request for Proposals (RFP) to administer the Child Care Facilities Fund and provide technical assistance to childcare providers. In April 2022, DEC received two proposals, but one proposer was determined to not meet the minimum requirements. LIIF submitted a responsive and responsible proposal that received a score of 89.3 out of 100 from a three-member evaluation panel and was awarded a grant. In July 2022, the HSA Commission approved the grant agreement with LIIF.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a grant agreement between DEC and LIIF to administer the San Francisco Child Care Facilities Fund and provide technical assistance, for the period of July 2022 through June 2024, in an amount not to exceed \$91,466,252. According to Michael De Leon, DEC Senior Contracts Analyst, approval is retroactive because of delays in negotiating the agreement with LIIF and the legislation to establish DEC as an independent department, which was approved in September 2022 (File 22-0808).

Under the proposed grant agreement, LIIF would administer the San Francisco Child Care Facilities Fund to provide grants and loans to childcare providers for capital projects.<sup>1</sup> Projects may either be new childcare facilities or expansions of existing facilities. LIIF may also administer interest-free loans up to \$50,000, which according to DEC Senior Contract Analyst De Leon, are typically distributed through the Revolving Loan Fund using funding that was not spent on grants. DEC and LIIF prioritize providing grants over loans.

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<sup>1</sup> Childcare providers include licensed providers who offer care in their home as well as licensed early childcare centers.

**Technical Assistance**

LIIF would also provide technical assistance to childcare providers through trainings and resources about the development process, project management, assistance with financing and grant-leveraging, consultation regarding fiscal and operating issues to licensed centers, guidance on facility and environmental design, individualized business technical assistance, and coordination with DEC for City-sponsored trainings. In addition, LIIF would conduct a San Francisco Early Care and Education Facility Needs Assessment within the two-year grant period with a detailed analysis of the citywide supply and demand by neighborhood, with bi-annual updates.

**Capital Funding Grants & Facility Selection**

The proposed grant includes \$70.8 million in capital funding grants for early childcare providers, for start-up, pre-development, expansion, and renovation costs. According to Graham Dobson, DEC Senior Policy Analyst, childcare providers apply to LIIF for grants, which are then evaluated by Child Care Facilities Interagency Committee<sup>2</sup> and approved by DEC. Childcare providers may receive grants for up to \$2,000,000 for non-profit providers and \$500,000 for for-profit providers for capital projects, up to \$100,000 for non-profit providers and \$25,000 for for-profit providers for pre-development work, up to \$3,500 per new childcare space for start-up costs, and up to \$300,000 for non-profit providers and \$100,000 for for-profit providers for renovations and repairs. Unlimited grants may be provided to non-profit providers located within 100 percent affordable housing developments. Eligible providers must have been approved by DEC for the Early-Learning SF (ELS) City-funded network. Priority consideration is given to facilities located within housing developments (such as HOPE SF), facilities that serve children 0-3 years old, and facilities that serve low- to moderate-income families.

**Revolving Loans**

As part of the agreement, LIIF also administers the Revolving Loan Fund, which was established during the COVID-19 pandemic with \$6 million in funding from Proposition C<sup>3</sup> to provide zero-interest loans to childcare facilities to prevent closures. The loans are repaid over a five-year period and any existing funds may be redistributed through future loans to support childcare facilities as needed. Loans would be used to fund expenditures that cannot be funded by the grant program that will be developed by LIIF.

**Contractor Performance**

Under the grant agreement, LIIF would be required to submit quarterly and annual reports showing progress towards achieving various service and outcome objectives for the program,

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<sup>2</sup> The Child Care Facilities Interagency Committee includes Mayor's Office of Housing & Community Development, Office of Early Care and Education, Office of Community Investment & Infrastructure, the Planning Department, and staffed by LIIF.

<sup>3</sup> 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. Proposition C revenues were withheld until April 2021 due to litigation challenging the validity of the tax.

including providing grants to increase or retain 400 spaces in childcare centers and 200 spaces in home-based providers each year.

The most recent program monitoring report, issued in April 2022, showed that LIIF had met or was on track to meet all target objectives.

## FISCAL IMPACT

The proposed grant agreement would have an amount not to exceed \$91,466,252 over the two-year term. DEC anticipates that approximately 73 percent of expenditures would be within the Early Education Centers Program and approximately 27 percent of expenditures would be within the Family Child Care program. As discussed below, we recommend amending the proposed resolution to reduce the not-to-exceed amount to \$85,625,200 to be consistent with the grant budget, as shown in Exhibit 1 below.

### Exhibit 1: Estimated Sources and Uses of Funds

Sources	Year 1 (FY 2022-23)	Year 2 (FY 2023-24)	Total
General Fund	\$369,394	\$369,394	\$738,788
CalWorks	692,325	692,325	1,384,650
Child Care Capital Fund	7,714,301	5,000,000	12,714,301
Development Impact Fees	1,252,530	1,750,822	3,003,352
Proposition C <sup>4</sup>	30,000,000	30,000,000	64,357,114
<b>Total Sources</b>	<b>\$40,028,550</b>	<b>\$37,812,541</b>	<b>\$77,841,091</b>

Uses	Year 1 (FY 2022-23)	Year 2 (FY 2023-24)	Total
Salaries & Benefits	\$1,665,256	\$1,715,214	\$3,380,470
Operating Expenses <sup>5</sup>	1,386,473	1,359,921	2,746,394
<i>Subtotal</i>	<i>\$3,051,729</i>	<i>\$3,075,135</i>	<i>\$6,126,864</i>
Indirect Cost (15%) <sup>6</sup>	457,759	461,270	919,030
Capital Expenditures	36,519,061	34,276,135	70,795,196
<b>Total Uses</b>	<b>\$40,028,550</b>	<b>\$37,812,541</b>	<b>\$77,841,091</b>
Contingency (10%)	4,002,855	3,781,254	7,784,109
<b>Total Not to Exceed</b>	<b>\$44,031,405</b>	<b>\$41,593,795</b>	<b>\$85,625,200</b>

Source: DEC. Totals may not add due to rounding.

As shown in Exhibit 1 above, approximately 91 percent of projected expenditures would be used for direct capital projects and approximately nine percent would be used for LIIF's internal costs, including salaries and benefits for 12.55 full-time equivalent positions, operating expenses, and indirect costs. The budget also includes a 10 percent contingency to account for unanticipated expenditures, which would be funded by available sources at the time, if needed.

<sup>4</sup> 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. Proposition C revenues were withheld until April 2021 due to litigation challenging the validity of the tax.

<sup>5</sup> Operating expenses include rent, office costs, human resources, information technology, management, training, travel, and consultant services.

<sup>6</sup> Indirect costs include back-office support and overhead costs.

**Budget Increase**

The proposed budget of \$40.0 million for FY 2022-23 is approximately \$28.4 million greater than the FY 2021-22 budget of \$11.6 million under the prior agreement, largely due to increases in capital expenditures as well as increases in salaries and benefits and operating expenses. According to DEC, increases are due to Proposition C funding that is now available, as well as increased labor and operating costs.

**Revolving Loan Funds**

According to Senior Contracts Analyst De Leon, the grant agreement budget originally included revolving loan funds that should not have been included within the resolution's not-to-exceed amount. As noted above, loans will be funded from unspent monies of the capital budget of the grant agreement. Therefore, the Budget and Legislative Analyst recommends amending the proposed resolution to reduce the not-to-exceed amount of the grant agreement by \$5,841,053, for a total not to exceed \$85,625,200.

**RECOMMENDATIONS**

1. Amend the proposed resolution to reduce the not-to-exceed amount of the grant agreement to \$85,625,200.
2. Approve the resolution, as amended.



**GRANT AGREEMENT**

between

CITY AND COUNTY OF SAN FRANCISCO

and

**LOW INCOME INVESTMENT FUND**

**Grant ID:**

**THIS GRANT AGREEMENT** (“Agreement”) is made as of **July 1, 2022**, in the City and County of San Francisco, State of California, by and between **LOW INCOME INVESTMENT FUND, 49 Stevenson St., Suite 300, San Francisco, CA 94105** (“Grantee”) and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (“City”) acting by and through the **Human Services Agency** (“Department”),

**RECITALS**

**WHEREAS**, Grantee has applied to the Department for a grant to fund the matters set forth in a grant plan; and summarized briefly as follows:

**To administer the San Francisco child care facilities fund and technical assistance** and

**WHEREAS**, the City’s Board of Supervisors approved this Agreement by [insert resolution number] on [insert date of Board action]; and:

**WHEREAS**, the Grant is funded with Federal dollars, CFDA # \_\_\_\_\_; [**Insert CFDA number**] 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, 2022** and expire on **June 30, 2024**, 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 Grantee's Personnel.**

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

(b) **Grantor Vaccination Policy.**

1. Grantee acknowledges that it has read the requirements of the 38th Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency (“Emergency Declaration”), dated February 25, 2020, and the Contractor Vaccination Policy for City Contractors and Grantees issued by the City Administrator (“Contractor Vaccination Policy”), as those documents may be amended from time to time. A copy of the Contractor Vaccination Policy can be found at: <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors>.

2. A Contract or Grant subject to the Emergency Declaration is an agreement between the City and any other entity or individual and any subcontract under such agreement, where Covered Employees of the Contractor/Grantee or Subcontractor work in-person with City employees in connection with the work or services performed under the agreement at a City owned, leased, or controlled facility. Such agreements include, but are not limited to, professional services contracts, general services contracts, public works contracts, and grants. Contract or Grant includes such agreements currently in place or entered into during the term of the Emergency Declaration. Contract or Grant does not include an agreement with a state or federal governmental entity or agreements that do not involve the City paying or receiving funds.

3. In accordance with the Contractor Vaccination Policy, Grantee agrees that:

(i) Where applicable, Grantee shall ensure it complies with the requirements of the Contractor Vaccination Policy pertaining to Covered Employees, as they are defined under the Emergency Declaration and the Contractor Vaccination Policy, and insure such Covered Employees are either fully vaccinated for COVID-19 or obtain from Grantee an exemption based on medical or religious grounds; and

(ii) If Grantee grants Covered Employees an exemption based on medical or religious grounds, Grantee will promptly notify City by completing and submitting the Covered Employees Granted Exemptions Form (“Exemptions Form”), which can be found at <https://sf.gov/confirm-vaccine-status-your-employees-and-subcontractors> (navigate to “Exemptions” to download the form).

**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.**

The amount of the Grant Funds disbursed hereunder shall not exceed **Eighty-Three Million, One Hundred Fifty-One Thousand, One Hundred Thirty-Eight Dollars (\$83,151,138)** for the period from **July 1, 2022 to June 30, 2024, plus any contingent amount authorized by City and certified as available by the Controller.**

**Contingent amount:** Up to **Eight Million, Three Hundred Fifteen Thousand, One Hundred Fourteen Dollars (\$8,315,114)** for the period from **July 1, 2022 to June 30, 2024 (Y2), may be available, in the City's sole discretion as a contingency but only subject to written authorization by the City and if monies are certified as available by the Controller.**

The maximum amount of Grant Funds disbursed hereunder shall not exceed **Ninety-One Million, Four Hundred Sixty-Six Thousand, Two Hundred Fifty-Two Dollars (\$91,466,252)** for the period from **July 1, 2022 to June 30, 2024 (Y1-Y2)**.

Grantee understands that the maximum amount of Grant Funds disbursement identified above in Section 5.1 of this Agreement, includes the amount shown as the contingent amount and may not to be used in Program Budget(s) attached to this Agreement as Appendix B, and is not available to Grantee without a written revision to the Program Budgets of Appendix B approved by Agency. 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 Controller. Grantee agrees to fully comply with these laws, regulations, and 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](http://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 A**.

**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.

**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.

## **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, and

(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.

(e) Technology Errors and Omissions Liability coverage, with limits of \$1,000,000 each occurrence and each loss, and \$2,000,000 general aggregate. The policy shall at a minimum cover professional misconduct or lack of the requisite skill required for the performance of services defined in the contract and shall also provide coverage for the following risks:

(1.) Liability arising from theft, dissemination, and/or use of confidential information, including but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, confidential social service information, protected health information or other personally identifying information, stored or transmitted in electronic form;

(2.) Network security liability arising from the unauthorized access to, use of, or tampering with computers or computer systems, including hacker attacks; and

(3.) Liability arising from the introduction of any form of malicious software including computer viruses into, or otherwise causing damage to the City's or third person's computer,

computer system, network, or similar computer related property and the data, software, and programs thereon.

**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.

**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 (DEC)  
  1650 MISSION STREET, SUITE 312  
  SAN FRANCISCO, CA 94103

If to Grantee:                             LOW INCOME INVESTMENT FUND (LIIF)  
  49 STEVENSON STREET, SUITE 300  
  San Francisco, CA 94105  
  Attn: KIM DIGIACOMO  
  Email: kdigiacom@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**

**16.1 Reserved.**

**16.2 Nondiscrimination; Penalties.**

(a) **Grantee Shall Not Discriminate.** In the performance of this Agreement, Grantee agrees not to discriminate against any employee, City and County employee working with such grantee or subgrantee, applicant for employment with such grantee or subgrantee, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) **Subcontracts.** Grantee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subgrantees to comply with such provisions. Grantee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) **Non-Discrimination in Benefits.** 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 or where the work is

being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Grantee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Grantee understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of fifty dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Grantee and/or deducted from any payments due Grantee.

### **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. Requiring Minimum Compensation for Employees.** Grantee shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P,

including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Grantee is subject to the enforcement and penalty provisions in Chapter 12P. Information about and the text of the Chapter 12P is available on the web at <http://sfgov.org/olse/mco>. Grantee is required to comply with all of the applicable provisions of 12P, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Grantee certifies that it complies with Chapter 12P.

**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 Duty to Collect and Record Client Sexual Orientation and Gender Identity (SOGI) Data.** Contractor shall comply with San Francisco Administrative Code Chapter 104 by seeking to collect and record information about clients' sexual orientation and gender identity, and reporting such data to the Department **annually**. In seeking to collect information about clients' sexual orientation and gender identity, Contractor shall: (1) communicate to clients that the provision of sexual orientation and gender identity information is voluntary, and no direct services shall be denied to clients who decline to provide that information; (2) solicit gender identity and sexual orientation data using questions and approaches consistent with the Department of Public Health's Policies and Procedures entitled "Sexual Orientation Guidelines: Principles for Collecting, Coding, and Reporting Identity Data," reissued on September 2, 2014, and "Sex and Gender Guidelines: Principles for Collecting, Coding, and Reporting Identity Data," reissued on September 2, 2014, or any successor Policies and Procedures; and (3) advise clients that they will protect personally identifiable information regarding clients' sexual orientation and gender identity from unauthorized disclosure, to the extent permitted by law. The duty to collect information about gender identity and sexual orientation shall not apply to the extent such collection is incompatible with any professionally reasonable clinical judgment that is based on articulable facts of clinical significance. Further, Contractor shall protect personally identifiable information from unauthorized disclosure, to the extent permitted by law and as required by the Health Insurance Portability and Accountability Act, the

California Medical Information Act, Article 1 of the California Constitution, the California Health and Safety Code and regulations promulgated thereunder, the California Welfare and Institutions Code and regulations promulgated thereunder, and any other applicable provision of federal or state law.

**16.16 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.

**16.17 Consideration of Criminal History in Hiring and Employment Decisions.**

(a) Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. Contractor is required to comply with all of the applicable provisions of 12T, 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 Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Contractor’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. Chapter 12T 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.

**16.18 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.

**16.19 Reserved. Slavery Era Disclosure.**

#### **16.20 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.

#### **16.22 Additional Requirements for Federally-Funded Awards**

- 1) The Grantee shall establish a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number as a universal identifier as per 2 CFR Part 25.
- 2) The Grant Agreement is subject to 2 CFR Part 175, Award Term for Trafficking in Persons. Federal funding under this Grant Agreement may be terminated without penalty if the Grantee
  - a. Engages in severe forms of trafficking in persons during the period of time that the award is in effect;
  - b. Procures a commercial sex act during the period of time that the award is in effect; or
  - c. Uses forced labor in the performance of the award or sub-awards under the award.

**16.23 Compliance with Other Laws.** 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.

### **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, Services to be Provided**
- Appendix B, Budget Summary**
- Appendix C, Method of Payment**
- Appendix D, Interests in Other City Grants**
- Appendix E, Permitted Subgrantees**
- Appendix F, Federal Award Information**
- Appendix G, Federal Requirements for Subrecipients**
- Appendix H, Additional Federal Requirements**

**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.                       | Article 7 Taxes                                 |
| Section 6.4 Financial Statements.                       | Article 8 Representations and Warranties        |
| Section 6.5 Books and Records.                          | Article 9 Indemnification and General Liability |
| Section 6.6 Inspection and Audit.                       |   |
| Section 6.7 Submitting False Claims; Monetary Penalties | Section 10.4 Required Post-Expiration Coverage. |



Article 12 Disclosure of Information and Documents  
Section 13.4 Grantee Retains Responsibility.

Section 14.3 Consequences of Recharacterization.  
This Article 17 Miscellaneous

**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 Dispute Resolution Procedure.** The following Dispute Resolution Procedure provides a process to resolve any disputes or concerns relating to the administration of an awarded professional services grant or grant between the City and County of San Francisco and nonprofit health and human services grantees. Grantees and City staff should first attempt to come to resolution informally through discussion and negotiation with the designated contact person in the department. If informal discussion has failed to resolve the problem, grantees and departments should employ the following steps:

Step 1 The grantee will submit a written statement of the concern or dispute addressed to the Grant/Program Manager who oversees the agreement in question. The writing should describe the nature of the concern or dispute, i.e., program, reporting, monitoring, budget, compliance or other concern. The Grant/Program Manager will investigate the concern with the appropriate department staff that are involved with the nonprofit agency's program, and will either convene a meeting with the grantee or provide a written response to the grantee within 10 working days.

Step 2 Should the dispute or concern remain unresolved after the completion of Step 1, the grantee may request review by the Division or Department Head who supervises the Grant/Program Manager. This request shall be in writing and should describe why the concern is still unresolved and propose a solution that is satisfactory to the grantee. The Division or Department Head will consult with other Department and City staff as appropriate, and will provide a written determination of the resolution to the dispute or concern within 10 working days.

Step 3 Should Steps 1 and 2 above not result in a determination of mutual agreement, the grantee may forward the dispute to the Executive Director of the Department or their designee. This dispute shall be in writing and describe both the nature of the dispute or concern and why the steps taken to date are not satisfactory to the grantee. The Department will respond in writing within 10 working days.

**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:**

HUMAN SERVICES AGENCY

**LOW INCOME INVESTMENT FUND**

By: \_\_\_\_\_  
Trent Rhorer  
Executive Director  
Human Services Agency

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**Approved as to Form:**

David Chiu  
City Attorney

Kim DiGiacomo  
National Program Director, ECE  
49 Stevenson Street, Suite 300  
San Francisco, CA 94105

Federal Tax ID #: 94-2952578  
City Supplier Number: 0000016095  
DUNS Number: 36-133-8312

By: \_\_\_\_\_  
David K. Ries  
Deputy City Attorney

**Appendix A: Services to be Provided**  
**Low Income Investment Fund – Child Care Facilities Funding &  
 Technical Assistance**  
**Effective July 1, 2022 – June 30, 2024**

**I. Purpose of Grant**

The Child Care Facilities Funding & Technical Assistance (CCFF&TA) program is designed to preserve, to improve and to expand the supply and quality of licensed Early Care and Education (ECE) facilities in San Francisco through the provision of focused technical assistance, grants, loans, leveraged financing, 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 the facilities, capital or renovation project support. During this grant period there will be a CCFF&TA program for Early Education Centers and a CCFF&TA program for Family Child Care.

There are over 1,000 licensed ECE facilities, of which, 400 are center-based and over 600 are licensed Family Child Care (FCC) homes in San Francisco. There has been an increase in the number of early care and education programs requesting information and financing assistance to respond to expansion opportunities as the demand grows for licensed early learning programs. DEC recognizes this growth potential for additional high-quality early learning programming in our City, especially to increase access for infant/toddler care, and children from low to moderate income households. The City will invest in high-quality licensed early learning facilities to ensure San Francisco’s children have access to inspiring classroom environments that nurture and facilitate the love of learning. CCFF&TA facility funds include resources to provide expertise and facility-related support to centers and FCC homes participating in DEC’s Early Learning San Francisco (ELS) program, including focused technical assistance, grants, loans, leveraged financing, capital or renovation project support and system-wide improvements.

The goal of the CCFF & TA program funding is to:  
 Facilitate the creation, expansion or renovation of high-quality early education environments for San Francisco children and families.

**II. Definitions**

CCFF	San Francisco’s Child Care Facilities Fund, revenues derived from development impact fees on large office and hotel projects and residential developments as required by San Francisco's Planning Code.
CCFF&TA	Child Care Facilities Funding & Technical Assistance
CDE	California Department of Education
CDSS	California Department of Social Services
City	City and County of San Francisco
Child Care Facilities Interagency Committee	A committee comprised of representatives from MOHCD, Office of Early Care and Education, OCII and the Planning Department

and staffed by LIIF, that meets monthly to discuss specific ECE facility's needs, pipeline projects, and strategies in San Francisco. The committee also approves specific projects funded through the CCCF.

DEC	Department of Early Childhood
DHS	San Francisco Department of Human Services, a division of HSA
ECE	Early Care and Education
FCC	Family Child Care educators are licensed providers who offer care in their home. A Family Child Care Home reflects a home-like environment where non-medical care and supervision is provided for periods of less than 24 hours. There are Small Family Child Care Homes and Large Family Child Care Homes.
FRC	Family Resource Center
Grant Monitoring	CCFF grant monitoring includes maintaining complete, accurate and up-to-date files on all CCFF grantees for the term of the grant. Yearly reporting requirements help to ensure grantees are in compliance with the terms of their grant agreements. CCFF grants are recoverable if the service is not provided for the full grant term.
Grantee	Low Income Investment Fund
HSA	San Francisco Human Services Agency
IPIC	Interagency Plan Implementation Committee, coordinated by SF Planning Department and responsible for prioritizing projects and funding, coordinating ongoing planning efforts for designated zones of development.
Loan Administration	Loan administration services provided by LIIF include, but are not limited to, reviewing loan eligibility, upfront loan analysis, underwriting, commitment, closing, disbursement, conversion, and ongoing monitoring and compliance.
MOHCD	Mayor's Office of Housing and Community Development
OCII	Office of Community Investment and Infrastructure

PAC	Program Advisory Committee is the community-based advisory committee that guides the work of the Child Care Facilities Fund.
Predevelopment Grants	Predevelopment grants support feasibility, planning, architectural, design services, environmental, engineering, permit fees and/or other soft costs related to pre-construction of a site.
Project Management	Project Management services include construction management both before and during construction. The Project Manager acts as the child care provider's representative to architects, contractors, developers and other professionals regarding construction financing and construction issues.
Renovation and Repair Grants	Renovation and repair grants support centers and family child care educators to address deferred facilities maintenance needs in order to ensure healthy and safe environments for children and maintain their licensing by the State of California.
Revolving Grant	Repayable grants provided to providers as cash flow funding, not meeting loan status, but with conditions for repayment
Start-up Capacity Building Grants	Start-Up Capacity Building Grants support the expansion of early education spaces. Depending on the annual guidelines developed by LIIF, with guidance from PAC, these grants fund operating costs for new or relocated ECE centers that serve low income children. An emphasis is made to prioritize the creation of spaces serving infants and toddlers.

### III. Description of Services

Grantee shall provide the following services during the term of this grant:

#### **Early Education Centers Service Description**

##### Financial Support

- Administer a range of financial resources for the San Francisco Department of Early Childhood for City-funded licensed early learning settings to have access to grants and loans programs to increase licensed capacity for 0-5.
- Provide the type of financial resources and information needed for ECE center providers in facilitating the planning of expansion for licensed capacity, including planning and predevelopment grants; capital development grants and loans; start-up financing; facility renovation and repair grants; short-term emergency repayable grants; and financing for purchase, including access to zero and low interest loan products.
- Establish financing and development strategies that leverage individual projects' ability for increased access to non-City funding and resources for capital needs of the ECE sector, including acquisition of property, identifying New Market Tax Credit eligible projects, and building relationships that create potential sources of additional funding e.g. foundations, MOHCD, CA Department of Education, CA Department of Social Services, etc.

- Provide IPIC resources, based on specific Neighborhood Area Plans, for ECE center programs to increase licensed capacity and access to early education services.
- Align with DEC's policies and priority resource allocation for the purpose of indoor and outdoor environments and design.

#### Technical Assistance

- Based on identified needs, provide relevant trainings, 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.
- Provide project management as needed, including use of consultants, to ensure ECE center sites maintain a reasonable phase of construction and sign-off in larger, more complex projects.
- Offer individual technical assistance for project financing, financial projections and board development.
- Provide consultation and assistance regarding fiscal and operating issues to licensed ECE centers serving DEC priority populations and low/moderate income children. In particular, those contracted through DEC, California Department of Education-Early Learning and Care Division, California Department of Social Services-Child Care & Development Division, and federal Early Head Start and Head Start, and for facilities identified as City priorities for capital projects.
- Provide guidance on ECE facility/environment design to ensure the highest quality learning environments for children in City supported programs.
- Provide individualized business technical assistance to city-funded ECE center programs with financial models to aid in the economic recovery post-pandemic. Provide a variety of trainings, webinars, resources, linkages, and one-on-one technical assistance as requested to aid decision-making for economic viability of ECE program.
- Ensure alignment and direct coordination with DEC for all city sponsored training and technical assistance provided to city-funded ECE programs on behalf of the contractor.

#### Administrative

- Create an equity index that guides policies and practices for facilities funding decisions and investments in high-quality ECE programming.
- Track individual project expenditures and overall fund expenditures.
- Conduct a San Francisco ECE Center Facility Needs Assessment within the grant period with a detailed analysis of the citywide supply and demand by neighborhood, with biyearly updates.
- Staff/co-staff monthly meetings of the City's Interagency Child Care Facilities Committee, comprised of representatives from DEC, the Mayor's Office of Housing and Community Development, San Francisco Planning Department, Office of Community Investment and Infrastructure and other City departments as invited.
- Offer opportunities through various formats for programs receiving CCFF&TA grant and resources to provide meaningful feedback to DEC on the quality of training, technical assistance, resources and information provided on behalf of the City.
- Submit all grant applications to DEC for review and approval prior to internal application process.

### **Family Child Care Service Description**

#### Financial Support

- Administer a range of financial resources for the San Francisco Department of Early Childhood for City-funded licensed early learning settings to have access to grants and loans programs to increase licensed capacity for 0-5.
- Provide the type of financial resources and information needed to FCC educators to help facilitate planning for expansion/retention of licensed capacity, including planning and predevelopment grants; capital development grants and loans; start-up financing; facility renovation and repair grants; short-term emergency repayable grants; and financing for purchase, including access to zero and low interest loan products.
- Establish financing and development strategies that leverage individual projects' ability for increased access to non-City funding and resources for capital needs of the ECE sector, including acquisition of property, identifying New Market Tax Credit eligible projects, and building relationships that create potential sources of additional funding e.g. foundations, MOHCD, CA Department of Education, CA Department of Social Services, etc.
- Increase access for City-funded Family Child Care homes through targeted outreach for expansion, property acquisition, and renovation and repair grants awarded.

#### Technical Assistance

- Based on identified needs, provide a variety of trainings, 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.
- Provide project management as needed with the use of consultants to ensure FCC programs maintain a reasonable phase of construction and sign-off in larger, more complex projects.
- Offer individual technical assistance for project financing, financial projections and board development.
- Provide consultation and assistance regarding fiscal and operating issues to licensed FCC programs serving DEC priority populations and low/moderate income children. In particular, those contracted through DEC, California Department of Education-Early Learning and Care Division, California Department of Social Services-Child Care & Development Division, and federal Early Head Start.
- Provide guidance on FCC environment design to ensure the highest quality learning environments are being required for children in City supported programs.
- Provide individualized business technical assistance to city-funded FCC programs with financial models to aid in the economic recovery post-pandemic. Provide a variety of trainings, webinars, resources, linkages, and one-on-one technical assistance as requested to aid decision-making for economic viability of ECE program.

#### Administrative

- Create an equity index that guides policies and practices for facilities funding decisions and investments in high-quality ECE programming.
- Track individual project expenditures and overall fund expenditures
- Ensure alignment and direct coordination with DEC for all city sponsored training and technical assistance provided to city-funded ECE programs on behalf of the contractor.
- Align with DEC's policies and priority resource allocation for the purpose of indoor and outdoor environments and design.
- Conduct a San Francisco ECE FCC Needs Assessment within the grant period with a detailed analysis of the citywide supply and demand by neighborhood, with biyearly updates.
- Staff/co-staff monthly meetings of the City's Interagency Child Care Facilities

Committee, comprised of representatives from DEC, the Mayor’s Office of Housing and Community Development, San Francisco Planning Department, Office of Community Investment and Infrastructure and other City departments as invited.

- Offer opportunities through various formats for programs receiving CCFF&TA grants and resources to provide meaningful feedback to DEC on the quality of training, technical assistance, resources and information provided on behalf of the City.
- Submit all grant applications to DEC for review and approval prior to internal application process.

### **Early Education Economic Recovery Loan Program Service Description**

#### **A. Purpose**

Grantee shall provide ECE centers and FCC educators in San Francisco, both ELS/PFA participants and non-City funded programs, with access to no-risk, zero-interest loans up to \$50,000, specifically for those negatively impacted by COVID-19.

#### **B. Loan Deployment:**

The City (‘DEC’) will provide LIIF with a list of ECE centers and FCC educators to receive 0% interest loans, up to \$50,000, to be repayable in equal payments over five years, forgivable in certain circumstances. LIIF will review applications for eligibility and completeness, and deploy funds to the borrowers.

Children’s Council of San Francisco will have already prescreened providers’ state childcare licenses, and it will not be necessary for LIIF to confirm providers’ licenses in good standing as part of the eligibility check.

LIIF will ask borrowers to self-report two months of expenses to size the loans.

Note On Use of Grant Funds: Grantee shall use funds only as directed by DEC and acknowledges that transfer of funds will only be made to child care providers and FCC educators specified unilaterally by DEC. Grantee does not have variance power or any discretion with respect to distribution of funds from the City revolving loan fund.

#### **C. Loan Repayment:**

LIIF will invoice the borrowers for their annual payments via email with information regarding how much is owed and by when, and instructions for next steps.

If a borrower does not submit a payment by the date requested on the invoice:

1. LIIF will check whether the borrower’s license is current.
2. If the license is current, LIIF will call the borrower to ask for payment.
  - a. If the borrower asks for an extension, the City has directed LIIF to grant an extension of this payment for 6 months.
  - b. If the borrower says they are unable to make the payment, DEC has directed LIIF to respond as follows:
    - i. In the following cases, DEC will direct LIIF to forgive the entire remainder of the loan and stop invoicing the borrower for payments:



1. If the program closes permanently any time after the loan was awarded
2. Death of the Center owner or FCC educator (in cases of sole proprietorship)
3. Owner moved and left no forwarding address
4. CCL verifies that the license is no longer operational
- ii. If the borrower states they are unable to make a payment, DEC directs LIIF to defer the payment and add it to the final payment of the loan
3. If LIIF is unable to reach the borrower after two phone calls and emails, LIIF will send a certified and registered letter to the borrower confirming the missed payment of the loan and explaining next steps.
4. If the borrower is unreachable, DEC directs LIIF to defer the payment to the end of the loan term.
5. DEC may direct LIIF to defer or forgive any payment; or forgive any remaining balance of the loan, at DEC's discretion.

#### **D. Forgiveness**

If, at any point during the term, a borrower explains that they are unable to repay the entire loan, DEC directs LIIF to forgive the loan as follows:

- a) In the following cases, DEC will direct LIIF to forgive the entire remainder of the loan and stop invoicing the borrower for payments:
  - i. The program has closed
  - ii. Death of the Center owner or FCC educator (in cases of sole proprietorship)
  - iii. Owner moved and left no forwarding address
  - iv. Ongoing economic hardship through loss of revenue as verified by provider records. Ongoing economic hardship is defined as operating at less than 50% enrollment for 12 months. Licensed capacity confirmed by Licensing and/or DPH child care/school health team.
  - v. CCL verifies that the license is no longer operational.
- b) If a borrower is unreachable two years in a row, DEC directs LIIF to consider the entire loan forgiven and will stop attempting to collect payments.
  - i) At the end of the term, if a borrower is unreachable or explains they cannot repay, DEC directs LIIF to forgive the remaining balance of the loan.
  - ii) DEC may direct LIIF to defer or forgive any payment; or forgive any remaining balance of the loan, at DEC's discretion.
- c) At the end of the loan's term, if a borrower states they are unable to pay the remaining balance of the loan, DEC directs LIIF to forgive the entire remaining balance of the loan.

Note On Grantee Repayment of Funds: This forgivable loan is non-recourse to the Grantee. DEC will not look to the assets of Grantee to secure repayment of this loan.

Note on Forgiveness or Losses of Grant Funds: The Economic Recovery Loan Program fund will absorb any and all losses due to (a) non-repayment by child care providers or (b) DEC's direction

to forgive part or all of a forgivable grant made to a child care center or FCC educator. Grantee has no obligation to repay any such amounts.

#### **E. Redeployment**

When loans underwritten by LIIF pursuant to this grant are repaid to LIIF, LIIF shall have six months to deploy such funds consistent with Section III above, or to direct such funds to any grants described in Appendix A Scope of Services. If LIIF cannot identify an opportunity to re-direct funds to such grants or for Loan Deployment within six months, LIIF shall return the grant funds to the City in an amount equal to the principal repaid to LIIF.

#### **F. Monitoring, Documentation, and Reporting**

LIIF will track the loans' payments and outstanding balances over the term of the loan. As noted above, when necessary LIIF will check whether the borrower's child care license is current.

Quarterly Reports: LIIF will report annually to DEC:

- Number of loans outstanding
- Dollar amount of loans outstanding
- Number of loans with payments deferred
- Dollar amount of payments deferred
- Number of loans with payments forgiven
- Dollar amount of payments forgiven
- Demographic information, including sex or gender identity, ethnicity, race and language

Final Report: At the end of the program, LIIF will report to DEC:

- The total number of loans made
- The dollar amount of loans made
- The total number of loans repaid
- The dollar amount of loans repaid
- The total number of loans forgiven
- The dollar amount of loans forgiven
- Demographic information, including sex or gender identity, ethnicity, race and language

#### **IV. Location and Time of Services of Grantee:**

Grantee will maintain an office in San Francisco located at 49 Stevenson Street, Suite 300, San Francisco CA 94105, with office hours of 9:00 am – 5:00pm, Monday through Friday, with some evenings and/or weekends for trainings or special conferences/meetings. Technical assistance and monitoring is generally provided on-site at the licensed facilities or prospective sites.

#### **V. Service Objectives**

Grantee will report on the following service objectives annually:

1. As a result of increased outreach efforts to under-served communities identified as having greatest unmet need in the Facility Needs Assessment, City-funded ECE center and FCC

- projects in these communities will be provided facility feasibility, planning, architectural, development, construction, acquisition and renovation consultation and technical assistance services. (Target: 100)
2. Number of pre-development, capital start-up, expansion and renovation and repair grants awarded to center and FCC programs, resulting in increased/retained ECE capacity in under-served communities identified as having greatest unmet need in the Facility Needs Assessment. (Target: 100)
  3. Number of center and FCC operators receiving zero- or low-interest loans, and provided support to manage and budget for loan repayments. (Target: 100)
  4. Number of center and FCC educators trained on facility development, business expansion or other fiscal/operations training to improve business capacity. (Target: 200)
  5. Number of centers and FCCs provided targeted one on one fiscal and operations consultation or support for asset building. (Target: 15)
  6. Grant and resource recipients participate in external evaluation to gain feedback and insight on relevancy of financial products, service level of quality, and other qualitative information that supports ongoing quality improvement of resources and services. (Target: 100%)

## **VI. Outcome Objectives:**

Grantee will report on the following outcome objectives annually:

### **Early Education Centers**

1. City-funded ECE centers in underserved priority neighborhoods are provided targeted access to facility feasibility planning, architectural, development, construction, acquisition and renovation consultation and technical assistance services. (Target: 20)
2. The number of licensed spaces for 0-3 year olds in center-based programs citywide are increased by a minimum number annually. (Target: 86)
3. The number of licensed spaces for 3-5 year olds in center-based programs citywide are increased by a minimum number annually. (Target: 182)
4. 50% of new center spaces supported by grant funds will be located in under-served priority neighborhoods identified as having greatest unmet need in the Facility Needs Assessment. (Target: 50%)
5. The number of center-based pre-development, expansion, renovation and repair, and start up grants awarded results in increased and/or retained ECE capacity in underserved priority neighborhoods by a minimum number annually. (Target 400)
6. Number of zero or low interest loans underwritten awarded to centers undertaking facility projects, including acquisitions, rehabilitation and new construction, or needing operations support. (Target: 5)
7. Number of center programs provided support to do financial projections and cost modeling based on current situation (group size, capacity, sources of funding, reimbursement rates, etc. (Target: 5)

### **Family Child Care**

1. City-funded FCC programs in underserved priority neighborhoods are provided targeted

- access to facility feasibility planning, architectural, development, construction, acquisition and renovation consultation and technical assistance services. (Target: 40)
2. The number of licensed spaces for 0-3 year olds in FCC programs citywide are increased by a minimum number annually. (Target: 16)
  3. The number of licensed spaces for 3-5 year olds in FCC programs citywide are increased by a minimum number annually. (Target: 32)
  4. 50% of new FCC spaces supported by grant funds will be located in under-served priority neighborhoods identified as having greatest unmet need in the Facility Needs Assessment. (Target: 50%)
  5. The number of FCC pre-development, expansion, renovation and repair, and start up grants awarded results in increased and/or retained ECE capacity in underserved priority neighborhoods by a minimum number annually. (Target 200)
  6. Number of zero or low interest loans underwritten awarded to FCCs undertaking facility projects, including acquisitions, rehabilitation and new construction, or needing operations support. (Target: 5)
  7. Number of FCC programs provided support to do financial projections and cost modeling based on current situation (group size, capacity, sources of funding, reimbursement rates, etc. (Target: 10)

### **Early Education Centers and Family Child Care Services**

1. City-funded center and FCC programs in underserved priority neighborhoods are provided access to grant/loan application assistance. (Target: 15)
2. Grant funds and expenditures are tracked based on total expenditures by project for both centers and FCCs. (Target: 100%)
3. Percentage of financing leveraged from non-City sources in a given year. Capital leveraging should exceed contracted capital investment by a minimum of 25%. (Target: 25%)
4. Utilize the Office of Racial Equity Plan and Framework to inform development of an Equity Index.
5. Data tracked is disaggregated by race, zip code, provider type, amount of grant and child enrollment profiles that include race/ethnicity and ages. (Target: 100%)

### **VII. Monitoring Activities**

- A. **Program Monitoring**: Program monitoring will include review of client eligibility, and back-up documentation for reporting progress towards meeting service and outcome objectives.
- B. **Fiscal Compliance and Contract Monitoring**: Fiscal monitoring will include review of the Grantee's organizational budget, the general ledger, quarterly balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal policy manual, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring will include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act, subcontracts, and MOUs, and the current board roster and selected board minutes for compliance with the Sunshine Ordinance.

## VIII. Reporting Requirements

### A. Quarterly Reports

Grantee will submit quarterly reports regarding contract performance. The reports will adhere to the following format:

- a. Reports will contain a brief narrative describing accomplishments and challenges encountered during the quarter, including if IPIC Capital New Development Grant(s) were awarded, to which agency/agencies, and for what purpose(s).
- b. Reports will list the progress towards the service and outcome objectives, as stated in Sections V and VI of this appendix, and will include quarterly and year-to-date numbers for each objective. Names of centers and family child care providers will be included in objective reporting for loans, grants and technical assistance.
- c. Supporting documentation for the numbers presented in the reports must be maintained by the Grantee and must be available for auditing by the Department but need not be attached to the reports.
- d. Quarterly reports are due 15 days after the end of the quarter.

### B. Ad Hoc Reports

Grantee will develop and deliver ad hoc reports as requested by DHS-HSA/OECE,

C. Quarterly and Annual Reports will be entered into the CARBON database.

For assistance with reporting requirements or submission of reports, contact:

Graham Dobson, Program Manager  
Department of Early Childhood  
Graham.Dobson@sfgov.org

or

Michael De Leon, Contracts Manager  
Department of Early Childhood  
Michael.Deleon@sfgov.org

## Appendix B- Budget Summary Family Child Care (FCC)

Appendix B		Program: LIIF - Family Child Care (FCC)											Document Date: 7/15/2022 Term: 07/01/2022 - 06/30/2024				
													Y-1 Total			Y-2 Total	2 Year Total
	Gen Fund	CalWorks	Child Care Capital Fund	IPIC – Eastern Neighborhood Non-SOMA	IPIC – Easter Neighborhoods SOMA	IPIC Market/Octavia	Baby Prop C Operating	Baby Prop C Loan Fund	07/01/2022 - 06/30/2023	Gen Fund	CalWorks	Baby Prop C	07/01/2023 - 06/30/2024	7/1/22-6/30/24			
<b>Expenditures</b>																	
Salaries & Benefits	\$68,790	\$137,050	-	-	-	-	\$483,020		\$688,860	\$68,939	\$136,100	\$504,487	\$709,526	\$1,398,386			
Operating Expense	\$38,280	\$63,624	-	-	-	-	\$692,520		\$794,424	\$38,131	\$64,574	\$700,582	\$803,287	\$1,597,711			
Subtotal	\$107,070	\$200,674	-	-	-	-	\$1,175,540		\$1,483,284	\$107,070	\$200,674	\$1,205,069	\$1,512,813	\$2,996,097			
Indirect Percentage (15%)	15%	15%	15%	15%	15%	15%	15%		15%	15%	15%	15%	15%	15%			
Indirect Cost (Line 16 X Line 15)	\$16,061	\$30,101					\$176,331		\$222,493	\$16,061	\$30,101	\$180,760	\$226,922	\$449,415			
<b>Subtotal</b>	<b>\$123,131</b>	<b>\$230,775</b>					<b>\$1,351,871</b>		<b>\$1,705,777</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$1,385,829</b>	<b>\$1,739,735</b>	<b>\$3,445,512</b>			
Capital Expenditure							\$8,648,129		\$8,648,129			\$8,614,171	\$8,614,171	\$17,262,300			
Total Expenditures	\$123,131	\$230,775					\$10,000,000		\$10,353,906	\$123,131	\$230,775	\$10,000,000	\$10,353,906	\$20,707,812			
<b>HSA Revenues</b>																	
General Fund	\$123,131								\$123,131	\$123,131			\$123,131	\$246,262			
CalWorks		\$230,775							\$230,775		\$230,775		\$230,775	\$461,550			
Child Care Capital Fund									-								
IPIC – Eastern Neighborhood Non-SOMA									-								
IPIC – Easter Neighborhoods SOMA									-								
IPIC Market/Octavia									-								
Baby Prop C							\$10,000,000		\$10,000,000			\$10,000,000	\$10,000,000	\$20,000,000			
Restricted Funds - Revolving Grants (Baby Prop C)									-								
<b>TOTAL HSA REVENUES</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>		<b>\$10,353,906</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$10,000,000</b>	<b>\$10,353,906</b>	<b>\$20,707,812</b>			
<b>Other Revenues</b>																	
Restricted Funds - Revolving Grants (Baby Prop C)									\$2,000,000					\$2,000,000			
Restricted Funds - Revolving Grants (Bridge Fund)									-								
<b>Total Revenues</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$2,000,000</b>	<b>\$12,353,906</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$10,000,000</b>	<b>\$10,353,906</b>	<b>\$22,707,812</b>			

Prepared by: Mario Moreno, LIIF Director Grants Management & Operations

Telephone No.: W (415) 489-6164, x364

LIIF-FCC

7/15/2022

## Appendix B – Budget Summary Early Education Centers (ECC)

Appendix B-1	Program: LIIF-Early Education Centers (ECC)								07/01/2022 - 06/30/2023						07/01/2023 - 06/30/2024	07/01/2022 - 06/30/2024
	Gen Fund	CalWorks	Child Care Capital Fund	Baby Prop C	ChildCare Capital Fund CaryForward	IPIC Eastern Neighborhood Carry-Forward	Baby Prop C Loan Fund	Revolving Grant- Bridge Loan Fund	Total	Gen Fund	CalWorks	Child Care Capital Fund	IPIC – Easter Neighborhoods SOMA	Baby Prop C	Total	2 Year Total
<b>Expenditures</b>																
Salaries & Benefits	\$201,575	\$320,314		\$454,508				\$976,396	\$174,428	\$282,733				\$548,527	\$1,005,688	\$1,982,085
Operating Expense	\$12,567	\$81,034		\$498,448				\$592,049	\$39,713	\$118,615	\$0	\$0	\$398,305	\$556,634	\$1,148,683	
<b>Subtotal</b>	<b>\$214,142</b>	<b>\$401,348</b>		<b>\$952,956</b>				<b>1,568,445</b>	<b>\$214,142</b>	<b>\$401,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$946,833</b>	<b>\$1,562,322</b>	<b>\$3,130,768</b>	
Indirect Percentage (15%)	15%	15%	15%	15%				15%	15%	15%	15%	15%	15%	15%	15%	
Indirect Cost (Line 16 X Line 15)	\$32,121	\$60,202		\$142,943				\$235,267	\$32,121	\$60,202	\$0	\$0	\$142,025	\$234,348	\$469,615	
<b>Subtotal</b>	<b>\$246,263</b>	<b>\$461,550</b>		<b>\$1,095,899</b>				<b>\$1,803,712</b>	<b>246,263</b>	<b>461,550</b>			<b>1,088,858</b>	<b>1,796,671</b>	<b>\$3,600,383</b>	
Capital Expenditure			\$5,000,000	\$18,904,101	\$2,714,301	\$1,252,530	\$2,357,114	\$30,228,046			\$5,000,000	\$1,750,822	\$18,911,142	\$25,661,964	\$55,890,010	
<b>Total Expenditures</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$20,000,000</b>	<b>\$2,714,301</b>	<b>\$1,252,530</b>	<b>\$2,357,114</b>	<b>\$32,984,933</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$1,750,822</b>	<b>\$20,000,000</b>	<b>\$27,458,635</b>	<b>\$60,443,326</b>	
<b>HSA Revenues</b>																
General Fund	\$246,263							\$246,263	\$246,263					\$246,263	\$492,526	
CalWorks		\$461,550						\$461,550		\$461,550				\$461,550	\$923,100	
Child Care Capital Fund			\$5,000,000					\$5,000,000			\$5,000,000			\$5,000,000	\$10,000,000	
IPIC – Eastern Neighborhood Non-SOMA								-						-	-	
IPIC – Eastern Neighborhoods SOMA								-				\$1,750,822		\$1,750,822	\$1,750,822	
IPIC Market/Octavia								-						-	-	
Baby Prop C				\$20,000,000				\$20,000,000					\$20,000,000	\$20,000,000	\$40,000,000	
ChildCare Capital Fund CaryForward					\$2,714,301			\$2,714,301						\$2,714,301	\$2,714,301	
IPIC Eastern Neighborhood Carry-Forward						\$1,252,530		\$1,252,530						\$1,252,530	\$1,252,530	
Baby Prop C Loan Fund							\$2,357,114	\$2,357,114						\$2,357,114	\$2,357,114	
<b>TOTAL HSA REVENUES</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$20,000,000</b>	<b>\$2,714,301</b>	<b>\$1,252,530</b>	<b>\$2,357,114</b>	<b>\$32,031,758</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$1,750,822</b>	<b>\$20,000,000</b>	<b>\$27,458,635</b>	<b>\$59,490,393</b>	
<b>Other Revenues</b>																
Restricted Funds - Revolving Grants (Bridge Fund)								\$952,933	\$952,933						\$952,933	
<b>Total Revenues</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$20,000,000</b>	<b>\$2,714,301</b>	<b>\$1,252,530</b>	<b>\$2,357,114</b>	<b>\$952,933</b>	<b>\$32,984,691</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$1,750,822</b>	<b>\$20,000,000</b>	<b>\$27,458,635</b>	<b>\$60,443,326</b>

Prepared by: Mario Moreno, LIIF Director-Grants Management & Operations

Telephone No.: W (415) 489-6164, x364

LIIF-ECC

5/27/2022

## Appendix C – Method of Payment

- I. In accordance with Section 5 of the Contract Agreement, payments shall be made for actual costs incurred and reported for each month. Under no circumstances shall payment exceed the amount set forth in Section 5 Compensation of the Agreement.
- II. Contractor will submit all bills, invoices and related documentation in the format specified by SFHSA within 15 days after the month of service to SFHSA’s web-based Contracts Administration, Reporting, and Billing Online (CARBON) system at: <https://contracts.sfhhsa.org>  
  
Contractor may submit bills, invoices and related documentation in the format specified by SFHSA via paper or email only upon special permission by their assigned Contract Manager.
- III. Contractor must sign up to receive payments electronically via Automated Clearing House (ACH). Remittance information will be provided through Paymode-X. Additional information and sign up is available at: <http://www.sfgov.org/ach>
- IV. The Executive Director or CFO must submit a letter of authorization designating specific users who will have access to CARBON to electronically submit and sign for invoices, budget revision requests, program reports, and view other information that is in CARBON.
  - A. Submittal of the invoice by designated authorized personnel with proper login credentials constitutes an electronic signature and certification of the invoice.
  - B. Authorized personnel with CARBON login credentials shall not share or internally reassign logins.
  - C. Contractor shall notify SFHSA Contract Manager immediately regarding any need for the restriction or termination of a previously authorized CARBON login.
- V. Invoices shall include actual expenditures incurred during the month, unless otherwise specified.
  - A. The invoice supplied shall include the total dollar amount claimed for the month.
  - B. There shall be no variance from the line item budget submitted which adversely affects program performance as contained in the Contractor’s proposal and specified in the contract.
  - C. The invoice shall show by line item:
    1. Budgeted amount (per approved contract budget or modification)
    2. Expenses for invoice period
    3. Expenses year-to-date
    4. % of budget expended
    5. Remaining balance
    6. Adjustments, including advance payment recovery
    7. Program income when specified in the contract agreement.
  - D. Personnel expenditures will show same line item categories by position detail. Detail will show name of employee, position name, %FTE and budgeted salary.
  - E. With written approval from SFHSA Program/Contract Manager, Contractor may adjust items within the existing budget of the contract in accordance with SFHSA Office of Contract Management Policy for Budget Line Item Revisions.
  - F. Supporting Documentation, except as discussed below need not be submitted with the invoice. However, Contractor must keep and make available as requested such supporting documentation for all expenditures for which reimbursement is requested for



all costs so claimed. Documentation shall include, but not be limited to, printout from the General Ledger of expenses and payroll records, and invoices from subcontractors (if any) for the period of service regardless of dollar amount. All charges incurred shall be due and payable only after services have been rendered, except as stated otherwise. Supporting documentation must be uploaded into CARBON and submitted along with the invoice.

- **Documentation should be submitted with the invoice for all payroll expenses paid to budgeted personnel for the period covered by the invoice. Payroll information can be from a payroll service or a payroll ledger from the Contractor's accounting system**
  - **For any non-recurring expenditures (e.g. equipment purchases/capital upgrades and building repair and upgrades) and/or items that exceed \$5,000, Contractor shall supply back-up documentation in the form of a paid invoice(s).**
  - **SFHSA shall pre-approve all non-reoccurring expenditures, in writing.**
  - **Indirect costs shall not be applied to non-reoccurring expenses.**
- VI. Following SFHSA verification of submitted documentation and that claimed services are authorized and delivered satisfactorily, SFHSA will authorize payment within 10 business days after receipt of the invoice and all billing information set forth above submitted via CARBON.
- VII. Within 45 days after the end of the contract period, Contractor shall submit a final report reflecting actual expenditures, which will be supported by the Contractor's accounting records. If a refund is due SFHSA, it will be submitted with the final report.
- VIII. Advances or prepayments are allowable in order to meet the Contractor's cash flow needs in certain unique circumstances. The Agency, at its sole discretion, shall make available to the Contractor upon written request an advance amount not to exceed two (2) months or 1/6<sup>th</sup> of the total annualized contract award, or as mutually agreed upon. The advanced sum shall be deducted from the Contractor's monthly invoices at an equal rate each month that will enable repayment by the tenth month of the fiscal year. For a twelve-month contract, the rate of repayment of the advance will be 1/10<sup>th</sup> per month from July to April. Requests for advance payment will be granted on a case-by-case basis and are not intended to be a regular "automatic" procedure. Approval will be a consensus of Program and Contract Staff.
- Once the contract is certified, the Contractor, prior to distribution of any advanced payment, must fulfill the following conditions:
1. All contractual compliance requirements must be current, i.e., reports submitted and approved, corrective actions resolved, business tax and insurance certificates in place, prompt and fully documented billings.
  2. The Contractor shall submit a written request with a narrative justification that fully describes the unique circumstances to the Program Manager and Contract Manager for review and approval.
  3. Final invoice from the preceding fiscal year must be received prior to advance distribution.
- IX. Timely Submission of Reports – If reports/documents are required, Contractor shall submit these reports prior to submitting invoices. Failure to submit required reports/documents in the CARBON system by specified deadlines may result in withholding of contract payments.

**Appendix D--Interests In Other City Grants**

<b>City Department or Commission</b>	<b>Date of Grant</b>	<b>Amount of Grant</b>

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**Appendix E – Permitted Subcontractors**

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## Appendix F – Federal Award Information for Subrecipients

Service	Assistance Listing (CFDA)	Assistance Listing (CFDA) Program Title	Other Name, if any	Federal awarding agency	Known (and anticipated) Federal Prime Award Numbers and Award periods	Known Federal Award Date	Pass-Through Agency (from Federal to CCSF), if applicable	Known (and anticipated) Pass-Through Award Identifying Information and Award periods	Federal award amount, Actual (and Anticipated) to CCSF	Research & Development Award?
Trustline (Children's Council)	93.558	Temporary Assistance to Needy Families	CalWORKs	Department of Health and Human Services - Administration for Children & Families	2101CATANF for 2 Years 2001CATANF for 2 Years	11/06/19 01/10/20 04/01/20 07/01/20 10/01/20 01/05/21 04/01/21	California Department of Social Services	N/A: Annual subvention funding  Federal Awards Terms & Conditions by Year and CFDA are at: <a href="https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions">https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions</a>	Anticipating estimated \$60,000,000 annually	No
Resource & Referral (Children's Council)	93.558	Temporary Assistance to Needy Families	CalWORKs	Department of Health and Human Services - Administration for Children & Families	2101CATANF for 2 Years 2001CATANF for 2 Years	11/06/19 01/10/20 04/01/20 07/01/20 10/01/20 01/05/21 04/01/21	California Department of Social Services	N/A: Annual subvention funding  Federal Awards Terms & Conditions by Year and CFDA are at: <a href="https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions">https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions</a>	Anticipating estimated \$60,000,000 annually	No
Family Child Care Quality Network	93.558	Temporary Assistance to Needy Families	CalWORKs	Department of Health and Human Services - Administration for Children & Families	2101CATANF for 2 Years 2001CATANF for 2 Years	11/06/19 01/10/20 04/01/20 07/01/20 10/01/20 01/05/21 04/01/21	California Department of Social Services	N/A: Annual subvention funding  Federal Awards Terms & Conditions by Year and CFDA are at: <a href="https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions">https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions</a>	Anticipating estimated \$60,000,000 annually	No
Family Child Care Association	93.558	Temporary Assistance to Needy Families	CalWORKs	Department of Health and Human Services - Administration for Children & Families	2101CATANF for 2 Years 2001CATANF for 2 Years	11/06/19 01/10/20 04/01/20 07/01/20 10/01/20 01/05/21 04/01/21	California Department of Social Services	N/A: Annual subvention funding  Federal Awards Terms & Conditions by Year and CFDA are at: <a href="https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions">https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions</a>	Anticipating estimated \$60,000,000 annually	No
Child Care Subsidies - CAPP (Children's Council)	93.575	Child Care and Development Block Grant	CAPP Alternative Payment	Department of Health and Human Services	Not available at this time	Not available at this time	California Department of Education	CAPP8051 for 7/1/2018 - 6/30/2019 CAPP9051 for 7/1/2019 - 6/30/2020	<b>\$89,852</b> for 7/1/2018 - 6/30/2019 <b>\$98,366</b> for 7/1/2019 - 6/30/2020 <i>Anticipating similar amounts in future years.</i>	No
Child Care Subsidies - CAPP (Children's Council)	93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CAPP Alternative Payment	Department of Health and Human Services	Not available at this time	Not available at this time	California Department of Education	CAPP7051 for 7/1/2017 - 6/30/2018 CAPP8051 for 7/1/2018 - 6/30/2019 CAPP9051 for 7/1/2019 - 6/30/2020	\$257,560 for 7/1/2017 - 6/30/2018 \$257,560 for 7/1/2018 - 6/30/2019 \$257,560 for 7/1/2019 - 6/30/2020 <i>Anticipating similar amounts in future years.</i>	No
Child Care Subsidies - CalWORKs	93.558	Temporary Assistance to Needy Families	CalWORKs	Department of Health and Human Services Administration for Children & Families						
Child Care Provider Associations and Networks	93.558	Temporary Assistance to Needy Families	CalWORKs	Department of Health and Human Services - Administration for Children & Families	2101CATANF for 2 Years 2001CATANF for 2 Years	11/06/19 01/10/20 04/01/20 07/01/20 10/01/20 01/05/21 04/01/21	California Department of Social Services	N/A: Annual subvention funding  Federal Awards Terms & Conditions by Year and CFDA are at: <a href="https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions">https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/federal-funding-provisions</a>	Anticipating estimated \$60,000,000 annually	No

## Appendix G

### Federal Requirements for Subrecipients: Provisions for All Federal Funds Subawards and Matching Funds to Federal Funds

#### I. Definitions

These are Federal definitions that come from Federal Uniform Guidance, 2 CFR Part 200, and are in addition to and may vary from definitions provided in the City's Grant Agreement, Grant Amendment, and Professional Services Agreement documents.

- A. **City** means the City and County of San Francisco.
- B. **Subaward** means an award provided by a pass-through entity (e.g. the City) to a **Subrecipient** for the Subrecipient to carry out all or part of a Federal award. It does not include payments to an individual that is a beneficiary of a Federal program (2 CFR §200.92). Characteristics of Subawards, as opposed to Subcontracts, include but are not limited to that a Subrecipient
  - i. Has programmatic decision-making responsibility within the Scope of Services of the agreement
  - ii. May determine client eligibility for the federal program
  - iii. In accordance with its agreement, uses the Federal funds to carry out all or part of Federal a program, as opposed to providing goods or services to help the City administer the Federal program.
  - iv. See 2 CFR §200.330 for more guidance.
- C. **Third Party Subaward** means a Subaward at any tier entered into by a Subrecipient, financed in whole or in part with Federal assistance originally derived from the Federal awarding agency.
- D. **Contract and/or Subcontract** means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award (2 CFR §200.22). Characteristics of Subcontracts, as opposed to Subawards, include but are not limited that to a **Subcontractor**
  - i. Has little or no programmatic decision-making responsibility in how it carries out the purpose of the Contract
  - ii. Does not determine client eligibility for the federal program
  - iii. Provides goods or services that are ancillary to the operation of the Federal program and/or that help the City administer the Federal program.
  - iv. See 2 CFR §200.330 for more guidance.
- E. **Third Party Subcontract** means a Subcontract at any tier entered into by Contractor or Subcontractor, financed in whole or in part with Federal assistance originally derived from the Federal awarding agency.

#### II. Federal Changes

- A. Subrecipient shall at all times comply with all applicable regulations, policies, procedures and Federal awarding agency directives, including without limitation those listed directly or by reference in the Master Agreement between the City and the Federal awarding agency or in the Grant Program Guidelines, as they may be amended or promulgated from time to time during the term of this Agreement. Subrecipient's failure to so comply shall constitute a material breach of this agreement

**III. Requirements for Pass-Through Entities** (2 CFR §200.331)

- A.** For any Third Party Subawards that the Subrecipient enters into in the course of carrying out this agreement the Subrecipient shall include
- i. Federal award information as specified in 2 CFR §200.331(a)(1) to the best of its knowledge.
  - ii. Requirements imposed by the Federal awarding agency, the City, or itself in order to meet its own responsibility to the City under this Subaward.
  - iii. An approved federally recognized indirect cost rate negotiated between the Subrecipient and the Federal Government or. If no such rate exists, either a rate negotiated between the Subrecipient and its Third Party Subrecipients, or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);
  - iv. A requirement that the Third Party Subrecipient permit the Subrecipient, the City, higher level funders, and auditors to have access to the Subrecipient's records and financial statements as necessary for the Subrecipient to meet the requirements of this part; and
  - v. Appropriate terms and conditions concerning closeout of the Subaward.
- B.** For any Third Party Subawards that the Subrecipient enters into in the course of carrying out this agreement, the Subrecipient agrees to
- i. Evaluate each Third Party Subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the Subaward for purposes of determining the appropriate Subrecipient monitoring described in paragraphs (iii) of this section,
  - ii. Consider imposing specific Subaward conditions upon a Third Party Subrecipient if appropriate as described in 2 CFR §200.207 Specific conditions.
  - iii. Monitor the activities of the Third Party Subrecipient as necessary to ensure that the Subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the Subaward; and that Subaward performance goals are achieved. See 2 CFR §200.331(d) and (e) for specific requirements.
  - iv. Verify that every Third Party Subrecipient is audited as required by 2 CFR §200 Subpart F—Audit Requirements of this part when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR §200.501 Audit requirements.
  - v. Consider whether the results of the Third Party Subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
  - vi. Consider taking enforcement action against noncompliant Third Party Subrecipients as described in 2 CFR §200.338 Remedies for noncompliance of this part and in program regulations.

**IV. Procurement Compliance** (2 CFR §200.318 through .326)

- A.** Subrecipient agrees to comply with the procurement standards set forth in 2 CFR § 200.318 through § 200.326. This includes but is not limited to the following

- B. General procurement standards, including using its documented procurement procedures which reflect all applicable laws, regulations, and standards; maintaining oversight of contractors; maintaining written standards of conflict covering conflicts of interest and organizational conflicts of interest; avoiding acquisition of duplicative items; awarding contracts only to responsible contractors possessing the ability perform the terms and conditions of the proposed procurement successfully; and maintaining records sufficient to detail the history of procurements.
- C. Providing full and open competition as per 2 CFR § 200.319
- D. Complying with standards of the five methods of procurement described in 2 CFR § 200.320: micro-purchases, small purchases, sealed bids (formal advertising), competitive proposals, and non-competitive (sole source) proposals.

**V. Cost Principles Compliance** (2 CFR §200 Subpart E)

- A. Subrecipient agrees to comply with the Cost Principle specified in 2 CFR § 200 Subpart E for all costs that are allowable and included in this agreement with the City. This includes but is not limited to compliance with the following
- B. §200.430 Compensation – personal services, including §200.430(i) regarding Standards for Documentation for Personnel Expense. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the actual work performed. The requirements for these records include but are not limited to that they
  - i. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
  - ii. Be incorporated into the official records of the Subrecipient;
  - iii. Reasonably reflect the total activity for which the employee is compensated by the Subrecipient, not exceeding 100% of compensated activities;
  - iv. Encompass both federally assisted and all other activities compensated by the Subrecipient on an integrated basis, but may include the use of subsidiary records as defined in the Subrecipient’s written policy;
  - v. Comply with the established accounting policies and practices of the Subrecipient;
  - vi. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
  - vii. Budget estimates alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes in certain conditions (see §200.430(i)(1)(viii)).
  - viii. In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees, in addition to the supporting documentation described in this section, must also be supported by records indicating the total number of hours worked each day.

- ix. Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.
- x. A Subrecipient whose records may not meet the standards described in this section shall use personnel activity reports (also known as time studies), prescribed certifications for employees working 100% on the same Federal program, or equivalent documentation as supporting documentation.

**VI. Equal Employment Opportunity Compliance** *(applicable to all construction agreements awarded in excess of \$10,000 by grantees and their contractors or subgrantees; 2 CFR §200 Appendix II(c))*

Subrecipient agrees to comply with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Part 60).

**VII. Davis-Bacon Act Compliance** *(applicable to construction agreements in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation; 2 CFR §200 Appendix II(d))*

Subrecipient agrees to comply with the Davis-Bacon Act (40 U.S.C. 3141-3418) as supplemented by Department of Labor regulations (29 CFR Part 5).

**VIII. Copeland Anti-Kickback Act Compliance** *(applicable to construction agreements in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation; 2 CFR §200 Appendix II(d))*

Subrecipient agrees to comply with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145) as supplemented in Department of Labor regulations (29 CFR Part 3).

**IX. Contract Work Hours and Safety Standards** *(applicable to all agreements awarded by grantees and subgrantees in excess of \$100,000, which involve the employment of mechanics or laborers; 2 CFR §200 Appendix II(e))*

**A. Compliance:** Subrecipient agrees that it shall comply with Sections 3702 and 3704 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708) as supplemented by Department of Labor regulations (29 CFR Part 5), which are incorporated herein.

**B. Overtime:** No Subrecipient contracting for any part of the work under this Agreement which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

**C. Violation; liability for unpaid wages; liquidated damages:** In the event of any violation of the provisions of Paragraph B, the Subrecipient and any Subcontractor responsible therefore shall be liable to any affected employee for his unpaid wages. In additions, such Contractor and Subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph B in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of eight hours or in excess of his standard workweek of forty hours without payment of the overtime wages required by paragraph B.



**D. Withholding for unpaid wages and liquidated damages:** The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Subrecipient or Subcontractor under any such Contract or any other Federal Contract with the same Prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same Prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set for in paragraph C of this section.

**X. Notice of Requirements Pertaining to Intangible Property, Copyrights, Inventions, and Freedom of Information Act Requests** (2 CFR §200 Appendix II(f) and 2 CFR §200.315)

**A.** Title to intangible property (see 2 CFR §200.59 Intangible property) acquired under a Federal award vests upon acquisition in the Subrecipient unless otherwise detailed elsewhere in this agreement. The Subrecipient must use that property for the originally-authorized purpose, and must not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in 2 CFR §200.313 Equipment paragraph (e).

**B.** The Subrecipient may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

**C.** The Subrecipient is subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements.”

**D.** The Federal Government has the right to obtain, reproduce, publish, or otherwise use the data produced under a Federal award; and authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

**E.** The Subrecipient shall comply with Freedom of Information Act (FOIA) requests passed down from the Federal government to the City.

**XI. Debarment and Suspension** (applicable to all contracts and subcontracts; 2 CFR §200 Appendix II(h))

**A.** Subrecipient represents and warrants that it is not

- (1) Debarred suspended from federal financial assistance programs and activities
- (2) Proposed for debarment
- (3) Declared ineligible
- (4) Voluntarily excluded from participation in covered transactions by any federal department or agency.

**B.** Subrecipient agrees that neither Subrecipient nor any of its Third Party Subrecipients or Subcontractors shall enter into any third party Subawards or Subcontracts for any of the work

**C.** Under this Agreement with a third party who is debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs as specified above. 2 CFR §180.220.

- (1) Subrecipient and Third Party Subrecipients and Subcontractors can meet this requirement with lower level entities by requiring they sign a certification to its effect and/or including such a clause in their contracts/agreements with the lower level entities. It is also required to check those entities' status at the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) under Search Records prior to awarding the funds and/or establishing the agreement and also on a regular, but at least annual, basis. To ensure accuracy of the verification, Subrecipient should use the lower level entity's exact name and Unique Entity Identifier (UEI, formerly known as Data Universal Numbering System number) or Social Security Number or Tax Identification Number (TIN) to perform the query. A copy of the query should be printed and kept on file in case of a review by county staff or funding agencies.

**XII. Byrd Anti-Lobbying Certification** (*applicable for Subawards or Subcontracts in excess of \$100,000; 2 CFR §200 Appendix II(i) and by inclusion, 45 CFR Part 93*)

**A. Subrecipient hereby certifies**, to the best of his or her knowledge and belief, that

- i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the person signing this agreement, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal award or contract, the making of any Federal grant or contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit, with its offer, OMB Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- iii. The person signing this agreement shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loan, and cooperative agreements) and require that all recipients of such awards in excess of \$100,000 shall certify and disclose accordingly.

- B.** This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is imposed by section 1352, title 31, U.S. Code. Any person making an expenditure prohibited under this provision or who fails to file or amend the disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**XIII. Single Audit Requirements**

Subrecipient shall comply in all respects with 2 CFR §200 Subpart F – Audit Requirements. The Federal expenditures spent under this agreement shall be counted toward the \$750,000 threshold of Federal award expenditures for a Single Audit.

Subrecipient shall, upon request of the Human Services Agency, submit a copy of the Single Audit within thirty (30) days after receipt of the Auditor's report, or nine (9) months after the end of the audit period, whichever occurs first, or unless a longer period is agreed to in advance by the cognizant or oversight federal agency.

**XIV. Incorporation of Uniform Administrative Requirements and Exceptions from Federal Awarding Agencies**

- A. The preceding provisions include, in part, certain standard terms and conditions required by the Federal awarding agency, whether or not expressly set forth in the preceding agreement provisions. All provisions required by the Federal awarding agency, as set forth in 2 CFR Part 200, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all of the Federal awarding agency's mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. Subrecipient shall not perform any act, fail to perform any act, or refuse to comply with any City requests that would cause City to be in violation of the Federal awarding agency's terms and conditions.
- B. Further, all provisions of each Federal Awarding Agency's incorporation of the Uniform Guidance are also hereby incorporated as reference.
  - i. US Health and Human Services: 45 CFR Part 75 (includes some exceptions and additions)
  - ii. US Department of Housing and Urban Development: (no exceptions or additions)
  - iii. US Department of Education: (no exceptions).
  - iv. US Department of Agriculture: 2 CFR Part 400

**XV. Inclusion of Federal Requirements in Third Party Subawards and Subcontracts**

Subrecipient agrees to include all of the above clauses in each Third Party Subaward and Subcontract (Subcontracts shall exclude Requirements for Pass-Through Entities) financed in whole or in part with Federal assistance provided by the Federal awarding agency, unless the third party agreements do not meet the dollar thresholds indicated.

## Appendix H

### **Federal Requirements: Provisions for Subawards and Subcontracts of Department of Health & Human Services Administration for Children and Families Funds, and Matching Funds to those Federal Funds**

- I. In accordance with the provisions of Title V, Subtitle D of Public Law 100-690, the “Drug-Free Workplace Act of 1988,” all grantees and subrecipients must maintain a drug-free workplace and must publish a statement informing employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and establishing the actions that will be taken against employees violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment (2 CFR Part 328).
- II. Religious organizations are eligible, on the same basis as any other organization, to participate in federally-funded programs for which they are otherwise eligible. No Subrecipients shall, in the selection of service providers, discriminate for or against an organization on the basis of the organization's religious character or affiliation (45 CFR 87).
- III. Direct Federal grants, subawards, and contracts under these programs shall not be used to support inherently religious instruction, worship, or proselytization. Therefore, organizations must take steps to separate, in time or location, their inherently religious activities from the services funded under these programs (45 CFR 87).
- IV. In accordance with Part C of Public Law 103-227, the “Pro-Children Act of 1994,” smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs whether directly or through State or local governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, and contracts. The law does not apply to children’s services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities used for inpatient drug and alcohol treatment. This language must be included in any subawards that contain provisions for children’s services and that all sub grantees shall certify compliance accordingly.
- V. This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 USC 7104). For the full text of the award term, go to: <http://www.acf.hhs.gov/grants/award-term-and-condition-for-trafficking-in-persons>

- VI. In accordance with the decision in *United States v. Windsor* (133 S. Ct. 2675 (June 26, 2013)); Section 3 of the Defense of Marriage Act, codified at 1 USC 7, in any grant-related activity in which family, marital, or household consideration are, by statute or regulation, relevant for purposes of determining beneficiary eligibility or participation, grantees must treat same-sex spouses, marriages, and households on the same terms as opposite sex spouses, marriages, and households, respectively.
- a. By “same-sex spouses,” HHS means individuals of the same sex who have entered into marriages that are valid in the jurisdiction where performed, including any of the 50 States, the District of Columbia, or a U.S. territory or in a foreign country, regardless of whether or not the couple resides in a jurisdiction that recognizes same-sex marriage.
  - b. By “same-sex marriages,” HHS means marriages between two individuals validly entered into in the jurisdiction where performed, including any of the 50 States, the District of Columbia, or a U.S. territory or in a foreign country, regardless of whether or not the couple resides in a jurisdiction that recognizes same-sex marriage.
  - c. By “marriage,” HHS does not mean registered domestic partnerships, civil unions or similar formal relationships recognized under the law of the jurisdiction of celebration as something other than a marriage.
- VII. Unless superseded by program-specific regulations, Federal funds under this award may not be used for construction or purchase of land.
- VIII. To the greatest extent practicable, all equipment and products purchased with Federal funds shall be American-made (Public Law 103-333, Section 507).

**Appendix A: Services to be Provided**  
**Low Income Investment Fund – Child Care Facilities Funding &**  
**Technical Assistance**  
**Effective July 1, 2022 – June 30, 2024**

**I. Purpose of Grant**

The Child Care Facilities Funding & Technical Assistance (CCFF&TA) program is designed to preserve, to improve and to expand the supply and quality of licensed Early Care and Education (ECE) facilities in San Francisco through the provision of focused technical assistance, grants, loans, leveraged financing, 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 the facilities, capital or renovation project support. During this grant period there will be a CCFF&TA program for Early Education Centers and a CCFF&TA program for Family Child Care.

There are over 1,000 licensed ECE facilities, of which, 400 are center-based and over 600 are licensed Family Child Care (FCC) homes in San Francisco. There has been an increase in the number of early care and education programs requesting information and financing assistance to respond to expansion opportunities as the demand grows for licensed early learning programs. DEC recognizes this growth potential for additional high-quality early learning programming in our City, especially to increase access for infant/toddler care, and children from low to moderate income households. The City will invest in high-quality licensed early learning facilities to ensure San Francisco’s children have access to inspiring classroom environments that nurture and facilitate the love of learning. CCFF&TA facility funds include resources to provide expertise and facility-related support to centers and FCC homes participating in DEC’s Early Learning San Francisco (ELS) program, including focused technical assistance, grants, loans, leveraged financing, capital or renovation project support and system-wide improvements.

The goal of the CCFF & TA program funding is to:  
Facilitate the creation, expansion or renovation of high-quality early education environments for San Francisco children and families.

**II. Definitions**

CCFF	San Francisco’s Child Care Facilities Fund, revenues derived from development impact fees on large office and hotel projects and residential developments as required by San Francisco's Planning Code.
CCFF&TA	Child Care Facilities Funding & Technical Assistance
CDE	California Department of Education

CDSS	California Department of Social Services
City	City and County of San Francisco
Child Care Facilities Interagency Committee	A committee comprised of representatives from MOHCD, Office of Early Care and Education, OCII and the Planning Department and staffed by LIIF, that meets monthly to discuss specific ECE facility’s needs, pipeline projects, and strategies in San Francisco. The committee also approves specific projects funded through the CCCF.
DEC	Department of Early Childhood
DHS	San Francisco Department of Human Services, a division of HSA
ECE	Early Care and Education
FCC	Family Child Care educators are licensed providers who offer care in their home. A Family Child Care Home reflects a home-like environment where non-medical care and supervision is provided for periods of less than 24 hours. There are Small Family Child Care Homes and Large Family Child Care Homes.
FRC	Family Resource Center
Grant Monitoring	CCFF grant monitoring includes maintaining complete, accurate and up-to-date files on all CCFF grantees for the term of the grant. Yearly reporting requirements help to ensure grantees are in compliance with the terms of their grant agreements. CCFF grants are recoverable if the service is not provided for the full grant term.
Grantee	Low Income Investment Fund
HSA	San Francisco Human Services Agency
IPIC	Interagency Plan Implementation Committee, coordinated by SF Planning Department and responsible for prioritizing projects and funding, coordinating ongoing planning efforts for designated zones of development.

Loan Administration	Loan administration services provided by LIIF include, but are not limited to, reviewing loan eligibility, upfront loan analysis, underwriting, commitment, closing, disbursement, conversion, and ongoing monitoring and compliance.
MOHCD	Mayor’s Office of Housing and Community Development
OCII	Office of Community Investment and Infrastructure
PAC	Program Advisory Committee is the community-based advisory committee that guides the work of the Child Care Facilities Fund.
Predevelopment Grants	Predevelopment grants support feasibility, planning, architectural, design services, environmental, engineering, permit fees and/or other soft costs related to pre-construction of a site.
Project Management	Project Management services include construction management both before and during construction. The Project Manager acts as the child care provider’s representative to architects, contractors, developers and other professionals regarding construction financing and construction issues.
Renovation and Repair Grants	Renovation and repair grants support centers and family child care educators to address deferred facilities maintenance needs in order to ensure healthy and safe environments for children and maintain their licensing by the State of California.
Revolving Grant	Repayable grants provided to providers as cash flow funding, not meeting loan status, but with conditions for repayment
Start-up Capacity Building Grants	Start-Up Capacity Building Grants support the expansion of early education spaces. Depending on the annual guidelines developed by LIIF, with guidance from PAC, these grants fund operating costs for new or relocated ECE centers that serve low income children. An emphasis is made to prioritize the creation of spaces serving infants and toddlers.



### **III. Description of Services**

Grantee shall provide the following services during the term of this grant:

#### **Early Education Centers Service Description**

##### Financial Support

- Administer a range of financial resources for the San Francisco Department of Early Childhood for City-funded licensed early learning settings to have access to grants and loans programs to increase licensed capacity for 0-5.
- Provide the type of financial resources and information needed for ECE center providers in facilitating the planning of expansion for licensed capacity, including planning and predevelopment grants; capital development grants and loans; start-up financing; facility renovation and repair grants; short-term emergency repayable grants; and financing for purchase, including access to zero and low interest loan products.
- Establish financing and development strategies that leverage individual projects' ability for increased access to non-City funding and resources for capital needs of the ECE sector, including acquisition of property, identifying New Market Tax Credit eligible projects, and building relationships that create potential sources of additional funding e.g. foundations, MOHCD, CA Department of Education, CA Department of Social Services, etc.
- Provide IPIC resources, based on specific Neighborhood Area Plans, for ECE center programs to increase licensed capacity and access to early education services.
- Align with DEC's policies and priority resource allocation for the purpose of indoor and outdoor environments and design.

##### Technical Assistance

- Based on identified needs, provide relevant trainings, 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.
- Provide project management as needed, including use of consultants, to ensure ECE center sites maintain a reasonable phase of construction and sign-off in larger, more complex projects.
- Offer individual technical assistance for project financing, financial projections and board development.
- Provide consultation and assistance regarding fiscal and operating issues to licensed ECE centers serving DEC priority populations and low/moderate income children. In particular, those contracted through DEC, California Department of Education-Early Learning and Care Division, California Department of Social Services-Child Care & Development Division, and federal Early Head Start and Head Start, and for facilities identified as City priorities for capital projects.
- Provide guidance on ECE facility/environment design to ensure the highest quality learning environments for children in City supported programs.

- Provide individualized business technical assistance to city-funded ECE center programs with financial models to aid in the economic recovery post-pandemic. Provide a variety of trainings, webinars, resources, linkages, and one-on-one technical assistance as requested to aid decision-making for economic viability of ECE program.
- Ensure alignment and direct coordination with DEC for all city sponsored training and technical assistance provided to city-funded ECE programs on behalf of the contractor.

#### Administrative

- Create an equity index that guides policies and practices for facilities funding decisions and investments in high-quality ECE programming.
- Track individual project expenditures and overall fund expenditures.
- Conduct a San Francisco ECE Center Facility Needs Assessment within the grant period with a detailed analysis of the citywide supply and demand by neighborhood, with biyearly updates.
- Staff/co-staff monthly meetings of the City’s Interagency Child Care Facilities Committee, comprised of representatives from DEC, the Mayor’s Office of Housing and Community Development, San Francisco Planning Department, Office of Community Investment and Infrastructure and other City departments as invited.
- Offer opportunities through various formats for programs receiving CCFF&TA grant and resources to provide meaningful feedback to DEC on the quality of training, technical assistance, resources and information provided on behalf of the City.
- Submit all grant applications to DEC for review and approval prior to internal application process.

#### **Family Child Care Service Description**

##### Financial Support

- Administer a range of financial resources for the San Francisco Department of Early Childhood for City-funded licensed early learning settings to have access to grants and loans programs to increase licensed capacity for 0-5.
- Provide the type of financial resources and information needed to FCC educators to help facilitate planning for expansion/retention of licensed capacity, including planning and predevelopment grants; capital development grants and loans; start-up financing; facility renovation and repair grants; short-term emergency repayable grants; and financing for purchase, including access to zero and low interest loan products.
- Establish financing and development strategies that leverage individual projects’ ability for increased access to non-City funding and resources for capital needs of the ECE sector, including acquisition of property, identifying New Market Tax Credit eligible projects, and building relationships that create potential sources of additional funding e.g. foundations, MOHCD, CA Department of Education, CA Department of Social Services, etc.

- Increase access for City-funded Family Child Care homes through targeted outreach for expansion, property acquisition, and renovation and repair grants awarded.

#### Technical Assistance

- Based on identified needs, provide a variety of trainings, 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.
- Provide project management as needed with the use of consultants to ensure FCC programs maintain a reasonable phase of construction and sign-off in larger, more complex projects.
- Offer individual technical assistance for project financing, financial projections and board development.
- Provide consultation and assistance regarding fiscal and operating issues to licensed FCC programs serving DEC priority populations and low/moderate income children. In particular, those contracted through DEC, California Department of Education-Early Learning and Care Division, California Department of Social Services-Child Care & Development Division, and federal Early Head Start.
- Provide guidance on FCC environment design to ensure the highest quality learning environments are being required for children in City supported programs.
- Provide individualized business technical assistance to city-funded FCC programs with financial models to aid in the economic recovery post-pandemic. Provide a variety of trainings, webinars, resources, linkages, and one-on-one technical assistance as requested to aid decision-making for economic viability of ECE program.

#### Administrative

- Create an equity index that guides policies and practices for facilities funding decisions and investments in high-quality ECE programming.
- Track individual project expenditures and overall fund expenditures
- Ensure alignment and direct coordination with DEC for all city sponsored training and technical assistance provided to city-funded ECE programs on behalf of the contractor.
- Align with DEC's policies and priority resource allocation for the purpose of indoor and outdoor environments and design.
- Conduct a San Francisco ECE FCC Needs Assessment within the grant period with a detailed analysis of the citywide supply and demand by neighborhood, with biyearly updates.
- Staff/co-staff monthly meetings of the City's Interagency Child Care Facilities Committee, comprised of representatives from DEC, the Mayor's Office of Housing and Community Development, San Francisco Planning Department, Office of Community Investment and Infrastructure and other City departments as invited.
- Offer opportunities through various formats for programs receiving CCFF&TA grants and resources to provide meaningful feedback to DEC on the quality of

training, technical assistance, resources and information provided on behalf of the City.

- Submit all grant applications to DEC for review and approval prior to internal application process.

## **Early Education Economic Recovery Loan Program Service Description**

### **A. Purpose**

Grantee shall provide ECE centers and FCC educators in San Francisco, both ELS/PFA participants and non-City funded programs, with access to no-risk, zero-interest loans up to \$50,000, specifically for those negatively impacted by COVID-19.

### **B. Loan Deployment:**

The City ('DEC') will provide LIIF with a list of ECE centers and FCC educators to receive 0% interest loans, up to \$50,000, to be repayable in equal payments over five years, forgivable in certain circumstances. LIIF will review applications for eligibility and completeness, and deploy funds to the borrowers.

Children's Council of San Francisco will have already prescreened providers' state childcare licenses, and it will not be necessary for LIIF to confirm providers' licenses in good standing as part of the eligibility check.

LIIF will ask borrowers to self-report two months of expenses to size the loans.

Note On Use of Grant Funds: Grantee shall use funds only as directed by DEC and acknowledges that transfer of funds will only be made to child care providers and FCC educators specified unilaterally by DEC. Grantee does not have variance power or any discretion with respect to distribution of funds from the City revolving loan fund.

### **C. Loan Repayment:**

LIIF will invoice the borrowers for their annual payments via email with information regarding how much is owed and by when, and instructions for next steps.

If a borrower does not submit a payment by the date requested on the invoice:

1. LIIF will check whether the borrower's license is current.
2. If the license is current, LIIF will call the borrower to ask for payment.
  - a. If the borrower asks for an extension, the City has directed LIIF to grant an extension of this payment for 6 months.
  - b. If the borrower says they are unable to make the payment, DEC has directed LIIF to respond as follows:
    - i. In the following cases, DEC will direct LIIF to forgive the entire remainder of the loan and stop invoicing the borrower for payments:

1. If the program closes permanently any time after the loan was awarded
2. Death of the Center owner or FCC educator (in cases of sole proprietorship)
3. Owner moved and left no forwarding address
4. CCL verifies that the license is no longer operational
- ii. If the borrower states they are unable to make a payment, DEC directs LIIF to defer the payment and add it to the final payment of the loan
3. If LIIF is unable to reach the borrower after two phone calls and emails, LIIF will send a certified and registered letter to the borrower confirming the missed payment of the loan and explaining next steps.
4. If the borrower is unreachable, DEC directs LIIF to defer the payment to the end of the loan term.
5. DEC may direct LIIF to defer or forgive any payment; or forgive any remaining balance of the loan, at DEC's discretion.

#### **D. Forgiveness**

If, at any point during the term, a borrower explains that they are unable to repay the entire loan, DEC directs LIIF to forgive the loan as follows:

- a) In the following cases, DEC will direct LIIF to forgive the entire remainder of the loan and stop invoicing the borrower for payments:
  - i. The program has closed
  - ii. Death of the Center owner or FCC educator (in cases of sole proprietorship)
  - iii. Owner moved and left no forwarding address
  - iv. Ongoing economic hardship through loss of revenue as verified by provider records. Ongoing economic hardship is defined as operating at less than 50% enrollment for 12 months. Licensed capacity confirmed by Licensing and/or DPH child care/school health team.
  - v. CCL verifies that the license is no longer operational.
- b) If a borrower is unreachable two years in a row, DEC directs LIIF to consider the entire loan forgiven and will stop attempting to collect payments.
  - i) At the end of the term, if a borrower is unreachable or explains they cannot repay, DEC directs LIIF to forgive the remaining balance of the loan.
  - ii) DEC may direct LIIF to defer or forgive any payment; or forgive any remaining balance of the loan, at DEC's discretion.
- c) At the end of the loan's term, if a borrower states they are unable to pay the remaining balance of the loan, DEC directs LIIF to forgive the entire remaining balance of the loan.

Note On Grantee Repayment of Funds: This forgivable loan is non-recourse to the Grantee. DEC will not look to the assets of Grantee to secure repayment of this loan.

Note on Forgiveness or Losses of Grant Funds: The Economic Recovery Loan Program fund will absorb any and all losses due to (a) non-repayment by child care providers or (b) DEC's direction to forgive part or all of a forgivable grant made to a child care center or FCC educator. Grantee has no obligation to repay any such amounts.

### **E. Redeployment**

When loans underwritten by LIIF pursuant to this grant are repaid to LIIF, LIIF shall have six months to deploy such funds consistent with Section III above, or to direct such funds to any grants described in Appendix A Scope of Services. If LIIF cannot identify an opportunity to re-direct funds to such grants or for Loan Deployment within six months, LIIF shall return the grant funds to the City in an amount equal to the principal repaid to LIIF.

### **F. Monitoring, Documentation, and Reporting**

LIIF will track the loans' payments and outstanding balances over the term of the loan. As noted above, when necessary LIIF will check whether the borrower's child care license is current.

Quarterly Reports: LIIF will report annually to DEC:

- Number of loans outstanding
- Dollar amount of loans outstanding
- Number of loans with payments deferred
- Dollar amount of payments deferred
- Number of loans with payments forgiven
- Dollar amount of payments forgiven
- Demographic information, including sex or gender identity, ethnicity, race and language

Final Report: At the end of the program, LIIF will report to DEC:

- The total number of loans made
- The dollar amount of loans made
- The total number of loans repaid
- The dollar amount of loans repaid
- The total number of loans forgiven
- The dollar amount of loans forgiven
- Demographic information, including sex or gender identity, ethnicity, race and language

#### **IV. Location and Time of Services of Grantee:**

Grantee will maintain an office in San Francisco located at 49 Stevenson Street, Suite 300, San Francisco CA 94105, with office hours of 9:00 am – 5:00pm, Monday through Friday, with some evenings and/or weekends for trainings or special conferences/meetings. Technical assistance and monitoring is generally provided on-site at the licensed facilities or prospective sites.

#### **V. Service Objectives**

Grantee will report on the following service objectives annually:

1. As a result of increased outreach efforts to under-served communities identified as having greatest unmet need in the Facility Needs Assessment, City-funded ECE center and FCC projects in these communities will be provided facility feasibility, planning, architectural, development, construction, acquisition and renovation consultation and technical assistance services. (Target: 100)
2. Number of pre-development, capital start-up, expansion and renovation and repair grants awarded to center and FCC programs, resulting in increased/retained ECE capacity in under-served communities identified as having greatest unmet need in the Facility Needs Assessment. (Target: 100)
3. Number of center and FCC operators receiving zero- or low-interest loans, and provided support to manage and budget for loan repayments. (Target: 100)
4. Number of center and FCC educators trained on facility development, business expansion or other fiscal/operations training to improve business capacity. (Target: 200)
5. Number of centers and FCCs provided targeted one on one fiscal and operations consultation or support for asset building. (Target: 15)
6. Grant and resource recipients participate in external evaluation to gain feedback and insight on relevancy of financial products, service level of quality, and other qualitative information that supports ongoing quality improvement of resources and services. (Target: 100%)

#### **VI. Outcome Objectives:**

Grantee will report on the following outcome objectives annually:

##### **Early Education Centers**

1. City-funded ECE centers in underserved priority neighborhoods are provided targeted access to facility feasibility planning, architectural, development, construction, acquisition and renovation consultation and technical assistance services. (Target: 20)
2. The number of licensed spaces for 0-3 year olds in center-based programs citywide are increased by a minimum number annually. (Target: 86)
3. The number of licensed spaces for 3-5 year olds in center-based programs citywide are increased by a minimum number annually. (Target: 182)

4. 50% of new center spaces supported by grant funds will be located in underserved priority neighborhoods identified as having greatest unmet need in the Facility Needs Assessment.  
(Target: 50%)
5. The number of center-based pre-development, expansion, renovation and repair, and start up grants awarded results in increased and/or retained ECE capacity in underserved priority neighborhoods by a minimum number annually.  
(Target 400)
6. Number of zero or low interest loans underwritten awarded to centers undertaking facility projects, including acquisitions, rehabilitation and new construction, or needing operations support. (Target: 5)
7. Number of center programs provided support to do financial projections and cost modeling based on current situation (group size, capacity, sources of funding, reimbursement rates, etc. (Target: 5)

### **Family Child Care**

1. City-funded FCC programs in underserved priority neighborhoods are provided targeted access to facility feasibility planning, architectural, development, construction, acquisition and renovation consultation and technical assistance services. (Target: 40)
2. The number of licensed spaces for 0-3 year olds in FCC programs citywide are increased by a minimum number annually.  
(Target: 16)
3. The number of licensed spaces for 3-5 year olds in FCC programs citywide are increased by a minimum number annually.  
(Target: 32)
4. 50% of new FCC spaces supported by grant funds will be located in under-served priority neighborhoods identified as having greatest unmet need in the Facility Needs Assessment.  
(Target: 50%)
5. The number of FCC pre-development, expansion, renovation and repair, and start up grants awarded results in increased and/or retained ECE capacity in underserved priority neighborhoods by a minimum number annually.  
(Target 200)
6. Number of zero or low interest loans underwritten awarded to FCCs undertaking facility projects, including acquisitions, rehabilitation and new construction, or needing operations support. (Target: 5)
7. Number of FCC programs provided support to do financial projections and cost modeling based on current situation (group size, capacity, sources of funding, reimbursement rates, etc. (Target: 10)

### **Early Education Centers and Family Child Care Services**

1. City-funded center and FCC programs in underserved priority neighborhoods are provided access to grant/loan application assistance. (Target: 15)
2. Grant funds and expenditures are tracked based on total expenditures by project for both centers and FCCs. (Target: 100%)



3. Percentage of financing leveraged from non-City sources in a given year. Capital leveraging should exceed contracted capital investment by a minimum of 25%. (Target: 25%)
4. Utilize the Office of Racial Equity Plan and Framework to inform development of an Equity Index.
5. Data tracked is disaggregated by race, zip code, provider type, amount of grant and child enrollment profiles that include race/ethnicity and ages. (Target: 100%)

## **VII. Monitoring Activities**

- A. Program Monitoring: Program monitoring will include review of client eligibility, and back-up documentation for reporting progress towards meeting service and outcome objectives.
- B. Fiscal Compliance and Contract Monitoring: Fiscal monitoring will include review of the Grantee's organizational budget, the general ledger, quarterly balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal policy manual, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring will include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act, subcontracts, and MOUs, and the current board roster and selected board minutes for compliance with the Sunshine Ordinance.

## **VIII. Reporting Requirements**

### A. Quarterly Reports

Grantee will submit quarterly reports regarding contract performance. The reports will adhere to the following format:

- a. Reports will contain a brief narrative describing accomplishments and challenges encountered during the quarter, including if IPIC Capital New Development Grant(s) were awarded, to which agency/agencies, and for what purpose(s).
- b. Reports will list the progress towards the service and outcome objectives, as stated in Sections V and VI of this appendix, and will include quarterly and year-to-date numbers for each objective. Names of centers and family child care providers will be included in objective reporting for loans, grants and technical assistance.
- c. Supporting documentation for the numbers presented in the reports must be maintained by the Grantee and must be available for auditing by the Department but need not be attached to the reports.
- d. Quarterly reports are due 15 days after the end of the quarter.

### B. Ad Hoc Reports

Grantee will develop and deliver ad hoc reports as requested by DHS-HSA/OECE,

- C. Quarterly and Annual Reports will be entered into the CARBON database.

For assistance with reporting requirements or submission of reports, contact:

Graham Dobson, Program Manager  
Department of Early Childhood  
Graham.Dobson@sfgov.org

or

Michael De Leon, Contracts Manager  
Department of Early Childhood  
Michael.Deleon@sfgov.org

Appendix B		Program: LIIF - Family Child Care (FCC)											Document Date: 7/15/2022		
															Term: 07/01/2022 - 06/30/2024
									Y-1 Total					Y-2 Total	2 Year Total
	Gen Fund	CalWorks	Child Care Capital Fund	IPIC – Eastern Neighborhood Non-SOMA	IPIC – Easter Neighborhoods SOMA	IPIC Market/Octavia	Baby Prop C Operating	Baby Prop C Loan Fund	07/01/2022 - 06/30/2023	Gen Fund	CalWorks	Baby Prop C	07/01/2023 - 06/30/2024	7/1/22-6/30/24	
<b>Expenditures</b>															
Salaries & Benefits	\$68,790	\$137,050	-	-	-	-	\$483,020		\$688,860	\$68,939	\$136,100	\$504,487	\$709,526	\$1,398,386	
Operating Expense	\$38,280	\$63,624	-	-	-	-	\$692,520		\$794,424	\$38,131	\$64,574	\$700,582	\$803,287	\$1,597,711	
Subtotal	\$107,070	\$200,674	-	-	-	-	\$1,175,540		\$1,483,284	\$107,070	\$200,674	\$1,205,069	\$1,512,813	\$2,996,097	
Indirect Percentage (15%)	15%	15%	15%	15%	15%	15%	15%		15%	15%	15%	15%	15%	15%	
Indirect Cost (Line 16 X Line 15)	\$16,061	\$30,101					\$176,331		\$222,493	\$16,061	\$30,101	\$180,760	\$226,922	\$449,415	
<b>Subtotal</b>	<b>\$123,131</b>	<b>\$230,775</b>					<b>\$1,351,871</b>		<b>\$1,705,777</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$1,385,829</b>	<b>\$1,739,735</b>	<b>\$3,445,512</b>	
Capital Expenditure							\$8,648,129		\$8,648,129			\$8,614,171	\$8,614,171	\$17,262,300	
Total Expenditures	\$123,131	\$230,775					\$10,000,000		\$10,353,906	\$123,131	\$230,775	\$10,000,000	\$10,353,906	\$20,707,812	
<b>HSA Revenues</b>															
General Fund	\$123,131								\$123,131	\$123,131			\$123,131	\$246,262	
CalWorks		\$230,775							\$230,775		\$230,775		\$230,775	\$461,550	
Child Care Capital Fund									-						
IPIC – Eastern Neighborhood Non-SOMA									-						
IPIC – Easter Neighborhoods SOMA									-						
IPIC Market/Octavia									-						
Baby Prop C							\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000	\$20,000,000	
Restricted Funds - Revolving Grants (Baby Prop C)									-						
<b>TOTAL HSA REVENUES</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>		<b>\$10,353,906</b>	<b>\$123,131</b>	<b>\$230,775</b>	<b>\$10,000,000</b>	<b>\$10,353,906</b>	<b>\$20,707,812</b>	
<b>Other Revenues</b>															
Restricted Funds - Revolving Grants (Baby Prop C)								\$2,000,000	\$2,000,000					\$2,000,000	
Restricted Funds - Revolving Grants (Bridge Fund)									-						
Total Revenues	\$123,131	\$230,775	\$0	\$0	\$0	\$0	\$10,000,000	\$2,000,000	\$12,353,906	\$123,131	\$230,775	\$10,000,000	\$10,353,906	\$22,707,812	

Prepared by: Mario Moreno, LIIF Director Grants Management & Operations

Telephone No.: W (415) 489-6164, x364

Appendix B-1	Program: LIIF-Early Education Centers (ECC)								07/01/2022 - 06/30/2023	07/01/2023 - 06/30/2024	07/01/2022 - 06/30/2024					
	Gen Fund	CalWorks	Child Care Capital Fund	Baby Prop C	ChildCare Capital Fund CarryForward	IPIC Eastern Neighborhood Carry-Forward	Baby Prop C Loan Fund	Revolving Grant-Bridge Loan Fund	Total	Gen Fund	CalWorks	Child Care Capital Fund	IPIC – Easter Neighborhoods SOMA	Baby Prop C	Total	2 Year Total
<b>Expenditures</b>																
Salaries & Benefits	\$201,575	\$320,314		\$454,508					\$976,396	\$174,428	\$282,733			\$548,527	\$1,005,688	\$1,982,085
Operating Expense	\$12,567	\$81,034		\$498,448					\$592,049	\$39,713	\$118,615	\$0	\$0	\$398,305	\$556,634	\$1,148,683
<b>Subtotal</b>	\$214,142	\$401,348	-	\$952,956					<b>1,568,445</b>	\$214,142	\$401,348	\$0	\$0	\$946,833	\$1,562,322	\$3,130,768
Indirect Percentage (15%)	15%	15%	15%	15%					15%	15%	15%	15%	15%	15%	15%	15%
Indirect Cost (Line 16 X Line 15)	\$32,121	\$60,202	-	\$142,943					\$235,267	\$32,121	\$60,202	\$0	\$0	\$142,025	\$234,348	\$469,615
<b>Subtotal</b>	<b>\$246,263</b>	<b>\$461,550</b>	-	<b>\$1,095,899</b>					<b>\$1,803,712</b>	<b>246,263</b>	<b>461,550</b>	-	-	<b>1,088,858</b>	<b>1,796,671</b>	<b>\$3,600,383</b>
Capital Expenditure	-	-	\$5,000,000	\$18,904,101	\$2,714,301	\$1,252,530	\$2,357,114		\$30,228,046			\$5,000,000	\$1,750,822	\$18,911,142	\$25,661,964	\$55,890,010
Total Expenditures	\$246,263	\$461,550	\$5,000,000	\$20,000,000	\$2,714,301	\$1,252,530	\$2,357,114		\$32,984,933	\$246,263	\$461,550	\$5,000,000	\$1,750,822	\$20,000,000	\$27,458,635	\$60,443,326
<b>HSA Revenues</b>																
General Fund	\$246,263								\$246,263	\$246,263					\$246,263	\$492,526
CalWorks		\$461,550							\$461,550		\$461,550				\$461,550	\$923,100
Child Care Capital Fund			\$5,000,000						\$5,000,000		\$461,550	\$5,000,000			\$5,000,000	\$10,000,000
IPIC – Eastern Neighborhood Non-SOMA									-							
IPIC – Easter Neighborhoods SOMA									-			\$1,750,822			\$1,750,822	\$1,750,822
IPIC Market/Octavia									-							
Baby Prop C				\$20,000,000					\$20,000,000					\$20,000,000	\$20,000,000	\$40,000,000
ChildCare Capital Fund CarryForward					\$2,714,301				\$2,714,301						\$2,714,301	\$2,714,301
IPIC Eastern Neighborhood Carry-Forward						\$1,252,530			\$1,252,530						\$1,252,530	\$1,252,530
Baby Prop C Loan Fund							\$2,357,114		\$2,357,114						\$2,357,114	\$2,357,114
<b>TOTAL HSA REVENUES</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$20,000,000</b>	<b>\$2,714,301</b>	<b>\$1,252,530</b>	<b>\$2,357,114</b>	<b>-</b>	<b>\$32,031,758</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$1,750,822</b>	<b>\$20,000,000</b>	<b>\$27,458,635</b>	<b>\$59,490,393</b>
<b>Other Revenues</b>																
Restricted Funds - Revolving Grants (Bridge Fund)								\$952,933	\$952,933							\$952,933
<b>Total Revenues</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$20,000,000</b>	<b>\$2,714,301</b>	<b>\$1,252,530</b>	<b>\$2,357,114</b>	<b>\$952,933</b>	<b>\$32,984,691</b>	<b>\$246,263</b>	<b>\$461,550</b>	<b>\$5,000,000</b>	<b>\$1,750,822</b>	<b>\$20,000,000</b>	<b>\$27,458,635</b>	<b>\$60,443,326</b>
Prepared by: Mario Moreno, LIIF Director-Grants Management & Operations																
														Telephone No.: W (415) 489-6164, x364		
LIIF-ECC																
5/27/2022																



## 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](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 220930

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

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

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

<b>NAME OF FILER'S CONTACT</b>	<b>TELEPHONE NUMBER</b>
Angela Calvillo	415-554-5184
<b>FULL DEPARTMENT NAME</b>	<b>EMAIL</b>
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Michael De Leon	4153553679
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
045 Human Services Agency	michael.deleon@sfgov.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> Low Income Investment Fund	<b>TELEPHONE NUMBER</b> 4157729094
<b>STREET ADDRESS (including City, State and Zip Code)</b> 49 Stevenson St., Suite 300, San Francisco, CA 94105	<b>EMAIL</b>

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (If applicable)</b> 220930
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$91,466,252		
<b>NATURE OF THE CONTRACT (Please describe)</b> To administer the San Francisco child care facilities 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	Van Keulen	Cres	CEO
2	Ocanas	Reymundo	Board of Directors
3	Bruemmer	Russell	Board of Directors
4	Nelson	Dionne	Board of Directors
5	Black	Tawanna	Board of Directors
6	Fleming	David	Board of Directors
7	Gambrell	Donna	Board of Directors
8	Gladney	Calvin	Board of Directors
9	Kelly	William	Board of Directors
10	Naughton	Carol	Board of Directors
11	Nissenbaum	Daniel	Board of Directors
12	Sager	Jessica	Board of Directors
13	Solomon	Michael	Board of Directors
14	Di Diacomo	Kim	Other Principal Officer
15			
16			
17			
18			
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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47			
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50			

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.**

<p><b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b></p>  <p>BOS Clerk of the Board</p>	<p><b>DATE SIGNED</b></p>
---	---------------------------



**SAN FRANCISCO  
HUMAN SERVICES AGENCY**

Department of Benefits  
and Family Support

Department of Disability  
and Aging Services

Office of Early Care  
and Education

P.O. Box 7988  
San Francisco, CA  
94120-7988  
[www.SFHSA.org](http://www.SFHSA.org)

July 28, 2022

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: Grant agreement with Low Income Investment Fund (LIIF) for the provision to administer the San Francisco Child Care Facilities Fund and Technical Assistance.

Dear Ms. Calvillo:

Enclosed for the Board of Supervisors' consideration and approval, please find a resolution, which will authorize the grant between the City and County of San Francisco and Low Income Investment Fund for the amount of \$91,466,252 for the period of July 1, 2022 to June 30, 2024.

The purpose of this grant agreement is to administer the San Francisco child care facilities fund and technical assistance. This new grant will provide a centralized resource for Early Care and Education (ECE) providers to access support for all things related to facilities, capital or renovation projects for two (2) years.

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. Ingrid Mezquita, Director of OECE/DEC (415-437-4649 or [ingrid.mezquita@sfgov.org](mailto:ingrid.mezquita@sfgov.org)), can provide further information. Please calendar this item for the earliest meeting possible, as this is a time sensitive matter. Please notify Ingrid Mezquita with the date of introduction.

Thank you for your assistance.

Sincerely,

Trent Rhorer  
Executive Director



**London Breed**  
Mayor

**Trent Rhorer**  
Executive Director