File No. $\qquad$ Committee Item No. 3
Board Item No. $\qquad$

## COMMITTEE/BOARD OF SUPERVISORS

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Completed by: $\qquad$ Date Dec 7, 2020
Completed by: $\qquad$ Date $\qquad$
[Administrative Code - Early Education Economic Recovery Program]

Ordinance amending the Administrative Code to establish the Early Education Economic Recovery Program to provide grants and interest-free loans to early care and education providers to help cover costs associated with the COVID-19 pandemic.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.
Additions to Codes are in single-underline italics Times New Roman font.
Deletions to Codes are in strikethrough italics Times New Roman font.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in strikethrough Arial font.
Asterisks (* * * *) indicate the omission of unchanged Code
subsections or parts of tables.

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

Section 1. Article XVII of Chapter 20 of the Administrative Code is hereby amended by adding Section 20.17-4, to read as follows:

SEC. 20.17-4. EARLY EDUCATION ECONOMIC RECOVERY PROGRAM.
(a) Findings. Early care and education providers are essential for working families, but were struggling even before the COVID-19 health emergency and are now critically impacted. Due to new health orders issued in 2020, early care education providers had to limit the number of children served, increase staffing, and modify physical spaces in order to provide a safe environment. However, subsidies from State and Federal resources were limited and have to kept up with the rising costs of operation.

In July 2020, the Center for the Study of Child Care Employment conducted a survey of child care programs throughout California and found that 953 center-based (40\%) and family child care (60\%) programs were facing new financial challenges including decreased capacity and increased costs caused by the reopening process and meeting new COVID-19 mitigation protocols. Specifically,
of the programs that have re-opened, $77 \%$ have experienced loss of income from families; $99 \%$ of reopened child care centers and 78\% of re-opened family child care programs have fewer children attending than before the pandemic.

Without public funding, the early care and education system is in severe financial crisis; the projected revenue loss for early care and education centers and family child care centers that are currently funded by the City were estimated to lose \$21.8 million between March and June 30, 2020. The City's Economic Recovery Task Force's October 2020 report stated that a quality, robust child care system was necessary to get San Francisco back to work and onto the road of recovery. The Task Force recommended that the City establish new methods for supporting child care providers, including financial support with flexible supplemental grant funds or forgivable loans to expand spaces, open up larger spaces, and provide adequate spacing to adhere to new health requirements.

While San Francisco's Office of Early Care and Education served over 7,000 children from 0-K with some form of subsidy-supported program this past quarter, there are currently 2,796 children actively on the waiting list for City-funded programs. Based on the 2018 citywide needs assessment, there are over 1,000 preschool-aged children and 19,000 infants and toddlers who we are unable to serve with our current licensed capacity.

Beyond the early care and education providers that receive some funding through the City, there are also hundreds of non-subsidized child care providers including co-ops, licensed nonprofit centers, licensed private child care centers, and licensed family-based child care that are at the brink of closure due to the pandemic. In order to support the entire early care and education system, there needs to be adequate support for early care and education providers across the spectrum to stabilize the workforce and sustain existing child care slots.
(b) Establishment of Early Education Economic Recovery Program. Subject to the budgetary and fiscal provisions of the Charter, the Office of Early Care and Education ("OECE") shall develop and implement the Early Education Economic Recovery Program ("Program") to
provide grants and no-interest loans to early care and education providers impacted by the COVID-19 pandemic, as provided in this Section 20.17-4. The Program shall be funded under the Early Care and Education for All Initiative by appropriations from the Babies and Families First Fund established in Administrative Code Section 10.100-36, in addition to such other appropriations as the Board of Supervisors may direct by ordinance.
(c) Providers Eligible for Funding. The following types of early care and education providers ("Providers") shall be eligible to receive funding under the Program, subject to additional criteria established by OECE, provided that the Providers are operating in the City at the time of the grant or loan award and throughout the period covered by the loan or grant:
(1) Small and Large Family Child Care Homes, as defined in 22 C.C.R. Section 102352(f)(1), that (A) are licensed under California Health and Safety Code Sections 1596.60 et seq. at the time of the grant or loan award and throughout the period covered by the grant or loan, and (B) served at least four children between ages zero and six, inclusive, at any point from March 1, 2019 through February 29, 2020;
(2) Non-profit Day Care Centers or Child Care Centers, as defined under 22 C.C.R. Section 101152(c)(7), that, at the time of grant or loan award and throughout the period covered by the grant or loan, (A) are licensed under California Health and Safety Code Sections 1596.60 et seq., and (B) care for children between ages zero and six, inclusive;
(3) For-profit Day Care Centers or Child Care Centers, as defined under 22 C.C.R. Section 101152(c)(7), that, at the time of grant or loan award and throughout the period covered by the grant or loan, (A) are licensed under California Health and Safety Code Sections 1596.60 et seq., (B) operate no more than two locations in the City, and (C) care for children between ages zero and six, inclusive; and
(4) Providers licensed and exempt from licensing under California Health and Safety Code Sections 1596.60 et seq. that, at the time of grant or loan award and throughout the period
covered by the grant or loan,(A) operate under a cooperative arrangement between parents for the care of their children, in which families participate on a rotating basis, serving six or more families, (B) meet the description in California Health and Safety Code Section 1596.792(e), and (C )care for children between ages zero and six, inclusive.
(d) Permitted Uses of Funding. OECE may provide funds to Providers under the Program for the following purposes:
(1) Costs associated with cleaning or sanitation of Providers' facilities to minimize the risk of transmission of COVID-19;
(2) Costs of purchasing educational materials, including computers and other electronic devices, to reduce the need for children to share materials during the COVID-19 pandemic;
(3) Costs associated with increasing the size of facilities, changing the arrangement of furniture in facilities, or otherwise making physical changes to facilities, to help keep children physically distanced from one another to minimize the risk of transmission of COVID-19;
(4) Costs of providing financial assistance to the Providers' employees to assist those employees to pay for childcare for their own dependents during working hours;
(5) Costs of providing childcare for free or reduced cost to children of essential healthcare workers and City employees who have been activated as Disaster Service Workers, who are unable to care for their children during the workday; and
(6) Other costs authorized by OECE by rule or regulation that assist Providers to address the impacts of the COVID-19 pandemic on Providers, their employees, children served by Providers, and families of those children.
(e) Administration. OECE shall administer the Program with assistance as needed from the Human Services Agency, and may promulgate rules or regulations regarding the Program. At minimum, OECE shall promulgate rules and regulations to:
(1) Establish an application process, a selection process, and selection criteria for the Program. In promulgating regulations establishing a selection process and criteria, OECE shall attempt to establish criteria that maximize the likelihood that the Program will be accessible to Providers that do not currently receive funding from the City.
(2) Establish a set of factors OECE may consider in determining the amount of funding in each grant or loan, provided that each grant or loan issued under the Program shall be at least \$5,000.
(f) Outreach. Beginning no later than 10 days after the effective date of the ordinance in Board File No. 201327 enacting this Section 20.17-4, OECE shall develop and begin to implement an outreach plan to make Providers aware of the Program. OECE shall design the outreach plan to reach all Providers in the City, including those that do not currently receive funding from the City. In designing and implementing the outreach program, OECE shall work directly with child care resource and referral organizations and family child care associations to maximize the impact of the outreach in appropriate languages.
(q) Statement of Intent for Funding in FY 2020-21. Subject to the budqetary and fiscal provisions of the Charter and availability of funds in the Babies and Families First Fund in Section 10.100-36, it is the intent of the Board of Supervisors that OECE will award grants or loans in Fiscal Year 2020-21 in a total amount of at least $\$ 20$ million.
(h) No-Interest Loan Program. This Section 20.17-4 authorizes the City to provide interest-free loans under the Program. Before conducting outreach regarding interest-free loans or initiating a solicitation process for such loans, OECE shall consult with the Treasurer-Tax Collector and the Controller. Based on that consultation, OECE may determine that an interest-free loan program is infeasible or otherwise would be impractical or problematic, and may decide not to award loans under the Program.
(i) Sunset. This Section 20.17-4 shall sunset on December 31, 2021 unless the Board of Supervisors extends it by ordinance. After that date, OECE shall issue no additional grants or loans under the Program, but rules, restrictions, and reimbursement periods that apply to existing grants and loans shall remain in effect. After the sunset date, the City Attorney shall cause this Section to be removed from the Administrative Code.

Section 2. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

## APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: /s/
JON GIVNER
Deputy City Attorney
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# LEGISLATIVE DIGEST 

[Administrative Code - Early Education Economic Recovery Program]

# Ordinance amending the Administrative Code to establish the Early Education Economic Recovery Program to provide grants and interest-free loans to early care and education providers to help cover costs associated with the COVID-19 pandemic. 

## Existing Law

At the June 5, 2018 election, the voters approved Proposition C, which imposed additional taxes on revenue from the lease of certain commercial real property. Revenues raised by this tax must be used primarily to fund quality early care and education for young children. In particular, Proposition C specifies that most of its revenues should be spent on certain "Eligible Programs" related early care and education. The Board of Supervisors and the Office of Early Care and Education have discretion to allocate resources among those programs.

Existing law requires the Office of Early Care and Education (OECE) to establish the Early Care and Education for All Initiative, which provides support for quality early care and education for children in San Francisco families. The Initiative is funded by revenues raised by Proposition C.

Existing law does not specifically require OECE to use Proposition C funds to provide grants or loans to early care and education providers to help cover costs associated with the COVID19 pandemic

## Amendments to Current Law

The proposed ordinance would require OECE to develop and implement an Early Education Economic Recovery Program to provide funding through grants or interest-free loans to early care and education providers impacted by the COVID-19 pandemic. The program would be funded by Proposition C and other appropriations.

The program would offer funding to providers that meet criteria specified in the ordinance or adopted by OECE, including family child care providers, non-profit childcare organizations, non-profit cooperatives, and for-profit licensed childcare centers with no more than two separate locations in the City.

Providers could use funding from the program to cover costs associated with cleaning or sanitation of providers' facilities to minimize the risk of transmission of COVID-19; costs of purchasing educational materials to reduce the need for children to share materials; costs associated with increasing the size of facilities, changing the arrangement of furniture in facilities, or otherwise making physical changes to facilities, to help keep children physically

FILE NO. 201327
distanced; costs of providing financial assistance to providers' employees to assist those employees to pay for childcare for their own dependents during working hours; costs of providing childcare for free or at a reduced cost to children of essential healthcare workers and Disaster Service Workers who are unable to care for their children during the workday; and other costs authorized by OECE to address the impacts of the COVID-19 pandemic.

The ordinance would also require OECE to implement an outreach plan to make providers aware of the program.

The ordinance would not require OECE to provide interest-free loans to providers, but would require OECE to consult with the Treasurer-Tax Collector and the Controller to determine whether providing interest-free loans would be infeasible, impractical, or problematic.

The ordinance would not require a particular funding level for the program, but would express the Board's intent for OECE to award grants and/or loans in Fiscal Year 2020-21 in a total amount of at least $\$ 20$ million.
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| From: | Calvillo, Angela (BOS) |
| :--- | :--- |
| To: | Low, Jen (BOS); Young, Victor (BOS); Wong, Linda (BOS) |
| Cc: | BOS Legislation, (BOS); Fregosi, Ian (BOS); Beinart, Amy (BOS); Somera, Alisa (BOS); Mchugh, Eileen (BOS) |
| Subject: | RE: Urgent Request to Schedule Emergency Items |
| Date: | Thursday, December 3, 2020 9:22:39 AM |

Hello Jen,

Thank you for sending this email, and for stating each matters importance and its nexus to the COVID-19 health emergency.
The health emergency has necessitated the Board to rapidly approve policy to help alleviate the burden on our residents. Unfortunately, the Board Rules do not envision the truncated timeframe needed to introduce an item into the process for consideration.
Therefore, for those items associated with this health emergency, we have created an exception, not currently found in the Rules at this time, to allow items associated with an emergency to be agendized and directly appear before a Committee following the week of introduction. Here, the Clerks will add the items to their respective agendas and place the notation with language these items were not made available for the typical 7 days pursuant to Rule 3.33.

We allow this exception, knowing that together we will amend the Board Rules to incorporate a similar truncated timeframe for emergencies such as the type we are experiencing.

Thank you all for your patience. While we take direction from the Rules, our experience should also identify where the Rules fall short. It has been good to uncover this need, and Alisa and I are drafting amendments to the Rules which should be sent to you in the near future.

Have a great day all! Big thank you to Victor and Linda!

Angela Calvillo
Clerk of the Board

From: Low, Jen (BOS) [jen.low@sfgov.org](mailto:jen.low@sfgov.org)
Sent: Thursday, December 3, 2020 4:51 AM
To: Calvillo, Angela (BOS) [angela.calvillo@sfgov.org](mailto:angela.calvillo@sfgov.org)
Cc: Young, Victor (BOS) [victor.young@sfgov.org](mailto:victor.young@sfgov.org); Wong, Linda (BOS) [linda.wong@sfgov.org](mailto:linda.wong@sfgov.org);
Somera, Alisa (BOS) [alisa.somera@sfgov.org](mailto:alisa.somera@sfgov.org); BOS Legislation, (BOS) [bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org);
Fregosi, Ian (BOS) [ian.fregosi@sfgov.org](mailto:ian.fregosi@sfgov.org); Beinart, Amy (BOS) [amy.beinart@sfgov.org](mailto:amy.beinart@sfgov.org)
Subject: Urgent Request to Schedule Emergency Items
Importance: High

Dear Madam Clerk,

The following items were introduced at the Board of Supervisors meeting on Tuesday and require expedient scheduling at Board Committee meetings to respond to the COVID-19 emergency. On behalf of the President, we respectfully request that the following files be authorized to appear
before Board Committees this upcoming week, with the guidance that they must include notation on the agenda that the language of these items were not made available for the typical 7 days pursuant to Rule 3.33.

## 201327 [Administrative Code - Early Education Economic Recovery Program]

Sponsors: Mayor; Yee, Ronen, Safai, Mar and Fewer
Ordinance amending the Administrative Code to establish the Early Education Economic Recovery Program to provide grants and interest-free loans to early care and education providers to help cover costs associated with the COVID-19 pandemic.

The President is requesting this item to be scheduled at the Rules Committee on Monday, December 7, 2020 to align with the release of funds from the Babies and Families First Fund, which is also scheduled to take place before the end of the legislative session. The program is emergency in nature as it is providing one-time, economic assistance to early child care providers impacted by COVID-19. These essential services may be risking closure if the City does not act swiftly.

## 201328 [Emergency Ordinance - Limiting COVID-19 Impacts by Not Moving People Experiencing Homelessness Currently Placed in Shelter-in-Place Hotel Rooms] Sponsors:

Haney; Walton, Ronen and Peskin
Emergency ordinance to prohibit the City from requiring people experiencing homelessness currently housed in approximately 2,300 Shelter-in-Place (SIP) Hotel rooms to move from those rooms until Federal Emergency Management Agency (FEMA) provides written notification that FEMA funding available for SIP Hotel rooms is terminated or modified in a way that no longer reimburses any costs of these rooms, or people experiencing homeless housed in SIP Hotel rooms obtain a stable housing placement; these 2,300 SIP Hotel rooms shall continue to be available as they are vacated to shelter people experiencing homelessness at risk of COVID-19 infection, until the County Health Officer's Stay Safer At Home Order is rescinded or expires; and requiring the Department of Homelessness and Supportive Housing to prepare publicly available reports on the progress of placements from SIP Hotels into stable housing.

The President is requesting this item to be scheduled at the Budget \& Finance Committee on Wednesday, December 9, 2020 in direct response to the Department of Homelessness' recent announcement that people experiencing homelessness may be required to move out of Shelter-in-Place hotels last month. This is an Emergency Ordinance and requires immediate attention in order to address the concern of exacerbating the existing health and homelessness crises during the most recent surge of COVID-19 spread in our communities.

## 201333 [Issuance of Judgment Obligation Bonds - Not to Exceed \$995,000,000] Sponsors: Mayor; Yee

Resolution authorizing the issuance of not to exceed \$995,000,000 aggregate principal amount of City and County of San Francisco Judgment Obligation Bonds to pay the costs of a potential judgment associated with litigation related to Proposition C (2018) (Commercial

Rent Tax for Childcare and Early Education), subject to specified conditions, as defined herein. RECEIVED AND ASSIGNED to Budget and Finance Committee.

The President is requesting this item to be scheduled at the Budget \& Finance Committee on Wednesday, December 9, 2020. In consultation with the Controller and Mayor's Budget office, this Resolution is a critical step in unlocking the Babies and Families First Fund as approved by voters in November 2020's Proposition F. The Office of Early Care \& Education will not be able to release funds to respond to the COVID-19 emergency from the Budget \& Finance reserve without the Controller's authorization that is contingent upon the issuance of Judgment Obligation Bonds included in this file.

Thank you for your consideration of this matter and we appreciate the Clerk staff's ongoing support to help accommodate.

Best,

Jen

Jen Low
Supervisor Norman Yee
President, Board of Supervisors

Member, Board of Supervisors District 9

## HILLARY RONEN

| DATE: | December 3, 2020 |
| :--- | :--- |
| TO: | Angela Calvillo <br> Clerk of the Board of Supervisors |
| FROM: | Supervisor Hillary Ronen <br> Chairperson |
| RE: | Rules Committee <br> COMMITTEE REPORT |

Pursuant to Board Rule 4.20, as Chair of the Rules Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, December 8, 2020, as Committee Reports:

## 201327 [Administrative Code - Early Education Economic Recovery Program]

This files will be heard in the Rules Committee during a regular meeting on December 7, 2020, at 10 am.

Sincerely,

/s/ Hillary Ronen
Hillary Ronen
Supervisor, District 9

