



# City of South San Francisco

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## Staff Report

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**Version:**

**Agenda Date:** 07/14/21  
**Item:**

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### **TITLE**

Report regarding adoption of a resolution approving the creation of South San Francisco's Guaranteed Income pilot program and approving budget amendment number 22.011 appropriating \$800,000 in American Rescue Plan Act funds. (*Christina Fernandez, Assistant to the City Manager, Nell Selander, Deputy Director of Economic & Community Development, and Jane Chandler, YMCA*)

### **RECOMMENDATION**

**Staff recommends City Council adopt a resolution approving the creation of South San Francisco's Guaranteed Income Pilot program and approving budget amendment number 22.011 appropriating \$800,000 in American Rescue Plan Act funds.**

### **BACKGROUND**

#### *A resilient community in need*

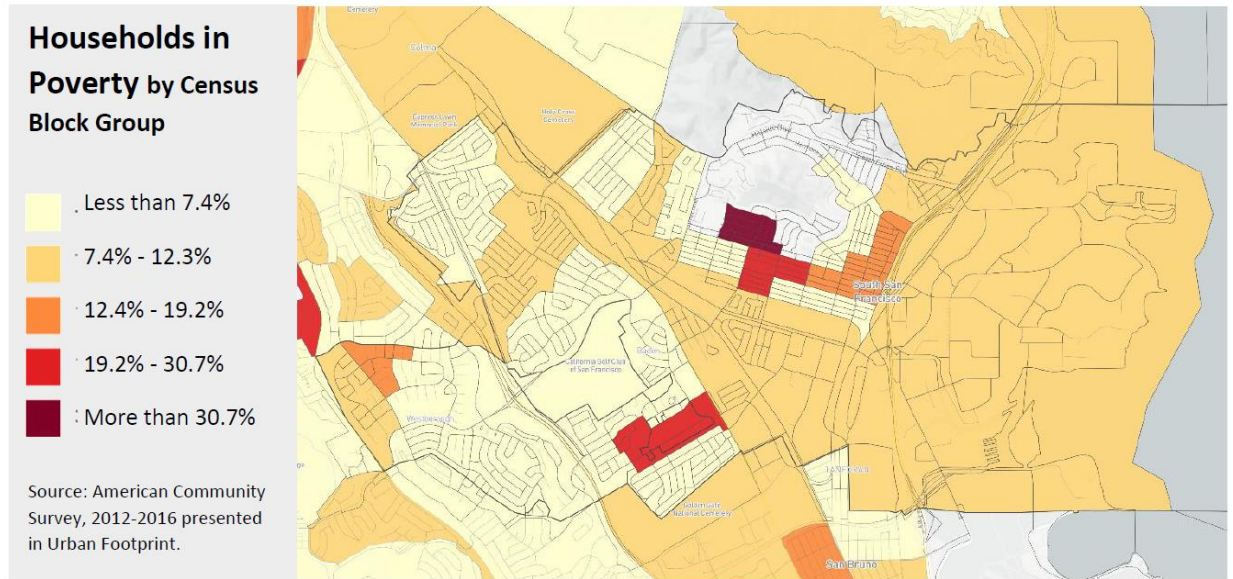
South San Francisco remains one of the most diverse cities in the region. Historically a working-class city with a large Italian immigrant population, South San Francisco now welcomes immigrants from Latin America, Asia, and all over the world. Approximately 80% of households in South San Francisco are households of color and 58% of residents speak a language other than English at home.

Poverty disproportionately affects our most vulnerable populations – children and families of color. The majority of our Latinx community live in the two lowest income census tracts in South San Francisco, in the Downtown and Old Town neighborhoods. The Latinx community in South San Francisco consists of many frontline and service industry workers who have been hard hit by the Covid-19 pandemic. The federal poverty rate for a single person is \$12,800 and \$26,500 for a family of four. The poverty rates are 12 and 14% respectively for these two census tracts, however, Stanford's Center for Poverty and Inequality finds the poverty rate to be somewhere between 20-40% when the high cost of housing is taken into consideration.

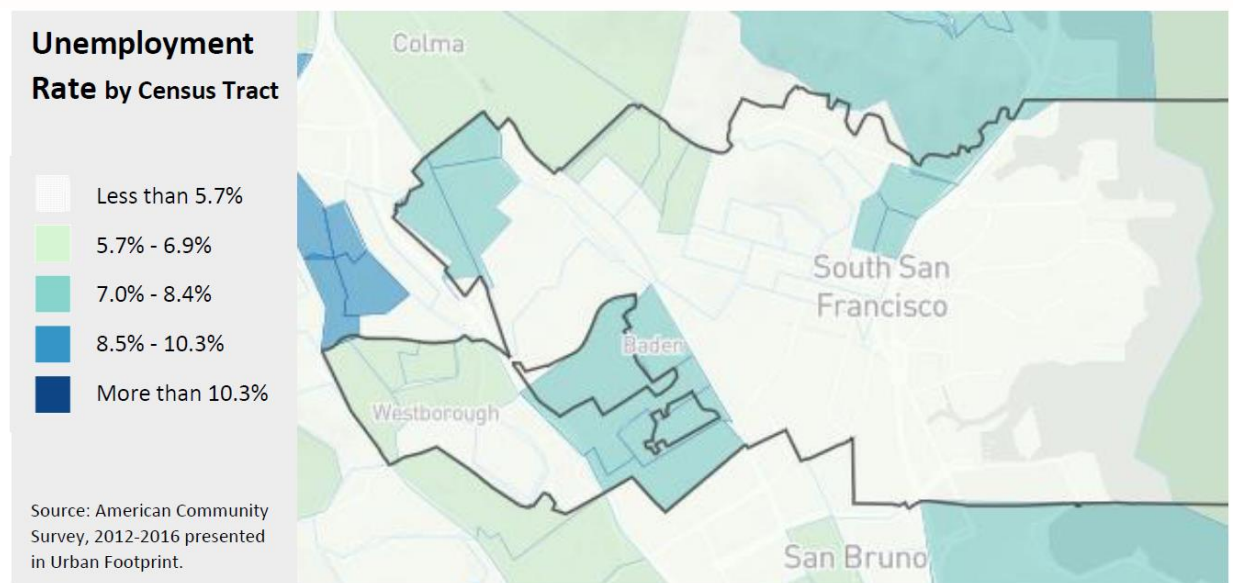
Many South San Francisco families struggle financially. The County of San Mateo's *Community Collaboration for Children's Success (CCCS)* found that parents in South San Francisco emphasized in a targeted survey their struggles to meet basic needs due to the high cost of housing despite working one or more job. The maps below (Exhibit A and B) illustrate that areas in South San Francisco with the highest poverty rate (more than 30%) also have one of the lowest unemployment rates (below 6%), because wages that residents earn are insufficient to make ends meet. CCCS surveyed South San Francisco youth and parents/caregivers and found the most pressing needs included:

- High cost of living/housing

- Lack of a living wage
- Mental health and substance issues
- Not enough affordable or free afterschool, weekend, and summer activities or preschool
- Lack of supportive adults



*Exhibit A*



*Exhibit B*

Racial and social inequities remain in our youth systems. While only 8% of San Mateo County’s children and youth live in South San Francisco, 15% of Juvenile Probation’s clients and 9% of youth served by Behavioral Health and Recovery Services live in the city. Suspension is another barrier to academic success. African American (1% of population; 17% of suspensions), American/Indian/Alaska Native (0.2% of population; 6% of suspensions), and Pacific Islander (2% of population; 8% of suspensions) students are disproportionately suspended compared to

their peers in other racial and ethnic groups within South San Francisco Unified. Five schools in the South San Francisco Unified School District are Title I and approximately 38% of students participate in the free or reduced meal program. Approximately 40.8% of students are considered socioeconomically disadvantaged.

The Metropolitan Transportation Commission (MTC) labeled South San Francisco as a Community of Concern. A diverse city with pockets of low income, high need neighborhoods vulnerable to displacement. Many families struggle to meet basic needs due to the high cost of living and low wages. In 2000, approximately 29.6% of renters were cost burdened, spending more than 30% of their income on housing costs. In 2017, that number rose to 43.1% of renters. This increase is also reflected to a lesser extent for homeowners with 47.3% of homeowners cost burdened, up from 42.5% in 2000. Currently, staff estimate there are between 400 and 900 households in South San Francisco that are behind on rent, in large part due to the negative economic impacts of the Covid-19 pandemic.

High housing costs and low wages equate to deep pockets of poverty in our most vulnerable neighborhoods. The median household income for a Latinx resident is \$68,939 or 84% of the median household income for a white resident (\$82,942), and only 64% of the median household income for Asian residents (\$108,582). (Exhibit C)

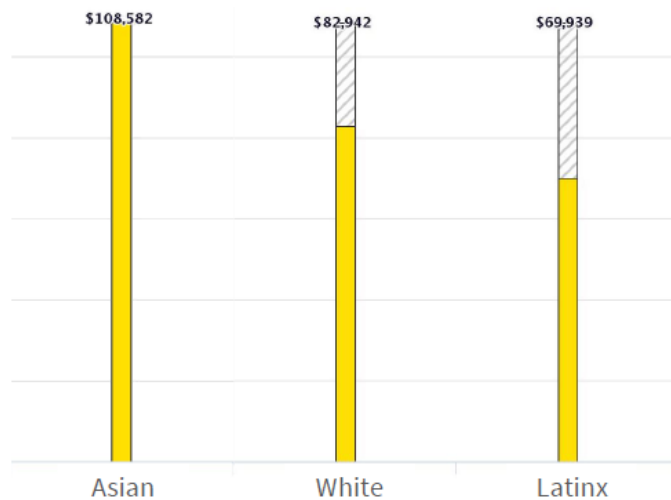


Exhibit C

South San Francisco has much lower rates of Latinx businessowners compared to other ethnicities in the City. South San Francisco has 3.5 Latinx businessowners per 1,000 Latinx residents compared to 4.4 Latinx businessowners in California and 6.9 Latinx businessowners in San Mateo County. Comparatively, there are 28.4 Asian businessowners and 38.8 White business owners per 1,000 residents in South San Francisco.

Known as the Industrial City, many longtime South San Francisco residents relied on middle-wage jobs to make ends meet. Unfortunately, these middle wage jobs are the least available in the Bay Area and are in decline. Approximately 20% of all jobs in the Bay Area are middle

wage. High and low wage jobs split the difference at 40% respectively.

### ***The City of South San Francisco is Anti-Poverty***

The City Council stepped up in big ways to provide a social safety net for our residents during the Covid-19 pandemic. The pre-existing challenges and systemic inequities were exacerbated by the negative economic impacts of Covid-19. As emergency shelter-in-place orders were put in place and businesses shuttered, residents struggled to meet the basic needs of their families including rent, food security, employment, and remote learning. The City provides a multi-pronged approach to meet our community's needs as well as to break the cycle of poverty (Exhibit D). By breaking this cycle, the City can ensure economic security now and for future generations and enable everyone to join the knowledge economy and succeed in Silicon Valley. The approaches are described below with the last economic development tool, Guaranteed Income, provided in more detail.

#### **Affordable Housing**

South San Francisco provides affordable housing in a number of ways: 1) requiring inclusionary affordable housing units in market rate residential developments; 2) collecting an affordable housing impact fee from commercial developers building office, R&D, hotels, and retails; and 3) funding rental assistance programs through the City's core service agency, the YMCA. The first two approaches focus on housing production and are responsible for a creating a robust affordable housing pipeline. The third is focused on stabilization and homelessness prevention.

#### **Rental/Food Assistance**

During the pandemic several County, City, South San Francisco Unified School District, and non-profit initiatives have been initiated to help address food insecurity in the community. Efforts have included large drive-through food box distribution events led by Second Harvest and staffed with volunteers, the YMCA, and city staff; a targeted food box delivery program for seniors, funded through donations and run by city staff; expansion of the School District's free lunch program formatted for pick-up; and a number of neighborhood volunteer and small business food donation programs.

The County of San Mateo ran the Great Plates program, funded with federal disaster relief funds. This program was targeted at homebound residents without resources and support to shop for groceries and prepare meals. Utilizing local restaurants, three meals per day were delivered five days a week to 765 South San Francisco residents. This program ended on Friday, July 9, however the County is funding a transitional home-delivered food program for approximately 150 high need South San Francisco residents.

#### **Workforce Development**

South San Francisco has engaged JobTrain, a region-serving nonprofit specializing in workforce development services, to serve at least 100 low income South San Francisco residents annually. JobTrain's case management driven services aim to stabilize unemployed and underemployed people and their households, assist with rapid reemployments, skills upgrades and job readiness,

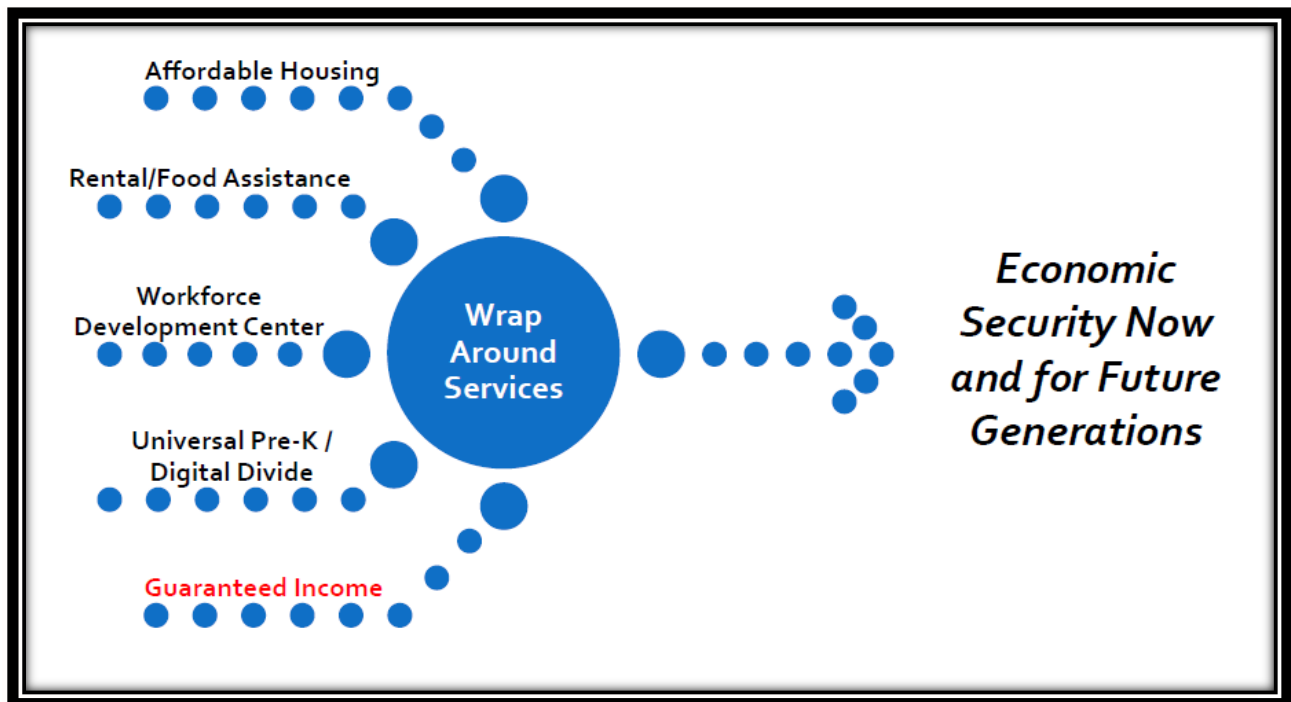
job placement, and career training.

### **Universal Pre-K/Digital Divide**

The demand for affordable childcare services, including preschool, before and after school care, and summer camp outpaced supply prior to Covid-19. The closure of a number of sites during the pandemic has exacerbated the problem. The City is in the process of creating a Childcare Masterplan to identify existing facilities and programs, research federal and state proposals to implement universal preschool, and evaluate options for expanding city programs and supporting outside providers. South San Francisco is one of the few cities in the Bay Area which requires that developers pay a Childcare Impact Fee, which may be utilized to create additional childcare spaces.

### **Guaranteed Income**

Guaranteed Income is one of the many tools in the City’s multi-pronged approach at combatting poverty and is a direct response to the negative impacts of the Covid-19 pandemic. The monthly support received by residents hardest hit by the Covid-19 pandemic will reduce the income volatility many households face, allowing them the opportunity to find full time employment and pursue training. As demonstrated in Stockton, Guaranteed Income alleviates financial scarcity creating new opportunities for self-determination, choice, goal setting, and risk taking.



*Exhibit D*

Jain Family Institute, a leader in Guaranteed Income program design, defined Guaranteed Income as “A type of cash transfer program that provides continuous unconditional cash transfers to individuals or households. This differs from typical social safety net policies by providing a steady, predictable stream of cash to recipients to spend however they see fit without limitations.” Direct cash payments are seen as an anti-poverty tool that provides recipients the flexibility to prioritize their needs and spend the money where they need it most.

As the nation’s first mayor-led guaranteed income demonstration program, Stockton’s Economic Empowerment Demonstration (SEED) program provided 125 randomly selected residents \$500 a month for 24 months. The cash was completely unconditional, with no strings attached and no work requirements. SEED’s findings validate the success of the guaranteed income demonstration program. Key findings of Stockton’s demonstration include:

- Guaranteed Income reduced income volatility, or the month to month fluctuations that households face
- Unconditional case enabled recipients to find full time employment
- Recipients were healthier, showing less depression and anxiety and enhanced wellbeing
- Guaranteed Income alleviated financial scarcity creating new opportunities for self-determination, choice, goal setting, and risk taking.

SEED allowed participants the financial stability to take time off of work to pursue full time employment, and the agency to complete internships, training, or coursework. In February 2019, 28% of SEED recipients had full time employment. One year later, 40% of recipients were employed full time. In contrast, a control group established to evaluate SEED recipients’ progress against saw only a 5% increase in full time employment over the same one-year period.

Another prominent leader in the guaranteed income space, Mayors for a Guaranteed Income (MGI), started with just 11 mayors in June 2020 and has since grown to over 50 mayors in less than one year. The number of Guaranteed Income programs nationwide continues to grow. The guaranteed income programs in California tend to focus on targeted vulnerable populations. In Oakland, the Abundant Birth Project focuses on Black mothers; in San Francisco, they focus on struggling artists, and in Santa Clara County, their guaranteed income program focused on youth transitioning out of the foster care system.

The City of South San Francisco is the first city in San Mateo County to consider creating a guaranteed income program and as such, was asked to share our lessons learned with the Mayor and staff at the City of Mountain View. Vice Mayor Nagales and City staff met with the City of Mountain View to share our experiences in program design and philanthropy. The Mountain View City Council appropriated \$1,000,000 in American Rescue Plan Act (ARPA) funds for a guaranteed income program. Mountain View staff indicate launching a guaranteed income program in 2022.

An increasing number of cities are launching guaranteed income demonstrations. MGI indicate that 50 Mayors have signed up their cities as launching or exploring a guaranteed income demonstration. As guaranteed income becomes more mainstream, many municipalities are utilizing federal funds such as CARES Act or American Rescue Plan Act (ARPA) funds to initiate local guaranteed income demonstrations. The following cities are utilizing public dollars to finance their guaranteed income programs:

- Mountain View, CA                      \$1,000,000 ARPA funds
- St. Paul, MN                              \$120,000 CARES Act
- Richmond, VA                            \$120,000 CARES Act

- Yolo County, CA \$75,000 State’s Office of Child Abuse Prevention;  
\$100,000 Cannabis Tax
- Los Angeles, CA \$6,000,000 General Fund
- Chicago, IL \$30,000,000 ARPA funds

The Department of the Treasury released its Interim Final Rule on the Coronavirus State and Local Fiscal Recovery Funds (31 CFR Part 35) which states that “Assistance to households facing negative economic impacts due to COVID-19 is also an eligible use. This includes: food assistance; rent, mortgage, or utility assistance; counseling or legal aid to prevent eviction or homelessness; cash assistance...” Further guidance provides that in considering whether a potential use is eligible under this category, “Whether and to the extent to which the household has experienced a negative economic impact from the pandemic, the recipient may presume that a household or population experienced unemployment or increased food or housing insecurity or is low-or moderate income experienced negative economic impacts resulting from the pandemic.” The cash transfer must be “reasonably proportional to the negative economic impact they are intended to address.” Treasury’s ruling specifically names cash transfer programs as a potential eligible use of ARPA funding.

Public and political support for cash-transfers, universal basic income (UBI), and guaranteed income programs continues to grow. In September 2019, *the Hill* reported that 49% of Americans favored universal basic income and the University of Chicago found that 72% of young Democrats, 54% of young independents, and 47% of young Republicans supported UBI. The pandemic is forcing a national conversation of the government’s responsibility to its people. COVID-19 shines a light on the widening income inequality in our country. Pre-pandemic, fewer than 40% of Americans could afford a \$400 emergency.

***South San Francisco Guaranteed Income Program***

The South San Francisco Guaranteed Income program will help our most vulnerable populations break the cycle of intergenerational poverty and allow everyone to join the knowledge economy and succeed in Silicon Valley. Guaranteed Income is one tool of many to break the cycle of poverty and provide opportunities for upward mobility to our lowest income residents. As evidenced by Stockton’s findings, Guaranteed Income reduces month-to-month income fluctuations, and enables participants the economic flexibility to find full time employment. Guaranteed Income alleviates financial scarcity, allowing for new opportunities in employment training such as internships and apprenticeships. For example, a participant of Stockton’s program, “Real Madrid” was able to focus on pursuing a certificate in real estate followed by an Associate’s Degree in Business Administration despite being the sole caregiver for his disabled father and sister.

Implementation of a Guaranteed Income program in South San Francisco will provide many of our lowest income residents the same chance to grow their skill set and pursue in Real Madrid’s words, a “decent job”. Guaranteed Income provides dignity and economic security now and for future generations.

Guaranteed Income is but one of many tools in the City’s multi-pronged approach to breaking the cycle of poverty exacerbated by the Covid-19 pandemic. City led initiatives underway in Affordable Housing, Rental and Food Assistance, Universal Pre-K, Bridging the Digital Divide, and Workforce Development are necessary for the program’s success. Stockton’s SEED findings note, “...guaranteed income should not be considered as a singular approach for household stability, but rather as one policy option to be implemented alongside others to shore up market failures.” City Council has proposed many policy solutions to these failures. A prime example of coupling Guaranteed Income with other economic development initiatives include the creation of the city’s new Economic Mobility Hub in our Downtown. A participant who may not have had the financial security to take time off of work may now participate in Job Train’s program, learn new skills, and apply for full time employment.

The South San Francisco Guaranteed Income program goals are two-fold:

1. To provide immediate and direct income to vulnerable households recovering from COVID-19
2. To provide tools and resources to help our residents become upwardly mobile economically

The South San Francisco guaranteed income program provides \$500 a month for 12 months to approximately 135 eligible families. The program requires case management at intake and incentivizes data collection throughout the process. Participants will be offered financial resources and tools throughout the course of the program. Program administrators will provide the City with quarterly reports on client spending trends and data from pre- and post-program surveys. Post-program, participants will be incentivized to provide quarterly surveys to track their economic mobility and to provide connections to additional resources as needed. As in the SEED program, these surveys are incentivized to maximize participation.

### ***Administration***

The City has a long-standing partnership with the YMCA as the County’s Core Services Agency serving South San Francisco. The YMCA is a trusted community partner administering the City’s rental assistance program from their Community Resource Center on Huntington Avenue. The City intends to contract with the YMCA to administer the Guaranteed Income program as the YMCA has a proven track record of intake and administration of similar programs in our community.

The City will fund the YMCA which in turn would be responsible for intake of applications and determining eligibility. The YMCA intends to partner with Oakland based non-profit, Community Financial Resources (CFR), who have set up bank accounts and distributed FOCUS debit cards in the Stockton and Compton guaranteed income programs. CFR is also responsible for the fiscal administration of the program and monthly disbursements. CFR is able to provide aggregate data to the YMCA on the financial spending habits of participants.



The YMCA provides in-house data analysis and collection. The City will partner with the YMCA to analyze and synthesize the data collected in order to report our findings back to Council at the conclusion of the program. Data collected will include demographic information, quarterly reports on client spending trends, and data from pre-and post-program surveys.

***Eligibility***

Due to the limited space in the program, staff is prioritizing applicants based on need and factors that put them at a higher risk of remaining in poverty. A four-tiered application system prioritizes those most in-need in Tiers I and II and provides opportunities for those less at-risk populations under Tier III and IV. The program prioritizes those applicants who (1) are Foster Youth transitioning out of care, (2) single head of household (3) families with minor aged children and (4) those residing in our lowest income census tracts.

Tier I applicants are households at or below 30% Area Median Income (AMI) that do not qualify for other public benefits. Tier II requires that households to be at or below 30% AMI. Tier III are households at or below 50% AMI and do not qualify for other public benefits. Tier IV are households that are at or below 50% AMI.

If more than 135 applications are received, the program administrator will implement a lottery system. This lottery system is modeled after the SEED program.

	<b>Requirements</b>
<b>Priorities</b>	<ul style="list-style-type: none"> <li>• Foster Youth transitioning out of care</li> <li>• Single Head of Household</li> <li>• Families with Minor Children</li> <li>• Lowest Census Block Groups</li> </ul>
<b>Tier I</b>	<ul style="list-style-type: none"> <li>• Those households at or below 30% AMI</li> <li>• Families that do not qualify for other public benefits</li> </ul>
<b>Tier II</b>	<ul style="list-style-type: none"> <li>• Anyone at or below 30% AMI</li> </ul>
<b>Tier III</b>	<ul style="list-style-type: none"> <li>• Households at or below 50% AMI</li> <li>• Families that do not qualify for other public benefits</li> </ul>
<b>Tier IV</b>	<ul style="list-style-type: none"> <li>• Anyone at or below 50% AMI</li> </ul>

***Benefits Cliff***

The goal of Guaranteed Income is to leave participants better off economically in the end than

when they started. Participation in Guaranteed Income may contribute to a “benefits cliff” where the small increase in earning or held assets (e.g. savings) may lead to a reduction in public benefits such as health insurance, food assistance, and housing support. In order to mitigate the loss of benefits and the triggering of 1099s, many guaranteed income programs have structured the payments as “gifts”. Structuring payments as gifts avoids tax issues for recipients.

IRS defines the gift tax as “...a tax on the transfer of property by one individual to another while receiving nothing, or less than full value, in return. The tax applies whether or not the donor intends the transfer to be a gift.”

The annual gift exclusion for 2020 is \$15,000. Therefore, the Guaranteed Income program is structured to provide a total benefit under the \$15,000 limit.

### ***Process***

The Guaranteed Income program process is divided into four phases: (1) Outreach, (2) Application Phase, (3) Distribution, and (4) Reporting & Evaluation. The outreach phase focuses on how to best reach and connect with our targeted populations—low income families residing in our lowest income census blocks. The application phase is focused on providing technical assistance during the application period, vetting applications, selecting participants, and connecting participants with benefits counselors. Additionally, financial assessment at intake is required once an applicant has been selected to participate in the program. The third phase, distribution, is focused on setting up banking accounts for all participants and distribution of FOCUS debit cards. The final phase, reporting and evaluation, provides information in the form of pre-and post-disbursement surveys, quarterly bank statements, and quarterly self-declarations.

#### Outreach

The City of South San Francisco and the YMCA will reach out to targeted populations encouraging their participation. Various forms of outreach will be implemented included flyering targeted census tracts, phone calls, in-person visits, and tabling at community events. The outreach plan includes reaching out to South San Francisco Unified Schools, Community Organizations, Local Businesses, Faith-based organizations, City programs, and San Mateo County through other Core Agency partners. The City and the YMCA will also host a dedicated webpage providing residents with more information on the Guaranteed Income program and details on eligibility and how to apply.

#### Application

The application phase provides one month for an open application period. Outreach will continue throughout the application period. The application may be completed through a google forms and/or a physical application which may be mailed to or dropped off at the YMCA. A *draft sample application* (Attachment A) includes required information and is broken into four sections: Demographics, Income, Additional Household Information, and Benefits. The application is meant to be as user-friendly as possible, requiring little technical assistance. The information relating to income, household information, and benefits will prioritize the application into the tiered system. No questions regarding citizenship are included on this application.

During this phase, an estimated 135 households will be informed that they have been selected to

participate. In order to participate, applicants will have to provide consent, information on protocol, and the expectations around financial assessments. . A *draft Disclaimer and Informed Consent* (Attachment B) must be signed in order to participate in the program. The disclaimer informs the participant that the cash assistance received through this program is considered a “gift” and not considered taxable income per IRS law and does not exceed the yearly gift tax limit of \$15,000. Further, it acknowledges that there are other public benefits that may be negatively affected as they may be considered monetary gifts as a contributing factor in program eligibility and/or benefits which may lead to a reduction in public benefits.

All participants will be required to provide an intake survey prior to the first installment of funds as well as incentivize participation in a post-distribution survey at the conclusion of the pilot. Financial case management and other tools will also be offered to participants. The financial assessment is meant to be used for both pre and post-surveys. The pre-survey will occur during program onboarding which will include:

- Assessment
- Budget and Financial Skills Empowerment
- Needs & Expectations Case Management

Accompanying the disclaimer is the *Benefits Crosswalk* (Attachment C), which details potential impacts to commonly received benefits such as CalWorks, Social Security, SSI/SSDI, WIC, and others. The Benefits Crosswalk also provides a recommendation based on the type of benefit(s) the participant is currently receiving. However, it is in no way a promise that public benefits may or may not be affected and participants must sign up with a benefits counselor prior to participation in the Guaranteed Income program. Additionally, the YMCA will provide a “hold harmless fund” that may fund any unintended loss of other public benefits until the fund is depleted.

#### Disbursement

CFR is partnering with YMCA to provide Focus Card and/or Self-Help Federal Credit Union (SHFCU) accounts, provide data, and to facilitate the direct deposit of guaranteed income of \$500 for up to 135 participants once a month for 12 months.

SEED’s disbursement was issued on, or close to, the 15<sup>th</sup> of every month. Large expenses such as rent are due at the beginning of the month and benefits, like CalFresh, rarely meet a family’s need for an entire month. As such, a mid-month disbursement was selected. Staff anticipate also providing a mid-month disbursement for the reasons above.

Participants may receive their disbursement through the Focus Card or SHFCU Access Account. In order to participate, participants will be required to participate in a financial intake survey and will be offered case management throughout the program.

The disbursement program includes:

- Provide card enrollment process
- CFR to facilitate monthly direct deposits to participants

- Provide partner support and trouble-shooting to Urban Services YMCA
- Customer service support to cardholders through US Bank and SHFCU
- Escalated cardholder issue resolution through CFR
- Consumer education materials to facilitate effective usage of the products
- Provide transaction data to analyze card usage trends.

### Reporting

The YMCA will require all participants to provide an intake survey prior to the first installment of funds as well as incentivize participation in a post-distribution survey at the conclusion of the pilot. Financial case management and other tools will also be offered to participants. The financial assessment is meant to be used for both pre and post-surveys. The pre-survey will occur during program onboarding which will include Assessment, Budget and Financial Skills Empowerment, and Needs & Expectations Case Management. The assessment will include a Self Sufficiency Matrix in which clients work with a case manager to score each domain (1- in crisis, 2- vulnerable, 3- safe, 4- building capacity, 5- empowered) each score is operationalized depending on domain:

- Housing
- Employment
- Income
- Food
- Child Care
- Children's Education
- Adult Education
- Health Care Coverage
- Life Skills
- Family/Social Relations
- Mobility
- Community Involvement
- Parenting Skills
- Legal
- Mental health
- Substance use
- Safety
- Disabilities

Data focused on card usage and transaction trends will be provided by Community Financial Resources. Focus Card cash flow by transaction type includes:

- Count of Transaction Types by month
- Value of Transaction Types by month
- Sum of Fees by Transaction Types by month
- Savings activity
- Number of active cards per month

Data reported in the intake and post-distribution surveys, as well as the transaction data received from CFR will be analyzed and provided to City Council at the conclusion of the program. As a part of these reports, the YMCA will provide demographic report of participants, quarterly reports on client spending trends, and data from all surveys.

### ***Cost***

The South San Francisco Guaranteed Income Program will cost \$1,000,000 to serve approximately 135 residents with \$500 per month for 12 months.

Cash Payments	\$810,000
Non-Profit Administrative Costs	\$190,000
<b>Total Program Cost:</b>	<b>\$1,000,000</b>

### ***Outreach***

At a Council Study Session on April 10, 2021 staff was directed to pursue philanthropic funding for this initiative with the City providing a matching amount of \$2,000,000 in federal funding. The City met with 13 foundations, as well as non-profits, corporations, and elected officials in pursuit of funding. As a result, the City was able to secure \$200,000 in funding from our partners, the Silicon Valley Community Foundation and the County of San Mateo. Fundraising efforts are ongoing to fund this program past the pilot phase.

In May, the Governor’s Budget included a proposal for \$35 million over five years to pay for universal basic income pilot programs. The first statewide funding for such programs, it would help local governments to fund universal basic income programs targeted at helping low income residents. Local governments will be required to help pay for these programs with public monies or private donations. Staff will pursue any grant opportunities as they become available.

Staff met with nonprofit organizations Jain Family Institute and Open Research Labs for technical assistance in program design and technical expertise. On behalf of the City of South San Francisco, Vice Mayor Nagales joined the nonprofit Mayors for a Guaranteed Income (MGI). Through our affiliation with MGI, the City was invited to participate in the *Community of Practice* at the national and state level. The Community of Practice hosts monthly meetings for cities, nonprofits, and funders to meet and discuss their progress, and to share lessons learned and best practices. The first California Community of Practice launched on June 8, 2021 and provided the City with an opportunity to connect with other California cities locally and regionally.

### ***Timeline***

If approved, staff will move forward with plans to launch this program by October 15, 2021. Staff anticipates the following timeframe to implement this program:

- July 14, 2021                      Formation of Guaranteed Income pilot
- July – August                      Staff Training
- July – August                      Outreach
- August-September              Application Period
- October 15, 2021                Launch Date - First Disbursements
- October 2022                      End of Disbursement
- October-December              Data Collection & Analysis
- January 2023                      Findings to City Council

**FISCAL IMPACT**

The Guaranteed Income Pilot program seeks \$800,000 in American Rescue Plan funds. Council discussed in March, 2021, the possibility of assigning as much as \$2 million in ARP funds to Guaranteed Income. Only \$800,000 is sought for the one-year pilot program.

**RELATIONSHIP TO STRATEGIC PLAN**

Creation of the South San Francisco Guaranteed Income pilot program meets the City’s strategic goals of providing a high quality of life for our residents, Financial Stability, and Economic Vitality.

**CONCLUSION**

Mayor Tubbs, the creator of the Stockton demonstration program said it best, “Poverty is antiquated, immoral, and should not exist.” Guaranteed Income is not a singular solution to poverty, but a part of a larger plan to help alleviate poverty for our poorest and most vulnerable residents. Coupled with the City’s existing anti-poverty approaches related to job training, guaranteed income presents hope for our residents to break out of the cycle of poverty and to provide them the financial security they need today and for future generations.

**It is recommended that the City Council adopt a resolution approving the creation of South San Francisco’s Guaranteed Income Pilot program and appropriate \$800,000 in American Rescue Plan Act funds and approve budget amendment number 22.011.**

**Attachments:**

1. Draft Application
2. Disclaimer and Informed Consent
3. Benefits Crosswalk