Resolution retroactively authorizing the establishment of a small business emergency financial relief program to be administered by the Office of Economic and Workforce Development (OEWD), and authorizing the Director of OEWD to enter into agreements not to exceed $7,300,000, for terms beginning April 1, 2021, through June 30, 2027, including one or more funding/loan agreements with the California Rebuilding Fund, LLC in an expected amount of $4,200,000 to facilitate the origination of loans to certain small businesses in the City but which may vary depending on available program terms and demand; and one or more funding/grant agreements with Kiva Microfunds in an expected amount of $3,100,000 to provide monies for an interest buydown fund for loans facilitated by the California Rebuilding Fund to certain small businesses in the City but which may vary depending on available program terms and demand, and to take necessary actions in connection therewith, as defined herein.

WHEREAS, California Government Code Sections 8500 et seq., San Francisco Charter Section 3.100(14) and Chapter 7 of the Administrative Code empower the Mayor to declare the existence of a local emergency, subject to the concurrence of the Board of Supervisors, in the case of emergency threatening the property, lives, or welfare of the City and County or its citizens; and

WHEREAS, On February 25, 2020, the Mayor issued a Proclamation (“Proclamation”) declaring a local emergency to exist within the City in connection with the imminent spread of the novel (new) coronavirus (“COVID-19”); and
WHEREAS, On March 3, 2020, the Board of Supervisors concurred with the Mayor’s Proclamation, including actions taken by the Mayor to meet the COVID-19 emergency; and

WHEREAS, On March 6, 2020, the Health Officer declared a local health emergency under Section 101080 of the California Health and Safety Code, and the Board of Supervisors concurred with that declaration on March 10, 2020; and

WHEREAS, On March 16, 2020, the Health Officer issued a stay safe at home order (Order No. C-19-07, and herein the “Stay Safer At Home Order”) requiring most City residents to remain in their homes except for travel to obtain essential supplies, and required the closure of nonessential businesses, and the Stay Safer At Home Order has been amended and modified to date; and

WHEREAS, The effects of the COVID-19 emergency continue to impose significant financial hardships on small businesses within the City, and will continue to do so until such time as City residents and individuals in the Bay Area are vaccinated; and

WHEREAS, On January 12, 2021, Mayor Breed announced her intention to establish a small business grant and low or zero interest loan program to provide financial support to local businesses to sustain such businesses until the business and economic environment returns to normal ("Program"); and

WHEREAS, It is intended that the Program consist of (i) microloans to small low-income businesses across the City, and (ii) loans to other small business across the City, in either case, complementing and expanding existing local, State, and Federal initiatives aimed at providing relief for small businesses struggling as a result of COVID-19; and

WHEREAS, The California Rebuilding Fund, LLC ("Rebuilding Fund"), a public-private partnership, was announced by Governor Newsom in November 2020 as a loan program to assist small businesses located in the State, particularly focused on certain small businesses (currently defined by Rebuilding Fund guidelines as businesses with fewer than 50 full-time...
employees and less than $2.5 million in annual revenues) located in economically

disadvantaged and historically underbanked areas to provide access to capital and advisory

services to support such businesses recover from the economic challenges arising from the

COVID-19 emergency; and

WHEREAS, The Rebuilding Fund offers the City a unique opportunity to leverage

funding from the State of California and private capital to reach as many small businesses as

possible and is the only lending program backed by a $37,500,000 anchor commitment from

the State of California, as well as a $50,000,000 guarantee allocation from the California

Infrastructure and Economic Development Bank (IBank); and

WHEREAS, Kiva Microfunds ("Kiva"), a 501(c)(3) non-profit organization

headquartered in San Francisco with a mission to expand financial access to help

underserved communities by providing microloans to small businesses, is acting as the

collateral agent and administrator to the Rebuilding Fund; and

WHEREAS, The Office of Employment and Workforce Development ("OEWD") has

identified the Rebuilding Fund as the only State program to leverage the City’s investment

under the Program and expand the financial assistance to San Francisco small businesses

adversely impacted by COVID-19, has identified the Rebuilding Fund and Kiva as partners to

facilitate lending to small business in the City for the purposes of the Program, and desires to

enter into funding agreements to enable such organizations to provide loans to small

businesses in the City; and

WHEREAS, Concurrently herewith this Board has adopted the related supplemental

appropriation Ordinance No. 044-21 including $7,600,000 for the FY2020-2021 in order to

provide funds to support the Program; now, therefore, be it

RESOLVED, That the Board authorizes the Director of the Office of Economic and

Workforce Development ("Director") to establish and administer a loan and grant program to
assist small businesses located in the City, particularly targeted to small businesses located in economically disadvantaged and historically underbanked areas as determined by OEWD; and, be it

FURTHER RESOLVED, That the Director is hereby authorized to enter into one or more funding/loan agreements with the Rebuilding Fund in an expected amount of $4,200,000 and a term of up to five years to mirror the duration of the associated small business loans, in substantially the form submitted to the Board and on file with the Clerk in File No. 210184 to facilitate small business (defined herein with reference to the Rebuilding Fund guidelines, as may be amended from time to time, and which currently define “small business” as a business with fewer than 50 full-time employees and less than $2.5 million in annual revenues and adversely impacted by the COVID-19 emergency) loan origination with certain community development financial institutions for small businesses located in the City; and, be it

FURTHER RESOLVED, That the Director is hereby also authorized to enter into one or more funding/grant and administration agreements with Kiva in an expected amount of $3,100,000 and a term of up to five years to mirror the duration of the associated small business loans, to provide interest rate buydown fund to reduce the interest cost on certain loans originated or facilitated by the Rebuilding Fund to certain small business located in the City, and to provide other loan administration services for such small businesses; and, be it

FURTHER RESOLVED, That the Director is hereby urged to expeditiously cause such documents to be executed with Rebuilding Fund and Kiva, as applicable, to cause the origination of loans to small business in the City as soon as practicable; and, be it

FURTHER RESOLVED, That the Director shall submit report(s) to this Board as and when such reports are available regarding loans made to small businesses located in the City, as provided by either the Rebuilding Fund or Kiva, including the aggregate amount of loans made for each loan type and average loan amount for each loan type; and, be it
FURTHER RESOLVED, That the Office of Economic and Workforce Development shall update the Board of Supervisors on loan demand and disbursement progress within 120 days of launching the loan program to the public; and, be it

FURTHER RESOLVED, That within 30 days of the funding/loan/grant agreements and being fully-executed by all parties, the Office of Economic and Workforce Development shall provide the final funding/loan agreements and funding/grant agreements to the Clerk of the Board for inclusion into the official file.
Resolution retroactively authorizing the establishment of a small business emergency financial relief program to be administered by the Office of Economic and Workforce Development (OEWD), and authorizing the Director of OEWD to enter into agreements not to exceed $7,300,000, for terms beginning April 1, 2021, through June 30, 2027, including one or more funding/loan agreements with the California Rebuilding Fund, LLC in an expected amount of $4,200,000 to facilitate the origination of loans to certain small businesses in the City but which may vary depending on available program terms and demand; and one or more funding/grant agreements with Kiva Microfunds in an expected amount of $3,100,000 to provide monies for an interest buydown fund for loans facilitated by the California Rebuilding Fund to certain small businesses in the City but which may vary depending on available program terms and demand, and to take necessary actions in connection therewith, as defined herein.

April 14, 2021 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

April 14, 2021 Budget and Finance Committee - CONTINUED AS AMENDED

April 21, 2021 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 21, 2021 Budget and Finance Committee - RECOMMENDED AS AMENDED

April 27, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton
I hereby certify that the foregoing Resolution was ADOPTED on 4/27/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calviño
Clerk of the Board

London N. Breed
Mayor

Date Approved
5-7-21