

LEGISLATIVE DIGEST

[Authorization to Borrow Funds - Short-Term Loan Program for Federal Employees - Treasurer-Tax Collector - Line of Credit Amount Not to Exceed \$20,000,000]

Ordinance authorizing the Treasurer, in the event of a partial shutdown of the United States government occurring between February 2019 and June 2019, to secure a short-term line of credit in an amount not to exceed \$20,000,000 or, in the alternative, partner with one or more financial institutions, for the purpose of providing short-term emergency unsecured individual loans for Federal employees residing in San Francisco or working at the San Francisco International Airport.

Existing Law

The Treasurer is not currently authorized to secure a line of credit or to enter into agreements with financial institutions for purposes of creating a program to offer loans to federal workers residing in San Francisco or working at the San Francisco International Airport (“SFO”) affected by a federal government shutdown.

Amendments to Current Law

The proposed ordinance would provide the Treasurer authority to secure a line of credit from a commercial lending institution of up to \$20,000,000 for purposes of creating a program to offer individual loans to federal employees who reside in San Francisco or work at SFO and are not being paid due to a shutdown of the federal government between February 2019 and through June 2019. Each individual loan shall not exceed \$6,000 and shall be repayable within 60 days of the end of the federal government shutdown during which the loan was made. Alternatively, the proposed ordinance authorizes the Treasurer to pursue agreements with one or more financial institutions to offer individual loans to the same group of affected federal workers in the event of another federal government shutdown. Any such agreement shall not exceed \$20,000,000 in loan originations. These authorizations shall not extend past June 30, 2019, unless authorized by another ordinance.

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