

AMENDED IN COMMITTEE  
04/21/2021

FILE NO. 210184

RESOLUTION NO.

1 [Small Business Emergency Relief Program - Retroactive - Not to Exceed \$7,300,000  
2 Funding/Loan Agreements - California Rebuilding Fund, LLC - Expected Amount \$4,200,000 -  
3 Funding/Grant Agreements - Kiva Microfunds - Expected Amount \$3,100,000]

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

16  
17 WHEREAS, California Government Code Sections 8500 *et seq.*, San Francisco  
18 Charter Section 3.100(14) and Chapter 7 of the Administrative Code empower the Mayor to  
19 declare the existence of a local emergency, subject to the concurrence of the Board of  
20 Supervisors, in the case of emergency threatening the property, lives, or welfare of the City  
21 and County or its citizens; and

22 WHEREAS, On February 25, 2020, the Mayor issued a Proclamation (“Proclamation”)  
23 declaring a local emergency to exist within the City in connection with the imminent spread of  
24 the novel (new) coronavirus (“COVID-19”); and

1           WHEREAS, On March 3, 2020, the Board of Supervisors concurred with the Mayor’s  
2 Proclamation, including actions taken by the Mayor to meet the COVID-19 emergency; and

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

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

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

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

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

22           WHEREAS, The California Rebuilding Fund, LLC (“Rebuilding Fund”), a public-private  
23 partnership, was announced by Governor Newsom in November 2020 as a loan program to  
24 assist small businesses located in the State, particularly focused on certain small businesses  
25 (currently defined by Rebuilding Fund guidelines as businesses with fewer than 50 full-time

1 employees and less than \$2.5 million in annual revenues) located in economically  
2 disadvantaged and historically underbanked areas to provide access to capital and advisory  
3 services to support such businesses recover from the economic challenges arising from the  
4 COVID-19 emergency; and

5 WHEREAS, The Rebuilding Fund offers the City a unique opportunity to leverage  
6 funding from the State of California and private capital to reach as many small businesses as  
7 possible and is the only lending program backed by a \$37,500,000 anchor commitment from  
8 the State of California, as well as a \$50,000,000 guarantee allocation from the California  
9 Infrastructure and Economic Development Bank (IBank); and

10 WHEREAS, Kiva Microfunds (“Kiva”), a 501(c)(3) non-profit organization  
11 headquartered in San Francisco with a mission to expand financial access to help  
12 underserved communities by providing microloans to small businesses, is acting as the  
13 collateral agent and administrator to the Rebuilding Fund; and

14 WHEREAS, The Office of Employment and Workforce Development (“OEWD”) has  
15 identified the Rebuilding Fund as the only State program to leverage the City’s investment  
16 under the Program and expand the financial assistance to San Francisco small businesses  
17 adversely impacted by COVID-19, has identified the Rebuilding Fund and Kiva as partners to  
18 facilitate lending to small business in the City for the purposes of the Program, and desires to  
19 enter into funding agreements to enable such organizations to provide loans to small  
20 businesses in the City; and

21 WHEREAS, Concurrently herewith this Board has adopted the related supplemental  
22 appropriation Ordinance No. 044-21 including \$7,600,000 for the FY2020-2021 in order to  
23 provide funds to support the Program; now, therefore, be it

24 RESOLVED, That the Board authorizes the Director of the Office of Economic and  
25 Workforce Development (“Director”) to establish and administer a loan and grant program to

1 assist small businesses located in the City, particularly targeted to small businesses located in  
2 economically disadvantaged and historically underbanked areas as determined by OEWD;  
3 and, be it

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

13 FURTHER RESOLVED, That the Director is hereby also authorized to enter into one or  
14 more funding/grant and administration agreements with Kiva in an expected amount of  
15 \$3,100,000 and a term of up to five years to mirror the duration of the associated small  
16 business loans, to provide interest rate buydown fund to reduce the interest cost on certain  
17 loans originated or facilitated by the Rebuilding Fund to certain small business located in the  
18 City, and to provide other loan administration services for such small businesses; and, be it

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

22 FURTHER RESOLVED, That the Director shall submit report(s) to this Board as and  
23 when such reports are available regarding loans made to small businesses located in the City,  
24 as provided by either the Rebuilding Fund or Kiva, including the aggregate amount of loans  
25 made for each loan type and average loan amount for each loan type; and, be it

1           FURTHER RESOLVED, That the Office of Economic and Workforce Development  
2 shall update the Board of Supervisors on loan demand and disbursement progress within 120  
3 days of launching the loan program to the public; and, be it

4           FURTHER RESOLVED, That within 30 days of the funding/loan/grant agreements and  
5 being fully-executed by all parties, the Office of Economic and Workforce Development shall  
6 provide the final funding/loan agreements and funding/grant agreements to the Clerk of the  
7 Board for inclusion into the official file.

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