

1 [Establishment of Small Business Emergency Relief Program - Funding/Loan Agreements -
2 California Rebuilding Fund, LLC - Not to Exceed \$2,000,000 - Funding/Grant Agreements -
3 KIVA Capital Management, LLC - Not to Exceed \$1,400,000]

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4 **Resolution authorizing the establishment of a small business emergency financial**
5 **relief program to be administered by the Office of Economic and Workforce**
6 **Development (OEWD), and authorizing the Director of OEWD to enter into one or more**
7 **funding/loan agreements with the California Rebuilding Fund, LLC in an amount not to**
8 **exceed \$2,000,000 to facilitate the origination of loans to certain small businesses in**
9 **the City; and to enter into one or more funding/grant agreements with Kiva Capital**
10 **Management, LLC in an amount not to exceed \$1,400,000 to provide monies for an**
11 **interest buydown fund for loans facilitated by the California Rebuilding Fund to certain**
12 **small businesses in the City, and to take necessary actions in connection therewith, as**
13 **defined herein.**

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

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

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

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

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

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

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

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

20 WHEREAS, The California Rebuilding Fund, LLC (“Rebuilding Fund”), a public-private
21 partnership, was announced by Governor Newsom in November 2020 as a loan program to
22 assist small businesses located in the State, particularly focused on certain small businesses
23 (currently defined by Rebuilding Fund guidelines as businesses with fewer than 50 full-time
24 employees and less than \$2.5 million in annual revenues) located in economically
25 disadvantaged and historically underbanked areas to provide access to capital and advisory

1 services to support such businesses recover from the economic challenges arising from the
2 COVID-19 emergency; and

3 WHEREAS, Kiva Capital Management, LLC (“Kiva”), a 501(c)(3) non-profit
4 organization, is headquartered in San Francisco and has a mission to expand financial access
5 to help underserved communities by providing microloans to small businesses; and

6 WHEREAS, The Office of Employment and Workforce Development (“OEWD”) has
7 identified the Rebuilding Fund and Kiva as partners to facilitate lending to small business in
8 the City for the purposes of the Program, and desire to enter into funding agreements to
9 enable such organizations to provide loans to small businesses in the City; and

10 WHEREAS, Concurrently herewith this Board is considering the adoption of a related
11 supplemental appropriation ordinance totaling \$7,500,000 for the FY2020-2021 in order to
12 provide funds to support the Program; now, therefore, be it

13 RESOLVED, That the Board authorizes the Director of the Office of Economic and
14 Workforce Development (“Director”) to establish and administer a loan and grant program to
15 assist small businesses located in the City, particularly targeted to small businesses located in
16 economically disadvantaged and historically underbanked areas as determined by OEWD;
17 now, therefore be it

18 FURTHER RESOLVED, That the Director is hereby authorized to enter into one or
19 more funding/loan agreements with the Rebuilding Fund in an amount not to exceed
20 \$2,000,000 in substantially the form submitted to the Board and on file with the Clerk in File
21 No. 210184 to facilitate small business (defined herein with reference to the Rebuilding Fund
22 guidelines, as may be amended from time to time, and which currently define “small business”
23 as a business with fewer than 50 full-time employees and less than \$2.5 million in annual
24 revenues) loan origination with certain community development financial institutions for small
25 businesses adversely impacted by the Covid emergency and located in the City; and, be it

1 FURTHER RESOLVED, That the Director is hereby also authorized to enter into one or
2 more funding/grant and administration agreements with Kiva in an amount not to exceed
3 \$1,400,000 to provide interest rate buydown fund to reduce the interest cost on certain loans
4 originated or facilitated by the Rebuilding Fund to certain small business located in the City,
5 and to provide other loan administration services for such small businesses; and, be it

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

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

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

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