

[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 December 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.**

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
**Additions to Codes** are in *single-underline italics Times New Roman font*.  
**Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
**Board amendment additions** are in double-underlined Arial font.  
**Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Background.

(a) For five full weeks – 35 days – between December 22, 2018 and January 25, 2019, non-essential operations of a large segment of the United States government ceased to operate during the federal government shutdown (the “2018-19 Federal Shutdown”). During the 2018-19 Federal Shutdown, many federal workers were not paid, and were forced to scramble to find money to pay rent or a mortgage, buy groceries and gas, pay for child care, and pay for other day-to-day living expenses. These struggles created significant burdens and uncertainty for many federal employees and their families, organizations anticipating the receipt of federal funds, and individuals and families relying on federal programs. The 2018-

1 19 Federal Shutdown impacted San Franciscans in many ways, including by threatening to  
2 disrupt the operations of the San Francisco International Airport ("SFO").

3 (b) Following the enactment of a stopgap funding bill, the 2018-19 Federal Shutdown  
4 ended. But because the stopgap funding bill only authorizes government operations for three  
5 weeks, and the President has threatened to close the federal government again, there is a  
6 risk that federal employees may find themselves without paychecks again as early as late  
7 February.

8 (c) To ease the burdens and uncertainties for federal employees that could again be  
9 triggered by another shutdown of the federal government, this ordinance authorizes the  
10 Treasurer to secure a short-term line of credit with a commercial lending institution in order to  
11 administer short-term unsecured emergency individual loans to federal employees if there is a  
12 further shutdown of the United States government between February and ~~June~~ December  
13 2019. Alternatively, the Treasurer is authorized to pursue the development of an agreement  
14 with one or more financial institutions to provide short-term unsecured emergency individual  
15 loans to affected federal employees who reside in San Francisco or who work at SFO.

16  
17 Section 2. Authorization to Treasurer.

18 (a) If the United States government partially shuts down between February and  
19 through ~~June~~ December 2019 as a result of the failure to enact an appropriations bill or  
20 continuing resolution or other legislation to fully fund the operations of the federal government  
21 during some or all of that period, the Treasurer may secure a short-term line of credit in an  
22 amount not to exceed \$20,000,000 with a commercial lending institution for the purpose of  
23 administering individual loans for affected federal employees who reside in San Francisco or  
24 who work at SFO. The authorization provided in this subsection (a) to seek this line of credit  
25 shall not extend past ~~June 30~~ December 31, 2019, unless authorized by another ordinance.

1 The Treasurer may use the funds to develop a flexible unsecured loan program that allows  
2 the Treasurer to make one-time interest-free loans to federal employees who reside in San  
3 Francisco or who work at SFO, and who are not receiving pay due to the federal government  
4 shutdown. The loans shall not exceed \$6,000 per individual, and the Treasurer shall require  
5 individual loan repayment in full within 60 days of the end of the shutdown during which the  
6 loan was provided. The Treasurer shall implement such policies and procedures as are  
7 required to administer the program.

8 (b) The Treasurer is authorized to pursue opportunities with one or more financial  
9 institutions to provide short-term unsecured emergency individual loans to affected federal  
10 employees who reside in San Francisco or who work at SFO; provided such program shall not  
11 exceed \$20,000,000 of loan originations. The authorization provided in this subsection (b)  
12 shall not extend past ~~June 30~~ December 31, 2019, unless authorized by another ordinance.

13 (c) Subsections (a) and (b) are alternatives. The Treasurer may exercise either of  
14 those options, but not both.

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16 Section 3. General Authority.

17 The Controller, Treasurer, City Attorney, and other officers of the City and their duly  
18 authorized deputies and agents are hereby authorized and directed, jointly and severally, to  
19 execute and deliver such certificates, agreements, and documents as they may deem  
20 necessary or desirable to facilitate the development of the emergency short term loan  
21 program herein described.

22  
23 Section 4. Effective Date. This ordinance shall become effective 30 days after  
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
25

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
2 of Supervisors overrides the Mayor's veto of the ordinance.

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4  
5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

7 By:



8 BRADLEY A. RUSSI  
9 Deputy City Attorney

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# City and County of San Francisco

## Tails

### Ordinance

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 190090

**Date Passed:** March 12, 2019

Ordinance authorizing the Treasurer, in the event of a partial shutdown of the United States government occurring between February 2019 and December 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.

February 20, 2019 Budget and Finance Committee - AMENDED

February 20, 2019 Budget and Finance Committee - CONTINUED AS AMENDED

February 27, 2019 Budget and Finance Committee - RECOMMENDED

March 05, 2019 Board of Supervisors - PASSED ON FIRST READING


Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee


March 12, 2019 Board of Supervisors - FINALLY PASSED


Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 190090

I hereby certify that the foregoing  
Ordinance was FINALLY PASSED on  
3/12/2019 by the Board of Supervisors of  
the City and County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
London N. Breed  
Mayor

  
\_\_\_\_\_  
Date Approved