

BOARD of SUPERVISORS



**City Hall
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227**

June 6, 2024

The Honorable Gavin Newsom
Governor of the State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Board of Supervisors Resolution No. 285-24

Dear Governor Newsom:

On May 14, 2024, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 285-24 (Urging to Fund the California Employee Ownership Hub), which was enacted on May 24, 2024.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

- One copy of Resolution No. 285-24 (File No. 240484)

If you have any questions or require additional information, please contact the Office of the Clerk of the Board at (415) 554-5184, or by e-mail: board.of.supervisors@sfgov.org.

Sincerely,

A handwritten signature in blue ink that reads "A. Calvillo".

Angela Calvillo
Clerk of the Board

ll:jw:ak:ams

- c. Members of the Board of Supervisors; Supervisors Shamann Walton, Dean Preston
Tom Paulino, Mayor's Liaison to the Board of Supervisors
Eileen F. Mariano, Mayor's Manager of State and Federal Legislative Affairs
Andres Power, Mayor's Policy Director
Paul Yoder, Karen Lange, Erica Smith, City Lobbyists - Shaw Yoder Antwih Schmelzer & Lange

1 [Urging to Fund the California Employee Ownership Hub]
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3 **Resolution urging the appropriation of \$1,500,000 over three years to fund the**
4 **Employee Ownership Hub within the Governor's Office of Business and Economic**
5 **Development to support and expand employee ownership in California.**
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7 WHEREAS, Senate Bill No. 1407 (SB 1407), sponsored by Senator Josh Becker and
8 also known as the California Employee Ownership Act, was passed unanimously and signed
9 by Governor Gavin Newsom in 2022 to foster the growth of employee-owned businesses in
10 California; and

11 WHEREAS, The Employee Ownership Hub, established under SB 1407 and housed
12 within the Governor's Office of Business and Economic Development, lacks the necessary
13 budget allocation to fully operationalize, including funding for a Hub Manager and initial
14 programming; and

15 WHEREAS, Employee-owned businesses have been shown to enhance business
16 performance, create quality jobs, build wealth for workers, contribute to more resilient local
17 economies, and retain jobs during many recessions; yet awareness and implementation of
18 employee ownership models remain limited in California compared to other states like
19 Colorado, Washington, Massachusetts, and Vermont; and

20 WHEREAS, Employee-owned businesses have consistently demonstrated resilience
21 during economic downturns by retaining jobs at significantly higher rates, thereby reducing
22 unemployment costs to the state, and notably, during the pandemic, employee-owned
23 businesses were found to be three to four times more likely to retain their staff across all
24 levels; and
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1 WHEREAS, Worker cooperatives in San Francisco are lauded for their ability to
2 provide stable, quality jobs and for promoting equity among workers as a means to reduce
3 economic disparities, increase worker ownership and participation in the economy, contribute
4 to local economic stability, and embody a business model that prioritizes community and
5 worker well-being over profit maximization, aligning closely with San Francisco's values of
6 inclusivity and sustainability; and

7 WHEREAS, A significant number of California's small businesses face a potential
8 closure crisis as business owners retire, with the "Silver Tsunami" indicating that six out of ten
9 business owners plan to sell in the next decade, but only one in five businesses find a buyer,
10 thus endangering nearly 359,500 California businesses, 4 million employees, and \$864 billion
11 in revenue without effective succession planning strategies; now, therefore, be it

12 RESOLVED, That the San Francisco Board of Supervisors supports California Senate
13 Bill 1407; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
15 Francisco hereby urges the appropriation of \$1.5 million over three years to fund the
16 Employee Ownership Hub within the Governor's Office of Business and Economic
17 Development to support and expand employee ownership in California and ensure the state's
18 economic stability and inclusivity in the 21st century; and, be it

19 FURTHER RESOLVED, That the Clerk of the Board send a copy of this Resolution to
20 California Governor Newsom, California State Senator Scott Wiener, Senator Steve Padilla,
21 Assembly Member Jesse Gabriel, and Assembly Member Sharon Quirk Silva.



City and County of San Francisco
Tails
Resolution

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

File Number: 240484

Date Passed: May 14, 2024

Resolution urging the appropriation of \$1,500,000 over three years to fund the Employee Ownership Hub within the Governor's Office of Business and Economic Development to support and expand employee ownership in California.

May 14, 2024 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Peskin, Preston, Ronen, Safai, Stefani and Walton
Excused: 1 - Melgar

File No. 240484

I hereby certify that the foregoing Resolution was ADOPTED on 5/14/2024 by the Board of Supervisors of the City and County of San Francisco.

f Angela Calvillo
Clerk of the Board

Unsigned

London N. Breed
Mayor

5/24/2024

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

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June 6, 2024

The Honorable Scott Wiener
California State Senator
California State Capitol
1021 O Street, Suite 8620
Sacramento, CA 95814-4900

Re: Board of Supervisors Resolution No. 285-24

Dear Senator Wiener:

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19 FURTHER RESOLVED, That the Clerk of the Board send a copy of this Resolution to
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City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
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File Number: 240484

Date Passed: May 14, 2024

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May 14, 2024 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Peskin, Preston, Ronen, Safai, Stefani and Walton
Excused: 1 - Melgar

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Clerk of the Board

Unsigned

London N. Breed
Mayor

5/24/2024

Date Approved

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June 6, 2024

The Honorable Steve Padilla
California State Senator
California State Capitol
1021 O Street, Suite 6640
Sacramento, CA 95814

Re: Board of Supervisors Resolution No. 285-24

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Tom Paulino, Mayor's Liaison to the Board of Supervisors
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City and County of San Francisco
Tails
Resolution

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

File Number: 240484

Date Passed: May 14, 2024

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Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Peskin, Preston, Ronen, Safai, Stefani and Walton
Excused: 1 - Melgar

File No. 240484

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Clerk of the Board

Unsigned

London N. Breed
Mayor

5/24/2024

Date Approved

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June 6, 2024

The Honorable Jesse Gabriel
California State Assembly Member
California State Capitol
P.O. Box 942849
Sacramento, CA 94249-0046

Re: Board of Supervisors Resolution No. 285-24

Dear Assembly Member Gabriel:

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File Number: 240484

Date Passed: May 14, 2024

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June 6, 2024

The Honorable Sharon Quirk-Silva
California State Assembly Member
California Capitol Swing Space
1021 O Street, Room 4210
Sacramento, CA 95814

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