BOARD of SUPERVISORS



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

MEMORANDUM

Date: March 19, 2021

To: Kelly Kirkpatrick, Director, Mayor's Office of Budget Ben Rosenfield, City Controller, Office of the City Controller Regina Dick-Endrizzi, Director, Office of Small Business

From: Angela Calvillo, Clerk of the Board of Supervisors

Subject: Supporting Immediate Economic Relief for Small Businesses (File No. 201419)

On January 5, 2021, the Board of Supervisors adopted Resolution No. 007-21, sponsored by Supervisor Matt Haney (File No. 201419, Supporting Immediate Economic Relief for Small Businesses); enacted on January 15, 2021.

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

• One copy of Resolution No. 007-21 (File No. 201419)

If you have any questions or concerns, please contact the Office of the Clerk of the Board at (415) 554-5184 or by e-mail: <u>board.of.supervisors@sfgov.org</u>.

 Members of the Board of Supervisors, Supervisors Matt Haney, Shamann Walton, Ahsha Safai
 Sophia Kittler, Mayor's Liaison to the Board of Supervisors
 Andres Power, Mayor's Policy Director
 Rebecca Peacock, Mayor's Office
 Todd Rydstrom, Office of the Controller
 Dominica Donovan, Office of Small Business

1	[Supporting Immediate Economic Relief for Small Businesses]
2	
3	Resolution supporting the immediate prioritization of small business economic relief in
4	the appropriation of discretionary funds.
5	
6	WHEREAS, The City and County of San Francisco and the State of California are
7	under a State of Emergency requiring a shelter in place that has limited or halted small
8	businesses activity; and
9	WHEREAS, The City of San Francisco is experiencing an economic crisis of an
10	unprecedented magnitude; and
11	WHEREAS, In 2019 there were more than 90,000 registered small businesses
12	operating in San Francisco that employed more than 350,0000 workers; and
13	WHEREAS, San Francisco small businesses, as compared to other localities, are
14	experiencing some of the most severe COVID-related recession impacts with an observed
15	~41% reduction in small business hours and an observed 33% small business closures; and
16	WHEREAS, San Francisco is observed to have the worst declines in sales tax
17	revenue in the State of California with a 43% reduction in sales tax revenue between April and
18	June of this year; and
19	WHEREAS, Temporary closures required by State and local officials have
20	disproportionately impacted the leisure and hospitality, food and beverage, entertainment, and
21	personal services industries, which have resulted in layoffs and furloughs of workers in those
22	industries; and
23	WHEREAS, Most San Francisco small businesses have not benefited from federal
24	relief programs with just 22,215 businesses in San Francisco benefitting from Paycheck
25	

Protection Program (PPP) loans and with more than 80% of those loans falling under the
 amount of \$150,000; and

WHEREAS, Just 4% of PPP loans were awarded to women-owned businesses with 3 an average loan amount of \$127,000 and 3% went to self-reported minority owned 4 businesses with an average loan amount of \$124,000; and 5 WHEREAS, San Francisco's unemployment rate is currently 6.9%, slightly higher 6 than the national average and more than twice as high as it was pre-COVID; 7 WHEREAS, Local jobless claims are disproportionately affecting women, minorities, 8 and those without college degrees who are overrepresented in the industries where we've 9 seen the sharpest economic declines including hotels, restaurants, arts and entertainment, 10 and personal services; and 11 WHEREAS, San Franciscans have filed 295,0000 unemployment insurance claims 12 since February 2020, which is approximately 50% of the City's workforce and 38% of the 13 City's adult population; 14 WHEREAS, 68,000 of those 295,000 unemployment insurance claims have been for 15 Pandemic Unemployment Insurance which supports the self-employed and gig workers; and 16 WHEREAS, According to Opportunity Insight's Economic Tracker, as of November 17 30, 2020, small business revenue in San Francisco was down 46.5% as compared to January 18 2020; and 19 WHEREAS, Economic challenges related to COVID-19 have disproportionately 20 adversely impacted small business owners and those they employ; and 21 WHEREAS, Economic health is inextricably linked to housing and food security, and 22 access to healthcare is directly linked to employment; and 23 WHEREAS, According to US Census Data collected from November 25-December 24 7, 36% of adults in the US reported that it was somewhat or very difficult for their household to 25

cover usual expenses such as food, rent or mortgage, car payments, medical expenses, or
 student loans in the past seven days; and

WHEREAS, According to United States (U.S.) Census Data collected from
November 25 through December 7, an estimated 14.3 million adult renters (1 in 5) reported
that they were not caught up on rent in the past seven days; and

6 WHEREAS, According to U.S. Census Data collected from November 11 through
7 23, an estimated 44% of all children live in a household that reported it was somewhat or very
8 difficult to cover usual expenses in the past seven days; and

9 WHEREAS, According to US Census Data, Black and Latino adults were more than 10 twice as likely as white adults to report that their household did not get enough to eat, with 11 rates of 22% and 21%, respectively, compared to 9% for white adults; the rate was 19% for 12 American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial adults 13 taken together; and

WHEREAS, According to U.S. Census Data, renters of color were more likely to report that their household was not caught up on rent, with Black renters facing the greatest hardship: 29% of Black renters, 26% of Latino renters, and 21% of Asian renters said they were not caught up on rent, compared to 14% of white renters; the rate was 18% for American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial adults taken together; and

20 WHEREAS, According to U.S. Census Data, half of Black adults (52%) and Latino 21 adults (50%) reported difficulty paying for usual household expenses, compared to 29% of 22 white adults; among American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and 23 multiracial adults taken together, the rate was 45%; and

24 WHEREAS, Women and communities of color are disproportionately represented in 25 the leisure and hospitality, entertainment, and personal services industries, and are also disproportionately affected by the loss of jobs in those industries and the closures of small
 businesses; and

WHEREAS, Immediate and direct economic relief for small businesses related to their fixed costs and employee wages must be a funding priority for the City and County of San Francisco in order to prevent the permanent closure of small businesses who serve and employ their local communities; now, therefore, be it RESOLVED, That the Board of Supervisors supports making small business economic relief a priority for any discretionary funds from this and next fiscal year that are available or become available; and, be it FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board to transmit copies of this Resolution to the Mayor's Budget Office, Office of the Controller, Office of Small Business, and Small Business Commission.



City and County of San Francisco

Tails

Resolution

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

File Number: 201419

Date Passed: January 05, 2021

Resolution supporting the immediate prioritization of small business economic relief in the appropriation of discretionary funds.

January 05, 2021 Board of Supervisors - ADOPTED

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

File No. 201419

I hereby certify that the foregoing Resolution was ADOPTED on 1/5/2021 by the Board of Supervisors of the City and County of San Francisco.

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Angela Calvillo Clerk of the Board

Unsigned

London N. Breed Mayor 1/15/2021

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.

Angela Calvillo Clerk of the Board

1/15/2021

Date