



# SF Reinvestment Working Group:

## Extension of Sunset Date and Deadline for Required Reports of Reinvestment Working Group

Ordinance amending the Administrative Code to extend the time for the Reinvestment Working Group to submit required reports to the Board of Supervisors and the Local Agency Formation Commission, from the current one-year deadline to September 30, 2023, and to extend the sunset date for the Working Group to December 31, 2023.

# SF Reinvestment Working Group (RWG)

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# SF Reinvestment Working Group (RWG)

- Created by ordinance #87-21
- Tasked with submitting to the BOS and LAFCo within one year of the RWG's first meeting:
  1. a business and governance plan to establish a City-owned, non-depository lending corporation (a municipal finance corporation or MFC), and
  2. a separate business and governance plan for the MFC to become a state-licensed (per AB857) public bank
- LAFCo agreed to support the RWG as part of its work studying municipal financial services

# Summary of the Extension Ordinance

Event	Original Ordinance	Extension Ordinance
Plans Due to the BOS	April 21, 2023	September 31, 2023
RWG Sunset Date	February 2, 2023	December 31, 2023

- Extension is needed because of delays in seating the RWG and hiring HR&A, the consultant
- HR&A has agreed to a no-cost extension of their contract
- The RWG aims to complete the plans by May 31, 2023
- The extension ordinance provides additional time in case more time is needed or if the RWG wishes to continue to meet for any follow-up matters until December 31, 2023

# Why the Extension is Needed: RWG Timeline

Event	Original Ordinance
July 2021	RWG ordinance passes BOS unanimously
January 2022	LAFCo Executive Officer and Policy Analyst hired
February 2022	RFP issued for public banking consultant
March 2022	All applications unresponsive; RFP reissued
April 2022	RFP awarded to HR&A First meeting of the RWG
June 2022	Contract with HR&A Finalized

# RWG Accomplishments

- Community outreach: the RWG worked with Contigo Communications (LBE subcontractors of HR&A Advisors) on a community engagement plan:
  - Four focus groups (with 33 total participants) and many individual interviews with affordable housing advocates, community finance institutions, green energy advocates, and City departments
- Lending Gaps and Priority Analysis: HR&A identify market gaps and community needs for lending services to validate the need for a public bank and inform the development of the business plans
- Governance Plan: the RWG worked with HR&A's subcontractor banking experts (Gary Steven Findley and Associates) and community stakeholders to draft a governance plan
  - Mr. Findley submitted the draft to the FDIC and California Department of Financial Protection and Innovation (CDFPI)
  - Mr. Findley then arranged for a meeting with staff from the FDIC and CDFPI to receive initial feedback

# Timeline for RWG Deliverables

Event	Original Ordinance
Feb 10, 2023	HR&A submits drafts of business and governance plans for the MFC and public bank, plus memo on green bank options
Mar 31, 2023	HR&A submits final MFC business and governance plans
May 10, 2023	HR&A submits final public bank business and governance plans
May 31, 2023	Contract with HR&A ends after they submit the final versions of all deliverables
Jun-Dec 2023	RWG may continue to meet as desired for any follow-up matters
Dec 31, 2023	The RWG sunsets



# Questions?





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