

BOARD of SUPERVISORS



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**MEMORANDUM**

TO: Regina Dick-Endrizzi  
**Small Business Commission, City Hall, Room 448**

FROM: Linda Wong, Assistant Clerk  
Budget and Finance Committee

DATE: April 5, 2021

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

The Board of Supervisors' Budget and Finance Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation.

**File No. 210184**  
**Resolution authorizing the establishment of a small business emergency financial relief program to be administered by the Office of Economic and Workforce Development (OEWD), and authorizing the Director of OEWD to enter into one or more funding/loan agreements with the California Rebuilding Fund, LLC in an amount not to exceed \$2,000,000 to facilitate the origination of loans to certain small businesses in the City; and to enter into one or more funding/grant agreements with Kiva Capital Management, LLC in an amount not to exceed \$1,400,000 to provide monies for an interest buydown fund for loans facilitated by the California Rebuilding Fund to certain small businesses in the City, and to take necessary actions in connection therewith, as defined herein.**

Please return this cover sheet with the Commission's response to Linda Wong, Budget and Finance Clerk, by email to: linda.wong@sfgov.org.

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**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

- No Comment**
- Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

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]

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.**

14  
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

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. \_\_\_\_\_ to facilitate small business (defined herein with reference to the Rebuilding  
22 Fund guidelines, as may be amended from time to time, and which currently define “small  
23 business” as a business with fewer than 50 full-time employees and less than \$2.5 million in  
24 annual revenues) loan origination with certain community development financial institutions for  
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1 small businesses adversely impacted by the Covid emergency and located in the City; and, be  
2 it

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

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

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

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

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