

CITY AND COUNTY OF SAN FRANCISCO SMALL BUSINESS LOAN FUNDS

STATUS UPDATE – 3/17/2009

Small Business Revolving Loan Fund

Small business loan funds are not currently available, but will be soon. The City and County of San Francisco is currently seeking an administrator for its Small Business Revolving Loan Fund (RLF). The RLF administrator will be selected by the Office of Economic and Workforce Development (OEWD) April 1 and begin providing services on April 15, 2009.

Details regarding final RLF loan amounts, loan terms, and borrower eligibility will be available on April 15, 2009 from the RLF administrator.

Preliminary parameters for microloans included in the RLF administrator Request for Proposals are as follows:

- RLF microloans must not exceed \$50,000, and
- Interest rates on RLF microloans must be fixed and cannot exceed 6%, and
- RLF microloan terms must be no longer than 5 years, fully amortized, and
- RLF microloans can be used for start-up expenses, equipment, tenant improvements, working capital, and marketing, and
- RLF microloans may not be used for personal expenses, debt consolidations, debt refinancing, or research/development of new products.

Preliminary parameters for borrower eligibility included in the RLF administrator Request for Proposals are as follows:

- A RLF borrower must operate a business that is located within the boundaries of the City and County of San Francisco, and
- A RLF borrower must create or retain at least one full-time equivalent job that is filled by a low- to moderate-income San Francisco resident, and
- Borrowers must meet the following minimum financial conditions:
 - a. Debt Coverage Ratio: 125%
 - b. Loan to Value Ratio: 75%
 - c. Equity Injection: 15%

As resources become available, additional funds may be added to the RLF. RLF loan amounts and terms may be adjusted accordingly with prior approval by OEWD.



Small businesses interested in applying for a RLF loan will apply directly to the RLF administrator.

The Small Business Assistance Center is collecting contact information from business owners interested in receiving communications regarding these loans. You may contact the Small Business Assistance Center at 415-554-6134 or register online at www.sfgov.org/osb.

HUD Section 108 Business Loans

The City is also working on an agreement to borrow up to \$23 million in HUD Section 108 funds for business loans. Business loans may be available later in 2009 based on fund availability.

Details regarding final Section 108 business loan amounts, loan terms, and borrower eligibility will be available in the coming months.

Preliminary parameters for Section 108 business loans are as follows:

- Section 108 business loan \$500,000 minimum, and
- Interest rates on Section 108 business loans will range between 0% and 8% depending on repayment term and level of risk, and
- Section 108 business loan terms must be no longer than 15 years, fully amortized.

Preliminary parameters for Section 108 borrower eligibility are as follows:

- A Section 108 borrower must operate a business that is located within the boundaries of the City and County of San Francisco, and
- A Section 108 borrower must create or retain at least 14 full-time equivalent jobs that are filled by a low- to moderate-income San Francisco resident.

Section 108 loans will be administered directly by the City and County of San Francisco.

The Small Business Assistance Center is collecting contact information from business owners interested in receiving communications regarding these loans. You may contact the Small Business Assistance Center at 415-554-6134 or register online at www.sfgov.org/osb.

Federal Economic Stimulus Funds for Small Businesses

At this time, the City and County of San Francisco is still working out details of the Federal economic stimulus funding that may be available for small businesses. As we receive further information, we will publicize it accordingly.



Other Small Business Lenders

Please contact the following agencies for information on each of their loan programs.

[Small Business Administration](#)

The U.S. Small Business Administration (SBA) offers numerous loan programs to assist small businesses. SBA loan programs include 7(a) lender programs most basic and most used type loan of SBA's business loan programs; CDC/504 program is a long-term financing tool for economic development within a community; micro-loans up to \$35,000, special purpose loans to help businesses meet demand internationally and to aid business that have been impacted by NAFTA; and disaster assistance loans for homes & personal property.

Special Note: The SBA received \$730 million from the American Recovery and Reinvestment Act, providing the SBA with specific tools to make it easier and less expensive for small businesses to get loans, give lenders new incentives to make more small business loans, and help unfreeze the secondary markets to boost liquidity in the credit markets. Contact Small Business Administration, 455 Market Street, 6th Floor, San Francisco, CA 94105-2420, (415) 744-6820, www.sba.gov.

[Mission Economic Development Association \(MEDA\)](#)

MEDA is dedicated to economic justice with its efforts focused on the Latino community and the businesses and institutions that serve them. MEDA offers microloans up to \$10,000. Contact MEDA at (415) 282-3334 or www.medASF.org.

[Northeast Federal Community Credit Union \(Northeast\)](#)

Northeast is a non-profit, member-owned, federally insured, community development credit union formed in 1981. Northeast offers affordable loans to its members with savings accounts of \$100 or more. Contact Northeast at www.necfcu.org for branch listings with phone numbers and hours.

[Mission SF Federal Credit Union \(Mission SF\)](#)

Mission SF is a federally chartered nonprofit community development credit union that primarily serves low and moderate-income communities in San Francisco. Mission SF provides personal and business micro-loans starting at \$300. Contact Mission SF at (415) 431-2268 or <http://www.mission.coop/>.

[Opportunity Fund](#)

Opportunity Fund provides small business loans to low-income entrepreneurs who cannot qualify for a traditional bank loan. Loans range from \$1,000 to \$200,000. Contact Opportunity Fund at (408) 297-0204 or www.opportunityfund.org.



[Southeast Asian Community Center \(SEACC\)](#)

SEACC is a non-profit community agency that provides technical assistance and commercial loans of up to \$35,000 to low-income entrepreneurs and small business owners. Contact SEACC at 415-885-2743.

[Working Solutions](#)

Working Solutions is a 501(c)(3) nonprofit organization that provides underserved microentrepreneurs with the access to capital and resources they need to start or grow a business. Loans are from \$5,000 to \$25,000. Contact Working Solutions at 415-477-8415 or www.tmcworkingsolutions.org.

Please contact the Small Business Assistance Center for any questions about loans or other assistance for small businesses in the City and County of San Francisco <http://www.sfgov.org/osb> or 415-554-6134. The office is located in room #110 on the First Floor of City Hall with the Treasurer and Tax Collector.

