



# Local Economic Stimulus Update

## July 29, 2009



# Local Economic Stimulus Update

- 1) Accelerate capital spending
- 2) Invest in local businesses
- 3) Reduce the burdens local government places on local businesses
- 4) Support our workforce
- 5) Attract foreign investment in San Francisco



# **Local Economic Stimulus Update**

**Strategies for supporting local businesses are based on the following principles:**

- Cost margins matter now more than ever**
- Supporting local businesses can assist our economy and provide funds for necessary social services**
- City resources for economic stimulus must be targeted**



# **Expand the successful “Shop SF. Get More” and “Staycation” campaigns**

- **SFCVB “Escape to the City” marketing campaign was launched in February 2009**
- **Five month long multi-media “Shop Local SF” campaign unveiled in June 2009.**



# **Attract more filming to San Francisco and encourage more local hiring**

- **Film rebate program extended through June 2012.**
- **New program simplifies and streamlines rebate process and requires local hires on film productions.**



# Amend the City's Public Works Code

- **Working with Supervisors Chiu and Chu on legislation that will reform and streamline public works contracting provisions, accelerate initiation of city sponsored capital projects, and direct more city dollars to small local businesses.**



# **Expand existing state and federal tax credit programs**

- **OEWD and the Small Business Assistance Center provide direct business services to over 75 businesses per week.**
- **The City has issue 4,417 vouchers for individuals qualifying for the Enterprise Zone Hiring Tax Credit. This is 17% higher than at this point last year.**



# **Expand Neighborhood Marketplace Initiative (“NMI”) and Community Benefit District (“CBD”) programs**

- **Existing NMI programs maintained funding: Leland Ave., San Bruno Ave., Third Street included; Bayshore starting**
- **FY09-10 budget includes funds for some program expansion into new neighborhoods**



# **Tax credit on new equipment purchases**

- **Legislation introduced in mid-March but not yet heard.**
- **Tax credit per business is minimal but stimulus encourages local businesses to make capital purchases from San Francisco merchants.**



# Health Care Security Ordinance relief

- **Provide financial relief for qualifying small businesses who are subject to the Health Care Security Ordinance**
- **Considering providing businesses with 20-49 employees an annual \$2,000 payroll tax credit to help offset the cost of providing health care to workers.**



## **New “one-stop” career center**

- **Western Addition One Stop opened in February, 2009.**
- **The City now has six one stop career link centers: Western Addition, 1500 Mission, 3120 Mission, Southeast, Chinatown, and Civic Center.**



# Small Business Revolving Loan Fund

- **In April, OEWD selected Working Solutions, a non-profit community lender, to administer City's \$800,000 small business revolving loan fund.**
- **Working Solutions has already begun to make loans**
- **Working Solutions has leveraged an additional \$760,000 in private funds to match the City's contribution**



# **Provide \$23 million in no- or low-interest loans to local businesses**

- Working with HUD to establish criteria to lend funds to San Francisco businesses that create jobs for low and moderate income residents.**
- Loans would likely be around \$500,000 with no to low interest depending on term**



# **Provide free space to local artists in vacant storefronts**

- **Collaborating with Arts Commission, a nonprofit arts group and local artists**
- **Will enliven over 20 vacant storefronts in 4 neighborhoods**
- **Call for artist begins in July (see web site)**



# **Launch business assistance strategy for Spanish-speaking businesses**

- **Working with Supervisors Avalos and Campos on a series of merchant walks for September in key commercial corridors.**
- **PSA/media campaign designed to assist Spanish speaking business owners.**



# **“Working Families Credit” program**

- **Working to speed process for Working Families Credit (WFC) claimants to receive their payments beginning in Tax Season 2010.**
- **Seeking additional resources to boost Earned Income Tax Credit claims**



# **“Bank on San Francisco”**

- **FY 09-10 will strengthen outreach and education efforts for Bank on San Francisco and all products and services**
- **Launch low-interest rate payday loan alternative product through credit union partners to decrease the impact of predatory lenders.**



# **“Bank on San Francisco”**

- Create an on-line database of available financial education resources for community-based organizations, employers and clients.**
- Forge partnership with Consumer Credit Counseling Service to provide debt reduction and other financial counseling to San Franciscans.**



# Accelerate development projects

- **Drafting legislation that will**
  - **provide structural reforms to improve the efficiency of the local entitlement process and**
  - **reduce unnecessary cost burdens on pipeline projects.**



# Increase foreign investment

- **Mayor launched China SF in Shanghai in November 2008 to spur foreign investment in San Francisco.**
- **Successes include recruiting:**
  - **Suntech: 50 employees; may expand more**
  - **Trina Solar: Chinese solar manufacturer who chose San Francisco for N. American HQ**
  - **Sprim: Global life science company with 30 employees**
  - **China Daily: National English-language newspaper of China who chose San Francisco for West Coast operations office**

