



Recommendation for Action

File #: 21-1395, **Agenda Item #:** 23.

3/4/2021

Posting Language

Authorize negotiation and execution of a 12-month contract with PeopleFund to fund the administration of the Micro Enterprise Loans program to provide displacement prevention funding to support small businesses at risk of displacement, for a total contract amount not to exceed \$150,000.

Lead Department

Housing and Planning Department.

Fiscal Note

Funding in the amount of \$150,000 is available in the Fiscal Year 2020-2021 Housing and Planning Department's Operating Budget.

For More Information:

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Additional Backup Information:

If approved, funding will be provided for a one-year contract with PeopleFund in an amount not to exceed \$150,000. Funding is for a portion of the administration of the microloans programming for small businesses, supporting job creation and small business expansion. These loans will help prevent businesses from being displaced and will assist in mitigating closures during the sustained challenge of the pandemic.

The Housing and Planning Department has previously provided financial assistance to PeopleFund's microenterprise loan program with Community Development Block Grant (CDBG) funding in prior years. However, the Fiscal Year 2020 budget signaled a shift of small business assistance to the Economic Development Department's suite of services, and this action will provide funding for a "bridge year," positioning the micro enterprise loan program to leverage future dollars from alternative funding sources. These dollars will support the administration of the micro enterprise loan program, specifically for businesses at risk of displacement impacted by longer term market conditions or short term market conditions brought on by the economic downturn resulting from the pandemic.

Services to be provided by PeopleFund include loan packaging and loan administration services to small businesses. With these administrative funds, PeopleFund will administer \$1 million in loans to qualified program participants. The contract term shall be from March 22, 2021 to March 22, 2022.

Strategic Outcome(s):

Economic Opportunity and Affordability.