

RESOLUTION No. 37042

Authorize a pilot program with Kiva Microfunds to identify and recommend small businesses in the Portland Metropolitan area for Kiva Zip's micro lending platform

WHEREAS the Portland Plan, is intended to help make Portland a prosperous, educated, healthy and equitable city, recognizing that advancing equity must be at the core of our plans for the future; and

WHEREAS, the Disparity Study indicated evidence of disparities within the local marketplace with minorities and women facing greater disadvantages than other firm owners when seeking access to capital, bonding and insurance; and

WHEREAS, the Social Equity Contracting Strategy is designed to support minority, women and emerging small businesses in the areas of construction services and professional, technical and expert services; and

WHEREAS, the City of Portland (City) desires to encourage and spur economic development and job creation, and support local small businesses in an era of limited financial resources; and

WHEREAS, the City recognizes our community partners, such as Oregon Association of Minority Entrepreneurs, Mercy Corp., Microenterprise Services of Oregon and Hispanic Chamber, have micro lending programs that support local small businesses; and

WHEREAS, Kiva is an innovative online microfinance platform that has provided over \$400 million in loans to over a million entrepreneurs in 67 countries around the world since 2005; and

WHEREAS, at the end of 2011, Kiva launched a pilot program called Kiva Zip in the U.S. to directly connect Kiva lenders to small businesses focused on economic and social need and, thereby, spur local economic development and job creation; and

WHEREAS, Kiva Zip relies on "Trustees" to identify and recommend small businesses to the Kiva Zip website where small businesses focused on social and economic need are eligible to raise up to \$5,000 or \$10,000 in crowd funded capital with zero percent interest; and

WHEREAS, such "Trustees" solely identify and recommend small businesses for the Kiva Zip platform, and do not finance, guarantee or have any fiduciary duty to these small businesses; and

WHEREAS, "Trustees" do not have any contractual obligation with any Kiva lender or borrower; and

WHEREAS, the City desires to become a Kiva Zip "Trustee" and facilitate the access of no-cost capital on the Kiva Zip platform for businesses focused on social and economic need in Portland; and

WHEREAS, the City may utilize a recognized third party to review and recommend small businesses focused on economic and social need based on criteria established by Kiva; and

WHEREAS, the City has partnered with Kiva Zip to foster equitable economic development by offering local small businesses in the construction and professional services industries an opportunity to secure loans through crowd funding; and

WHEREAS, these recommendations will enhance the City's ongoing efforts to ensure equity in its contracting and procurement policies and processes and to help all small businesses, regardless of race and gender.

THEREFORE, BE IT RESOLVED that the Portland City Council authorizes the Office of Management and Finance, Bureau of Internal Business Services, Procurement Services Division to become a "Trustee" and recommend small businesses in Portland for the Kiva Zip micro lending platform and provide a grant in the amount of \$5,000; and

BE IT FURTHER RESOLVED that City Council hereby directs the Office of Management and Finance, Bureau of Internal Business Services, Procurement Services Division to implement a pilot program in partnership with Kiva Zip, review the efforts of Kiva Zip through this program, determine the outcomes and report the results of the partnership to City Council

Adopted by the Council: NOV 20 2013

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland

By



Deputy

Mayor Charlie Hales
Prepared by: Christine Moody
November 14, 2013

Agenda No. **37042**
RESOLUTION NO. 37042
 Title

Authorize a pilot program with KIVA Microfunds to identify and recommend small businesses in the Portland Metropolitan area for KIVA ZIP's Microlending Platform. (Resolution)

<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales</p>	<p>CLERK USE: DATE FILED <u>NOV 15 2013</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales <i>CHA</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: OMF/Bureau of Internal Business Services CAO: Jack D. Graham Bureau Head: Bryant M. Enge <i>BME</i></p> <p>Prepared by: Christine Moody, CPG <i>CM</i> Date Prepared: 11/04/2013</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Council Meeting Date 11/20/2013</p> <p>City Attorney Approval: <i>JGJ</i> required for contract, code, easement, franchise, comp plan, charter</p>	
<p>ACTION TAKEN:</p>	

AGENDA

TIME CERTAIN 3043
 Start time: 09:30

Total amount of time needed: 30 min
 (for presentation, testimony and discussion)

CONSENT

REGULAR
 Total amount of time needed: _____
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz →	1. Fritz	✓	
2. Fish	2. Fish	_____	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	_____	
Hales	Hales	✓	